



INVESTOR UPDATE – NOVEMBER 2017

Jatenergy Limited

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Shareholder Purchase Plan

The board of Jatenergy have recently sent out applications for eligible shareholders to re invest into JAT.

We particularly are targeting shareholders with shares that are below the marketable parcel as recognised by the ASX

Our policy has always to provide shareholders with an equal opportunity to partake in the current interest in JAT

The company is committed to grow and provide shareholder return when possible



JATENERGY LIMITED (ASX: JAT)

JAT is has become a China-Australia cross border specialist in Fast Moving Consumer Goods (FMCG) exports.

ONLINE CHINESE
SALES PLATFORMS

CIQ / CFDA
CLEARANCES FOR
OFFLINE SALES

MAJOR
AUSTRALIAN
BRANDS

EXTENSIVE CHINESE
BUSINESS NETWORK

END TO END
LOGISTICS
INFRASTRUCTURE



AUSTRALIAN
BASED DAIGOU
NETWORK

INVESTOR HIGHLIGHTS

EXPLOSIVE GROWTH

2015 FMCG trading commences
2016 **\$1m** sales
2017 **\$10m** sales

PRODUCTS SOLD

milk powders | wine | cosmetics | skin creams
nutraceuticals | cereals | oats | biscuits
organic oils

BRANDS REPRESENTED



IN-HOUSE BRANDS

JAT is developing in-house brands for Australian products for sale offline and online, in China.

BACKGROUND – A SECOND STRATEGIC FOCUS

Jatenergy operates in the energy sector, investing in new technologies to engineer cleaner, greener energy production, particularly relating to coal (see 'Energy Technologies' below). The opportunities are, long term, and therefore, the Board decided to pursue opportunities to achieve additional alternate source of cashflows.

THE STRATEGY: utilise JAT's Chinese business network and cross border expertise, together with the opportunities offered by ChAFTA to generate cashflows based on Chinese consumer appetite for Australian consumer goods.

STAGE I – market penetration to generate a critical mass of business flows.

STAGE II – transition from growth to profitability.

STAGE I - GROWTH

Working with major Australian brands, JAT facilitates exports for Australian producers and retailers.

- Identifying the best platform for each product.
- Positioning products relative to competitors in terms of product appeal and price.
- Dealing with regulatory requirements including CIQ, CFDA (if needed), trademarks, etc.
- Promotion and endorsement - TV, Internet, brochures.
- Communication platforms placement – Weibo / Wechat.
- Utilising local daigou platforms to promote and sell the product.
- Pricing issues, warehousing and logistics.

STAGE II – TRANSITION TO PROFITABILITY

In addition to stringent cost control, a three pronged approach will drive increased margins and profitability.

1. **A focus on smaller producers** who require a specialised end-to-end China export service and access to JAT's business network - and are prepared to enter into an exclusive arrangement with JAT including higher margins than offered by the majors.
2. **JAT owned and controlled brands.** Milk powder products for infants and adults will be manufactured in Australia under contract. The powders will be sold online, targeting Chinese consumers, and in supermarkets, pharmacies and retail stores. JAT is investigating opportunities to collaborate with existing Australian infant formula brands to develop products specifically for China.



AN UNRIVALLED OFFERING

JAT offers Australian brands unrivalled access to Chinese consumers:

- Tmall Direct Imports offering unprecedented Chinese exposure.
- Opportunity for products to be sold on Woolworths' Tmall Flagship store.
- Establishment of their own Brand presence through flagship stores on China's major E-commerce platforms.
- Offline trading opportunities through major Chinese department stores and retail chains.
- Targeting developing regions with strong economic growth.

DAIGOU

代购 - "buying on behalf of", daigou are 'personal shoppers' buying Australian products on behalf of social contacts residing in China.

- 10,000 - 40,000 daigou in Australia.
- Often start as Chinese students studying in Australia.
- AFR estimates Australian daigou trade of at least \$350 million per annum.
- Other estimates are much higher.



A MASSIVE MARKET OPPORTUNITY

Chinese consumers identify Australian products as clean and safe, placing value on Australia strict food regulations, TGA requirements and accurate product labeling.

- China's middle class estimated at 109 to 145 million people.
- Tens of millions of whom are already buying from overseas.
- In addition to daigou shoppers, 'Haitao' shoppers place orders with foreign shopping websites.
- The Chinese Australian Free Trade Agreement (ChAFTA) opens the door ...



ChAFTA, CIQ & CFDA

The Chinese Australian Free Trade Agreement (ChAFTA) opened the door to Australian businesses wanting to sell into China.

- 95% percent of Australian exports to China will be tariff free.
- In 2016 Chinese authorities announced changes to import regulations to control the grey market.
- A strong working relationship with CIQ (China Inspection and Quarantine), and CFDA (China Food and Drug Administration) allows JAT to secure the approvals necessary to allow new and existing Australian products to be sold in Chinese shops and supermarkets.

JAT'S CHINESE BUSINESS NETWORK

Mr Xipeng Li, Director and substantial shareholder. Mr Li has extensive investments in E-commerce data centres, roads, power stations, hospitals, water supplies, property development, financial services and renewable energy throughout mainland China, and is a Director, and the third largest shareholder, of one of China's major commercial banks.

Major online platforms. JAT operates official flagship stores for major Australian and international brands on TMall, JD, VIP and other online platforms. Jatenergy is one of a select few businesses supplying Australian products through the Tmall Direct Import channel.

Bricks and Mortar' Retail Stores. JAT supplies Australian products to more than 400 department stores, supermarkets and pharmacies in over 30 provinces in China.



ENERGY TECHNOLOGIES

JAT continues to seek renewable, biofuel or coal regenerative technology projects in Australia that offer sound economic prospects, including;

- Bio digesters for methane production and capture.
- Plastic conversion technologies to fuel.
- Biomass conversion to diesel fuel.
- Use of hydrogen as a replacement for diesel.
- Power generating in industrial and residential water storage .
- PV farms in country Victoria.



FINANCIALS

	2017	2016	2015	2014	2013
REVENUE	\$9.83m	\$0.97m	\$0.03m	\$0.57m	\$0.13m
NET LOSS	(\$0.41m)	(\$1.98m)	(\$1.13m)	(\$3.04m)	(2.21m)

DIRECTORS

Anthony Crimmins EXECUTIVE CHAIRMAN



Anthony Crimmins has been involved in numerous start-up companies that have listed on the Australian Securities Exchange, particularly “breakthrough” businesses. He has a level fluency in Mandarin and a keen understanding of Asian business practices. He has previously worked as a general manager and project manager in the commercialisation of technology-based products and services. Mr Crimmins is also a director of Abundant Produce Limited (ASX: ABT).

Xipeng Li NON-EXECUTIVE DIRECTOR



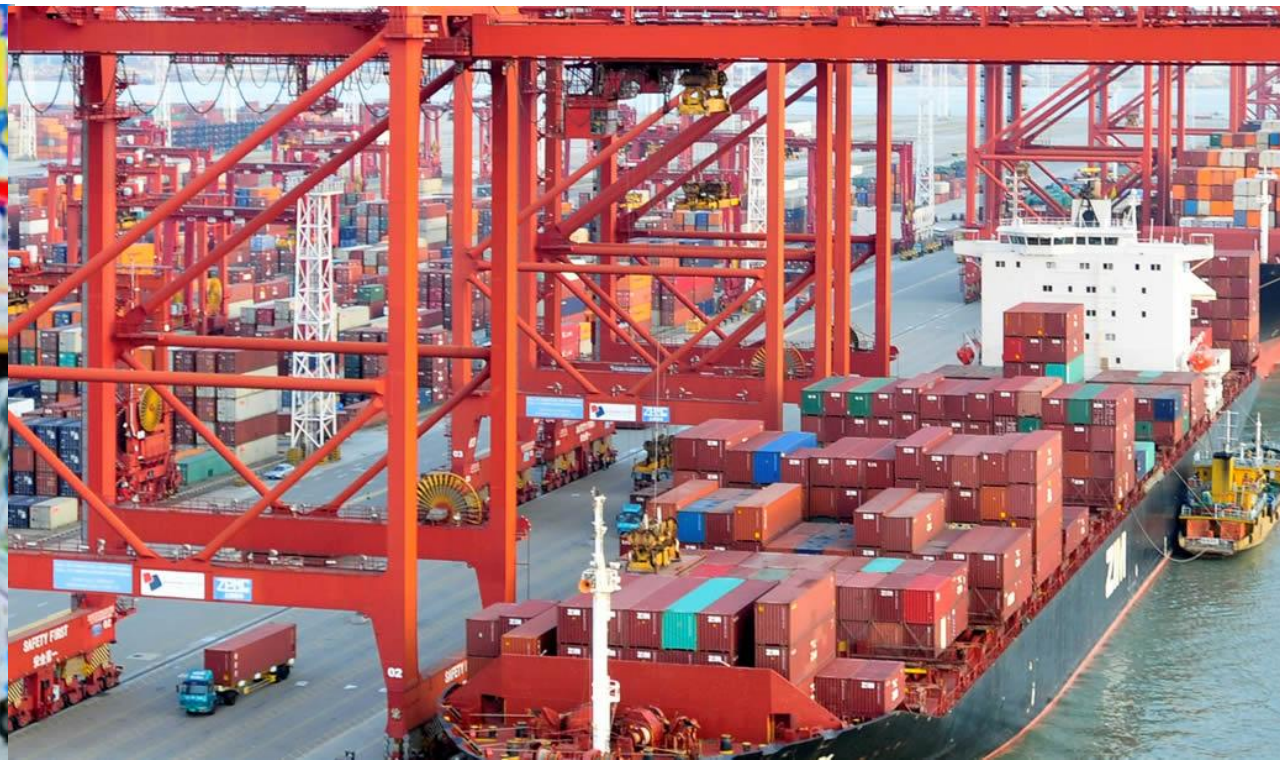
Li Xipeng is an experienced executive and has served as a Director and Chief Executive Officer of Pinglin Expressway Limited. He has served as Chairman of Pinglin Expressway Limited since May 2003. Prior to that, Mr Li served as Chairman of HSV, China since May 2001 and as Chairman of Henan Shengrun Real Estate Co Ltd, China, since May 2000. Mr Li graduated from Zhongnan University of Economics and Law and he earned his EMBA at Cheung Kong Graduate School of Business.

Wilton Yao EXECUTIVE DIRECTOR



Wilton Yao’s expertise includes business broking, and franchise development for both local and international markets. Mr Yao has strong connections with overseas investors, especially from mainland China and he has worked closely with Australian Government organisations and local companies to promote successful investment projects for Chinese investors. He provides consulting services to a number of ASX listed companies, focusing on project exploring and seeking investment funds from overseas investors.

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SPECIALISING IN CHINA-AUSTRALIA CROSS BORDER TRADE