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## JATENERGY LIMITED

ABN 31 122 826 242

### NOTICE OF GENERAL MEETING

- Time: 10.00am
- Date: 27 March 2018
- Place: Office of Hall Chadwick, Level 40, 2 Park Street,  
Sydney, NSW, 2000.



## **IMPORTANT INFORMATION**

### **A. TIME AND PLACE OF MEETING AND HOW TO VOTE**

The General Meeting of Shareholders of Jatenergy Limited to which this Notice of Meeting relates will be held at 10.00 am (Sydney time) on 27 March 2018 at the office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW, 2000.

### **B. YOU VOTE IS IMPORTANT**

The business of the General Meeting affects your shareholding and your vote is important.

### **C. VOTING IN PERSON**

To vote in person, attend the General Meeting on the date and at the time and place set out above.

### **D. VOTING ELIGIBILITY**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered as at 7.00pm (Sydney time) on 25 March 2018.

### **E. VOTING BY PROXY**

You may appoint any person to attend the Meeting and vote as your proxy, including the Chair. A proxy is not required to be a shareholder of the Company. A proxy form is enclosed with this Notice.

Unless the proxy is required by law to vote, the proxy may decide whether or not to vote on any particular item of business. If the appointment of proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. Any undirected proxies on a given resolution may be voted by the appointed proxy as they choose, subject to the voting exclusions described after each resolution.

A shareholder entitled to cast two or more votes may appoint two proxies. If you appoint two proxies, you may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number of votes is specified, each proxy may exercise half of your votes (disregarding fractions).

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To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form to:

Security Transfer Australia Pty Ltd  
PO BOX 52 Collins Street West VIC 8007

so that it is received not later than 10.00am (Sydney time) on 25 March 2018.

**Proxy forms received later than this time will be invalid.**

If the proxy form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

**Chair's intention**

The Chair intends to vote all valid undirected proxies received in favour of each resolution subject to the voting exclusions after each resolution.

**Privacy**

Chapter 2C of the Corporations Act requires information about you (including your name, address and details of the shares you hold) to be included in the Company's public register of members. This information must continue to be included in the public register if you cease to hold shares. These statutory requirements are not altered by the *Privacy Act 1988 (Cth)*. Information is collected to administer your shareholding by Security Transfer Registrars on behalf of the Company. Security Transfer Registrars privacy policy is available at [www.securitytransfer.com.au](http://www.securitytransfer.com.au) .

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## **NOTICE OF GENERAL MEETING**

Notice is given that the General Meeting of Shareholders of Jatenergy Limited will be held at 10.00 am (Sydney time) on 27 March 2018 at the office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statements and the Proxy Form are part of this Notice of Meeting.

### **AGENDA**

#### **1. RESOLUTION 1 – Significant change to nature and scale of activities**

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as described in the Explanatory Memorandum.”*

#### **Voting Restriction**

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary shares, if the resolution is passed, or any associates of that person.

However, the Company need not disregard a vote if it is cast by (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

#### **2. RESOLUTION 2 – ISSUE OF SHARES TO CONVERTIBLE NOTEHOLDERS**

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of up to 32,280,000 ordinary fully paid shares in the Company as set out in the Explanatory Memorandum is approved”.*

#### **Voting Restriction**

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any convertible noteholder who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a

benefit solely by reason of being a holder of ordinary securities in the Company), or any of their associates.

However, the Company need not disregard a vote if it is cast by (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

### **3. RESOLUTION 3 – ISSUE OF SHARES TO VENDOR OF GOLDEN KOALA GROUP PTY LIMITED**

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 83,333,333 ordinary fully paid shares to Rongjun Zhao at an issue price of 1.8 cents per share, for the purpose and on the terms set out in the Explanatory Statement.”*

#### **Voting Restriction**

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Rongjun Zhao or any of his associates.

However, the Company need not disregard a vote if it is cast by (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

### **4. RESOLUTION 4 – ISSUE OF SHARES TO RAISE CAPITAL**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of up to 1,000 Shares as set out in the Explanatory Statement is approved”.*

#### **Voting Restriction**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company), or any associate of that person.

However, the Company need not disregard a vote if it is cast by (a) a person as a proxy for a person who is entitled to vote, in accordance with the

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directions on the proxy form or (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

**BY ORDER OF THE BOARD**

**BRETT CROWLEY  
COMPANY SECRETARY**

## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at the office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW, 2000 at 10.00am (Sydney time) on 27 March 2018.

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

The table below shows the number of fully paid ordinary shares on issue if Resolutions 2, 3 and 4 are passed and all shares are issued:

Current number of fully paid ordinary shares on issue	411,124,635
Plus: issue of shares (Resolution 2)	32,280,000
Plus: issue of shares (Resolution 3)	83,333,333
Plus: issue of shares (Resolution 4)	1,000
Number of fully paid ordinary shares on issue if all resolutions at this Meeting are passed and all shares are issued	526,738,968

### **RESOLUTION 1 – Significant change to nature and scale of activities**

#### **Background**

The main undertaking of JAT until 2015 was exploiting its coal tenements in Indonesia and its CoalPlus conversion technology. On 23 December 2015, JAT made an ASX announcement that due to continuing low coal prices, JAT was withdrawing from all activities in Indonesia.

In 2015, JAT commenced developing its fast moving consumer goods ("FMCG") business. The development of the FMCG business was announced to the ASX on 22 April 2015, this being represented by JAT's first shipment of milk powder to China.

As JAT's operations from 23 December 2015 consisted only of its FMCG trading operations, the FMCG business has by default become its main undertaking.

JAT has updated its shareholders on the development of the FMCG business subsequent to that date by specific announcements. Additional updates can be found in the 2015, 2016 and 2017 Annual Reports and in the Chairman's presentation to each of the AGM's held in 2015, 2016 and 2017.

### **Business Commentary**

The development of JAT's FMCG since 2015 involves the export of Australian products into China. The business was developed by JAT in response to the downturn in its coal business caused by a drop in the worldwide coal price. The directors expected a resurgence in the coal price. The FMCG business was therefore started as a way to generate cash flow to allow JAT to further invest in its Indonesian coal assets, however, JAT has not been able to revive its coal interests.

The FMCG business has been developed by the directors of JAT utilising their networks and relationships in Australia and China. Products suitable to be sold into China have been sourced from manufacturers in Australia. The sale of these products into the complicated distribution system in China has been driven by JAT director, Mr Li.

JAT has operated three main categories:

- a) healthcare (skin, body care and cosmetics);
- b) dairy products and baby food (including infant formula); and
- c) wool and leather products.

In growing the FMCG business, JAT has worked with major Australian brands to facilitate exports for Australian producers and retailers. This has involved identifying the best platform for each product, positioning products relative to competitors in terms of product appeal and price and dealing with the various Chinese regulatory requirements. The FMCG trading commenced in 2015 with a focus on market penetration. JAT accepted tight margins (1-2%) in order to generate a critical mass of business flows and develop expertise and credibility. Sales in 2016 were \$1m which grew to \$10m in 2017.

Although the FMCG trading since 2015 has been marginally profitable, it has been critical in succeeding to establish distribution networks for JAT with a number of distributors including Alibaba and JD. As a result of having established a sales network, JAT can now move away from purchasing other Australian brands and is instead focusing on developing its own brands in the milk powders market. This will allow JAT to increase its gross margin for products of which it is the manufacturer rather than solely be a reseller. This strategy is being implemented as follows:

1. JAT has established its own milk powder brand, known as "lone Milk". This product is manufactured in Australia on behalf of JAT.
2. The acquisition of 51% of Golden Koala Group Pty Ltd ("GK"). This acquisition is the subject of Resolution 3, further details of which are set out below. GK is an Australian milk powder brand, its primary product being "Golden Koala Infant Formula". Products also include adult full cream and skim milk powder.



The directors believe that, as a result of selling its own branded milk powders, the gross profit is likely to improve to approximately 15-20%. This compares with the previous gross margin of selling other manufacturers' products of around breakeven.

JAT has established a 100% owned subsidiary, Cobbitty Country Pty Ltd ("CC"), which will continue to be the holding company for the FMCG trading business. It will conduct all sales into China, it will develop and sell products using the CC brand as well as selling products with different brands, such as "lone Milk" and Golden Koala (subject to shareholders passing Resolution 3). CC will own all assets and investments in the FMCG business, such as the Golden Koala acquisition (see Resolution 3).

### Use of Funds

Funds raised from recent capital raisings have been used in the development of the FMCG products business. The following table sets out the recent and proposed capital raisings and the use of those funds:

Date of Share Issue	Number of Shares Issued or to be Issued	Amount of Capital Raised	Uses of Funds
29 November 2017	12,966,665	\$194,500	Anticipated wages, salaries and corporate expenses during the 2018 calendar year.
8 December 2017	42,963,333	\$644,450	Anticipated wages, salaries and corporate expenses during the 2018 calendar year.
11 December 2017	43,533,287	\$652,999	Share purchase plan. Anticipated wages, salaries and corporate expenses during the 2018 calendar year.
13 December 2017	32,280,000	\$1,129,800	Issue of convertible notes (to be converted to shares subject to passing of Resolution 2). Costs to obtain CFDA approvals, part of cash component of purchase of Golden Koala business in accordance with the terms of the purchase as set out in Resolution 3.
11 January 2018	66,666,666	\$1,000,000	Costs to obtain CFDA approvals, part of cash component of purchase of Golden Koala business in accordance with the terms of the purchase as set out in Resolution 3, working capital.
28 March 2018	83,333,333	\$1,500,000	Part of cash component of purchase of Golden Koala business in accordance with the terms of the purchase as set out in Resolution 3.

### Chinese Regulatory Approvals

Most of the non-food products sold through JAT's FMCG business do not require Chinese regulatory approval to import the goods into China.

In order for JAT to be able to sell its milk powder, cosmetic products and vitamins into China, it is necessary to undertake the regulatory work required to obtain the approval of the China Food and Drug Administration ("CFDA") for those products.

JAT has engaged Scibus, a leading Australian authority in the medicine, nutrition and management of dairy cattle, to prepare and lodge the CDFA application. To finalise the application, JAT is required to contract with the Australian milk powder supplier. JAT is currently evaluating five Australian suppliers and a final decision is expected imminently, after which Scibus can proceed with the application.

The CFDA application is expected to be lodged in April 2018. Based on past experience, it is expected that approval will be obtained at some time between July and September 2018.

The term of CFDA approvals for JAT's milk powder products will be 5 years.

#### **Financial Effect**

In 2015, the directors reached the conclusion that JAT's coal tenements in Indonesia and its CoalPlus conversion technology were unlikely to produce any revenue for JAT in the short term. The directors believed that the viability of those assets depended upon an increase in the worldwide coal price.

The financial effect of the commencement of the FMCG business has been the generation of cash flow for JAT. In the year ended 30 June 2017, revenue of almost \$10 million was generated.

The expansion of the FMCG business and the establishment of JAT's own manufactured products requires JAT to be able to fund manufacturing facilities, inventory and debtors. The directors have determined that the most appropriate way to raise the necessary funds is by way of issued capital, rather than debt. Accordingly, JAT has in the last few months raised capital by issuing shares and convertible notes. The issue of additional shares has the effect of diluting current shareholders that did not participate in the new issues.

Given JAT is at an early stage of developing its own products, reliable forecasts of any possible revenue and expenses cannot be prepared and accordingly the Directors are not at this stage able to reliably forecast the likely financial results.

#### **Listing Rule 11.1.2**

ASX has advised JAT that it considers the move into the FMCG business to be a significant change in the nature or scale of the Company's current activities and, accordingly, the purpose of Resolution 1 is to seek Shareholder approval in accordance with Listing Rule 11.1.2. The ongoing development of the FMCG trading business may not continue if that approval is not forthcoming.

Trading of Shares on the ASX were suspended on 13 December 2017. JAT is in discussions with ASX regarding the timing of JAT's reinstatement.

### **No Change to Board and Management**

The Board considers that the existing Board and senior management are sufficiently qualified to undertake the FMCG business. Accordingly, it does not intend to implement any changes to the Board or senior management in developing and carrying on the FMCG business.

### **Board recommendation**

The Directors unanimously recommend Shareholders to vote in favour of this Resolution.

### **ASX**

ASX takes no responsibility for the contents of this Notice.

### **RESOLUTION 2 – ISSUE OF SHARES TO CONVERTIBLE NOTE HOLDERS**

On 13 December 2017, the Company announced that it had raised funds from the issue of convertible notes ("Notes") to finance the manufacture, on behalf of JAT, of a dairy based infant formula and the regulatory work required to obtain the approval of the CFDA for the formula to be sold in China.

The terms of issue of the Notes was that they would only convert to Shares in JAT upon approval of Shareholders at a General Meeting of JAT.

The information required by listing rule 7.3 is as follows:

1. The face value of the Notes is \$1,129,800. There are 14 Notes issued, which will convert into Shares at 3.5 cents per share. Accordingly, there will be 32,280,000 ordinary fully paid shares issued on conversion of the Notes.
2. The shares to be issued on conversion of the Notes will be issued on a single date that is no later than three months after the date of the General Meeting.
3. The shares to be issued will be fully paid ordinary shares and will rank equally with all existing shares on issue.
4. The details of the investors and the shares to be issued to each of them are as follows:

<b>Name</b>	<b>Shares</b>
Bo Qiang	280,000
Limin Lian	900,000
Lin Li	13,000,000
Zhongliang Wang	7,000,000
Ying Shi	1,000,000
Wenping Zhang	200,000
MAPD Nominees Pty Limited	4,250,000
Bin Liu	1,070,000

Chunyan Niu	980,000
Sufian Ahmad	1,000,000
Bilal Ahmad	1,000,000
GTT GLOBAL OPPORTUNITIES PTY LTD	500,000
MGL CORP PTY LTD	300,000
XCEL CAPITAL PTY LTD	800,000
<b>TOTAL</b>	<b>32,280,000</b>

At the time of issue of the Shares on conversion of the Notes, JAT will apply a holding lock to prevent on-market and off-market transfers of the Shares. This is necessary since at the time of issue of the Shares to Noteholders, JAT will not be able to issue a cleansing notice under section 708A of the Corporations Act. JAT expects to lodge a prospectus with ASIC on or about 29 March 2018 to comply with section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of the Shares, as well as certain other Shares issued by JAT prior to the closing date of the prospectus. The holding lock can be removed on successful completion of the prospectus.

**RESOLUTION 3 – ISSUE OF SHARES TO VENDOR OF GOLDEN KOALA GROUP PTY LIMITED**

On 28 December 2017, JAT announced it has entered into a share purchase agreement (“SPA”) to acquire 51% of Golden Koala Group Pty Ltd (“GK”) from its current 100% owner, Mr Rongjun Zhao. The consideration payable by JAT will be a combination of cash and JAT shares to be issued to Mr Zhao.

GK is an Australian milk powder brand, its primary product being “Golden Koala Infant Formula”. Products include adult full cream and skim milk powder.

The GK acquisition supplements the development by JAT of its “lone Milk” brand. JAT will as a result of the GK acquisition have an infant formula business with a brand that has had previous traction in China. Shares in GK will be held by Cobbitty Country Pty Limited, a wholly owned subsidiary of JAT.

There are currently only 15 Australian manufacturers accredited by the CNCA (Certification and Accreditation Administration of the People's Republic of China) to export infant formula into China. From 1 January 2018, each manufacturer is licensed for a maximum of three formulations. Therefore, if the GK formula is approved by CFDA, then it will be one of 45 Australian made formulas which can be sold in China.

The acquisition is conditional upon the Shareholders of JAT approving the issue of shares to Mr Zhao.

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## Summary of SPA Terms

The key terms of the SPA include:

1. JAT will acquire 51% of the issued capital of GK.
2. The consideration will consist of an initial payment of cash and shares followed by two earnout payments subject to performance hurdles being met.
3. The initial payment will consist of \$2 million in cash and \$1.5 million in JAT shares issued at 1.8 cents per share (83,333,333 shares).
4. If Earnout Condition 1 is achieved, Mr Zhao will be paid \$1 million and, subject to shareholder approval, will be issued with \$1.5 million in JAT shares. The issue price of the shares will be the VWAP of JAT shares for the previous 20 days on which trading of JAT shares occurred on the ASX immediately prior to the day on which Earnout Condition 1 was satisfied. Earnout Condition 1 will be achieved if and when GK obtains Chinese CFDA approval for Golden Koala Infant Formula to be exported and sold in China.

JAT will seek shareholder approval for the issue of the shares, if any, to be issued pursuant to an Earnout Condition 1. However, it will be necessary for JAT to make a cash payment in lieu of shares in the following circumstances:

- (a) in the event that shareholders do not approve the issue of the shares at a general meeting, JAT will make a cash payment of \$1.5 million; or
- (b) in the event that JAT is prohibited by section 611 of the Corporations Act from issuing shares which would result in Mr Zhao owning 20% or greater of the issued capital of JAT. In these circumstances, JAT would seek approval from shareholders to issue that number of JAT shares which would result in Mr Zhao owning less than 20% of the issued capital of JAT, the balance of the \$1.5 million owing would be paid in cash.

5. If Earnout Condition 2 is achieved, Mr Zhao will be paid \$500,000 and will be issued with \$500,000 in JAT shares. The issue price of the shares will be the VWAP of JAT shares for the previous 20 days on which trading of JAT shares occurred on the ASX immediately prior to the day on which Earnout Condition 2 was satisfied. Earnout Condition 2 will be achieved if and when GK sells a total of 500,000 tins of Golden Koala Infant Formula in a one-year period ended 30 June and full payment for the sale is received by GK.

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JAT will seek shareholder approval for the issue of the shares, if any, to be issued pursuant to Earnout Condition 2. However, it will be necessary for JAT to make a cash payment in lieu of shares in the following circumstances:

(a) in the event that shareholders do not approve the issue of the shares at a general meeting, JAT will make a cash payment of \$500,000; or

(b) in the event that JAT is prohibited by section 611 of the Corporations Act from issuing shares which would result in Mr Zhao owning 20% or greater of the issued capital of JAT. In these circumstances, JAT would seek approval from shareholders to issue that number of JAT shares which would result in Mr Zhao owning less than 20% of the issued capital of JAT, the balance of the \$500,000 owing would be paid in cash.

6. On completion, JAT will control the appointment of the board of GK. The board will consist of two directors of JAT (to be Messrs Crimmins and Yao) and Mr Zhao. Mr Zhao will remain as CEO for three years. There will be no change to the board of JAT.

7. It is a condition precedent of the SPA that JAT obtain all necessary approvals from the ASX, ASIC and JAT shareholders for the acquisition and the issue of the JAT shares to Mr Zhao.

#### **Golden Koala Pty Ltd Information**

Golden Koala is a brand that has been selling into China by the Adeline Group Pty Ltd (a company controlled by Mr Zhao) for the past 7 years in both department stores and online. The Adeline Group Pty Limited has transferred the Golden Koala trade mark and goodwill into Golden Koala Group Pty Ltd. The brand is recognised in China as a rising infant formula and is gaining acceptance from the Chinese public. Its range includes infant formula, instant full cream and skim milk powder. The products are 100% Australian made and has had CFDA approval and will be applying again for 2018 CFDA approval into China.

To be imported into China, the milk powder must be manufactured by a manufacturer accredited by China's Certification and Accreditation Administration ("CNCA"). There are currently 15 Australian manufacturers currently accredited by CNCA. Each of those manufacturers can only be accredited for a maximum of 3 formulations.

GK has entered into a manufacturing agreement with Nutritional Choice Australia Pty Ltd ("NCA"). NCA is one of the 15 Australian manufacturers accredited by CNCA.

The preparation of the CFDA application for "infant formula" has commenced and is expected to be lodged in April 2018. Based on past

experience, it is expected that approval will be obtained by July 2018. The CFDA approval is expected to have a term of five years.

GK is preparing to launch in April 2018 the English versions of the infant formula, children's milk powder and adult milk powder. These versions will be made available to the Australian market as well as other international shopping sites through Tmall, JD and Kaola.

Some outstanding achievements by GK include:

- Received two Awards from Ministry of Commerce of the PRC in 2012 and 2013.
- Recommended by Mr. Li Jingwei, Chief Correspondent of Australian Branch of the People's Daily.
- Having Mr. Hou Yong, as GOLDEN KOALA® brand image prolocutor, who is a Chinese top performer, Golden Eagle Award Winner.
- Having sales both online and in retail stores all around China.
- As a sponsor of the 'YQ going' charity in China, helping and supporting disadvantaged children to get comfortable living conditions in China.

The information required by listing rule 7.3 is as follows:

1. The number of shares to be issued on Completion is 83,333,333 ordinary fully paid shares.
2. The shares will be issued on a single date that is no later than three months after the date of the meeting.
3. The issue price of the shares is 1.8c per share and will rank equally with all existing shares on issue.
4. The shares will be issued to Rongjun Zhao.
5. The shares will be fully paid ordinary shares.
6. The shares will be issued as part consideration for the acquisition of 51% of GK.

At the time of issue of the Shares, JAT will apply a holding lock to prevent on-market and off-market transfers of the Shares. This is necessary since at the time of issue of the Shares to Mr Zhao, JAT will not be able to issue a cleansing notice under section 708A of the Corporations Act. JAT expects to lodge a prospectus with ASIC on or about 29 March 2018 to comply with section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of the Shares, as well as certain other Shares issued by JAT prior to the Closing Date of the prospectus. The holding lock can be removed on successful completion of the prospectus.

#### **RESOLUTION 4 – ISSUE OF SHARES TO RAISE CAPITAL**

The issue of shares ("Offer Shares") will be made pursuant to a prospectus to be lodged with ASIC on or about 29 March 2018 (the "Prospectus") which will seek to raise a nominal amount of \$15. The Prospectus will be prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the date of the Prospectus, being:

- a) The issue of 12,966,665 shares on 29 November 2017 pursuant to a private placement;
- b) The issue of 42,963,333 shares on 8 December 2017 pursuant to a private placement;
- c) the issue of 43,533,287 shares on 11 December 2017 pursuant to a share purchase plan;
- d) The issue of 32,280,000 shares on conversion of Convertible Notes (see Resolution 2);
- e) The issue of 66,666,666 shares on 11 January 2018 pursuant to a private placement approved at a meeting of shareholders on 10 January 2018; and
- f) The issue of 83,333,333 shares as part consideration for the acquisition of Golden Koala Group Pty Limited (see Resolution 3).

The Offer Shares are to be issued at 1.5c per Share under the Prospectus.

The issue of Shares pursuant to this Resolution is conditional on the passing of Resolution 1.

ASX Listing Rule 7.3 requires this Notice to include the following information:

- (a) Up to 1,000 Shares will be issued.
- (b) The shares to be issued on completion of the Offer will be issued on a single date that is no later than three months after the date of the meeting.
- (c) The Shares are to be issued at 1.5c per Share.
- (d) The Shares will be issued to subscribers under the Prospectus. None of the subscribers will be a related party of the Company.
- (e) The Shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid Shares on issue.
- (f) The funds raised by the issue of the Offer Shares will be used to meet the costs of the Offer.



**PROXY FORM**

**APPOINTMENT OF PROXY  
JATENERGY LIMITED  
ABN 31 122 826 242**

**GENERAL MEETING – 27 March 2018**

I/We

being a member of Jatenergy Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10.00am (Sydney time), on 27 March 2018 at office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW and at any adjournment thereof.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy please place a mark in this box.

The Chair of the General Meeting intends to vote undirected proxies in favour of all Resolutions.

**Voting on Business of the General Meeting**

Resolution 1 - Significant change to nature and scale of activities

Resolution 2 - Issue of Shares to Convertible Noteholders

Resolution 3 - Issue of Shares to Vendor of Golden Koala Group Pty Limited

Resolution 4 - Issue of Shares to Raise Capital

If two proxies are being appointed, the proportion of voting rights this proxy represents is

**FOR**      **AGAINST**      **ABSTAIN**

\_\_\_\_\_ %

**Signature of Member(s):** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_

**Contact Ph (daytime):** \_\_\_\_\_

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A Shareholder entitled to attend and cast a vote at the meeting is entitled to appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative to exercise its powers as proxy at the meeting. A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholders appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's share registry. The chairman of the meeting, or any other director, is willing to act as proxy for any shareholder who wishes to appoint him for that purpose. The chairman of the meeting or any other director appointed as proxy intends to vote discretionary proxies in favour of the relevant resolution. To do this enter "the Chairman" or the name of your proxy in the space allocated in this form. The chairman of the meeting will vote all undirected proxies in favour of the resolutions.
2. **(Voting of your holding):** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Shareholders who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded. Bring this form to assist registration. If a representative of a corporate Securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return to:

Security Transfer Australia Pty Ltd  
PO BOX 52 Collins Street West VIC 8007

so that it is received not later than 10.00am (Sydney time) on 25 March 2018.

**Proxy forms received later than this time will be invalid.**