
JATENERGY LIMITED

ABN 31 122 826 242

NOTICE OF 2019 ANNUAL GENERAL MEETING

TIME: 10.30am (Melbourne time)
DATE: Thursday, 21 November 2019
PLACE: 101 Rathdowne Street, Carlton, VIC

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 0411 713 555

I. CONTENTS PAGE

Business of the Meeting (setting out the proposed resolutions)	4
Explanatory Statement (explaining the proposed resolutions)	6
Proxy Form	9

II. IMPORTANT INFORMATION

A. TIME AND PLACE OF MEETING AND HOW TO VOTE

The Annual General Meeting of the Shareholders of Jatenergy Limited to which this Notice of Meeting relates will be held at 10.30am (Melbourne time) on Thursday, 21 November 2019, at 101 Rathdowne Street, Carlton, VIC

B. YOUR VOTE IS IMPORTANT

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

C. VOTING IN PERSON

To vote in person, attend the Annual 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 annual general meeting are those who are registered Shareholders as at 10.30am (Melbourne time) on Tuesday 19 November 2019.

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 10.30am (Melbourne time) on Tuesday 19 November 2019.

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

III. NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Jatenergy Limited will be held at 101 Rathdowne Street, Carlton, VIC at 10.30am (Melbourne time) on Thursday, 21 November 2019.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2019

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 30 June 2019.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) a Closely Related Party of such a member.*

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and*
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.*

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BRETT CROWLEY

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Brett Crowley, a Director retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – SHARES CONSOLIDATION

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

“That for the purpose of section 254H of the Corporations Act 2001 and the Constitution, and for all other purposes, approval is given that the Issued Capital of the Company shall be consolidated on the basis that:

(a) every five (5) fully paid ordinary shares in the Company be consolidated into one (1) fully paid ordinary share in the Company, on the terms described in the Explanatory Memorandum; and

(b) all Options and Performance Rights on issue be adjusted in accordance with Listing Rule 7.22.

Where this Consolidation results in a fraction of a Share, Option or Performance Right being held, the Company be authorised to round that fraction up to the nearest whole Share, Option or Performance Right.”

BY ORDER OF THE BOARD

**WLTON YAO
MANAGING DIRECTOR**

IV. 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 Annual General Meeting to be held at 101 Rathdowne Street, Carlton, VIC at 10.30am (Melbourne time) on Thursday, 21 November 2019.

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.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

There is no requirement under the Corporations Act or the Constitution for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders as a whole to ask questions or make comments on the management of the Company. Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.jatenergy.com.

The Chairman will also allow a reasonable opportunity for Shareholders as a whole to ask the Company's auditor questions relevant to:

- The preparation and content of the Auditor's Report;
- The conduct of the audit;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- The independence of the auditor in relation to the conduct of the audit.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2019.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Pursuant to Section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The vote on the resolution is advisory only and does not bind the Directors or the Company. However, the Corporations Act provides that if the resolution receives a "no" vote of 25% or more of votes cast at the Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take the outcome of the resolution into account when reviewing the remuneration practices and policies of the Company.

2.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, **you must direct the proxy how they are to vote**. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BRETT CROWLEY

Clause 13.2 of the Company's Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Brett Crowley will retire by rotation at this Annual General Meeting and seeks re-election.

4. RESOLUTION 3 – SHARE CONSOLIDATION

The Company proposes to consolidate its share capital through the conversion of every 5 ordinary shares in the Company into 1 ordinary share in the Company. Under section 254H of the Corporations Act 2001, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting. Listing Rule 7.20 provides that if any entity proposes to reorganise its capital, it must advise shareholders of certain matters, which are set out below. No voting exclusions apply, and all shareholders can vote on the resolution.

Reasons for the Consolidation

The Company has 842,881,776 shares on issue. For a company of this size, this is a very large number of securities to have on issue and it subjects the Company to a number of disadvantages including:

- additional share price volatility arising from the fact that the minimum permissible share price movement permitted by the ASX (being 0.1 cent) represents a higher proportion of the Company's share price than it would if the Company had a greater share price;
- the large number of shares on issue is disproportionate to that of comparable companies; and
- negative perceptions associated with a low share price.

The Directors consider that a share consolidation would assist in mitigating these disadvantages. The Directors also consider that the share consolidation will result in a more appropriate and effective capital structure for the Company and a share price that is more attractive to a wider range of investors. Although the share consolidation has no direct effect on the underlying value of the Company, shareholders should appreciate that the value of the Company's shares on ASX (and in turn the Company's market capitalisation) post consolidation is subject to a range of factors beyond the control of the Company.

Effect on Shares

If the proposed share consolidation is approved by the Company's shareholders, the number of the Company's shares on issue will be reduced from 842,881,776 shares to approximately 84,288,177 shares. As the consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions, where fractions will be rounded up to the nearest whole number). It follows that the consolidation will have no effect on the percentage interest of each individual shareholder. By way of illustrative example, if a shareholder currently has 1,000,000 shares, representing approximately 0.12% of the Company's issued capital, then if the share consolidation is approved and implemented, the shareholder will have 200,000 shares following the consolidation, still representing the same 0.12% of the Company's issued capital. The share consolidation will not otherwise result in any change to the rights and obligations of the Company's shareholders. The Company's balance sheet will also remain unaltered as a result of the share consolidation.

Effect on Options

The Company has unlisted options on issue. In accordance with the option terms and ASX Listing Rule 7.22, these options will be consolidated on the same basis as the shares. That is, every 5 options will be consolidated into 1 option, and their exercise price amended in inverse proportion to the consolidation ratio. Any fractional entitlements will be rounded up to the nearest whole number. If the proposed consolidation is approved by the Company's shareholders, the effect of the consolidation on the number and exercise price of options is set out below.

Expiry date	Pre-consolidation exercise price	Pre-consolidation number	Post-consolidation exercise price	Post-consolidation number
30 November 2019	6c	67,145,001	30c	13,429,001

Effect on Performance Rights

The Company has unlisted performance rights on issue. In accordance with the terms of the performance rights and ASX Listing Rule 7.22, these rights will be consolidated on the same basis as the shares. That is, every 5 performance rights will be consolidated into 1 performance right. Any fractional entitlements will be rounded up to the nearest whole number. The consolidation will not have any effect on the vesting or exercise conditions. If the proposed consolidation is approved by the Company's shareholders, the effect of the consolidation on the number of performance rights is set out below.

Pre-consolidation number	Post-consolidation number
16,000,000	3,200,000

Treatment of Fractions

Where the consolidation of a shareholder's holding results in an entitlement to a fraction of a share, the fraction will be rounded up to the nearest whole number of shares. If the Company reasonably considers that a shareholder has been a party to the division of a shareholding in an attempt to obtain an advantage from this treatment of fractions, the Company may take appropriate action, having regard as appropriate to the terms of the Company's Constitution and the ASX Listing Rules.

Indicative Timetable

If the share consolidation is approved, it is expected to take effect in accordance with the following timetable (as set out in the Listing Rules):

Date	Event
Thursday, 21 November 2019	AGM and notice to ASX that shareholders have approved the share consolidation
Friday, 22 November 2019	Last day for trading in pre-consolidated shares
Monday, 25 November 2019	Trading in consolidated shares on deferred settlement basis commences
Tuesday, 26 November 2019	Last day for registration of transfers on a pre-consolidation basis
Wednesday, 27 November 2019	First day for registration of transfers on a post consolidated basis and first day for issue of holding statements
Tuesday, 3 December 2019	Change of details of holding date. Deferred settlement trading ends. Last day for securities to be entered into the holders' security holdings. Last day for entity to send notice to each security holder.

Holding Statements

From the date of the consolidation all current holding statements for shares and options will cease to have any effect, except as evidence of entitlement. After the consolidation becomes effective, the Company will arrange for new holding statements to be issued.

Taxation

No capital gains tax event is expected to occur as a result of the share consolidation for shareholders holding their investment on capital account. Investors will need to re-allocate the cost base of their existing shares to the consolidated shares. Shareholders should seek independent professional advice for guidance based on their individual circumstances. Likewise, there is not expected to be a tax effect on the Company.

No Other Material Information

There is no other material information known to the Company's Directors which may be reasonably expected to affect Shareholders' decision-making as to whether to vote in

favour of Resolution 3 other than what is set out in this Explanatory Statement and has previously been disclosed to Shareholders.

5. GLOSSARY

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

AEDT means Australian Eastern Daylight Savings Time.

Board means the Board of Directors of the Company

Company means Jatenergy Limited ACN 122 826 242

Constitution means the constitution of the Company.

Corporations Act means Corporations Act 2001 (Cth)

Director means a current director of the Company.

Explanatory Statement means the explanatory statement to this notice of Annual General Meeting.

Meeting means the 2019 Annual General Meeting of the Shareholders of the Company to be held on 21 November 2019, to which the Notice of Meeting and Explanatory Statement relate.

Notice or Notice of Meeting means this notice of Annual General Meeting of the Company.

Resolution means a resolution referred to in the Notice.

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

Shareholder means a holder of Shares.

Words importing the singular include the plural and vice versa.

PROXY FORM

**APPOINTMENT OF PROXY
JATENERGY LIMITED
ABN 31 122 826 242
2019 ANNUAL GENERAL MEETING**

I/We

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

Appoint

Name of proxy

OR☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual 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 Annual General Meeting to be held at 10.30am (Melbourne time), on Thursday, 21 November 2019 at 101 Rathdowne Street, Carlton, VIC and at any adjournment thereof.

Important Proxy Notice for Resolution 1: Where your proxy is the Chair of the Meeting, or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member:

- (a) if you have not directed your proxy to vote on Resolution 1, your proxy will be prevented from casting your votes on Resolution 1; and
(b) in order for your votes to be counted on Resolution 1, ***you must direct your proxy how to vote*** on Resolution 1.

☐

If the Chair of the Annual 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 Annual General Meeting intends to vote undirected proxies in favour of Resolutions 2 and 3, and will not cast undirected proxies in favour of Resolution 1 – Remuneration Report.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Mr Brett Crowley	☐	☐	☐
Resolution 3	Share Consolidation	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

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): _____

JATENERGY LIMITED
ABN 31 122 826 242

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 will vote all undirected proxies in favour of 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. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

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

so that it is received not later than 10.30am (Melbourne time) on Tuesday, 19 November 2019.

Proxy forms received later than this time will be invalid.