



ASX ANNOUNCEMENT

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Business Update

- **Letter of Intent with Shanghai Dragon Corporation to co-develop brands for Australian products**
- **JD Global approves Golden Koala's Australian dairy products for sale on its cross-border platform jd.hk**

Cooperation with Shanghai Dragon

JAT and Shanghai Dragon Corporation (SDC) have entered into a "Cooperation Letter of Intent" under which both parties agree to work together to bring Australian products to Chinese consumers, and to co-develop own-brands for the Chinese market. JAT will be responsible for the sourcing, branding and supply of Australian goods. SDC will be responsible for arranging the import of the goods into China, provision of a sales platform and selling the goods in China. The letter of intent does not specify commercial terms, which are to be determined on a product-by-product basis.

Over time JAT Directors believe this initiative will generate substantial business opportunities for JAT. SDC is a large, state controlled, publically listed business with;

- over 40 years of international trading history,
- strong state support,
- sales in excess of AUD 1 billion (equivalent) per annum,
- over 2,100 employees,
- extensive logistics and warehousing infrastructure,
- over 4,000 retail outlets.

Another Chinese e-commerce giant chooses Golden Koala

JD Global has approved the sale of Golden Koala's range of (English language packaged) Australian dairy products online to Chinese consumers on JD Global's cross border platform: JD.hk.

The Directors anticipate orders from JD Global commencing during the current quarter.

JD is China's largest retailer by revenue, with over 266 million annual active users. JD can also claim the largest fulfilment infrastructure of any e-commerce company in China with seven fulfilment centres and more than 400 warehouses covering 2,830 counties and districts.

"This week we have taken major steps forward to sell Golden Koala products, both through China's biggest online seller, and offline through a major state-owned trading company and retailer," Director



Wilton Yao said. “JD is the second major Chinese online platform to select Golden Koala, after baby products specialist NetEase Kaola. Together with Shanghai Dragon’s retail shop presence, this should deliver a huge lift to brand profile and sales.”

“Our commitment to sourcing the best Australian products is unwavering and we will continue to work with China’s most capable online and offline distributors to deliver them to Chinese families,” Mr Yao said. “Golden Koala’s natural, nutritious milk powders are helping to feed tens of millions of infants and toddlers, and their families, and we are working to get a new premium OPO infant formula (with the same fatty acid structure as mothers’ milk) to market as soon as possible.”

Note re regulatory approvals required

From 1 January 2018, any new shipments of infant formula to China required approval from CFDA or the new regulator, known as State Market Regulatory Administration (国家市场监督管理总局), in addition to CNCA approval (see JAT announcement dated 26 March 2018). JAT, Golden Koala and Golden Koala’s Australian manufacturer, Nutritional Choice Australia Pty Ltd, expect to lodge the necessary approval applications in April or May 2018 to export infant formula to China. The approvals are required in order to sell Golden Koala on the JD Global platform.

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