



# ASX ANNOUNCEMENT

**JATENERGY LIMITED**

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ASX CODE: JAT

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**SHAREHOLDER RELATIONS**

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22 March 2018

## Issue of Convertible Notes

The following announcement is in relation to the raising of approximately \$5 million through the issue of convertible notes (the "Notes"). The additional capital is being raised to fund business activities in JAT's FMCG business. The Notes will only convert into shares if the necessary resolution is passed at the general meeting of Jatenergy shareholders to be held on 27 March 2018. That resolution is seeking shareholder approval in accordance with Listing Rule 11.1.2 for JAT's move into the FMCG business. The ongoing development of the FMCG trading business may not continue if that approval is not forthcoming.

The funds obtained from the issue of the convertible notes will not be applied to any matter which is the subject of shareholder approval at the 27 March 2018 General Meeting and any associated matters (e.g. development of FMCG activities, acquisition of Golden Koala etc.) until that shareholder approval has been obtained.

If shareholder approval is not obtained to the Listing Rule 11.1.2, JAT will redeem the Notes at face value for cash. JAT has sufficient cash on hand to redeem the Notes, the cash having been raised from the Notes and previous capital raisings.

## Details of the Notes

On 28 February 2018, JAT announced that it was planning to raise approximately \$3.5m of additional capital to fund business expansion to take advantage of opportunities in its FMCG business in China. JAT is pleased to announce it has secured over \$5 million in funds through the issue of Notes to investors.

The key terms of the Notes include

1. The total amount subscribed by 34 investors is approximately \$5,010,149.
2. The notes are repayable in six months' time unless the Notes are converted to shares in JAT within that time.
3. The Notes are mandatorily convertible into shares at the conversion price if the conversion is approved by shareholders of JAT at a general meeting. JAT is required to arrange to hold a general meeting of shareholders within three months.
4. The conversion price is 9 cents per share. The number of shares to be issued will therefore be approximately 55,668,322



5. The issue is not underwritten.

Jatenergy intends to hold a general meeting of shareholders on or about 4 May 2018 to seek approval of shareholders for the conversion of the Notes into fully paid ordinary shares of JAT.

1. that the funds obtained from the issue of the convertible notes will not be applied to any matter which is the subject of shareholder approval at the general meeting next week and any associated matters (e.g. development of FMCG activities, Golden Koala etc.) until such time that shareholder approval has been obtained;

The funds will be applied approximately as follows:

- \$2 million for development of the Golden Koala brand, both in Australia and China. This will involve multichannel platform development, promotions, and public relations campaigns in both Australia and China.
- \$2 million to expand production capacity and to stockpile sufficient inventory to meet a minimum of 3 months of expected sales. GK will soon release a new range of products including
  - a children's milk powder
  - new adult full cream, and skim milk powders
  - English language packaged infant formula.
- \$1 million for working capital funding administration costs and continued FMCG trading.

Yours faithfully

Tony Crimmins  
Executive Chairman

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