



CHINA-AUSTRALIA CROSS BORDER TRADE SPECIALIST

PRESENTATION TO INVESTORS AND BROKERS

JULY 2018

Jatenergy Limited

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INTRODUCING JATENERGY LIMITED (ASX: JAT)

1. PRODUCTS

In-house products offering security of supply, control over positioning and pricing, and higher margins.

4. RETAIL

Chinese retail presence, expanding brand penetration and a combination of high sales volumes and margins.



2. CROSS-BORDER

Online sales to Chinese consumers from offshore platforms, helping to establish brand presence and drive sales.

3. DISTRIBUTION

High volume wholesaling to daigou groups and Chinese distribution channels, online and offline.

A RAPID BUT DISCIPLINED TRANSFORMATION

ChAFTA

The China-Australia Free Trade Agreement is signed in June 2015, effective December 2015. JAT commences exploration of Fast Moving Consumer Goods trading.

FY 2015

FY 2016

FMCG Export Service

FMCG export service business develops and begins to impact cashflows: turnover \$1 million.

FY 2017

\$10m FMCG Turnover

FMCG turnover reaches \$10 million and JAT focuses on in-house brand development.

FY 2018

NOW

MARCH 2018 - Shareholders formally approve **change in the nature of JAT's activities** to FMCG trading and the purchase of **Golden Koala**, securing **in-house product**.

MAY 2018 - Proposed acquisition of a controlling interest in **Green Forest International**, to drive **diagou sales** and expand **distribution**.

MAY 2018 - Agreement to establish **JAT retail presence** in Sheng Run shopping malls.

JUNE 2018 - Proposed acquisition of 51% of **Sunnya** boosts JAT's portfolio of **in-house products** and capacity to create **innovative new products**. JAT Neuroio orders commence.

JUNE 2018 - JAT specialty shops to open within **4,000 plus** Shanghai Dragon Corporation **retail outlets**.

JUNE 2018 - Golden Koala contracts for **production of new high calicum full cream milk powder and O-P-O Infant Formula**.

PRODUCTS



Neurio

IN HOUSE BRANDS

The logo for Cobbitty Country is presented within a dark green, rounded rectangular frame with a white border. The text "Cobbitty Country" is written in a yellow, cursive script. To the right of the frame, there are three green leaves of varying sizes, arranged in a cluster.

Cobbitty Country

JAT and Shanghai Dragon Corporation have agreed to co-develop the Cobbitty Country Brand and associated products.

A wide range of fast moving consumer goods will be manufactured in Australia under contract and packaged under the Cobbitty Country brand. These will include milk products, biscuits and other foods and beverages, toothpaste, soap, and other high volume FMCGs.

IN HOUSE BRANDS



JAT and 51% owned Golden Koala have developed and commenced production of a new high calcium full cream milk powder and a new premium ‘O-P-O’ infant formula.

OPO is a triglyceride fatty composition (Oleic-Palmitic-Oleic) found in mother’s milk. The fat blends found in most infant formula have a different (P-O-P) structure. Clinical studies associate O-P-O with; increased absorption of calcium and energy, increased bone strength, healthier gut bacteria and intestinal health, less crying and constipation and better sleep. Chinese consumers are aware of these benefits, making OPO formulas particularly sought after.



IN HOUSE* BRANDS - SUNNYA

NEURIO – Lactoferrin Milk Powder, DHA Algae Oil Softgel, and Probiotics Liquid, selling in China since April 2017, primarily in maternal and baby stores and local supermarkets.

Selling via major online platforms and distributors from July 2018.

RAICARE Goat Premium Infant Formula – sold in China in 2016 and 2017.

An application for CFDA approval to continue sales under the new regulatory regime has been lodged.

* Subject to shareholder approval



CLIENT BRANDS



CROSS-BORDER

‘Haitao’ shoppers are those who place orders with foreign shopping websites. China’s middle class estimated at 109 to 145 million people, tens of millions of whom are already buying from overseas.

China is the world’s second largest importer and consumer. In the next five years, China expects to import products and services valued at over 10 trillion U.S. dollars.

JAT's CROSS-BORDER PARTNERS – INTERNET GIANTS

TMall	JAT distributes a wide range of products on TMall Global through Woolworths TMall flagship store and other TMall shopfronts.
JD.hk	JD Global has approved the sale of Golden Koala and Neurio Australian dairy products online to Chinese consumers on JD Global's cross-border platform: JD.hk.
Kaola	JAT has been selected by NetEase Kaola to establish a flagship presence on Kaola.com, providing a pivotal opportunity to showcase and sell Golden Koala, Neurio and other JAT products.
Xiaohongshu	A social media based cross-border platform that retails luxury, beauty and fashion products and encourages shoppers to share content, ideas, bargains and shopping tips. Xiaohongshu will sell Neurio and Abundant Natural Health and other products distributed by Jat.
Beibei	A maternal and infant product e-commerce platform that offers everyday discount sales of children's clothes, shoes, toys and other products.
Huibao	Huibao will promote and sell JAT products through its Community O2O platform, using mobile apps to promote, sell and deliver JAT products to consumers.
Cyclone	Cyclone supplies products via its proprietary cross-border e-commerce platforms and to Hipac, Momtime and platforms, O2O experience stores and micro-marts.

DISTRIBUTION



GREEN FOREST INTERNATIONAL

JAT recently announced the purchase of a controlling stake in Green Forest International Pty Ltd (Green Forest) in a cash and share transaction, subject to shareholder agreement. JAT and Green Forest have worked together since 2016 and the merger offers significant advantages to JAT, bringing with them:

- a large portfolio of Australian and international brands,
- over 200 gift shops, duty free stores and daigou warehouses in Australia,
- more than 50 shops and pharmacies in Hong Kong
- stable cash-flows and earnings.

These strengths complement JAT's cross-border and distribution strengths. Green Forest's shareholders have agreed to inject a minimum of \$2 million into Green Forest as working capital, matched by another \$2 million from JAT, to fund rapid business expansion to take advantage of the merger synergies.

”Buying on behalf of”, **daigou** are ‘personal shoppers’ buying Australian products on behalf of social contacts residing in China. There are estimated to be 10,000 - 40,000 daigou in Australia shipping products worth \$350 million per annum plus.

SHANGHAI DRAGON CORPORATION

JAT and Shanghai Dragon Corporation (SDC) are working together to offer Australian products to Chinese consumers through SDC distribution channels. This will include JAT client products, existing JAT brands and new product ranges developed together under the Cobbitty Country brand.

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,
- extensive logistics and warehousing infrastructure,
- over 4,000 retail outlets.

SDC orders have commenced.

JIANGSU JBINGO INTERNATIONAL CO., LTD

Jbingo is a major business-to-business (B2B) distributor in China with bonded warehouse in Hangzhou Xiasha (near Shanghai) and Chongqing Xiyong (in central China) providing national coverage.

Jbingo sells to leading Chinese B2B Maternal and Baby platforms such as Hipac, Seatent, Yuouhui, Qianfeng, Mainsweb and DDH, as well as some business-to-consumer platforms such as JD, VIP, Xiaohongshu and Taobao.

Jbingo has agreed to distribute Golden Koala and other JAT represented and in-house product lines via platforms and territories across China including both online and offline sales.

RETAIL





Opening in the next few months, Hui Yue Kid's City will be the largest indoor children's themed shopping centre in Zhengzhou spanning 18,000 square meters over three levels. It offers 'one stop shopping' for expectant mothers and the families of newborns through to children aged twelve. The Kid's City is part of the 80,000 square meter Hui Yue Shopping Mall. Zhengzhou is the capital city of Henan province which is home to around 100 million people,

JAT will open a cornerstone retail outlet, 'Jat Maternal and Infant Boutique' in the Kid's City.

JAT will offer its own-brand products in the new shop, together with those of other Australian and international producers, offering exceptional Chinese retail exposure to JAT's in-house and client products.

4,000 JAT SPECIALTY SHOPS

Shanghai Dragon Corporation has agreed to allocate space within approximately 4,000 retail stores for JAT specialty shops.

These shops will be managed by SDC staff and sell a range of imported goods supplied by JAT, primary Australian sourced FMCGs, including Cobbitty Country and other JAT in-house brands.

CIIE

Announced by Chinese President Xi Jinping, the China International Import Expo (CIIE) signals strong central government support for trade liberalization, actively opening China's massive consumer market to the world.

Over 500,000 visitors from China and around the world are expected to attend CIIE in November, including 150,000 domestic and foreign professional purchasers for private companies, state enterprises, and provincial and municipal governments.

JAT has secured exhibition space to create a high visibility presence for JAT's in house product ranges at CIIE.



JAT is assembling an unmatched portfolio of products, cross-border platforms, daigou and distribution channels, and an extensive retail presence to fully capitalise on Chinese consumer appetite for Australian produce.

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