



ASX ANNOUNCEMENT

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18 June 2018

Business Update

- **First order received from Shanghai Dragon Corporation for retail sales across China**
- **JAT specialty shops to open within 4,000 plus Shanghai Dragon Corporation retail outlets**
- **JAT to develop Cobbitty Country brand**

On 12 April 2018, JAT announced an agreement with Shanghai Dragon Corporation (SDC) to bring Australian products to Chinese consumers, and to co-develop own-brands for the Chinese market.

This strategy is now being implemented as follows:

1. SDC has made its first order - a shipping container of Australian oats for sale in its network of retail stores across China.
2. Space will be set aside within approximately 4,000 of SDC's retail stores for JAT speciality shops. These shops will be managed by SDC staff and sell a range of imported goods supplied by JAT, being Australian sourced FMCGs.
3. JAT and SDC will jointly develop JAT's Cobbitty Country brand in Australia and China for the planned range of in-house products, which will include milk products, biscuits, toothpaste, soap, and other high volume FMCGs.

"This order represents the tangible commencement of Chinese retail sales for JAT," Executive Chairman Tony Crimmins said. "JAT products will soon be sitting on the shelves of thousands of shops across China. A strong Chinese retail presence is the fourth pillar in our FMCG strategy, setting us apart from other Australian trading companies selling to Chinese consumers."

JAT's four FMCG trading pillars are;

1. In-house products offering security of supply, control over positioning and pricing, and higher margins.
2. Cross-border (including daigou) and online sales – helping to initiate sales and drive brand presence.
3. Domestic Chinese distribution channels – offering high sales volumes.
4. Chinese retail presence – enhancing brand presence (including positioning and pricing) and a combination of high sales volumes and margins.



“We are particularly fortunate to be working with Shanghai Dragon in this regard”, Mr Crimmins said. “They are a large, publicly listed Chinese company with strong state support, a rich 40-year history of international trading, sales in excess of AUD 1 billion per annum and extensive logistics and warehousing infrastructure.”

Anthony Crimmins
Executive Chairman