

JATENERGY LIMITED
ABN 31 122 826 242
ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2017 and the Interim Report for the half year ended 31 December 2017 and the attached auditors' review report.

This Appendix 4D is prepared in accordance with ASX Listing Rule 4.2A.3.

Reporting period: Half-year from 1 July 2017 to 31 December 2017.

Previous corresponding period: Half-year from 1 July 2016 to 31 December 2016.

Financial Results

Revenue from ordinary activities for the period:	\$1,575,146
Loss from ordinary activities after tax for the period attributable to members:	(\$273,312)
Net loss after tax for the period attributable to members:	(\$273,312)

The Company does not propose to pay dividends in the current period.

The Group incurred an after tax loss attributed to members of \$273,312 for the six months to 31 December 2017 (2016: \$265,107 loss).

Revenue from the Group's trading activities was down, significantly from \$4,598,886 to \$1,575,146 (a decline of 65%) compared to the prior corresponding period. However an increase in gross profit margins resulted in a small increase in gross profit. Unfortunately, the gross profit from these activities was not sufficient to offset administration costs.

JAT's expanding FMCG (Fast Moving Consumer Goods) product range includes milk powders, wine, cosmetics, skin creams, nutraceuticals, cereals, oats, biscuits, and organic oils. Having successfully penetrated the Chinese FMCG market during the previous financial year, the focus during the 6 months ending 31st December 2017 was transitioning to higher margin sales through the development of a JAT product range designed for Chinese consumers, starting with the milk products market segment.

As announced in December, 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 in February. GK is an Australian milk powder brand, its primary product being "Golden Koala Infant Formula".

GK has an established track record selling milk products in China, and prior CFDA (China Food and Drug Administration) approval. GK has secured an agreement with Nutritional Choice Australia Pty Ltd (NCA) to manufacture 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. GK's agreement covers NCA's premium "OPO" formulation. OPO is a triglyceride fatty composition (Oleic-Palmitic-Oleic) found in mother's milk that is associated with significant health benefits. As a result, OPO formulas are most in-demand in China.



With this licensed manufacturing capacity now in place, GK is currently in the process of applying to renew its CFDA approval, with JAT's assistance. JAT and GK have also commenced discussions with Chinese online sale platforms and offline distributors in preparation for the anticipated CFDA approval.

This gives the Director confidence that the Group will be profitable in the near future and remain a going concern for many years to come.

Significant Events since Balance Sheet Date

As announced to the market on 13 December 2017 the Group raised \$1.2 million through the issue of a Convertible Note. The funds from these notes were received in January 2018 and at the date of this report the noteholders had requested they be converted to equity. To facilitate this, the company intends to hold an EGM in the next three months to request shareholders' approval for the issue of new shares. This will have the effect of providing an additional \$1.2 million of equity to the Group.

No other matters have arisen since 31 December 2017 that have significantly affected, or may significantly affect the Company's operations in future financial years, the results of those operations in future financial years or the Company's state of affairs in future financial years.

Net Tangible Assets

	As at 31/12/2017	As at 30/06/2017
Net tangible assets per ordinary share	0.01 cents	0.00 cents

The accounts presented include an auditors' review report with an emphasis of matter regarding going concern.





JATENERGY LIMITED
ACN 122 826 242

INTERIM REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017



Jatenergy Limited
ABN 31 122 826 242

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JATENERGY LIMITED

ACN 122 826 242

Directors' Report

Your Directors present their report on the Company, Jatenergy Limited and its consolidated entities, for the half-year ended 31 December 2017.

Directors

The followings persons were Directors of Jatenergy Limited during or since the end of the financial half year;

- Mr Anthony Crimmins, Executive Chairman
- Mr Xipeng Li, Non-Executive Director
- Mr Wilton Yao, Non-Executive Director

Review of operations

The Group incurred an after tax loss attributed to members of \$273,312 for the six months to 31 December 2017 (2016: \$265,107 loss).

The Group's trading activities include selling FMCG (Fast Moving Consumer Goods) such as milk powder, baby formulae and health care products to China. These provided a gross profit of \$111,481 in the first six months of the year.

JAT's expanding FMCG (Fast Moving Consumer Goods) product range includes milk powders, wine, cosmetics, skin creams, nutraceuticals, cereals, oats, biscuits, and organic oils. Having successfully penetrated the Chinese FMCG market during the previous financial year, the focus during the 6 months ending 31st December 2017 was transitioning to higher margin sales through the development of a JAT product range designed for Chinese consumers, starting with the milk products market segment.

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With this licensed manufacturing capacity now in place, GK is currently in the process of applying to renew its CFDA approval, with JAT's assistance. JAT and GK have also commenced discussions with Chinese online sale platforms and offline distributors in preparation for the anticipated CFDA approval.

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Significant Events since Balance Sheet Date

As announced to the market on 13 December 2017 the Group raised \$1.2 million through the issue of a Convertible Note. The funds from this note issue were received in January 2018 and at the date of this report the noteholders had requested they be converted to equity. To facilitate this, the company intends to hold an EGM in the next three months to request shareholders' approval for the issue of new shares. This will have the effect of providing an additional \$1.2 million of equity to the Group.

No other matters have arisen since 31 December 2017 that have significantly affected, or may significantly affect, the Group's operations in future financial years, the results of those operations in future financial years or the Group's state of affairs in future financial years.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of directors.



Tony Crimmins
Chairman

Dated this 28th day of February 2018

JATENERGY LIMITED
ABN 31 122 826 242

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
JATENERGY LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney, NSW 2000

Graham Webb

GRAHAM WEBB

Partner

Dated: 28 February 2018

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JATENERGY LIMITED

ACN 122 826 242

Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2017

	Note	Half-year 31 Dec 2017	31 Dec 2016*
		(\$)	(\$)
Revenue		1,575,146	4,598,886
Cost of Sales	2	(1,501,520)	(4,494,224)
Gross Profit		73,626	104,662
Other revenue		38,181	23,991
Consultancy and professional fees		(127,116)	(165,349)
Directors remuneration		(106,000)	(102,000)
Depreciation and amortisation expense		-	(13,121)
Impairment of Plant and Equipment		(13,889)	-
Finance costs		(634)	(999)
Other expenses		(137,480)	(115,589)
Loss before income tax		(273,312)	(268,405)
Income tax expense		-	-
Loss after income tax		(273,312)	(268,405)
Other comprehensive loss:			
Exchange differences on translating foreign operations		-	-
Total comprehensive loss for the period		(273,312)	(268,405)
Loss attributable to:			
- Members of the parent entity		(269,621)	(265,107)
- Non-controlling interest		(3,691)	(3,298)
		(273,312)	(268,405)
Total comprehensive loss attributable to:			
- Members of the parent entity		(269,621)	(265,107)
- Non-controlling interest		(3,691)	(3,298)
		(273,312)	(268,405)
Earnings per share:			
Basic and diluted (loss) per share (cents per share)		(0.1) cents	(0.1) cents

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

JATENERGY LIMITED

ACN 122 826 242

**Statement of Financial Position
as at 31 December 2017**

	Note	31 Dec 2017	30 Jun 2017
		(\$)	(\$)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,438,576	98,968
Trade and other receivables		251,689	82,796
Inventories		109,522	-
TOTAL CURRENT ASSETS		2,799,787	181,764
NON-CURRENT ASSETS			
Plant and equipment		-	-
TOTAL NON CURRENT ASSETS		-	-
TOTAL ASSETS		2,799,787	181,764
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	1,142,498	53,113
TOTAL CURRENT LIABILITIES		1,142,498	53,113
TOTAL LIABILITIES		1,142,498	53,113
NET ASSETS		1,657,289	128,651
EQUITY			
Contributed equity	6	30,299,394	28,497,444
Accumulated losses		(29,519,134)	(29,249,513)
Total Parent Entity		780,260	(752,069)
Non-controlling interest		877,029	880,720
TOTAL EQUITY		1,657,289	128,651

The above statement of financial position should be read in conjunction with the accompanying notes.

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Statement of Changes in Equity for the Half Year ended 31 December 2017

	Contributed equity	Non- controlling Interest	Reserves	Accumulated losses	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Balance as at 1 July 2016	27,981,593	880,741	-	(28,843,509)	18,825
Loss for period	-	(3,298)	-	(265,107)	(268,405)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	27,981,593	(3,298)	-	(265,107)	(268,405)
Transactions with owners in their capacity as owners:					
Shares issued during the period net of costs	156,601	--	-	-	156,601
Balance as at 31 December 2016	28,138,194	877,443	--	(29,108,616)	(92,979)
Balance as at 1 July 2017	28,497,444	880,720	-	(29,249,513)	128,651
Loss for period	-	(3,691)	-	(269,621)	(273,312)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	(3,691)	-	(269,621)	(273,312)
Transactions with owners in their capacity as owners:					
Shares issued during the period net of costs	1,801,949	--	-	-	1,801,949
Balance as at 31 December 2017	30,299,394	877,029	--	(29,519,134)	1,657,289

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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**Statement of Cash Flows
for the Half Year ended 31 December 2017**

	31 Dec 2017	31 Dec 2016
	(\$)	(\$)
Cash flows from operating activities		
Cash receipts from customers	1,600,958	4,830,008
Payments to suppliers and employees (inclusive of GST)	(2,079,959)	(5,003,026)
Interest received	35	542
Net cash outflow from operating activities	(478,966)	(172,476)
Cash flows from investing activities		
Payments to acquire plant & equipment	(13,889)	(7,657)
Cash flows from investing activities	(13,889)	(7,657)
Cash flows from financing activities		
Proceeds from issue of shares net of costs	1,801,950	52,381
Proceeds received in advance of shares issued	1,037,261	-
Net cash inflow from financing activities	2,839,211	52,381
Net increase (decrease) in cash and cash equivalents	2,346,356	(127,752)
Cash and cash equivalents at the beginning of the half-year	92,220	235,040
Effect of exchange rates on cash holdings in foreign currencies	-	331
Cash and cash equivalents at the end of the half-year	2,438,576	107,619

The above statement of cash flows should be read in conjunction with the accompanying notes.

JATENERGY LIMITED

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Notes to the Financial Statements for the Half Year ended 31 December 2017

Note 1—Basis of Preparation of Half-Year Report

These general purpose interim financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest financial statement of Jatenergy Limited and its controlled entities (referred to as the 'Consolidated Group' or 'Group'). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 28 February 2018.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Going Concern

The Group financial statements have been prepared and presented on a basis assuming it continues as a going concern. During the period ended 31 December 2017, the Group incurred a loss before tax of \$273,312 and had net cash outflows from operating activities of \$478,920 as disclosed in the statement of profit or loss and other comprehensive income and statement of cash flow respectively.

The focus of management is the expansion in trading activities. In time, it is expected that profits from these activities will cover underlying administration costs. In addition, management are actively managing the group's cash flows, controlling costs and will seek to raise equity as and when required. During the period the Group successfully raised \$1,801,950 net of costs. It also received \$1,037,261 in advance of future share issues and in January 2018 raised \$1.2 million through a Convertible Note Issue referred to in the Subsequent Events section of the financial statements. On the basis of these factors, the group's cash flow forecast supports the Directors' view that is appropriate for the accounts to be prepared on a going concern basis and that the Group will be able to meet its debts as when they become due and payable over the next 12 months from the date of this report without the need to raise further equity.

JATENERGY LIMITED

ACN 122 826 242

Notes to the Financial Statements for the Half Year ended 31 December 2017

Note 1—Basis of Preparation of Half-Year Report (cont.)

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Controlled Entities

A wholly owned subsidiary, Cobbitty Country Pty Limited, was incorporated on 24 August 2017.

Estimates

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017.

Note 2—Loss before Income Tax

All revenue and expense items that are relevant in explaining the financial performance for the interim period have been included in the statement of profit or loss and other comprehensive income.

Note 3—Dividends

No dividends have been declared or paid during the period.

Note 4—Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

For primary reporting purposes, the Entity now operates in only one geographical area, being Australia, and our business segment being the trading of fast moving consumer goods.

JATENERGY LIMITED

ACN 122 826 242

**Notes to the Financial Statements
for the Half Year ended 31 December 2017****Note 4—Operating Segments (cont.)**

The Group's segment operating profit reconciles to the Group's profit before tax as presented in its financial statements as follows:

	Six months to 31 Dec 2017	Six months to 31 Dec 2016
	(\$)	(\$)
Profit or loss		
Total reporting segment operating profit/(loss)	76,626	104,662
Other corporate expenses	(349,612)	(372,610)
Group operating loss	(272,986)	(267,948)
Finance costs	(634)	(999)
Finance income	308	542
Group loss for the period	(273,312)	(268,405)

Note 5 — Trade and Other Payables

	Six months to 31 Dec 2017	As at 30 June 2017
	(\$)	(\$)
Trade and Other Payables		
Trade and Other Payables	105,237	53,113
Share subscriptions received for shares not yet issued*	1,037,261	-
Total	1,142,498	53,113

*During December Share Subscriptions funds were received and the shares they related to were not issued at year end. \$1,000,000 of these funds related to shares for Mr Li (Director of Jat Energy Limited). These shares were required to be approved at an EGM which was held on 10 January 2018. The issue was approved and the shares issued on 10 January 2018.

JATENERGY LIMITED

ACN 122 826 242

Notes to the Financial Statements for the Half Year ended 31 December 2017

Note 6— Contributed Equity

(a) Share Capital

	Note	As at 31 December 2017 (\$)	As at 30 June 2017 (\$)
Ordinary Shares			
Fully paid shares	(b)	344,457,696	219,161,351

(b) Movements in Ordinary Share Capital

	As at 31 December 2017 \$	As at 30 June 2017 \$	As at 31 December 2017 No:	As at 30 June 2017 No:
At the beginning on reporting period	28,497,444	27,981,592	219,161,351	172,262,035
30 December 2016 (Entitlement Issue)		156,602		15,660,185
15 May 2017 (Placement)		101,750		8,847,826
28 June 2017 (Share based payment)		197,500		17,173,913
28 June 2017 (Placement)		60,000		5,217,392
19 September 2017 (Placement)	120,000		10,000,000	
29 November 2017 (Placement)	190,000		15,833,333	
8 December 2017 (Placement)	1,491,949		99,463,285	
Closing Balance	30,299,394	28,497,444	344,457,969	219,161,351

JATENERGY LIMITED

ACN 122 826 242

Notes to the Financial Statements for the Half Year ended 31 December 2017

Note 7 —Contingent Liabilities

The Group does not have any contingent liabilities as at 31 December 2017.

Note 8—Events Occurring after the Balance Sheet Date

As announced to the market on 13 December 2017 the Group raised \$1.2 million through the issue of a Convertible Note. The funds from this note issue were received in January 2018 and at the date of this report the noteholders had requested they be converted to equity. To facilitate this, the company intends to hold an EGM in the next three months to request shareholders' approval for the issue of new shares. This will have the effect of providing an additional \$1.2 million of equity to the Group.

No other matters have arisen since 31 December 2017 that have significantly affected, or may significantly affect, the Group's operations in future financial years, the results of those operations in future financial years or the Group's state of affairs in future financial years.

Note 9- Related Party Transactions

During the half year ended 31 December 2017 there were no significant changes to the related party transactions to those disclosed in the 30 June 2017 annual report.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Jatenergy Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Tony Crimmins, Chairman Sydney

Dated this 28th day of February 2018.

JATENERGY LIMITED

ABN 31 122 826 242

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
JATENERGY LIMITED****SYDNEY**

Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Interim Financial Report

We have reviewed the accompanying half-year financial report of Jatenergy Limited, which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

The directors of Jatenergy Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Jatenergy Limited's financial position as at 31 December 2017 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Jatenergy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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JATENERGY LIMITED

ABN 31 122 826 242

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
JATENERGY LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jatenergy Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of Jatenergy Limited's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

GRAHAM WEBB
Partner
Dated: 28 February 2018