JATENERGY LIMITED

ABN 31 122 826 242

NOTICE OF GENERAL MEETING

Time:	10.00am
Date:	10 October 2018
Place:	Office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW, 2000.

Suite 6.08, 55 Miller Street Pyrmont NSW 2009 AUSTRALIA
Tel +61 2 9571 8300 | Fax +61 2 9571 8200

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 10 October 2018 at the office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW, 2000.

B. YOUR 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 8 October 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).

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 8 October 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 .

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Jatenergy Limited (the "Company") will be held at 10.00 am (Sydney time) on 10 October 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 – ISSUE OF SHARES TO VENDORS OF SUNNYA INTERNATIONAL 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 35,000,000 Shares to Yanxia Lu Yinghan He or their nominee at an issue price of 10 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 1 by or on behalf of Yanxia Lu and Yinghan He or any of their associates. However, the Company need not disregard a vote cast on the Resolution if it is cast by: (a) a person as a proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or (b) 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 – PRIVATE PLACEMENT TO INVESTORS

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 47,133,333 Shares in the Company as set out in the Explanatory Statement is approved".

Voting Restriction

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any of the sophisticated investors, any 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 securities in the entity) or any of their associates. However, the Company need not disregard a vote cast on the Resolution if it is cast by: (a) a person as a proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or (b) 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 – PRIVATE PLACEMENT TO INVESTORS

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 10,600,000 Shares in the Company as set out in the Explanatory Statement is approved".

Voting Restriction

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any of the sophisticated investors, any 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 securities in the entity) or any of their associates. However, the Company need not disregard a vote cast on the Resolution if it is cast by: (a) a person as a proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or (b) 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
ANTHONY CRIMMINS
MANAGING DIRECTOR

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 10 October 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 1 to 3 are passed and all shares are issued:

Current number of fully paid ordinary shares on issue	642,449,515
Plus: issue of shares pursuant to Resolution 1	35,000,000
Plus: issue of shares pursuant to Resolution 2	47,133,333
Plus: issue of shares pursuant to Resolution 3	10,600,000
Number of fully paid ordinary shares on issue if all resolutions at this Meeting are passed and all shares are issued	735,182,848

Funding Requirements

a) Background

JAT commenced to establish its fast-moving consumer goods ("FMCG") business in 2015. On 27 March 2018, shareholders of JAT approved at a general meeting the change in the nature and scale of JAT's activities to the FMCG business.

JAT has recently acquired 51% of Golden Koala Group Pty Limited and 50% of Green Forest International Pty Limited. It is proposing to acquire 51% of Sunnya Pty Limited, it is establishing its own retail business in China and is continuing to develop its own retail products.

b) Specific items to be funded

As a result of the expansion of its operations, JAT has the following funding requirements:

Sunnya Acquisition Payment for acquisition of 51% of the issued capital of Sunnya	**$2,600,000**
Sunnya CFDA registration expense Required expenses for CFDA registration of two Sunnya Infant formulae products	**$750,000**
Stock build for Sunnya products Includes the pre-order of base powders and packaging for adult, children and infant formula	**$500,000**
Marketing expense for Sunnya Products Marketing of Sunnya Products	**$250,000**
Working capital Includes marketing and administrative expenditure for JAT, Golden Koala, and Green Forest	**$300,000**

JAT has sufficient cash on hand to meet the Sunnya acquisition. The other items of expenditure set out above will be able to be met from a combination of trading cash flow and further funds raised from investors as set out in this Explanatory Statement.

1. RESOLUTION 1 – ISSUE OF SHARES TO VENDORS OF SUNNYA PTY LIMITED

a) Background

JAT commenced to establish its fast-moving consumer goods ("FMCG") business in 2015. On 27 March 2018, shareholders of JAT approved at a general meeting the change in the nature and scale of JAT's activities to the FMCG business.

JAT has recently acquired 51% of Golden Koala Group Pty Limited and 50% of Green Forest International Pty Limited. It is proposing to acquire 51% of Sunnya Pty Limited, it is establishing its own retail business in China and is continuing to develop its own retail products.

b) Acquisition of Sunnya Pty Limited

On 13 June 2018, JAT announced it had entered into a share purchase agreement ("SPA") to acquire 51% of Sunnya from its current 100% owners, Yanxia Lu and Yinghan He (the "Vendors"). The consideration payable by JAT will be a combination of cash and JAT shares to be issued to the Vendors or their nominees.

Sunnya is a Sydney based developer and exporter of infant formula, dairy products, and other health products currently selling in China. Sunnya formulates innovative new products for in-house brands and for clients who brand and sell the products. Mr He has a master's degree in medicine and twenty years of experience in nutrition and health care in China. Ms Lu has an MBA and 17 years in the Chinese health products industry.

In 2012, Mr He and Ms Lu began manufacturing infant formula on an OEM basis (products to be marketed by another manufacturer) and health products on an ODM basis (original design manufacturing: similar to OEM but encompassing formulation, design and development). In 2014, Mr He and Ms Lu formed Sunnya to continue these operations, develop in-house brands, and expand operations to include the export and distribution of client and in-house products, and associated services relating to export inspection, anti-counterfeiting and shipping.

Sunnya in-house and client products include:

- Raicare Goat Formula – Infant Formula. First marketed in March 2016 and sold approximately 250,000 tins up to 31 October 2017. Application for CFDA approval under the new regulatory regime has been lodged for approval for domestic sale in China.

- Recare Formula – Infant Formula. Approximately 300,000 tins sold in 2017. CFDA application under the new regulatory regime is currently being prepared for approval for domestic sale in China.

- Ausupp – Infant Formula. Approximately 100,000 tins sold in 2017. CFDA application under the new regulatory regime is currently being prepared for approval for domestic sale in China.

- Vitacare OPO Formula – Infant Formula. CFDA application under the new regulatory regime is currently being prepared for approval for domestic sale in China.

- FIT Goat formula – Infant Formula. Application for CFDA approval under the new regulatory regime has been lodged for approval for domestic sale in China.

- Slaite – health products include lactoferrin, whey protein, calcium solid drink, zinc solid drink, fish oil, DHA, D3. Sales were approximately $800,000 in the year to June 2016, and $1.5m in the 12 months to 30 June 2017. In the 2018 financial year sales are expected to total approximately $2.4m.

- Slaite – dairy products include; full cream milk powder, skim milk powder, high-calcium milk powder, children's growth milk powder and pregnancy milk powder.

- Neurio – Lactoferrin Milk Powder, DHA Algae Oil Softgel, and Probiotics Liquid.

• JBK – lactoferrin, bovine colostrum, and other health products. Sales were approximately $260,000 in the 12 months to 30 June 2017. In the 2018 financial year sales are expected to total approximately $850,000.

Financials

Financial results for the last three years are as follows:

Year	2016	2017	2018
Turnover	1,941,261	3,581,776	4,698,433
Net profit before tax	243,500	331,482	11,348

All amounts are $A.

The Directors of JAT and Sunnya are confident that, working together the businesses will achieve significantly higher growth rates and profitability. The acquisition is expected to result in JAT achieving significant and constant cashflow.

Material terms of share purchase agreement

The material terms of the SPA are as follows:

a) JAT will acquire 51% of the shares on issue in Sunnya.

b) The Sunnya board will have four directors. JAT has the right to appoint two of those directors, one of whom will be the Chairman. The Chairman has a casting vote.

c) Completion to take place 7 days after all Conditions Precedent are met.

d) The consideration will be $3 million in cash (of which $400,000 was paid on entering into the SPA) plus 35 million Shares in JAT to be issued at Completion, plus two potential earnout payments.

e) Earnout payment 1 will be made to the Vendors of Sunnya in the event that Raicare Goat Formula, Chinese version, is approved by CFDA for sale in China. The earnout payment is $1.5 million in cash and $900,000 in JAT shares. The issue price of the shares will be 70% of VWAP for the previous 20 trading days prior to the issue date. Approval of shareholders will be required for the issue of the share component. If shareholder approval is not obtained, a cash payment of $900,000 will be made in lieu.

f) Earnout payment 2 will be made to the Vendors of Sunnya based on the earnings before interest and tax ("EBIT") of Sunnya in the year ended 30 June 2019 as follows:

EBIT	Remuneration
Less than $400,000	Nil
More than $400,000, less than $900,000	Cash - $480,000 Shares - $240,000
More than $900,000, less than $1,400,000	Cash - $600,000 Shares - $300,000
More than $1,400,000, less than $1,900,000	Cash - $600,000 Shares - $500,000
More than $1,900,000, less than $2,400,000	Cash - $600,000 Shares - $650,000
More than $2,400,000, less than $2,900,000	Cash - $600,000 Shares - $800,000

The earnout payment is not cumulative. For example, if the EBIT is $2 million, the earnout payment will be $600,000 cash and $650,000 in shares.

The issue price of the shares will be 70% of VWAP for the previous 20 trading days prior to the issue date. Approval of shareholders will be required for the issue of the share component. If shareholder approval is not obtained, a cash payment of an equivalent amount will be made in lieu.

g) JAT will seek shareholder approval for the issue of the shares component of the earnout payments, if any. However, it will be necessary for JAT to make a cash payment in lieu of shares in the following circumstances:

(i) in the event that shareholders do not approve the issue of the shares at a general meeting, JAT will make a cash payment equivalent to the relevant earnout amount; or

(ii) in the event that JAT is prohibited by section 611 of the Corporations Act from issuing shares which would result in the Vendors 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 the Vendors owning less than 20% of the issued capital of JAT, the balance of the earnout payment owing would be paid in cash.

d) There will be no changes to JAT's existing board as a result of the acquisition.

Conditions Precedent

The Conditions Precedent to the SPA are as follows:

a) all approvals required by the ASX, ASIC and JAT shareholders for the acquisition; and

b) the two current directors of Sunnya (who are also the Vendors) enter into employment agreements with Sunnya. These agreements have a term of three years and have otherwise the standard terms for the size of Sunnya and the industry. The remuneration payable under both agreements is $150,000 per annum plus superannuation.

Funding

JAT has sufficient funds on hand to pay $2.6 million to the Vendors on Completion.

The earnout payments are expected to be funded out of cash flow. In the event this is not sufficient, the Directors believe that any additional funds can be raised by way of private placement, a pro rata rights issue in mid to late 2019 and cash flow from operations.

The acquisition of Sunnya is conditional upon the shareholders of JAT approving the issue of Shares to the Vendors.

ASX Listing Rule Information

The information required by listing rule 7.3 is as follows:

1. The maximum number of Shares to be issued on Completion is 35,000,000 Shares.
2. The Shares will be issued on the same day no later than three months after the date of the meeting.
3. The issue price of the Shares is 10c per Share.
4. The Shares will be issued to YANXIA LU and YINGHAN HE or their nominees in equal proportions.
5. The Shares to be issued will be fully paid ordinary Shares and will rank equally with all existing Shares on issue.
6. The Shares will be issued as part consideration for the acquisition of 51% of Sunnya. No funds will be raised from the issue of the Shares.

2. RESOLUTION 2 – PRIVATE PLACEMENT TO INVESTORS

(a) Background

The Company has arranged a private placement of Shares in JAT to sophisticated investors to raise $2,882,000.

(b) ASX Listing Rule Information

The information required by listing rule 7.3 is as follows:

i. The maximum number of Shares to be issued to the sophisticated investors will be 47,133,333.

ii. The Shares will be issued on the same day which will be no later than three months after the date of the meeting.

iii. The issue price of the Shares will be 6c per Share.

iv. The Shares to be issued will be fully paid ordinary Shares and will rank equally with all existing Shares on issue.

v. The funds raised will be used for the purposes set out in the table above on page 7.

The details of the investors and the shares to be issued to each of them are as follows:

Investor name	**Number of shares**
Puyang WANG	100,000
Bo QIANG	2,500,000
Jim Zhen Hua WANG	3,333,333
Yulong Gu	25,000,000
Zhongliang WANG	7,000,000
Ning Dong HE	1,700,000
Zhen Min Chen	500,000
Yue Yin	2,000,000
Chunyan NIU	5,000,000
TOTAL	**47,133,333**

None of the investors are related parties of JAT.

3. RESOLUTION 3 – PRIVATE PLACEMENT TO INVESTORS

(a) Background

The Company has arranged a private placement of Shares in JAT to sophisticated investors to raise $318,000.

(b) ASX Listing Rule Information

The information required by listing rule 7.3 is as follows:

i. The maximum number of Shares to be issued to the sophisticated investors will be 10,600,000.

ii. The Shares will be issued on the same day which will be no later than three months after the date of the meeting.

iii. The issue price of the Shares will be 3c per Share.

iv. The Shares to be issued will be fully paid ordinary Shares and will rank equally with all existing Shares on issue.

v. The funds raised will be used for the purposes set out in the table above on page 7.

The details of the investors and the shares to be issued to each of them are as follows:

Investor name	**Number of shares**
Bo QIANG	600,000
Chunyan Nui	5,000,000
Melbard Nominees Pty Limited	3,500,000
JSR Nominees Pty Limited	1,500,000
TOTAL	**10,600,000**

None of the investors are related parties of JAT.

Schedule 1 - Definitions

In this Explanatory Memorandum and Notice of General Meeting:

Company means Jatenergy Limited.

Completion means completion of the acquisition of 51% of the issued capital of Sunnya in accordance with the SPA.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement to the Notice.

JAT means Jatenergy Limited.

Notice means this Notice of General Meeting.

Proxy Form means the proxy form attached to the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Sunnya or Sunnya Pty Limited means Sunnya Pty Limited ACN 601 385 906

VWAP means the volume weighted average market price of trading in the Shares on the ASX.

PROXY FORM

APPOINTMENT OF PROXY
JATENERGY LIMITED
ABN 31 122 826 242

GENERAL MEETING – 10 October 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 10 October 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

	FOR	AGAINST	ABSTAIN
Resolution 1 - Issue of Shares to Vendors of Sunnya	☐	☐	☐
Resolution 2 – Private Placement to Investors	☐	☐	☐
Resolution 3 – Private Placement to Investors	☐	☐	☐

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

____________%

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 8 October 2018.

   Proxy forms received later than this time will be invalid.