



ASX ANNOUNCEMENT

JATENERGY LIMITED

ABN 31 122 826 242

ASX CODE: JAT

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29 January 2018

December 2017 Appendix 4C – Quarterly Report

Jatenergy (JAT or Company) (ASX Code: JAT) is pleased to provide its quarterly report for the period to 31 December 2017.

Revenues from customers over the period were consistent with the previous quarter (\$800,000 compared to \$799,000) and profit margins remained similar. Manufacturing and operating costs rose from \$729,000 to \$934,000 as a result of timing differences and a significant down payment on milk powder production, the revenues from which are expected to be booked in the March 2018 quarter. Administration and corporate costs rose (from \$159,000 to \$257,000) as the company developed the infrastructure to support business growth.

A successful capital raising brought \$2.719 million into the company, net of costs, from new shares issued. The cash at bank accordingly increased from \$108,000 to \$2.438 million ensuring that the company is well funded for its working capital requirements.

As announced during the quarter, wholly owned subsidiary Cobbitty Country has entered into an agreement to purchase 51% of Golden Koala Group Pty Ltd ("GK"), subject to shareholder approval at a general meeting to be held shortly. GK is an Australian milk powder brand, its primary product being "Golden Koala Infant Formula". This transaction represents a key development in JAT's strategy to transition from low margin trading of third party products to selling JAT owned products at substantially higher margins.

GK has an established track record of selling milk products in China and previous CFDA approval. GK has secured an agreement with Nutritional Choice Australia Pty Ltd ("NCA") to manufacture premium infant milk formula for export to China. NCA is one of only 15 Australian manufacturers currently accredited by the CNCA (Certification and Accreditation Administration of the People's Republic of China) to export infant formula into China, and from 1st January 2018, each manufacturer is licenced for a maximum of three formulations. This means GK's formulation will be one of only 45 (currently) which can be sold 'offline' - in Chinese shops and supermarkets.

With this licensed manufacturing capacity now in place, GK will next apply to renew its China FDA approval, with JAT's assistance. Given JAT's extensive working relationship with Chinese regulators, the Board is confident of GK achieving approval in 2018.

Yours faithfully

Tony Crimmins
Director

ENQUIRIES

Walter Munro, Investor Relations
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+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Jatenergy Limited

ABN

31 122 826 242

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	802	1,601
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(934)	(1,664)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(257)	(415)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(389)	(479)

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(14)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(14)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,719	2,839
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,719	2,839

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	108	92
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(389)	(479)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(14)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,719	2,839
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,438	2,438

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,438	108
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,438	108

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	67
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	2,500
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	284
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	2,784

Quarterly report for entities subject to Listing Rule 4.7B

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


Date: 31st January 2018

(Director)

Print name: Tony Crimmins

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.