

## JAT ENERGY LIMITED

ABN 31 122 826 242

ASX CODE: JAT

#### AUSTRALIAN REGISTERED OFFICE

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### **CONTACT DETAILS**

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# **ASX ANNOUNCEMENT**

28 February 2019 Melbourne, Australia

UPDATE – Jatenergy (JAT) creates joints venture Jatpharm Pty Ltd, to start manufacturing operation in Sydney

- Company will make in-house and white label products
- Seeking TGA and CNCA approval
- Currently seeking a site in Sydney
- Builds strong fixed asset base

Jatenergy is pleased to announce the establishment of a new joint venture company, Jatpharm Pty Ltd. Jatenergy will be the major shareholder in the new company, which will establish a manufacturing operation to produce health products, including vitamins and supplements, diary products and other over-the-counter products.

# TGA and CFDA Approval

The manufacturer will seek registration with the Therapeutic Goods Administration (TGA) and the Certification and Accreditation Administration of the People's Republic of China (CNCA).

## **Jatpharm Partners**

As a TGA and CNCA approved manufacturer, Jatpharm will produce inhouse brand products, and seek contracts from other companies to produce private-label products.

Jatenergy is the major shareholder (55%) of Jatpharm together with three minority shareholders. One shareholder will operate and manage the factory under TGA regulations. The other shareholders are specialists in product formulation.

# Site Selection

Jatpharm directors are in discussions with real estate agents to select a suitable site for production facilty establishment, a site is expected to be identified in March or April.



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We expect to complete stage one of establishing the factory by late 2019 or early 2020, contingent on planning approvals.

## **Market Trends**

Jatenergy's Neurio products, distributed into pharmacies across Australia and China, are in such high demand that we are confident the factory will become cash positive 12 months after production commences.

Current global trading conditions support development of the project. In particular, increased trade barriers among some major trading countries on dairy products, including infant formulas, bode well for the manufacturing initiative.

Demand from the growing middle class in China and other Asian countries is fuelled by a new concept known in China as the "big health" lifestyle. This means people consume health supplements, quality dairy products with nutritional additives and other healthy foods.

The board of Jatenergy believes that a TGA and CNCA approved manufacturer meets this market trend and is in line with the market's new consumption habits.