



ASX ANNOUNCEMENT

JATENERGY LIMITED

ABN 31 122 826 242

ASX CODE: JAT

AUSTRALIAN REGISTERED OFFICE

Unit 23
376-380 Eastern Valley Way
CHATSWOOD NSW 2067 AUSTRALIA

CONTACT DETAILS

Telephone +61 488 248 138
Email admin@jatenergy.com
Web www.jatenergy.com

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Highlights

- **Distribution agreement with Cyclone E-Commerce Co., Ltd**
- **Over \$7.5 million in single product revenue**

The Directors are pleased to announce that JAT has entered into a distribution agreement with Cyclone E-Commerce Co., Ltd (Cyclone) under which Cyclone has agreed to purchase over \$7.5 million in product from JAT over the next 12 months.

About Cyclone

Cyclone is a distributor based in Hangzhou City, Zhejiang. Part of London-based Gingko International Limited group, Cyclone utilizes proprietary cross-border e-commerce platforms and bonded warehouses to deliver global products to Chinese consumers.

Cyclone supplies global maternity and baby brands, health products, snacks, and skin care products through the Hipac, Momtime and other maternal and baby platforms and to O2O experience stores and micro-marts. O2O refers to the business strategy of “online-to-offline”, which draws potential customers from online channels to make purchases in physical stores.

The Agreement

Under the distribution agreement:

1. Cyclone agrees to purchase 300,000 tins of NEURIO – Lactoferrin Milk Powder from JAT over a 12-month period at the best market price.
2. Cyclone has exclusive rights to sell the product on the Hipac and Momtime platforms.
3. The term of the agreement is twelve months which can then be extended by mutual agreement.
4. Cyclone must make full payment for all orders prior to shipping by JAT.

There are no conditions precedent to the agreement.

Supply Arrangements

NEURIO – Lactoferrin Milk Powder is a product supplied by Sunnya Pty Limited (“Sunnya”). As previously announced JAT has agreed to purchase 51% of Sunnya Pty Limited, subject to shareholder approval at a general meeting of shareholders which is expected to be held in

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August 2018. Sunnya has specifically agreed to supply to JAT all of the Neuroio product required for the Cyclone agreement over the next 12 months, regardless of whether the Sunnya acquisition proceeds.

Significance to JAT

Executive Chairman Tony Crimmins said:

“This transaction brings in more than \$7.5 million in revenue over the 12 months. That’s quite pleasing for a single product with a single customer. Just as important, it’s confirmation of our strategy of combining Sunnya’s products with JAT’s distribution capacity. NEURIO – Lactoferrin Milk Powder is an attractive product in China and the orders are starting to reflect that.”

Anthony Crimmins
Executive Chairman

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