



ASX ANNOUNCEMENT

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28th February 2018

Highlights

- **JAT Appointed as Australian Agent for the Inaugural China International Import Expo**
- **Capital raising planned to fund business expansion**

China International Import Expo

Shanghai Dragon Corporation (SDC) today appointed Jatenergy Limited (JAT) as its sole Australian agent with regard to the China International Import Expo (CIIE), to be held in Shanghai in November 2018. SDC is a subsidiary of Orient International (Holding) Co. Ltd, the largest comprehensive trading group in Shanghai and an exhibition promotion partner appointed by the organiser of CIIE.

CIIE is China's first expo designed to introduce imported products to Chinese buyers and distributors. CIIE was announced by Chinese President Xi Jinping in May 2017, signalling strong central government support for trade liberalization and actively opening the Chinese market to the world.

Over 500,000 visitors from China and around the world are expected to attend CIIE, including 150,000 domestic and foreign professional purchasers for private companies, state enterprises, and provincial and municipal governments.

JAT will invite Australian businesses to showcase their products and services at CIIE, and in partnership with SDC, will provide assistance with related aspects of logistics, marketing and promotion, and facilitation of procurement agreements with Chinese enterprises.



180,000 square meters of exhibition space has been allocated to products including: food & agricultural products, consumer electronics & home appliances, apparel, fashion & daily consumer



goods, medical devices & equipment, high-end intelligent equipment, and automotive products. A further 30,000 square metres has been allocated to services including: tourism, business services, education and creative design.

In addition to assisting third party Australian brands, JAT and SDC will create a high visibility presence for Golden Koala's range of milk products at CIIE.

"As an official promoter of the event, Shanghai Dragon will arrange special promotional activities for Golden Koala products," JAT Director Wilton Yao said. "This will provide a massive boost to Golden Koala's brand presence, both for Chinese buyers and for exhibitors and visitors from all around the world."

JAT and Golden Koala (GK) continue to develop Chinese (and Australian) distribution channels and brand awareness, simultaneous with applying for China Food and Drug Administration approval for GK's premium "OPO" infant milk powder.

Planned Capital Raising

The Board is planning to raise approximately \$3.5m of additional capital (subject to shareholder approval) to fund business expansion to take advantage of these opportunities. Details of the capital raising including the proposed use of the funds will be set out in a notice of general meeting of shareholders to be released shortly.

The funds will be applied approximately as follows:

- \$1.5m for development of the Golden Koala brand, both in Australia and China. This will involve multichannel platform development, promotions, and public relations campaigns in both Australia and China.
- \$1m to expand production capacity and to stockpile sufficient inventory to meet a minimum of 3 months of expected sales. GK will soon release a new range of products including
 - a children's milk powder
 - new adult full cream, and skim milk powders
 - English language packaged infant formula.
- \$1m for working capital funding administration costs and continued FMCG trading.

27 March 2018 General Meeting

At a general meeting of shareholders to be held on 27 March 2018, JAT is seeking shareholder approval in accordance with Listing Rule 11.1.2 of its move into the FMCG business. Participation in CIIE and the proposed capital raising set out above are key components of



The development of the FMCG business. The ongoing development of the FMCG trading business and the capital raising may not continue if that approval is not forthcoming.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Tony Crimmins'.

Tony Crimmins
Director

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