



ASX ANNOUNCEMENT

JATENERGY LIMITED
ABN 31 122 826 242

ASX CODE: JAT

AUSTRALIAN REGISTERED OFFICE
Suite 4.06
55 Miller Street
PYRMONT NSW 2009 AUSTRALIA

CONTACT DETAILS
Telephone +61 2 9571 8300
Facsimile +61 2 9571 8200
Email admin@jatenergy.com
Web www.jatenergy.com

SHAREHOLDER RELATIONS CONTACT
Walter Munro
+61 2 9571 8300
admin@jatenergy.com.au

15 March 2018

CHINESE INTERNET SALES PLATFORM

Highlights

- **Golden Koala invited to establish a flagship store on leading Chinese cross-border sales platform, Kaola.com.**
- **Part of internet giant NetEase, Kaola is one of China's largest and fastest growing cross-border e-commerce platforms.**

The following announcement is in relation to the establishment of an internet sales platform by Golden Koala Group Pty Limited ("Golden Koala") for sales of its milk products to the china market. Jatenergy is in the process of acquiring 51% of Golden Koala. The acquisition will only proceed if the necessary resolutions are passed at the general meeting of Jatenergy shareholders to be held on 27 March 2018. A summary of the resolutions follow:



1. Shareholder approval is sought in accordance with Listing Rule 11.1.2 for Jatenergy's move into the FMCG business. The acquisition of Golden Koala and the participation in the NetEase Kaola platform are key components of the development of the FMCG business. The ongoing development of the FMCG trading business may not continue if that approval is not forthcoming.
2. Jatenergy has agreed to acquire 51% of Golden Koala and will issue 83,333,333 shares to the vendor as part consideration.

If shareholder approval is not obtained to those resolutions, Jatenergy will not be able to benefit from the agreement between Golden Koala and Kaola which is set out below.

Agreement with NetEase Kaola

Golden Koala has agreed to an offer from Chinese internet giant NetEase, to sell its Australian dairy products direct to Chinese consumers through the Kaola sales platform.

NetEase launched the Kaola.com platform in 2015 which is the platform through which sales are made for products such as popular PC-client and mobile games, advertising services, e-mail services and e-commerce platforms. Kaola.com has quickly become one of the world's fastest growing ecommerce platforms, and according to data



from iiMedia Research attained a 24% market share in the first half of 2017 (exceeding Alibaba Tmall Global's 20%).

All sales will be made by Golden Koala selling directly to buyers through the platform with Kaola.com deducting selling fees. The fees will vary between the different Golden Koala products and will depend on the volume of each product sold.

NetEase Kaola CEO Lily Lei Zhang has said that "As Chinese consumers become increasingly sophisticated, their focus has shifted from pricing concerns to a search for high-quality and reliable brands," and describes Kaola.com customers as "largely well-educated young women living in China's major cities," seeking health and quality of life. NetEase Kaola's CEO has said that the company expects to buy about US\$11 billion of inventory from the general market over the next three years.



"Kaola has become China's leading platform for baby products," Jatenergy Executive Director, Wilton Yao said, "so we were delighted to receive Kaola's invitation to establish a flagship store to showcase and sell Golden Koala's full Australian dairy range. We look forward to working closely with Netease Kaola to deliver Golden Koala products to Chinese consumers as soon as possible."

Golden Koala and Jatenergy management are currently in China conducting discussions with online platforms, retail groups and distributors.

Anthony Crimmins
Executive Chairman
Ph: 02 95718300

SHAREHOLDER RELATIONS CONTACT Walter Munro +61 2 9571 8300 admin@jatenergy.com