

# JATENERGY LIMITED

ABN 31 122 826 242

## ASX APPENDIX 4E

### RESULTS FOR ANNOUNCEMENT TO THE MARKET PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

#### 1. Reporting Period

Current Reporting Period 30 June 2015  
Prior Reporting Period 30 June 2014

#### 2. Results for announcement to the market

Revenue from ordinary activities for the period	\$32,851	down	94%
Loss from ordinary activities after tax for the period attributable to members	\$1,051,284	down	65%
Net loss after tax for the period attributable to members	\$964,903	up	69%

EPS	As at 30/06/2015	As at 30/06/2014
Basic Loss per share	0.9 cents	3.0 cents
Diluted Loss per Share	0.9 cents	3.0 cents

#### 3. Financial Result

The consolidated loss of the Group for the year after providing for income tax amounted to \$1,127,373 (2014: \$3,040,653).

The 2015 loss is attributable to the following:

Employment benefits of \$96,801 (2014: \$133,553)  
Consultancy expenses of \$252,900 (2014: \$340,095)  
Professional costs of \$46,787 (2014: \$52,659)  
Impairment of intangible of assets of \$428,956 (2014 \$2,351,975)

Net tangible assets per security were \$0.01 at 30 June 2014 (2014 \$0.016).

#### 4. Commentary on Results

##### **Business Structure**

Jatenergy is focused on developing its four tier platform to provide immediate cashflow and return on its existing investments through regeneration of operations or outright sale. The company is always searching for shareholder value and return through immediate commission on trades through our distribution network. It is our commitment to maintain a low cost structure by reviewing where our money is spent and adjusting as required.

##### **Activities**

##### **Cash Flow Business**

The Company has embarked on reciprocal trading between Australia and China by taking advantage of the new trade agreement between these two governments. The Company believes there is an opportunity to export cost effectively clean and safe health products to China. All products are being traded through our dedicated trading company Jatenergy Development Pty Ltd.

To date we have facilitated in the export of baby milk powder, wine and health supplements and body care products. We have also started the process of facilitating the import of Chinese product into Australia, which currently includes

chemicals and some natural care products. To successful in export trade Jatenergy has developed relationships with:

1. Madison's Shanghai a distribution and sales company in China promoting Jatenergy and Jatenergy sourced products
2. Dragon Horticulture Pty Ltd, an Australian company with access to farm produce specifically fruit.
3. MKK Fortune provide Chemicals including inorganics salts and ammonium nitrate for sale into Australia
4. HealthOne Pty Ltd is a marketing pharmaceutical company sourcing milk powder, health supplements and other similar products.

We continue to grow this network of businesses that have access to product and market in Australia and China. This is a long term business that we intend to grow and follow the ever increasing linkage between our Chinese trading partners.

#### ***LED Company China- Nanyang***

The board of directors have completed their initial due diligence on Nanyang LED. The company produces LED lighting and active large video outdoor displays for China, USA, Europe and South East Asia. One of the initial programs would be the distribution of product in Australia and the setup of a semi manufacturing site for Australian produced LED.

Once we have completed due diligence and all share sale agreements have been signed it will require shareholder approval at a special meeting (EGM) to agree to this opportunity. Mr Zhou is committed to completing the deal which has Jatenergy acquiring Nanyang for an initial 85,714,290 shares and providing performance based shares.

Nanyang LED has continued to grow its distribution throughout Europe and has started new markets in Eastern Europe and South America. It is a cash producing company which does not require start-up time or capital.

#### ***Technology Business***

Our technology stables include:

Coal Plus conversion technology. This technology uses low temperature, no pressure and no oxygen to convert low valued brown coal into natural gas, pryol oil and PCI coal. The advantage of this system is its low capital and running costs and ideally suitable for Indonesia which has abundant low value coal.

TTG energy material waste recovery technology. Jatenergy has is looking at Manganese recovery from Ferro Manganese production in China and South America. TTG has the global marketing rights to the technology and is working with Jatenergy in selective geographical markets such as China were we work with Jiaren Investments Pty Ltd.

Beijing Coal research Institute is working with Jatenergy in testing coal for use in our coal plus technology.

This technology build or sale is medium to long term with long standing returns due to the proprietary nature of the technology.

#### ***Biofuel and Coal Business***

The Energy business especially coal and oil has been affected by continued lower commodity pricing. This coupled with the enduring uncertainty of Indonesian regulation has delayed our attempts to market our coal and sell our major assets. In line with our continued streamlining of the company we appointed Eva Armila Djauhari in February 2015 to maintain our Indonesian businesses of PT Barata Energy and Pt Jatoil Waterland. The company is in a better position to understand its position in regards to compliance, market and customers.

#### ***Jong Kang Project***

Efforts continue to bring Jong Kang back into production with Jatenergy committing more capital to the program. The price of thermal coal and contractor availability are still paramount in "getting" coal from this site. Weather is stable

and agreeable for site preparation. The owner and Jatenergy are committed to extracting the coal and selling it.

### ***Coal Soil Brik***

During the year the company applied and received for a 12 month extension to its Coal Soil Brik site. Over the past 3 years we have a number of potential buyers for the CSB site. We currently have a customer reviewing the site documents and agreements for potential sale. The company has the option to either sell the CSB opportunity or further invest and convert the property into a 20 years licence. This decision is dependent on potential customer purchase, company cash flow, market for thermal coal and location for power generation. Jatenergy is working with Realm Resources Ltd in finding an opportunity for both companies' properties in the Katingan Ria region.

### ***Biofuel Business***

As previously announced Jatenergy has closed down its biofuel operations due to continued lower than expected pricing for Biofuel oil that is affected by conventional crude. The company still maintains a focus on the biofuel market through its technology acquisition program. Ideally the company would like to purchase or market conversion technologies on biomass waste.

#### **5. Dividends**

The Company has not paid dividends and is not proposing to pay dividends.

#### **6. Statement of profit or loss and other comprehensive income**

Refer to attached Statement of profit or loss and other comprehensive income.

#### **7. Statement of financial position**

Refer to attached statement of financial position.

#### **8. Statement of changes in equity**

Refer to attached statement of changes in equity.

#### **9. Statement of cash flows**

Refer to attached statement of cash flows.

#### **10. Details of entities over which control has been gained or lost**

During the year, the Company commenced deregistration of JAT Energy Indonesia Pte Ltd, Jat Energy Holdings Pte Ltd and PT Jatoil Waterland. All outstanding intercompany loans with these companies have been written off as they are considered irrecoverable by the directors. Apart from these changes there have been no other amendments to the Group in the current year.

#### **11. Details of associates and joint venture entities**

The Company has equity investments of up to 45.96% in a foreign entity, Green Energy Joint Stock Company as at 30 June 2015. This has nil book value at 30 June 2015.

#### **12. Status of audit and description of likely disputes or qualifications**

This preliminary final report is in the process of being audited. No matters have arisen which would result in a dispute or qualification.

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 30 June 2015

		Consolidated Entity	
		2015	2014
	Note	\$	\$
Revenue	4	32,851	572,421
Consultancy expenses		(252,900)	(340,095)
Insurance expense		(34,480)	(45,773)
Depreciation and amortisation expense	5	(991)	(12,334)
Professional fees		(46,787)	(52,659)
Director's fees		(54,925)	(222,500)
Employee benefits expense		(96,801)	(133,553)
Travel expenses		(15,778)	(16,748)
Occupancy expenses		(79,306)	(121,088)
Finance costs	5	(3,782)	(5,415)
Foreign exchange gains (losses)		89	(97,243)
Other expenses		(91,337)	(125,024)
Coal production costs		(54,270)	(88,666)
Impairment of assets	5	(428,956)	(2,351,975)
Loss before income tax		(1,127,373)	(3,040,654)
Income tax expense		-	-
Loss for the year		(1,127,373)	(3,040,654)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Loss on derecognition of subsidiaries		-	-
Exchange differences on translating foreign operations		86,381	(62,680)
Total comprehensive loss for the year		(1,040,992)	(3,103,334)
Loss attributable to:			
- Members of parent entity		(1,051,284)	(3,032,029)
- Non-controlling interest		(76,089)	(8,625)
		(1,127,373)	(3,040,654)
Total comprehensive loss attributable to:			
- Members of parent entity		(964,903)	(3,094,709)
- Non-controlling interest		(76,089)	(8,625)
		(1,040,992)	(3,103,334)
Loss per share for loss attributable to the ordinary equity holders of the company:			
		Cents	Cents
Basic loss per share	14	(1.2)	(3.0)
Diluted loss per share	14	(1.2)	(3.0)

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

		Consolidated Entity	
		2015	2014
	Note	\$	\$
<b>Assets</b>			
Current assets			
Cash and cash equivalents	6	429,687	258,344
Trade and other receivables	7	36,484	71,225
Assets held for sale	8	1,225,800	1,654,753
Total current assets		1,691,971	1,984,322
Non-current assets			
Property, plant and equipment	9	6,025	7,016
Intangibles	9	-	265,743
Total non-current assets		6,025	272,759
Total assets		1,697,996	2,257,081
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	10	261,283	251,574
Borrowings	11	-	100,000
Total current liabilities		261,283	351,574
Total liabilities		261,283	351,574
Net assets		1,436,713	1,905,507
<b>Equity</b>			
Contributed equity	12	27,420,664	26,526,160
Non-controlling interest		884,141	954,328
Reserves	13(a)	(124,684)	(252,270)
Accumulated losses	13(b)	(26,743,408)	(25,322,711)
Total equity		1,436,713	1,905,507

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Contributed Equity	Non- Controlling Interest	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	26,426,160	962,953	425,888	(22,906,160)	4,908,841
Loss for the year	-	(8,625)	-	(3,032,029)	(3,040,654)
Foreign Currency translation	-	-	(62,680)	-	(62,680)
Total comprehensive income	-	(8,625)	(62,680)	(3,032,029)	(3,103,334)
Issue of Capital	125,000	-	-	-	125,000
Transaction Costs	(25,000)	-	-	-	(25,000)
Transaction with owners	100,000	-	-	-	100,000
Reserves released to retained earnings	-	-	(615,478)	615,478	-
Balance at 30 June 2014	26,526,160	954,328	(252,270)	(25,322,711)	1,905,507
Balance at 1 July 2014	26,526,160	954,328	(252,270)	(25,322,711)	1,905,507
Loss for the year	-	(76,089)	-	(1,051,284)	(1,127,373)
Foreign Currency translation	-	-	86,381	-	86,381
Total comprehensive income	-	(76,089)	86,681	(1,051,284)	(1,040,992)
Issue of Capital	894,504	-	-	-	894,504
Transaction Costs	-	-	-	-	-
Transaction with owners	894,504	-	-	-	894,504
Derecognition of subsidiaries	-	5,902	41,205	(369,413)	(322,306)
Balance at 30 June 2015	27,420,664	884,141	(124,684)	(26,743,408)	1,436,713

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	Consolidated Entity	
		2015	2014
		\$	\$
Cash flows from operating activities			
Receipts from customers		25,339	88,687
Payments to suppliers and employees		(655,345)	(1,113,769)
Interest received		6,922	15,758
Interest paid		(3,308)	-
Net cash outflow from operating activities		(626,392)	(1,009,324)
Cash flows from investing activities			
Sale of Assets		-	406,529
Net cash inflow/(outflow) from investing activities		-	406,529
Cash flows from financing activities			
Proceeds from convertible note		200,000	100,000
Proceeds from issues of shares		594,504	77,905
Transactions costs		-	(25,000)
Net cash inflow from financing activities		794,504	152,905
Net increase/(decrease) in cash and cash equivalents		168,112	(449,890)
Cash and cash equivalents at the beginning of the financial year		258,344	708,772
Effect of exchange on cash holdings in foreign currencies		3,231	(538)
Cash and cash equivalents at end of year	6	429,687	258,344

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



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 1 Summary of significant accounting policies

#### Nature of operations

Jatenergy and subsidiaries' (the Group) principal activities include to develop conventional and renewable energy projects, with an initial focus on exploration and production of coal from Indonesia and on producing crude oil from its Indonesian Oil Seeds plantation.

#### General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Jatenergy Ltd is a for-profit entity for the purpose of preparing the financial statements.

Jatenergy Ltd is the Group's ultimate parent company. Jatenergy Ltd is a public company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Floor 6, Suite 8, 55 Miller Street, Pyrmont, New South Wales 2009, Australia.

#### (a) Revenue and other income

Interest income is recognised on a time proportion basis using the effective interest method. Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed from the buyer to the seller.

### 2 Segment information

The Company has identified its operating segment 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.

The Company is managed primarily on the basis of product category. The Company's operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold provided by the segment;
- the planting process;
- the type or class of customer for the products;
- the distribution method; and
- external regulatory requirements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

The primary business segments and the primary geographic segments within which the Company operates are biofuel and coal mining in the Asia Pacific regions respectively. For primary reporting purposes, the entity operates predominantly in two geographical areas, being Australia and Indonesia. The acquisition of Blackrock Resources Pty Ltd in April 2011 included mining tenements and contracts located in Indonesia.

### (vi) Segment performance

	Coal	Oilseeds	Total
	\$	\$	\$
2015			
REVENUE			
External Sales	-	-	-
Total Segment Revenue	-	-	-
Reconciliation of			
Reconciliation of segment revenue to group revenue			
Interest Revenue			6,919
Other revenue			25,932
Total Group Revenue			32,851
Segment net profit(loss) from continuing operations before tax			
	-	-	-
Amounts not included in segment result but reviewed by the Board			
- Corporate Expenses			(1,529,637)
- Depreciation and amortisation			(991)
Net (loss) from continuing operations			(1,496,786)
	Coal	Oilseeds	Total
	\$	\$	\$
2014			
REVENUE			
External Sales	39,825	79,674	119,499
Total Segment Revenue	39,825	79,674	119,499
Reconciliation of			
Reconciliation of segment revenue to group revenue			
Interest Revenue			15,758
Other revenue			437,164
Total Group Revenue			572,421
Segment net profit(loss) from continuing operations before tax			
	(1,870,414)	(15,387)	(1,885,801)
Amounts not included in segment result but reviewed by the Board			
- Corporate Expenses			(1,152,939)
- Depreciation and amortisation			(1,914)
Net (loss) from continuing operations			(3,040,654)

### (vii) Segment assets

	Coal	Oilseeds	Total
	\$	\$	\$
2015			
Segment Assets			
Segment assets increases for the period			
- Capital expenditure	-	-	-
- Acquisitions	-	-	-
	-	-	-
Reconciliation of segment assets to group assets	1,225,800	-	1,225,800
Corporate assets			472,196
Total Group Assets			1,697,996

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Coal \$	Oilseeds \$	Total \$
2014			
Segment Assets			
Segment assets increases for the period			
- Capital expenditure			
- Acquisitions			
Reconciliation of segment assets to group assets	1,496,722	280,297	1,777,019
Corporate assets			480,062
Total Group Assets			2,257,081

### (viii) Segment liabilities

	Coal \$	Oilseeds \$	Total \$
2015			
Segment Liabilities			
Reconciliation of segment liabilities to group liabilities	55,635	-	55,635
Corporate liabilities	-	-	261,283
Total Group Liabilities			261,283
2014			
Segment Liabilities			
Reconciliation of segment liabilities to group liabilities	151,174	-	151,174
Corporate liabilities	-	-	200,400
Total Group Liabilities			351,574

### (ix) Revenue by geographic location

	2015 \$	2014 \$
Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer		
Australia	32,851	57,722
Indonesia	-	514,699
Total Revenue	32,851	572,421

### (x) Assets by geographical location

	2015 \$	2014 \$
Australia	456,396	480,062
Indonesia	1,241,600	1,777,019
Total Assets	1,697,996	2,257,081

## 4 Revenue

	Consolidated Entity	
	2015	2014
	\$	\$
Revenue		
Interest	6,919	15,758
Coal sales	-	15,474

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Sale of jatropha oil	-	79,674
Consulting Fee	5,909	24,351
Deposits forfeited	-	417,619
Other income	20,023	19,545
Total	32,851	572,421

### 5 Expenses

	Consolidated Entity	
	2015	2014
	\$	\$
Loss before income tax includes the following specific expenses:		
Depreciation of plant and equipment	991	12,334
Finance costs	3,782	5,415
Foreign exchange (gains)/losses	(89)	97,243
Impairment - assets	428,956	2,351,975
Rental expense relating to operating lease	44,556	55,095

### 6 Current assets - cash and cash equivalents

	Consolidated Entity	
	2015	2014
	\$	\$
Cash at bank and on hand	89,992	24,468
Term deposit	345,695	233,876
Total	429,687	258,344

### 7 Current assets - trade and other receivables

	Consolidated Entity	
	2015	2014
	\$	\$
Other receivables	25,393	52,091
Advances	11,091	19,135
Total	36,484	71,226

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 8 Current assets – assets available for sale

	Consolidated Entity	
	2015	2014
	\$	\$
Deposits	176,513	176,513
Tenements	1,478,240	1,478,240
Impairment	(428,953)	-
Total	1,225,800	1,654,753

### 9 Non-current assets - Property, plant & equipment

	2015	2014
	\$	\$
Furniture & fixtures		
Cost	65,905	65,905
Accumulated Depreciation		(58,889)
	<u>6,025</u>	<u>7,016</u>
Plantations		
Cost	265,713	265,743
Disposal on derecognition of subsidiaries	(265,713)	-
	-	265,743
Total property, plant & equipment	<u>6,025</u>	<u>272,759</u>

Movements in Carrying Amounts	Furniture and Fittings	Plantations	Total
Balance at 1 July 2014	7,016	265,743	272,758
Additions	-	-	-
Disposals	-	-	-
Write-off on derecognition	-	(265,743)	(265,743)
Depreciation	(991)	-	(991)
Balance at 30 June 2015	6,025	-	6,025

### 10 Current liabilities - trade and other payables

	Consolidated	
	2015	2014
	\$	\$
Trade and other payables	261,283	251,574
Total	261,283	251,574

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 11 Borrowings

	Consolidated	
	2015	2014
	\$	\$
Convertible Note	-	100,000
Total	-	100,000

The convertible note was converted into equity at \$0.02 per share.

### 12 Contributed equity

		Consolidated Entity	
		2015	2014
	Notes	\$	\$
(a) Share capital			
Ordinary Shares			
141,456,840 (2014: 103,565,568) Fully paid shares	(c)	27,420,664	26,526,159
Total Share Capital		27,420,664	26,526,159

#### (b) Movements in ordinary share capital

	2015 Number	2014 Number
At the beginning of the reporting period	103,565,568	98,565,568
Share issues during the year:		
26 August 2013	-	5,000,000
23 July 2014	5,00,000	-
17 December 2014	20,760,161	-
11 March 2015	1,020,000	-
6 May 2015	11,111,111	-
Closing balance	141,456,840	103,565,568

#### (c) Ordinary shares

The Company does not have a limited amount of authorised capital.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 13 Reserves and accumulated losses

	Consolidated Entity	
	2015	2014
	\$	\$
(a) Reserves		
Share-based payments reserve	-	-
Options reserve	-	-
Foreign currency translation reserve	(124,684)	(252,270)
	(124,684)	(252,270)
(b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance 1 July	(25,322,711)	(22,906,160)
Net loss for the year	(1,051,284)	(3,032,029)
Loss on derecognition of subsidiaries	(369,413)	-
Released from reserves	-	615,478
Balance 30 June	(26,743,408)	(25,322,711)

#### (i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options granted but not exercised.

#### (ii) Options reserve

The options reserve is used to recognise the amounts received from the issue of listed options.

#### (iii) Foreign Currency translation reserve

The foreign currency translation reserves comprises of foreign currency translation differences arising on translation of financial statements of the Groups foreign entities.

### 14 Loss per share

	Consolidated Entity	
	2015	2014
	cents	cents
(a) Basic and diluted loss per share		
Basic loss attributable to the ordinary equity holders of the Company	(0.9)	(3.0)
Diluted loss attributable to the ordinary equity holders of the Company	(0.9)	(3.0)
(b) Loss used in calculating basic and diluted loss per share	(1,127,373)	(3,040,653)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.	121,326,013	102,784,746

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share. 121,326,013 102,784,746

(d) Information concerning the classification of securities

(i) Options

There were no options granted to executives and Directors during the year are there are no options outstanding as at 30 June 2015.

### 15 Share-based payments

(a) Director and executive options

There were no share based payments as at 30 June 2015.

Total share based payment expense incurred during the year was \$nil (2014: \$nil)

#### Consolidated Entity

	2015		2014	
	No Of Options	Weighted Average Exercise Price \$	No Of Options	Weighted Average Exercise Price
Outstanding at the Beginning of the year	-	-	375,000	0.20
Granted	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	(375,000)	0.20
Outstanding at year end	-	-	-	-
Exercisable at year end	-	-	-	-