

1. Company details

Name of entity:	Jatcorp Limited
ABN:	31 122 826 242
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

	31 Dec 2024 \$	31 Dec 2023 \$	Change \$	Change %
Revenues from ordinary activities	16,962,963	43,981,468	(27,018,505)	(61%)
Loss from ordinary activities after tax attributable to the owners of Jatcorp Limited	(2,827,035)	(889,778)	(1,937,257)	218%
Loss for the half-year attributable to the owners of Jatcorp Limited	(2,827,035)	(889,778)	(1,937,257)	218%
			31 Dec 2024 Cents	31 Dec 2023 Cents
Basic loss per share			(3.395)	(1.069)
Diluted loss per share			(3.395)	(1.069)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax and non-controlling interest amounted to \$2,827,035 (31 December 2023: \$889,778).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	4.672	9.766

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Name of entities (or group of entities)	Pastoral Time Ltd
Date control lost	29 November 2024

Pastoral Time Limited was de-registered on 29 November 2024 and the company did not conduct any trading activities during the half-year ended 31 December 2024.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The review report contains a paragraph that draws attention to the use of the going concern basis for the preparation of the financial statements.

11. Attachments

Details of attachments (if any):

The Interim Report of Jatcorp Limited for the half-year ended 31 December 2024 is attached.

12. Signed

Signed  _____

Date: 26 February 2025

Sunny Jian Xin Liang
Executive Director and CEO
Sydney



Jatcorp Limited and its controlled entities

ABN 31 122 826 242

Interim Report - 31 December 2024



Directors' report	2
Auditor's independence declaration	6
Consolidated statement of profit or loss and other comprehensive income	7
Consolidated statement of financial position	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the consolidated financial statements	11
Directors' declaration	23
Independent auditor's review report to the members of Jatcorp Limited	24

The Directors present their report together with the interim consolidated financial statements of Jatcorp Limited (the 'Company') and its controlled entities (together referred to as 'Jatcorp', the 'Group', or the 'consolidated entity') for the six months ended 31 December 2024 and the auditor's review report thereon.

Directors

The following persons were Directors of Jatcorp Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Name	Resignation date
Mr Peng Shen - Non-Executive Chairman	
Mr Kieran Pryke - Non-Executive Independent Director	
Mr Sunny Jian Xin Liang - Executive Director and CEO	
Mr Zhan Wang - Managing Director	22 November 2024

Principal activities

Jatcorp is at the forefront of innovative technology servicing the Asia Pacific markets. With a track record of successful product development, Jatcorp is a leading producer of dairy and nutrient products in Australia. This activity encompasses:

- Innovation and new product development, focusing on the manufacture of a diverse range of consumer products. JAT specialises in formulations catering to all age groups from infants to seniors. Our products frequently incorporate lactoferrin, known for its efficacy in boosting the immune system, improving intestinal health, and delivering a variety of additional health benefits; and
- Comprehensive brand development, focusing on our flagship brands, 'Neurio' and 'Moroka.' This includes targeted marketing and promotional efforts, as well as the sale of both client and proprietary products. We execute this through a multi-channel approach, leveraging both traditional retail and e-commerce platforms, with a primary focus on the Australian and Chinese markets.

Results of operations

Total revenue for the period was \$17m, down 61% on the previous comparative period ('pcp'), the \$27m decrease is mainly driven by the cease of international trading business for FY25 and that of \$23m in the pcp. The gross profit was \$4.6m, down 40% on pcp. The sales of self-owned branded products were also flat as compared with the same period in the last year.

The Jatcorp's statutory net loss after tax (NPAT) for 1H25 was \$6.6 million, up 203% on the pcp. The increased loss is mainly driven by the Neurio brand dispute in both Australia and China which led to decreased sales of Neurio products and impairment of Sunnya goodwill and excess stocks.

Summary income statement for the half-year ended 31 December 2024

	31 Dec 2024 \$	31 Dec 2023 \$	Change \$	Change %
Revenue	16,962,963	43,981,468	(27,018,505)	(61%)
Gross profit	4,648,767	7,693,058	(3,044,291)	(40%)
Loss after tax	(6,555,237)	(2,163,630)	(4,391,607)	203%
Net cash from operating activities	298,274	276,483	21,791	8%
Gross profit margin %	27.41%	17.49%		
EBITDA	(5,990,066)	(1,570,808)	(4,419,258)	281%
Adjusted EBITDA*	(982,411)	2,102,741	(3,085,152)	(147%)

A reconciliation between loss after tax and Adjusted EBITDA is provided below.

	31 Dec 2024	31 Dec 2023
	\$	\$
Loss after income tax expense for the year	(6,555,237)	(2,163,630)
Interest income	(8,831)	(58,924)
Interest expense	189,378	128,374
Income tax benefit	(171,093)	(909)
Depreciation and amortisation	555,717	524,281
EBITDA	<u>(5,990,066)</u>	<u>(1,570,808)</u>
Legal costs	2,365,905	3,673,549
Impairment losses	2,641,750	-
Adjusted EBITDA*	<u>(982,411)</u>	<u>2,102,741</u>

* Adjusted EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs) and represents the profit or loss under AASBs adjusted for specific items. The Directors consider Adjusted EBITDA to be one of the key financial measures of the Group.

New Channels and Market Expansion

Jatcorp continued to execute its 'new channels' growth strategy, enhancing its presence in both online and offline markets. During 1H FY25, the Company strengthened its offline distribution network in the first half of the year by onboarding approximately 30 retail outlets in Australia, primarily gift shops and pack-and-send locations targeting international visitors.

Jatcorp also increased its online distribution presence for Moroka® products, securing placement in around 15 third-party POP stores on major platforms such as JD, Douyin, VIP.com, and Tmall. These efforts have expanded the Company's access to diverse consumer segments, particularly in its key market of mainland China.

Product Innovation and Launches

In 1H FY25, Jatcorp continued innovate to drive growth, with the successful launch of seven new Moroka® products in the half year. The new products cater to various consumer needs, including immune support and cognitive health, positioning the brand as a leader in the lactoferrin-based nutrition segment. Plans for further product launches in Q3 reflect the Company's commitment to ongoing R&D and product pipeline development.

Enhanced Manufacturing Capabilities

Jatcorp completed significant manufacturing upgrades at its ANMA facility in Melbourne during the period. In 1H FY25, the Company commenced operation of a new sachet production line boosted production capacity, enabling the Company to meet growing demand and support future market entries. The Company has also made additional enhancements in 1H FY25 including:

- Automated packing equipment upgrades and;
- Installation of a laser QR code printer.

These upgrades have enhanced ANMA's operational efficiency, allowing for cost-effective production and enhanced OEM capabilities.

Marketing and Brand Visibility

Jatcorp's marketing efforts in 1H FY25 focused on building brand awareness and engaging with key markets. During the period, the Company leveraged digital display advertising at Sydney International Airport, targeting Chinese arrivals. The Company also participated in VitaFoods Asia in Bangkok, generating distributor and retailer interest across Southeast Asia.

Jatcorp showcased its product portfolio at the China International Import Expo (CIIE) in Shanghai, with key exhibitions in three booths. As a result, ANMA secured three new OEM customers and established promising connections with potential partners to support entry into new Southeast Asian markets.

Refer to note 2 in relation to the Directors' assessment of going concern.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Risk Mitigation

Jatcorp maintains a proactive approach to risk management, acknowledging its critical importance in building resilience and capitalising on changing conditions. The management team is dedicated to mitigating risk across four key areas:

- Protecting the Company's trademarks and intellectual property;
- Expanding the Company's product portfolio to diversify its customer base;
- Entering new markets to diversify revenue and mitigate market-specific risk; and
- Securing and retaining high quality talent across the business.

Management will continue to be involved in designing, implementing, and reporting on the adequacy of the risk management and internal control systems. Regular reports to the Board ensure transparency and alignment with strategic objectives.

To strengthen its risk management practices, the Board retains the discretion to engage external professional advisers, highlighting the Company's commitment to continuous improvement and resilience in a dynamic business environment.

Significant Changes in the State of Affairs

Jatcorp has suspended sales of its Neurio® products in mainland China following an adverse ruling in a trademark dispute. The Company is actively pursuing multiple legal avenues, including litigation, in China, Australia and New Zealand to protect its intellectual property.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial year

Jatcorp Limited has entered into a sales incentive agreement with H&S International (HK) Co., Limited ('H&S') on 21 February 2025. The Company will issue up to 4,000,000 ordinary shares to H&S if the FY25 and FY26 sales targets are met, representing 4.80% of Jatcorp's current issued capital. "

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Outlook

The Company remains focused on its strategic growth initiatives and management is confident in the medium to longer-term prospects of the business, despite some short-term uncertainty. The expanding Moroka® brand and product range continues to drive brand equity and consumer engagement. In line with this strategy, new product development efforts are underway to further diversify offerings and capture emerging opportunities in new markets.

The Company expects continued improvements in ANMA's production capacity to enhance operational efficiency and support future increased product demand. Strategic discussions are also ongoing to establish new partnerships aimed at strengthening distribution networks and market presence. Management anticipates that these partnerships will play a key role in driving expansion as the Company continues to explore entry into new markets.

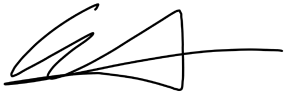
The short-term outlook is moderated by uncertainty around the outcomes of ongoing trademark litigation and the associated legal costs. Management is closely monitoring developments and has implemented proactive measures to mitigate further potential impacts. While these challenges may affect near-term performance, the Company's diversified strategy and operational improvements position it well for future growth.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Sunny Jian Xin Liang
Executive Director and CEO

26 February 2025
Sydney

RSM Australia Partners

Level 13, 60 Castlereagh Street
Sydney
NSW 2000
Australia
T +61 (02) 8226 4500
F +61 (02) 8226 4501
rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Jatcorp Limited for the half year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

LOUIS QUINTAL
Partner

Sydney, NSW
Dated: 26 February 2025

Jatcorp Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Revenue		16,962,963	43,981,468
Cost of goods sold		(12,314,196)	(36,288,410)
Gross margin		4,648,767	7,693,058
Other income		420,489	93,208
Interest revenue calculated using the effective interest method		8,831	58,924
Expenses			
Advertising and marketing expenses		(3,808,663)	(3,152,567)
Consultancy and professional fees		(2,530,811)	(3,977,489)
Employee benefits expenses		(1,270,040)	(1,385,639)
Directors' fees		(302,383)	(389,765)
Depreciation and amortisation expenses		(555,717)	(524,281)
Impairment losses	4	(2,641,750)	-
Administration expenses		(428,971)	(326,943)
Other expenses		(76,704)	(124,671)
Finance costs	4	(189,378)	(128,374)
Loss before income tax benefit		(6,726,330)	(2,164,539)
Income tax benefit		171,093	909
Loss after income tax benefit for the half-year		(6,555,237)	(2,163,630)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(6,555,237)	(2,163,630)
Loss for the half-year is attributable to:			
Non-controlling interest		(3,728,202)	(1,273,852)
Owners of Jatcorp Limited		(2,827,035)	(889,778)
		(6,555,237)	(2,163,630)
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		(3,728,202)	(1,273,852)
Owners of Jatcorp Limited		(2,827,035)	(889,778)
		(6,555,237)	(2,163,630)
		Cents	Cents
Basic loss per share	5	(3.395)	(1.069)
Diluted loss per share	5	(3.395)	(1.069)

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

Jatcorp Limited and its controlled entities
Consolidated statement of financial position
As at 31 December 2024



		Consolidated	
	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,726,842	2,069,853
Trade and other receivables	6	1,536,083	5,060,277
Inventories	7	4,164,803	3,838,536
Tax receivable		525,157	234,660
		<u>7,952,885</u>	<u>11,203,326</u>
Assets of disposal groups classified as held for sale	20	2,378	590,922
Total current assets		<u>7,955,263</u>	<u>11,794,248</u>
Non-current assets			
Trade and other receivables	6	393,524	305,162
Property, plant and equipment	8	4,952,150	4,773,871
Right-of-use assets	9	5,375,262	5,726,136
Intangible assets	10	92,749	2,698,695
Deferred tax assets		-	62,830
Total non-current assets		<u>10,813,685</u>	<u>13,566,694</u>
Total assets		<u>18,768,948</u>	<u>25,360,942</u>
Liabilities			
Current liabilities			
Trade and other payables	11	5,891,752	3,573,700
Contract liabilities	12	1,240,435	2,830,958
Borrowings	13	1,422,777	1,685,229
Lease liabilities		373,805	423,796
Provisions	14	301,781	379,712
Total current liabilities		<u>9,230,550</u>	<u>8,893,395</u>
Non-current liabilities			
Contract liabilities	12	183,047	185,329
Lease liabilities		5,104,553	5,285,600
Deferred tax liability		93,080	-
Provisions	14	174,443	165,990
Total non-current liabilities		<u>5,555,123</u>	<u>5,636,919</u>
Total liabilities		<u>14,785,673</u>	<u>14,530,314</u>
Net assets		<u>3,983,275</u>	<u>10,830,628</u>
Equity			
Issued capital	15	90,231,804	90,231,570
Reserves		(2,324,120)	(2,324,120)
Accumulated losses		(82,559,935)	(79,732,900)
Equity attributable to the owners of Jatcorp Limited		5,347,749	8,174,550
Non-controlling interest	16	(1,364,474)	2,656,078
Total equity		<u>3,983,275</u>	<u>10,830,628</u>

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

Jatcorp Limited and its controlled entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2024



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2023	90,231,570	-	(81,952,519)	2,156,825	10,435,876
Loss after income tax benefit for the half-year	-	-	(889,778)	(1,273,852)	(2,163,630)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	(889,778)	(1,273,852)	(2,163,630)
<i>Transactions with owners in their capacity as owners:</i>					
Acquisition of controlled entities	-	(2,325,108)	-	825,108	(1,500,000)
Non-controlling interest transactions	-	-	-	93,592	93,592
Adjustments	988	-	-	-	988
Balance at 31 December 2023	<u>90,232,558</u>	<u>(2,325,108)</u>	<u>(82,842,297)</u>	<u>1,801,673</u>	<u>6,866,826</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2024	90,231,570	(2,324,120)	(79,732,900)	2,656,078	10,830,628
Loss after income tax benefit for the half-year	-	-	(2,827,035)	(3,728,202)	(6,555,237)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,827,035)	(3,728,202)	(6,555,237)
<i>Transactions with owners in their capacity as owners:</i>					
Disposal of non-controlling interest transactions	-	-	-	(292,350)	(292,350)
Issue of shares on exercise of options	234	-	-	-	234
Balance at 31 December 2024	<u>90,231,804</u>	<u>(2,324,120)</u>	<u>(82,559,935)</u>	<u>(1,364,474)</u>	<u>3,983,275</u>

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



		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		19,029,750	43,988,512
Payments to suppliers and employees (inclusive of GST)		(19,007,924)	(43,735,485)
		21,826	253,027
Interest received		8,831	58,924
Other income		420,489	93,208
Interest and other finance costs paid		(189,378)	(128,374)
Income taxes refunded/(paid)		36,506	(302)
Net cash from operating activities		298,274	276,483
Cash flows from investing activities			
Acquisition of non-controlling interests		-	(1,500,000)
Payments for property, plant and equipment	8	(349,009)	(117,486)
Payments for intangibles	10	(2,356)	(97,459)
Net payment from disposal of investments		(194,330)	-
Proceeds from disposal of property, plant and equipment		1,074	-
Net cash used in investing activities		(544,621)	(1,714,945)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)	15	234	988
Repayment of lease liabilities		(231,038)	(549,566)
Repayment of borrowings		(262,452)	(453,919)
Net cash used in financing activities		(493,256)	(1,002,497)
Net decrease in cash and cash equivalents		(739,603)	(2,440,959)
Cash and cash equivalents at the beginning of the financial half-year		2,468,823	3,805,928
Cash and cash equivalents at the end of the financial half-year		1,729,220	1,364,969

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

Note 1. General information

The financial statements cover Jatcorp Limited as a Group consisting of Jatcorp Limited ('Company' or 'parent entity') and the entities it controlled ('Group' or 'Jatcorp') at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Jatcorp Limited's functional and presentation currency.

Jatcorp Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 502
2 Bligh Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 February 2025.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2024 and are not expected to have a significant impact for the full financial year ending 30 June 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Comparative Figures

Comparatives figures have been adjusted to conform with changes in presentation for the current financial half-year.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$6,555,237 (31 December 2023: \$2,163,630) and had net cash inflows from operating activities of \$298,274 (31 December 2023: \$276,483) for the half-year ended 31 December 2024. As at that date the Group had net current liabilities of \$1,275,287 (30 June 2024: net current assets of \$2,900,853) and net assets of \$3,983,275 (30 June 2024: \$10,830,628). The ability of the Group to continue as a going concern is dependent on a number of factors, the most significant of which is the ability to generate positive operating cash flows through its continued operations.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 2. Material accounting policy information (continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- the Group has cash balance of \$1,726,842 as at 31 December 2024 (30 June 2024: \$2,069,853);
- the Group has gained access to a \$3 million facility with \$2 million 45-day drawings term and \$1 million 120-day drawing term, the facility is available until 30 November 2025;
- the Directors have considered the Group's cash flow forecast which indicates the Group to continue to operate within the limits of its available cash reserves; and
- if required, the Group has the ability to reduce discretionary spending in its consultancy expenditures.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

The Group has identified its geographic segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the chief operating decision makers ('CODM')) in assessing performance and determining the allocation of resources. Geographic segments are determined based on location of its markets and customers which are Australia, China and New Zealand.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2024	Australia \$	China \$	New Zealand \$	Vietnam \$	Total \$
Revenue					
Sales revenue	10,020,017	6,726,991	215,955	-	16,962,963
Other income	420,489	-	-	-	420,489
Total revenue	<u>10,440,506</u>	<u>6,726,991</u>	<u>215,955</u>	<u>-</u>	<u>17,383,452</u>
EBITDA	(4,521,574)	(1,433,805)	(34,687)	-	(5,990,066)
Depreciation and amortisation	(555,717)	-	-	-	(555,717)
Interest revenue	8,831	-	-	-	8,831
Finance costs	(189,378)	-	-	-	(189,378)
Loss before income tax benefit	<u>(5,257,838)</u>	<u>(1,433,805)</u>	<u>(34,687)</u>	<u>-</u>	<u>(6,726,330)</u>
Income tax benefit					171,093
Loss after income tax benefit					<u>(6,555,237)</u>
Assets					
Segment assets	<u>12,810,962</u>	<u>2,023,893</u>	<u>446,328</u>	<u>1,401</u>	<u>15,282,584</u>
<i>Unallocated assets:</i>					
Cash and cash equivalents					1,726,842
Land and buildings					1,234,365
Tax receivable					525,157
Total assets					<u>18,768,948</u>
Liabilities					
Segment liabilities	<u>11,778,200</u>	<u>2,882,533</u>	<u>-</u>	<u>-</u>	<u>14,660,733</u>
<i>Unallocated liabilities:</i>					
Bank loans					31,860
Deferred tax liability					93,080
Total liabilities					<u>14,785,673</u>

Note 3. Operating segments (continued)

	Australia \$	China \$	New Zealand \$	Vietnam \$	Total \$
Consolidated - 31 Dec 2023					
Revenue					
Sales revenue	15,377,760	28,558,277	45,431	-	43,981,468
Other income	93,208	-	-	-	93,208
Total revenue	<u>15,470,968</u>	<u>28,558,277</u>	<u>45,431</u>	<u>-</u>	<u>44,074,676</u>
EBITDA	(2,116,364)	544,571	985	-	(1,570,808)
Depreciation and amortisation	(524,281)	-	-	-	(524,281)
Interest revenue	58,924	-	-	-	58,924
Finance costs	(128,374)	-	-	-	(128,374)
Profit/(loss) before income tax benefit	<u>(2,710,095)</u>	<u>544,571</u>	<u>985</u>	<u>-</u>	<u>(2,164,539)</u>
Income tax benefit					909
Loss after income tax benefit					<u>(2,163,630)</u>
Consolidated - 30 Jun 2024					
Assets					
Segment assets	<u>17,704,209</u>	<u>3,602,696</u>	<u>446,328</u>	<u>1,239</u>	<u>21,754,472</u>
<i>Unallocated assets:</i>					
Cash and cash equivalents					2,069,853
Land and buildings					1,239,127
Deferred tax asset					62,830
Tax receivable					234,660
Total assets					<u>25,360,942</u>
Liabilities					
Segment liabilities	<u>12,781,753</u>	<u>1,736,100</u>	<u>12,461</u>	<u>-</u>	<u>14,530,314</u>
Total liabilities					<u>14,530,314</u>

Note 4. Expenses

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Impairment losses</i>		
Assets write off	43,376	-
Debts written off	25,259	-
Goodwill (note 10)	2,347,482	-
Tradenames (note 10)	<u>225,633</u>	<u>-</u>
Total impairment losses	<u>2,641,750</u>	<u>-</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	10,347	54,835
Interest and finance charges paid/payable on lease liabilities	170,301	46,376
Other interest expense	<u>8,730</u>	<u>27,163</u>
Finance costs expensed	<u>189,378</u>	<u>128,374</u>

Note 5. Earnings per share

	Consolidated 31 Dec 2024 \$	31 Dec 2023 \$
Loss after income tax	(6,555,237)	(2,163,630)
Non-controlling interest	3,728,202	1,273,852
Loss after income tax attributable to the owners of Jatcorp Limited	<u>(2,827,035)</u>	<u>(889,778)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	83,266,589	83,266,417
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>83,266,589</u>	<u>83,266,417</u>
	Cents	Cents
Basic loss per share	(3.395)	(1.069)
Diluted loss per share	(3.395)	(1.069)

Note 6. Trade and other receivables

	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
<i>Current assets</i>		
Trade receivables	134,713	2,834,415
Supplier deposits	1,315,838	2,176,455
Other receivables	607,135	559,840
Less: Allowance for expected credit losses	<u>(521,603)</u>	<u>(510,433)</u>
	<u>1,536,083</u>	<u>5,060,277</u>
<i>Non-current assets</i>		
Other receivables	<u>393,524</u>	<u>305,162</u>
	<u>1,929,607</u>	<u>5,365,439</u>

Note 7. Inventories

	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
<i>Current assets</i>		
Finished goods	2,862,217	961,597
Raw materials	2,150,506	2,853,836
Stock in transit	-	81,742
Packaging materials	1,197,275	768,318
Less: Provision for impairment	<u>(2,045,195)</u>	<u>(826,957)</u>
	<u>4,164,803</u>	<u>3,838,536</u>

Note 7. Inventories (continued)

Due to recent legal proceedings in China, Neurio products were suspended from online sales in China and shifted to retail outlets. As a result, \$1,158,983 was recognised in cost of goods sold for inventories carried at net realisable value.

Note 8. Property, plant and equipment

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Non-current assets</i>		
Property - at cost	1,279,264	1,279,264
Less: Accumulated depreciation	(44,899)	(40,137)
	<u>1,234,365</u>	<u>1,239,127</u>
 Plant and equipment - at cost	 5,833,165	 5,539,122
Less: Accumulated depreciation	(2,115,380)	(2,004,378)
	<u>3,717,785</u>	<u>3,534,744</u>
	<u><u>4,952,150</u></u>	<u><u>4,773,871</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Property	Plant and equipment	Total
	\$	\$	\$
Balance at 1 July 2024	1,239,127	3,534,744	4,773,871
Additions	-	349,009	349,009
Disposals	-	(1,074)	(1,074)
Depreciation expense	(4,762)	(164,894)	(169,656)
Balance at 31 December 2024	<u><u>1,234,365</u></u>	<u><u>3,717,785</u></u>	<u><u>4,952,150</u></u>

Note 9. Right-of-use assets

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	6,060,997	6,060,997
Less: Accumulated depreciation	(685,735)	(334,861)
	<u><u>5,375,262</u></u>	<u><u>5,726,136</u></u>

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between 3 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 9. Right-of-use assets (continued)

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Land and buildings - right-of-use \$
Consolidated	
Balance at 1 July 2024	5,726,136
Depreciation expense	(350,874)
Balance at 31 December 2024	<u>5,375,262</u>

Note 10. Intangible assets

	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
<i>Non-current assets</i>		
Goodwill - at cost	2,347,482	2,347,482
Less: Impairment	(2,347,482)	-
	<u>-</u>	<u>2,347,482</u>
Trade names - at cost	597,000	597,000
Less: Accumulated amortisation	(371,367)	(341,517)
Less: Impairment	(225,633)	-
	<u>-</u>	<u>255,483</u>
Trade marks - at cost	107,900	105,545
Less: Accumulated amortisation	(15,151)	(9,815)
	<u>92,749</u>	<u>95,730</u>
Customer relationship - at cost	2,830,000	2,830,000
Less: Accumulated amortisation	(2,027,316)	(2,027,316)
Less: Impairment	(802,684)	(802,684)
	<u>-</u>	<u>-</u>
Import licence - at cost	12,353,275	12,353,275
Less: Accumulated amortisation	(1,703,900)	(1,703,900)
Less: Impairment	(10,649,375)	(10,649,375)
	<u>-</u>	<u>-</u>
	<u>92,749</u>	<u>2,698,695</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill \$	Trade names \$	Trade marks \$	Total \$
Consolidated				
Balance at 1 July 2024	2,347,482	255,483	95,730	2,698,695
Additions	-	-	2,356	2,356
Impairment during the period	(2,347,482)	(225,633)	-	(2,573,115)
Amortisation expense	-	(29,850)	(5,337)	(35,187)
Balance at 31 December 2024	<u>-</u>	<u>-</u>	<u>92,749</u>	<u>92,749</u>

Note 10. Intangible assets (continued)

Impairment testing

The legal proceedings in China have led to the suspension of all sales for Neurio products in mainland China, resulting in very low sales expectations. Consequently, the goodwill of \$2,347,482 and trade names valued at \$225,633 have been impaired this period, as the recoverable amount of Sunnya's Cash Generating Unit (CGU) is now below its carrying amount.

Note 11. Trade and other payables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	4,512,114	2,350,577
Sundry accruals and other payables	1,379,638	1,223,123
	<u>5,891,752</u>	<u>3,573,700</u>

Note 12. Contract liabilities

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	1,240,435	2,830,958
<i>Non-current liabilities</i>		
Contract liabilities	183,047	185,329
	<u>1,423,482</u>	<u>3,016,287</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$1,423,482 as at 31 December 2024 (\$3,016,287 as at 30 June 2024) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Within 6 months	1,240,435	2,830,958
12 to 18 months	183,047	185,329
	<u>1,423,482</u>	<u>3,016,287</u>

Note 13. Borrowings

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current liabilities</i>		
Loan - Shareholders	1,390,917	1,390,917
Bank loans	31,860	-
Credit card	-	294,312
	<u>1,422,777</u>	<u>1,685,229</u>

Note 13. Borrowings (continued)

Interest rates

	Consolidated	
	31 Dec 2024	30 Jun 2024
	%	%
Loan - Shareholders	-	-
Bank loans	9.5%	-
Credit card (late payment on the balance)	-	36.0%

Assets pledged as security

Bank loans facilities relate to:

- trade refinance facility of \$1,000,000 which are unsecured and repayable within 120 days. The facility expires on 30 November 2025.
- overseas bills purchased facility of \$2,000,000 which are unsecured and repayable within 45 days. The facility expires on 30 November 2025.
- revolving leasing limit \$1,500,000.

Loans - Shareholders are unsecured and have no fixed repayment terms.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Total facilities		
Bank loans	3,000,000	-
Credit card	-	457,000
Revolving loan	1,500,000	-
	<u>4,500,000</u>	<u>457,000</u>
Used at the reporting date		
Bank loans	31,860	-
Credit card	-	294,312
Revolving loan	-	-
	<u>31,860</u>	<u>294,312</u>
Unused at the reporting date		
Bank loans	2,968,140	-
Credit card	-	162,688
Revolving loan	1,500,000	-
	<u>4,468,140</u>	<u>162,688</u>

Note 14. Provisions

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current liabilities</i>		
Employee benefits	301,781	379,712
<i>Non-current liabilities</i>		
Employee benefits	69,533	63,290
Lease make good	104,910	102,700
	174,443	165,990
	<u>476,224</u>	<u>545,702</u>

Note 15. Issued capital

	Consolidated			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>83,266,661</u>	<u>83,266,417</u>	<u>90,231,804</u>	<u>90,231,570</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	83,266,417		90,231,570
Issue of shares on exercise of options	24 August 2024	244	\$0.00	234
Balance	31 December 2024	<u>83,266,661</u>		<u>90,231,804</u>

Note 16. Non-controlling interest

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Issued capital from non-controlled entity	293,602	293,602
Deconsolidated disposed subsidiaries	2,185,536	2,477,886
Accumulated losses	(3,843,612)	(115,410)
	<u>(1,364,474)</u>	<u>2,656,078</u>

Note 17. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 18. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2024 %	30 Jun 2024 %
LTR trading PTY LTD	Australia	100%	100%
Golden Koala Group Pty Ltd ¹	Australia	51%	51%
LTVM Pty Ltd	Australia	51%	51%
Sunnya Pty Ltd	Australia	51%	51%
Jatpharm Pty Ltd ¹	Australia	55%	55%
Australian Natural Milk Association Pty Ltd	Australia	95%	95%
Cobbity Country Pty Ltd	Australia	100%	100%
JatHealth Pty Ltd ¹	Australia	51%	51%
Jat HK LTD	Hong Kong	100%	100%
Pastoral Time Ltd ²	Hong Kong	-	51%

¹ These entities did not carry out any business activities during half-year ended 31 December 2024.

² Pastoral Time Ltd was deregistered in November 2024.

Note 19. Related party transactions

Parent entity

Jatcorp Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 18.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2024 \$	31 Dec 2023 \$
Sale of goods and services:		
<i>Director related companies</i>		
- Pacific Healthy International Holding Pty Ltd	760,825	1,394,496
Payment for goods and services:		
Purchase of goods from other related party	60,373	-
<i>Director related companies - payment of marketing services</i>		
- Pacific Healthy International Holding Pty Ltd	29,736	354,074

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 20. Assets of disposal groups classified as held for sale

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current assets</i>		
Cash and cash equivalents	2,378	398,970
Inventories	-	191,952
	<u>2,378</u>	<u>590,922</u>

On 11 June 2024, the Group decided to voluntarily liquidate one of its subsidiaries, Pastoral Time Limited, as the entity has been facing significant challenges to sell Jatcorp's products in China and its operation is no longer in line with the shareholders' view.

Pastoral Time Limited was de-registered on 29 November 2024 and the company did not conduct any trading activities during the half-year ended 31 December 2024.

The bank account is in the process of closing and the cash outstanding will be distributed to the owners at that time.

Note 21. Contingencies and commitments

The Group has given bank guarantees as at 31 December 2024 of \$305,162 (30 June 2024: \$305,162) to various landlords.

Contingent legal cost regarding Neurio trademark dispute in China

As disclosed in the financial statements, Neurio products were suspended from online sales in China due to a recent dispute on Neurio trademark in China. As a result of the dispute there is a potential legal re-reimbursement claim by one of the parties to the proceedings for which Jatcorp have no obligation to pay as of 31 December 2024.

Given the complexities and potential implications of this matter, the Group is conducting a comprehensive review and assessment. Consequently, no provision for any liability has been recognised in these financial statements.

Legal proceeding vs Wilton Yao

As announced on 10 January 2023, the employment of former director and CEO of the Company, Wilton Yao, was terminated. He has since brought proceedings against the Company claiming damages for the termination of his employment contract. The Company has rejected his claim as without merit and will defend the proceedings. The Company will further update on the progress.

Apart from the above, no other matters or circumstances have arisen during the half-year which significantly affected or could significantly affect the operations of the Group, the results of these operations or the state of affairs of the Group in future financial years.

Note 22. Events after the reporting period

Jatcorp Limited has entered into a sales incentive agreement with H&S International (HK) Co., Limited ('H&S') on 21 February 2025. The Company will issue up to 4,000,000 ordinary shares to H&S if the FY25 and FY26 sales targets are met, representing 4.80% of Jatcorp's current issued capital. "

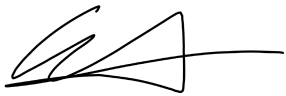
No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Sunny Jian Xin Liang
Executive Director and CEO

26 February 2025
Sydney

RSM Australia Partners

Level 13, 60 Castlereagh Street
Sydney
NSW 2000
Australia
T +61 (02) 8226 4500
F +61 (02) 8226 4501
rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Jatcorp Limited and its controlled subsidiaries

Report on the Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Jatcorp Limited which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 Jatcorp Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Jatcorp Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net loss of \$6,555,237 during the half year ended 31 December 2024 and, as of that date, the Company's current liabilities exceeded its total assets by \$1,275,287. The ability of the consolidated entity to continue as a going concern is dependent on its ability to generate positive operating cash flows through its continued operations. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Jatcorp 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 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

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 the consolidated entity's financial position as at 31 December 2024 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*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other 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.

LOUIS QUINTAL

Partner

RSM Australia Partners

Sydney, NSW

Dated: 26 February 2025