JATCORP LIMITED

ABN 31 122 826 242

Annual Report for the year ended 30 June 2022

CORPORATE DIRECTORY

Directors:

Mr. Wilton Yao (resigned on 17 June 2022)
Executive Director
Non-Executive Director (Alternate to Brett Crowley, appointed on 17 June 2022, resigned on 18 August 2022)

Mr. Brett Crowley (removed on 1 September 2022)
Non-Executive Chairman

Mr. Xin Sun (removed on 20 June 2022)
Non-Executive Director

Mr. Bing Hui Gong (appointed on 3 June 2022, removed on 1 September 2022)
Non-Executive Director

Mr. Zhan Wang (appointed on 20 June 2022 as Executive Director)
Managing Director (appointed on 8 September 2022)

Mr. Bo Qiang (appointed on 3 June 2022 as Managing Director, ceased on 7 September 2022)
Non-Executive Director (appointed on 8 September 2022)

Mr. Peng Shen (appointed on 20 June 2022 as Non-Executive Director, appointed on 1 September 2022 as Non-Executive Chairman)
Non-Executive Chairman

Mr. Zhi Guo Zhang (appointed on 1 September 2022)
Executive Director

Company Secretary: Mr. Oliver Carton and Mr Brett Crowley (ceased on 5 September 2022)

Registered Office:
Suite 306, 521 Toorak Road
TOORAK VIC 3142
Phone: +61 488 248 138

Website: www.jatcorp.com

Share Registry:
Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153
Phone: 1300 992 916

Auditor:
LNP Audit and Assurance Pty Ltd
Level 8, 309 Kent Street
SYDNEY NSW 2000

Stock Exchange Listing: Jatcorp Limited shares are listed on the Australian Securities Exchange (ASX) under JAT.

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Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as ("the Group") consisting of Jatcorp Limited ("Jatcorp", "JAT" or "Company") and its controlled entities during the year ended 30 June 2022.

Directors

The following were Directors of Jatcorp Limited during the whole of the financial year and up to the date of this report.

Wilton Yao	Executive Director (resigned on 17 June 2022) (re-appointed on 17 June 2022 as alternate director and resigned on 18 August 2022)
Brett Crowley	Non-Executive Chairman (removed on 1 September 2022)
Xin Sun	Non-Executive Director (removed on 20 June 2022)
Bing Hui Gong	Non-Executive Director (appointed on 3 June 2022, removed on 1 September 2022)
Zhan Wang	Managing Director (appointed on 20 June 2022 as Executive Director and appointed as Managing Director on 8 September 2022)
Bo Qiang	Non-Executive Director (appointed on 3 June 2022 as Managing Director and ceased on 7 September 2022, and appointed on 8 September 2022 as Non-Executive Director)
Peng Shen	Non-Executive Chairman (appointed on 20 June 2022 as Non-Executive Director and appointed as Non-Executive Chairman on 1 September 2022)
Zhi Guo Zhang	Executive Director (appointed on 1 September 2022)

Principal activity

JAT is at the forefront of innovative technology servicing the world's largest retail markets. With a track record of successful product development, Jatcorp is a leading producer of dairy products, and other retail lines. This activity encompasses:

- innovating, new product development and manufacture of range of consumer products. JAT specialises in cow, goat, and camel milk powder-based formulations for infants through seniors. Many of our formulations contain lactoferrin which is highly effective in strengthening the immune system and enhancing intestinal health, as well as providing a range of other health benefits; pre-and probiotics; vitamins and other ingredients to promote good health, and
- associated brand development, marketing and promotion; and the sale of client and in-house products, primarily in Australia and China via a multichannel strategy including traditional retail, and e-commerce platforms.

There have been no changes in the principal activity during the year.

Operations and financial review

The revenue of the Group has increased to $37,856,049 for 2022FY (2021: $20,955,975). The increased revenue represents a strong rebound in China sales indicating that obstacles caused by Covid 19 and the macro political environment have eased. However, particularly in China, the trading conditions remain difficult as a result of lockdowns, closed Daigou stores, border closures and international travel bans.

Increased production and logistics costs reduced the Company's profit margins as most packaging materials and some raw materials were imported from overseas.

The Group's trading activities resulted in gross profit of $7,714,123 (2021: $8,195,720) and Group's net loss after tax amounted to $10,011,768 for the year ended 30 June 2022 (2021: $21,065,549 loss).

JAT Strategy

Throughout the year, JAT continued with its strategy of:

1. expanding its China-located business;
2. developing its own proprietary products;
3. expanding and improving its Australian Natural Milk Association Pty Ltd (ANMA) manufacturing facility;
4. mitigating risk by manufacturing products outside Australia;
5. increasing sales in the Australian market leveraging its in-house brands and imported products.

Directors' Report

Operations and financial review (continued)

Trading highlights

ANMA has completed the upgrade of its facilities and continues to secure significant manufacturing agreements with third parties as well as producing the products developed by JAT and its subsidiary, Sunnya Pty Limited.

The Neurio brand has become one of the most popular lactoferrin brands in the online market of China. The Lactoferrin Immune version has won the first place in the Top Selling List of jd.com and Tmall.com platforms in the 2022FY.

Neurio has a deal with strong local brand - Kidswant and Babemax. Neurio products currently being sold in more than 400 Kidswant stores and 250 Babemax stores nationwide.

Neurio has also successfully entered the supermarket channel such as OLE, RT-MART, Guangzhou Friendship Store, Grandbuy etc.

Sales of JAT's in-house brands through its growing networks in Australia were adversely affected by lockdowns in NSW and Victoria.

JAT commenced distribution of BabyCare (a leading Chinese brand) products in Australia through major channels and pharmacy stores. Other JAT in-house formulated milk powders such as Moroka and Ione have also commenced distribution through Chinese online platforms.

The South Korean regulatory authority approved JAT's Jinvigorate Diabetic Formula to be recognised as a medical food in hospitals and clinics. Sales of the product into South Korea commenced in the December 2021 quarter.

JAT is continuing to develop its food supplements products which were the subject of The University of Sydney research project announced on 17 May 2021. Those products demonstrated promising antiviral activity against the SARS-CoV-2 virus in an in vitro assay. RMIT commenced scientific testing of JAT's Immune Support formulas to assess anti Covid-19 (Delta variant) potential, including clinical trials on these products on human subjects.

JAT's plant-based meats products are being produced in China and commenced first commercial sales in December 2021.

Work is continuing on obtaining Therapeutic Goods Administration registration for JAT's ANMA factory and its supplementary food products.

IP development

The research project with Royal Melbourne Institute of Technology (**RMIT**) to investigate the ability of JAT's supplementary food formulas to promote enhanced immune function and antiviral activity has continued with testing of JAT's formulas suggesting there is high binding effectiveness against the omicron variant, particularly for the lactoperoxidase enzyme product hypothiocyanite. The next stage is for clinical trials on humans to be conducted by RMIT to evaluate whether, on consuming JAT's formulas, humans exhibit improved immune function and recovery times after contracting viruses and evaluate the protection against upper respiratory tract infections.

Business outlook

The lockdowns in China will continue to have a significant impact on the Company's sales and operations. The JAT Board and management have been active in dispersing market risks, exploring other markets and developing products suitable for the needs of market consumers outside Asia since last year.

Directors' Report

Dividends paid or recommended

No dividends were paid or declared by the parent company, Jatcorp Ltd, since the start of the period. No recommendation for payment of dividends has been made (2021: nil). During the year, Sunnya Pty Limited paid a fully franked dividend of $2,400,000. As 51% shareholder of Sunnya, JAT received $1,224,000 of that dividend.

Share buy-back

A total of 1,400,000 of ordinary shares have been bought back and cancelled during the year. There are a number of shareholders who have not yet entered into buy-back agreements, amounting to 840,000 shares, and JAT will continue to take appropriate action against those shareholders, including court proceedings to seek orders for cancellation of those shares.

Finance

In July 2021, the Company raised $2,960,833 before cost through the issue of 155,833,324 fully paid ordinary JAT shares under a placement to sophisticated and professional investors at an issue price of A$0.019 per share. Each subscriber for shares received one free option for every two shares, the option having a strike price of five cents and an expiry date of 29 July 2023. The lead manager of the placement was paid a lead manager fee of 6% of funds raised and has been issued with 35 million options at an exercise price of five cents per share and an expiry date of 29 July 2023.

JAT extended the repayment date of its $5,000,000 loan from Topwei Two Pty Limited to 31 March 2022, raised from the SPP (see below) was used to repay the Topwei loan, the $5,000,000 loan was paid off in cash in April 2022. The Board believes JAT will have solid profit once the high interest payments are significantly reduced.

Share Purchase Plan and capital raisings

On 6 July 2021, the company allotted 10,000,000 ordinary shares at $0.02 each to raise $200,000. In February 2022, the Company announced a Share Purchase Plan (SPP) which offers existing shareholders the opportunity to acquire up to $30,000 worth of ordinary fully paid shares in the Parent Company without incurring brokerage. On 16 March 2022, 44,210,580 ordinary shares were issued at $0.019 raising $840,000. On 8 April 2022 the company raised $4,408,000 through issuance of total 275,500,000 fully paid ordinary shares at $0.016.

Performance Rights

On 27 January 2022, a total of 15,000,000 options were issued to directors of the Parent Company under the Performance Rights Plan. The issue of the Performance Rights options was approved by shareholders pursuant to ASX listing rule 10.14 at a General Meeting held on 24 September 2019. On 3 February 2022, 5,000,000 options were vested and exercised at $0.017 per share. No consideration has been paid or payable by the registered holder.

Significant changes in state of affairs

There have been no significant changes in the Group's state of affairs during the financial year except as noted in this annual report.

Matters subsequent to the end of the financial year

- In July 2022, the company issued a total of 356,850,263 fully paid ordinary shares at $0.012 per share. Total cash proceeds from the above share issuance amounts to $4,282,203 which was received on 7 July 2022.
- On 12 July 2022 a total of 4,000,000 options lapsed.
- On 15 August 2022, the company has lodged a Prospectus for options for placement (275,500,000 options), Rights Issue (321,087,429 options), Lead manager options (240,000,000 options) and shortfall options (35,762,834 options). These options are exercisable at $0.032 each on or before two years from the date of issue and will be issued on or before 2 September 2022. No funds will be raised from the issue of these options.
- On 22 July 2022 and 9 August 2022, ANMA acquisition payable balance totalling $1,847,338 was paid in full.
- The shareholders approved the removal of Brett Crowley and Bing Hui Gong as directors of the company on 1 September 2022 and appointed Mr Zhi Guo Zhang as director on the same date.
- Wilton Yao has resigned as an alternate director on 18 August 2022.

No other matters or circumstances have arisen since the end of the financial 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.

Directors' Report

Likely developments and expected results of operations

Any future developments required to be disclosed as per ASX Listings Rules have either been disclosed previously or are included in commentary or notes to this report. Any future items required to be disclosed will be done according to current listing rules requirements.

Environmental regulations

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory in Australia.

Corporate Governance

The Board of Directors of Jatcorp is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of Jatcorp on behalf of the shareholders by whom they are elected and to whom they are accountable.

Jatcorp's corporate governance practices were in place for the year and were compliant with the ASX Governing council's best practice recommendations. In compliance with the "If not why not" reporting regime, where the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the company has adopted instead of those in the recommendation. Information on corporate governance is listed on JAT website (www.jatcorp.com) and further information can be requested from the Company's corporate office – Suite 306, 521 Toorak Road, Toorak VIC 3142.

Risk management

The Group takes a proactive approach to risk management. Management, through the Managing Director, is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system. Management reports to the Board on the Company's key risks and the extent to which it believes these risks are being managed. This is performed informally on a six-monthly basis or more frequently as required by the Board.

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control.

The Group has developed a series of risks which the Group believes to be inherent in the business and industry in which the Group operates. These include:

- operating risk;
- environmental risk;
- branding and reputation risk;
- legal, compliance and regulatory risk;
- competitor and market risk;
- intellectual property risk;
- occupational health and safety risk; and
- financing and adequacy of capital risk.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by our Group and the industry in which we operate. This is not necessarily an exhaustive list. The Board receives regular reports on addressing and management of the key risks associated with the Group's business. The Board has the right to appoint external professional advisers to carry out investigations into control mechanisms and report their findings and recommendations in relation to control improvements, processes, and procedures to the Board.

Directors' Report

Information on directors and company secretaries

Wilton Yao

MANAGING DIRECTOR – Resigned on 17 June 2022, re-appointed on 17 June 2022 as alternate director and resigned on 18 August 2022

Wilton Yao has many years of experience in investment and business management. He used to be a member of the board of directors of several Australian listed companies and has close ties with overseas, especially Asian investors. He has participated in the financing, investment and daily management of Australian listed companies. He has extensive experience in the operation and management of health food and dairy industries, as well as successful experience in business strategy development planning, new product development and brand building.

On 6 June 2022, Wilton Yao entered into a Chief Executive Officer employment agreement with the Company.

Brett Crowley

NON-EXECUTIVE CHAIRMAN – Appointed on 23 August 2018, removed on 1 September 2022
COMPANY SECRETARY – Appointed 11 December 2017, ceased on 5 September 2022

Mr Crowley is a practicing solicitor and a former Partner of Ernst & Young in Hong Kong and Australia, and of KPMG in Hong Kong. He established and managed a joint venture company in China. Mr Crowley is an experienced chairman, finance director and company secretary of ASX-listed companies and is a former Senior Legal Member of the NSW Civil and Administrative Tribunal.

Xin Sun

NON-EXECUTIVE DIRECTOR – removed on 20 June 2022

Mr Sun is Managing Director of Guangdong RYS Investment Ltd, a midmarket private equity buyout firm with a focus on mainland China. RYS is based in Shenzhen, China, and currently employs a team of 20 professionals. Prior to commencing with RYS, Mr Sun worked for a number of securities firms including CDB Securities Ltd, a company within the China Development Bank group. Mr Sun is well experienced in Chinese securities and business regulation as well as the development and execution of strategic transactions in China and the Asia-Pacific. Mr Sun is a sponsor of the China Securities Regulatory Commission.

Bing Hui Gong (David)

NON-EXECUTIVE DIRECTOR – Appointed on 3 June 2022, removed on 1 September 2022

David has had an extensive career in business management, especially marketing and sales, since 1995. He was Head of Sales of Guandong Apollo Group Co., Ltd from 1995 to 2000. He is one of the founders and partners of By-Health Co., Ltd, one of China's largest science-based nutritional supplement suppliers. By-Health is listed on ChiNext of Shenzhen Stock Exchange (SZSE) with current market cap of the CNY equivalent of AU$7.8 billion. In the recent years, Mr Gong is the overseas market investment, development and trading Consultant for By-Health and focused on Southeast Asian region, where he has many personal connections with major Chinese retail chains, Asian retail, and investment groups.

David holds an MBA and business degree and as at 30 June 2022 is JAT's 22nd largest shareholder.

Zhan Wang (Jack)

MANAGING DIRECTOR – Appointed on 20 June 2022 as Executive Director and appointed on 8 September 2022 as Managing Director

Jack has ten years of experience in cross-border e-commerce and eight years' experience in retail of maternity and infant products. Mr Wang's business footprint extends across China, Korea, Japan, and Southeast Asia, and he has rich experience in market development and sales. Mr Wang is currently the Managing Director of Pacific Healthy International Pty Ltd, and Pacific Healthy ANZ Pty Ltd, the leading distributors in the industries of dairy products, vitamin and cosmetics focusing on the Australia and Asian markets. Mr Wang is the co-founder of HK Huibeijia Brand Manage Co., Ltd, which was established in 2014 and has more than 500 stores in mainland China. Mr Wang is also the sole director of Gold Brick Capital Pty Ltd.

Directors' Report

Information on directors and company secretaries (continued)

Bo Qiang (Charlie)

NON-EXECUTIVE DIRECTOR – Appointed on 3 June 2022 as Managing Director and appointed on 8 September 2022 as Non-Executive Director

Charlie is a director and shareholder of JAT's fourth largest shareholder, QHX Investments Pty Limited. Charlie has a strong background in rural business and trading with China, particularly in relation to the Shandong and Hebei provinces. In Australia, Charlie has had ownership of cattle stations in outback of SA and NT, exporting livestock and livestock products to Asia for a number of years. Since 2016, Charlie's properties have held the largest donkey herds in Australia and has developed Australian nutrition supplements based on Aboriginal bush tucker plants and traditional Chinese medicine. The properties produce one of the largest live camel and wild buffalo suppliers.

Peng Shen (Dennis)

NON-EXECUTIVE CHAIRMAN – Appointed on 20 June 2022 as Non-Executive Director and appointed as Non-Executive Chairman on 1 September 2022

Mr Shen has over 20 years of experience in financial management and business development of large companies, and holds a Masters of Finance degree from University of Melbourne. Mr Shen was Chief Financial Officer of Yancoal Australia, where he gained leadership experience and know-how of M&A, financial management, corporate governance and investor relations in Australia. Mr Shen held the offices of Director and Company Secretary at China Shenhua Energy listed on HKSE and SHSE, one of the world's largest and leading integrated energy companies. Prior to his career with China Shenhua, he held senior consultant position at Deloitte Touche Tohmatsu.

Zhi Guo Zhang (Scott)

EXECUTIVE DIRECTOR – appointed on 1 September 2022

Mr Zhang has over 10 years' industry experience in managing product inspection and certification and in examining factory/product systems for Australian-made general foods, dairy, skincare and nutrition products. He has worked with Chinese authorities in relation to importing Australian products. At CCIC Australia Pty Ltd, he acted as manager of both the inspection and the Certification departments and led an audit of the HACCP food safety systems of Australian dairy factories.

Oliver Carton

COMPANY SECRETARY – appointed on 4 July 2022

Oliver Carton is an experienced lawyer and company secretary, having provided outsourced company secretarial services for over 20 years. Prior to this he held roles as a director at KPMG, and a senior legal officer at ASIC.

Board meetings

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2022 and the numbers of meetings attended by each Director were:

	Meetings attended	Meetings held
Wilton Yao (resigned on 17 June 2022), (re-appointed on 17 June 2022 as alternate director and resigned on 18 August 2022)	8	8
Brett Crowley	8	8
Xin Sun (removed 20 June 2022)	0	8
Bing Hui Gong (appointed 3 June 2022)	1	1
Zhan Wang (appointed 20 June 2022)	0	0
Bo Qiang (appointed 3 June 2022)	1	1
Peng Shen (appointed 20 June 2022)	0	0

Directors' Report

Remuneration Report

This report outlines the remuneration arrangements in place for Directors and key management personnel (KMP) of the Group for Financial Year 2022. The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration.
B. Details of remuneration.
C. Service agreements.
D. Shareholding of KMP and Directors; and
E. Other Information.

These disclosures have been audited, as required by section 308(3C) of the Corporations Act 2001.

Role of the remuneration committee

Currently the role of the Remuneration Committee is undertaken by the Board given the number of directors and the nature and size of the Company. Its role is to make recommendations on:

- non-executive director fees.
- executive remuneration (directors and other executives including KMP); and
- the over-arching executive remuneration framework and incentive plan policies.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. In doing this, the remuneration committee seeks advice from independent remuneration consultants.

The Corporate Governance Statement provides further information on the role of this committee.

A. Principles used to determine the nature and amount of remuneration

The performance of the Group depends on the quality of its Directors, Executives and other KMP.

To prosper, the Group must attract, motivate and retain highly skilled Directors, Executives and other KMP. To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives.
- link executive rewards to shareholder value.
- ensure that a significant portion of executive remuneration is 'at risk', and therefore dependent on meeting pre-determined performance benchmarks; and
- establish appropriate performance hurdles in relation to variable executive remuneration.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team. Currently the Board has determined that Directors and senior managers will be remunerated at fixed rates per month to enable the Group to have control of its costs and cash flows.

Directors will reintroduce remuneration policies which place a significant portion of executive remuneration 'at risk'.

Remuneration structure

In accordance with the corporate governance principles and recommendations, the structure of Non-Executive Director and Executive and KMP remuneration is separate and distinct.

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, while incurring costs that are acceptable to shareholders.

Directors' Report

Remuneration Report (continued)

Structure

The constitution and the ASX Listing Rules specify that the maximum aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of shareholders. At the general meeting of shareholders held on 17 November 2020 this maximum amount was set at $350,000 per annum. The Group had two Non-Executive Directors during the year. Mr Xin Sun (removed on 20 June 2022) received $ Nil in remuneration (2021: $ Nil) and Brett Crowley received $92,400 in the 2022 financial year (2021: $84,000).

The amount of aggregate remuneration sought to be approved by shareholders and the fixed fees paid to Directors are reviewed annually. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Executive and Key Management Personnel remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward executives for group and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Group; and
- ensure total remuneration is competitive by market standards.

Structure

A policy of the Board is to establish employment or consulting contracts with the chairman, managing director and other senior executives. At the time of this report there is a Chief Executive Officer agreement with Wilton Yao which was entered into on 6 June 2022. Prior to that there was a consulting agreement in place.

Remuneration consists of fixed remuneration under a consultancy agreement and long-term equity-based incentives that are subject to satisfaction of performance conditions. The equity-based incentives are intended to retain key executives and reward performance against agreed performance objectives.

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration that is both appropriate to the position and competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of group-wide and individual performance, relevant comparative remuneration in the market, and internal and (where appropriate) external advice on policies and practices.

Remuneration Policy and Performance

KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures and/or operational targets for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, and bonuses may be awarded from time to time depending on the number and deemed difficulty of the KPIs achieved and overall Group performance. Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the consolidated entity's goals and shareholder wealth, before the KPIs are set for the following year.

Directors' Report

Remuneration Report (continued)

Voting and comments made at the Company's last Annual General Meeting

The Remuneration Report was passed on a show of hands at the 2021 Annual General Meeting.

Relationship between remuneration policy and Group performance

Information is provided below in relation to revenue, profitability and share price for the past 5 years. The Company does not currently have any full-time executives, other than KMP and therefore there is no comparative remuneration information and how it relates to the performance of the company. Both the Managing Director and the CEO's contractual arrangements are a fixed amount.

	2022	2021	2020	2019	2018
		$	$	$	$
Revenue	37,856,049	20,955,975	59,452,615	66,444,062	2,316,868
EBITDA	(2,823,443)	(1,661,158)	7,081,117	5,279,658	(1,268,258)
Loss After Income Tax	(10,011,768)	(21,065,549)	(26,590,036)	(20,492,541)	(1,268,891)
Share Price	0.013	0.022	0.04	0.047	0.06

Incentive performance payments may arise from the Employee Performance Rights Plan which was approved in the year by the shareholders. The objective of the plan is to attract, motivate and retain directors and key employees. Eligible participants (or their nominees) will be offered incentive rights that entitle the holder to receive one fully paid JAT share per incentive right (performance right). This right will vest when the Board determines that the conditions in the Plan and the participant must be an employee (which includes a director) at the time the Performance Rights are eligible to vest. The plan includes measures based on achieving key operational objectives and revenue levels.

The Company is currently reviewing its remuneration policies.

B. Details of remuneration

The remuneration of the Directors and other KMP of Jatcorp are set out below. KMP for the year ended 30 June 2022 are as disclosed below.

Name	Short term incentives	Performance rights plan	Total	Performance related
2022	**$**	**$**	**$**	**%**
Non-executive directors				
Xin Sun (removed 20 June 2022)	-	-	-	-
Peng Shen (appointed 20 June 2022)	-	-	-	-
Bing Hui Gong (appointed 3 June 2022, removed 1 September 2022)	-	-	-	-
Brett Crowley (removed 1 September 2022)	92,400	-	92,400	-
Total non-executive directors	**92,400**	**-**	**92,400**	**-**
Executive directors				
Wilton Yao (resigned 17 June 2022, reappointed as alternate director 17 June 2022, resigned 18 August 2022)	330,150	85,000	415,150	21%
Bo Qiang (appointed 3 June 2022)	3,990	-	3,990	-
Zhan Wang (appointed 20 June 2022)	-	-	-	-
Total executive directors	**334,140**	**85,000**	**419,140**	**21%**
Other key management personnel				
Jennifer Liu (resigned 4 July 2022)	170,500	-	170,500	-
Total	**597,040**	**85,000**	**682,040**	**-**

Directors' Report

Remuneration Report (continued)

Name	Short term incentives	Performance rights plan	Total	Performance related
2021	**$**	**$**	**$**	**%**
Non-executive directors				
Xin Sun	-	-	-	
Brett Crowley	84,000	-	84,000	-%
Total non-executive directors	**84,000**	-	**84,000**	
Executive directors				
Wilton Yao	324,000	-	324,000	-%
Total executive directors	**324,000**	-	**324,000**	
Other key management personnel				
Jennifer Liu (appointed in October 2020)	154,212	-	154,212	-%
Total other key management personnel	**154,212**	-	**154,212**	
Total	**562,212**	-	**562,212**	

C. Service Agreements

The following executives are employed under consulting contracts. The major provisions of the agreements are as follows.

Name	Terms of agreement	Notice period
Wilton Yao	Consulting Contract dated 1 July 2020 for $27,000 / month was in place during the financial year up to May 2022. On 6 June 2022, Jatcorp entered into a Chief Executive Officer employment agreement for $33,150 / month. The total amount payable under the contracts were $330,150 per annum.	Mr Yao to provide a minimum 4 weeks written notice to the company. And the company to provide 12 months written notice the Mr Yao.
Bo Qiang	Consultancy agreement dated 17 June 2022 for $13,300/month effective from 21 June 2022 for a 12 month period.	Mr Qiang to provide a minimum 7 days written notice to the company. And the company to provide 3 months notice to Mr. Qiang.

D. Shareholding of Key Management Personnel and Directors

Details of ordinary shares held by KMP and directors are shown below.

	Balance at the start of the year	Changes during the year	Balance at the end of the year
Directors and KMP	**No.**	**No.**	**No.**
2022			
Xin Sun (removed 20 June 2022)	-	-	-
Wilton Yao * (resigned 17 June 2022, reappointed as alternate director 17 June 2022, resigned 18 August 2022)	21,811,111	6,578,948	28,390,059
Brett Crowley * (removed 1 September 2022)	1,334,533	3,244,415	4,578,948
Bo Qiang (appointed 3 June 2022)	55,555,555	17,731,652	73,287,207
Binghui Gong (appointed 3 June 2022, removed 1 September 2022)	-	13,000,000	13,000,000
Zhan Wang (appointed 20 June 2022)	102,140,000	322,563,461	424,703,461
Peng Shen (appointed 20 June 2022)	-	-	-
2021			
Xin Sun	-	-	-
Wilton Yao	21,811,111	-	21,811,111
Brett Crowley	1,334,533	-	1,334,533
Xipeng Li (resigned 20 August 2020)	80,077,888	(80,077,888)	-
Parag Khandekar (resigned 11 August 2020)	166,667	-	166,667

* Indirect interest through a related party. Refer to note 19.

Directors' Report

Remuneration Report (continued)

Director and executive options

10,000,000 options were granted as remuneration to Wilton Yao and 5,000,000 to Brett Crowley on 27 January 2022, subject to the Employee Performance Rights Plan. Mr Yao has exercised 5,000,000 options on 3 February 2022 as the performance conditions attached to tranche 1 has been met.

No options were granted as remuneration in the financial year ended 30 June 2021.

There were no other options held by KMP in 2022 (2021: nil).

E. Other Information

There were no loans to Directors or executives during or since the end of the year or during the prior year.

END OF REMUNERATION REPORT

Directors' Report

Insurance and Indemnification of officers and auditors

During the financial year, the Company paid premiums to insure the Directors and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity of officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company.

The Company entered into Deeds of Indemnity, Insurance and Access with each of the Directors and the Company Secretary. Each deed provides officers with the following:

- a right to access certain Board papers of the Group during the period of their tenure and for a period of seven years after that tenure ends;
- subject to the Corporations Act an indemnity in respect of liability to persons other than the Company and its related companies that they may incur while acting in their capacity as an officer of the Company or a related company, except where that liability involves a lack of good faith and for defending certain legal proceedings; and
- the requirement that the Company maintain appropriate Directors' and officers' insurance for the officer.

No liability has arisen under these indemnities as at the date of this report. No insurance or indemnification has been given to the auditors.

Options on issue

A total of 92,916,671 options with various exercise price per option were issued during the year. There were 206,325,557 unexercised options as at 30 June 2022. No amounts due are unpaid.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

There are no other proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group and/or the Company are important. The Board has considered the position and in accordance with the advice received from the audit committee is satisfied that the provision of the non-audit service is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Details of the amounts paid or payable to the auditor for audit and non-audit services are detailed in Note 24, no non-audit services were provided by the auditors in the year or the prior year.

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 on page 16.

This report is made in accordance with a resolution of the Board of Directors:

.....

Mr Zhan Wang
Managing Director

Dated this 19th day of September 2022

LNP Audit + Assurance

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF JATCORP LIMITED

As lead auditor of Jatcorp Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd

Anthony Rose
Director
Melbourne, 19 September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Revenue	5	37,856,049	20,955,975
Cost of Sales		(30,141,926)	(12,760,255)
Gross Profit		**7,714,123**	**8,195,720**
Other Income	5	360,767	1,121,287
Advertising & Marketing		(4,317,524)	(3,216,732)
Consultancy & Professional Fees		(1,392,403)	(1,118,301)
Employee Benefits		(3,418,930)	(2,433,026)
Directors' Fees		(420,390)	(408,000)
Administration Expenses		(748,619)	(620,176)
Other Expenses		(490,678)	(1,913,597)
Finance Costs	6	(1,185,788)	(2,911,738)
Share Based Payments	8	(109,789)	(1,268,333)
Depreciation & Amortisation		(1,130,403)	(3,054,109)
Impairment Loss		(4,738,963)	(12,743,781)
Loss Before Income Tax		**(9,878,597)**	**(20,370,786)**
Income Tax Expense	7	(133,171)	(694,763)
Total Comprehensive Loss for the year		**(10,011,768)**	**(21,065,549)**
Loss attributable to:			
- Members of parent entity		(6,971,917)	(15,331,281)
- Non-controlling interest		(3,039,851)	(5,734,268)
		(10,011,768)	**(21,065,549)**
Loss per share for loss attributable to the ordinary equity holders of the company:		**Cents**	**Cents**
Basic loss per share	4	(0.37)	(1.34)
Diluted loss per share	4	(0.37)	(1.33)

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

Consolidated Statement of Financial Position

For the year ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
CURRENT ASSETS			
Cash & Cash Equivalents		3,859,919	6,414,713
Trade and Other Receivables	9	2,030,389	1,890,546
Inventory	10	4,946,768	3,654,822
TOTAL CURRENT ASSETS		10,837,076	11,960,081
NON-CURRENT ASSETS			
Property, Plant and Equipment	11	5,101,509	5,221,040
Trade and Other Receivables	9	67,848	84,629
Right of Use Asset	12	3,529,811	4,078,384
Interest in Joint Venture		301,633	365,266
Intangible Assets	13	2,960,343	6,809,642
TOTAL NON-CURRENT ASSETS		11,961,144	16,558,961
TOTAL ASSETS		**22,798,220**	**28,519,042**
CURRENT LIABILITIES			
Trade and Other Payables	14	7,108,779	4,267,018
Borrowings	15	1,782,797	6,902,080
Lease Liabilities		476,837	423,364
Tax Liabilities		-	591,915
Provision for Employee Benefits		332,053	228,191
Other Liabilities		-	600,000
TOTAL CURRENT LIABILITIES		9,700,466	13,012,568
NON-CURRENT LIABILITIES			
Borrowings	15	1,602,819	1,097,267
Lease Liabilities		3,555,458	4,029,188
Deferred Tax Liabilities	16	458,100	458,100
TOTAL NON-CURRENT LIABILITIES		5,616,377	5,584,555
TOTAL LIABILITIES		**15,316,843**	**18,597,123**
NET ASSETS		**7,481,377**	**9,921,919**
EQUITY			
Contributed Equity	17	85,981,706	77,859,269
Share Option Reserve		1,024,789	400,000
Accumulated Losses		(80,167,772)	(73,195,855)
Total Parent Equity		**6,838,723**	**5,063,414**
Non-controlling Interests		642,654	4,858,505
TOTAL EQUITY		**7,481,377**	**9,921,919**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Contributed Equity $	Non-Controlling Interest $	Accumulated Losses $	Share Option Reserve $	Unissued Shares $	Collateral Share Reserve $	Total Equity $
Balance at 1 July 2020	63,977,915	11,592,773	(57,864,574)	-	320,175	-	18,026,289
Loss for the year	-	(5,734,268)	(15,331,281)	-	-	-	(21,065,549)
Dividend declared by Subsidiary	-	(1,000,000)	-	-	-	-	(1,000,000)
Shares issued during the year net of costs	13,159,539	-	-	-	-	-	13,159,539
Share Options granted	-	-	-	400,000	-	-	400,000
Derecognition of unissued shares	-	-	-	-	(320,175)	-	(320,175)
Collateral Shares Issued	-	-	-	-	-	1,813,000	1,813,000
Cancellation of Collateral Shares	-	-	-	-	-	(1,091,185)	(1,091,185)
Conversion of Collateral Shares	721,815	-	-	-	-	(721,815)	-
Balance at 30 June 2021	**77,859,269**	**4,858,505**	**(73,195,855)**	**400,000**	**-**	**-**	**9,921,919**
Balance at 1 July 2021	77,859,269	4,858,505	(73,195,855)	400,000	-	-	9,921,919
Loss for the year	-	(3,039,851)	(6,971,917)	-	-	-	(10,011,768)
Dividend declared by Subsidiary	-	(1,176,000)	-	-	-	-	(1,176,000)
Shares issued during the year net of cost	8,037,437	-	-	-	-	-	8,037,437
Share Options granted	-	-	-	709,789	-	-	709,789
Share options exercised	85,000	-	-	(85,000)	-	-	-
Balance at 30 June 2022	**85,981,706**	**642,654**	**(80,167,772)**	**1,024,789**	**-**	**-**	**7,481,377**

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

Consolidated Statement of Cashflows

For the year ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		40,352,059	26,070,967
Payments to suppliers and employees		(41,276,624)	(24,447,281)
Interest received		2,632	4,000
Finance costs paid		(1,185,789)	(1,844,019)
Income taxes paid		(919,435)	(2,285,609)
Government grants and tax incentives		243,027	661,133
Net cash outflow in operating activities	23	**(2,784,130)**	**(1,840,809)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,381,513)	(1,821,289)
Payments for the acquisition of controlled entities		(216,600)	(700,574)
Net cash outflow in investing activities		**(1,598,113)**	**(2,521,863)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of costs		8,037,437	8,852,885
Net repayment of borrowings		(4,613,732)	(8,019,619)
Lease payments		(420,256)	(475,606)
Dividends declared by subsidiary		(1,176,000)	(1,000,000)
Net cash inflow/(outflow) in finance activities		**1,827,449**	**(642,340)**
Net increase/(decrease) in cash and cash equivalents		(2,554,794)	(5,005,012)
Cash and cash equivalents at the beginning of the year		6,414,713	11,419,725
Cash and cash equivalents at the end of the year		**3,859,919**	**6,414,713**

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

Notes to Financial Statements

For the year ended 30 June 2022

Basis of Preparation

Jatcorp Limited is a public company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is Suite 306, 521 Toorak Road, Toorak VIC 3142.

These general-purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. Comparatives are consistent with previous year, unless otherwise stated.

This consolidated financial report covers the parent entity Jatcorp Limited and its controlled entities (the Group). The consolidated financial statements are presented in Australian dollars, the Group's functional and presentation currency.

The financial report was authorised for issue by the Directors on 19 September 2022. The Company has the power to amend and reissue the financial report.

All press releases, financial reports and other information are available on our website: www.jatcorp.com

1. Summary of significant accounting policies

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity and all of the subsidiaries. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are consolidated into the financial statements of the Group from the date on which control is obtained. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and comprehensive income.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Notes to Financial Statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(c) Revenue and other income

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows: Identifying the contract with a customer; Identifying the performance obligations; Determining the transaction price; Allocating the transaction price to the performance obligations; and Recognising revenue when/as performance obligations are satisfied.

Principal revenue streams are recognised as follows.

Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- sale of formulated milk powder with lactoferrin to wholesale and retail customers;
- sale of vitamins, cosmetic products, dairy products and other health-related consumer goods to wholesale and retail customers; and
- manufacturing OEM products.

Revenue from contracts with customers is recognised when control of the goods has transferred, being the point in time when the goods have been shipped to the customer. Revenue is only recognised where it is highly probable that a significant reversal of revenue will not occur and control gets passed on to the wholesaler or the ultimate customers.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts, provision for returns and rebates.

On delivery of the goods the Group recognises a receivable as this represents the point in time at which the Group's right to consideration becomes unconditional as an invoice is issued immediately post shipment. The general credit terms vary between 30 days to 120 days from the date of despatch of goods and hence there is no financing element to the Group's sales.

Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(d) Income tax

The income tax expense or revenue for the year is the tax payable on the current year taxable income based on the tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to Financial Statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(e) Cash and Cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(f) Financial instruments

The Group classifies its financial instruments based on the business model and the cash flow characteristics of the assets at initial recognition and re-evaluates this at each year end.

On initial recognition, all financial instruments are measured at fair value plus transaction costs, except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred. Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset. Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument.

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their classification. Assets measured at amortised cost are financial assets where the business model is to hold assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less allowance for expected credit losses (ECL).

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement.

The Group's financial liabilities include trade and other payables, borrowings and lease liabilities. Trade and other payables are unsecured and are usually paid within 30 to 60 days of recognition.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to Financial Statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Property, plant and equipment is depreciated on a straight-line or diminishing value basis over their useful lives commencing from the time the asset is ready for use. The following useful lives are used in the calculation of depreciation.

Class of Fixed Assets	Depreciation Rate (Years)
Buildings	40
Plant and Equipment	5-25
Motor Vehicles	5

(i) Intangible assets

Goodwill arising on acquisitions is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Separately acquired tradenames and customer relationships are shown at historical cost. Tradename and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Tradenames have an estimated useful life of ten years and customer relationships have an estimated useful life of five years.

(j) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Example of such benefits include wages and salaries. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Notes to Financial Statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(l) Leases

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the relevant commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the relevant lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the relevant lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the relevant lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the relevant commencement date), and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The Group applies the practical expedient to not separate non-lease components from lease components, and instead accounts for each lease component and any associated lease components as a single lease component.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the relevant lease commencement date if the interest rate implicit in the lease is not readily determinable. After the relevant commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Judgements applied

Under the office premises leases, the Group is able to continually exercise the option to extend the term of the lease. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (i.e. a change in business strategy). The Group has included reasonably certain renewal options as part of the lease term for three of its facility premises leases for a further five years.

The Group has applied judgement to determine the incremental borrowing rate, which affects the amount of lease liabilities and right-of-use assets recognised. The Group reassesses and applies the incremental borrowing rate on a lease by lease basis at the relevant lease commencement date based on the term of the lease (or the remaining term of the lease at the initial date of application).

Notes to Financial Statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(m) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss except where they relate to an item of other comprehensive income.

(n) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(o) Share-Based payment arrangements

Equity-settled share-based payment transactions with parties are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders services.

(p) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account. When any entity within the Group purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

(q) Earnings per share

The calculation of basic EPS has been based on the profit/loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(r) New and Amended Accounting Standards adopted by the Group

The Group has adopted all of the new or amended Accounting Standard and interpretations issued by the Australian Accounting Standard Board ("AASB") that are mandatory for the current period. Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

Notes to Financial Statements

For the year ended 30 June 2022

2. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

A. Carrying amount of Intangible Assets

The Group determines whether goodwill and other intangibles are impaired at least at each reporting date. This requires an estimation of the recoverable amount of the cash-generating units (CGU) to which goodwill and other intangibles have been allocated, using value-in-use discounted cash flow methodology. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment may arise.

Sunnya Pty Ltd

The Group recognises intangible assets as a result of the acquisition of Sunnya Pty Ltd. During the year, Sunnya's sales have decreased by 19% compared to prior year, due to Chinese government restrictions on distribution channels and COVID-19 impacts. The Group has taken the decision to impair the goodwill balance by $3,603,599, reducing the carrying value of goodwill to $2,347,482 at 30 June 2022, based on prudent forecasts of future sales and profitability.

Customer relationships and tradenames were also recognised as a result of the acquisition. Management has rassessed the useful life of customer relationships based on existing customers and sales to date and present value estimates of future sales and considers 5 years as reasonable estimated useful life for customer relationships and 10 years as reasonable estimated useful life for tradenames. As at 30 June 2022, the carrying value of customer relationships amounted to $237,978 and tradenames amounted to $374,883, the Group assessed these carrying values and does not consider any impairment was necessary as at 30 June 2022.

B. Going concern basis of accounting

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and the discharge of liabilities in the ordinary course of business.

For the year ended 30 June 2022 the Group made a loss after tax of $10,011,768. At 30 June 2022, the Group has net current assets of $1,136,610 (2021: $1,052,487 net current liabilities) net tangible assets of $4,521,034 (2021: $3,112,277).

The directors believe that the going concern basis of preparation is appropriate due to; the Group having cash balances of $3,859,919 (2021: $6,414,713); the Group having raised capital of $8,037,437 net of costs from external investors during the year; the Group having raised capital of $4,282,203 in July 2022; the Group having the ability to extend the maturity date on certain existing loan agreements; the Group is expecting to deliver growth via developing new products expanding JAT business and distribution networks and seeking new sales channels; and, the Directors consider the Group is able to scale back activities in order to preserve cash should this be required.

Accordingly, the financial report has been prepared on the going concern basis whereby the Group expects to meet its obligations in the ordinary course of business as and when they fall due. No adjustments have been made to the financial report relating to the recoverability or classification of recorded assets and classification of liabilities that maybe necessary should the Group not continue as a going concern.

Notes to Financial Statements

For the year ended 30 June 2022

3 Segment information

The Group has identified its geographic segments based on the internal reports that are reviewed and used by the Executive Director (chief operating decision maker) 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.

2022

	Australia	China	New Zealand	Total
	$	$	$	$
Revenue	28,392,746	9,682,279	141,791	38,216,816
Expense	(33,126,676)	(8,927,244)	(116,742)	(42,170,662)
Finance Costs	(1,185,788)	-	-	(1,185,788)
Impairment	(4,630,486)	(108,477)	-	(4,738,963)
Income tax expense	(131,051)	(2,120)	-	(133,171)
Profit/(loss) after income tax	(10,681,255)	644,438	25,049	(10,011,768)
Total Assets	20,997,822	668,434	1,131,964	22,798,220
Total Liabilities	(12,884,766)	(2,422,067)	(10,010)	(15,316,843)
Net Assets	8,113,056	(1,753,633)	1,121,954	7,481,377

2021

	Australia	China	New Zealand	Total
	$	$	$	$
Revenue	8,013,801	13,957,203	106,258	22,077,262
Expense	(17,793,447)	(7,939,847)	(1,059,235)	(26,792,529)
Finance Cost	(2,911,738)	-	-	(2,911,738)
Impairment	(12,743,781)	-	-	(12,743,781)
Income tax expense	(694,763)	-	-	(694,763)
Profit/(loss) after income tax	(26,129,928)	6,017,356	(952,977)	(21,065,549)
Total Assets	26,423,334	1,679,181	416,527	28,519,042
Total Liabilities	(18,473,208)	(123,915)	-	(18,597,123)
Net Assets	7,950,126	1,555,266	416,527	9,921,919

Economic dependency

The Group is dependent on the sales to the People's Republic of China which makes up 25% of total revenue (2021: 62%).

4 Earnings per share

	2022 cents	2021 cents
(a) Basic and diluted loss per share		
Basic loss attributable to the ordinary equity holders of the Company	(0.37)	(1.34)
Diluted loss attributable to the ordinary equity holders of the Company	(0.37)	(1.33)
(b) Loss used in calculating basic and diluted loss per share	(6,971,917)	(15,311,281)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,877,313,581	1,138,734,603
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	1,877,313,581	1,152,734,603

Notes to Financial Statements

For the year ended 30 June 2022

5 Revenue

	2022 $	2021 $
Revenue		
Trading Income	37,856,049	20,955,975
Total Revenue	**37,856,049**	**20,955,975**
Other Income		
Interest Income	2,632	4,000
Rental Income	110,748	141,341
Government subsidies	107,913	318,000
EMD Grant	63,480	71,554
Miscellaneous Income	75,994	586,392
Total Other Income	**360,767**	**1,121,287**

6 Finance Costs

	2022 $	2021 $
Interest Expense on $5 M Loan $5M @20% interest rate	666,667	1,000,000
Interest Expense on $5 M Loan $5M @13% interest rate	-	583,842
Interest Expense on Shareholder Loan @ 15% interest rate	-	1,911
Other Interest Expense	20,718	11,548
Interest charge on ANMA instalments	288,187	-
Finance Costs - Convertible Loan Obsidian	-	1,067,719
Finance Costs - Lease	210,216	246,718
Total	**1,185,788**	**2,911,738**

7 Income tax expense

Reconciliation of income tax expense to prima facie tax payable	2022 $	2021 $
Loss before income tax expense	(9,878,597)	(20,370,786)
Tax (benefits) at the Australian tax rate of 25% (2021:26%)	(2,469,649)	(5,296,404)
Tax effect of amounts which are not deductible in calculating taxable income		
Tax effect of:		
non-deductible expenses	877,539	2,986,778
changes in recognised temporary differences	67,727	89,352
Adjusted income tax	(1,524,383)	(2,220,274)
Tax losses not brought to account	1,657,554	2,870,037
Income tax expenses	**133,171**	**649,763**

The Groups' turnover is less than the base rate entity threshold and therefore, tax rate of the Group is 25% in 2022 (2021: 26%). The Group is not tax consolidated, and the Parent entity has tax losses of $17,666,473 as at 30 June 2022. These have not been recognised due to uncertainty of their recoverability in future periods.

Notes to Financial Statements

For the year ended 30 June 2022

8 Share based payments

	2022 $	2021 $
Shares issued to Chris Pang as JAT's brand ambassador	-	268,333
Everblu 4,000,000 Options@$0.1 for convertible notes raised	-	400,000
Everblu 10,000,000 Options@$0.06 for fund raised	-	600,000
Performance rights options	109,789	-
Total share-based payments	**109,789**	1,268,333

9 Trade and other receivables

Current	2022 $	2021 $
Trade receivables	569,542	456,257
Supplier deposits	1,424,245	977,712
Other receivables	531,061	678,538
Expected credit loss allowances	(494,459)	(221,961)
Total	**2,030,389**	**1,890,546**
Non-Current		
Other receivables	67,848	84,629
Total	**67,848**	**84,629**

Past due but not impaired

	Total $	Neither past due nor impaired $	31 - 60 days $	61-90 days $	>90 days $
2022	569,542	202,780	264,349	4,651	97,762
2021	456,257	195,600	72,029	992	187,636

Standard customer credit terms are 30 to 120 days depending on the customers. The amount of trade receivables past due but not impaired at 30 June 2022 was $366,762 (2021: $260,657).

10. Inventory

	2022 $	2021 $
Finished goods	2,587,699	1,458,824
Raw materials	1,822,326	1,358,450
Stocks in transit	905,974	-
Packaging materials	226,987	837,548
Impairment allowance	(596,218)	-
Total	**4,946,768**	**3,654,822**

Notes to Financial Statements

For the year ended 30 June 2022

11 Property, plant and equipment

	2022	2021
	$	$
Property at cost	1,279,264	1,279,264
Less: accumulated depreciation	(20,981)	(11,340)
Total property	**1,258,283**	**1,267,924**
Plant and equipment at cost	5,046,121	4,833,919
Less: accumulated depreciation	(1,368,717)	(1,083,860)
Total plant and equipment	**3,677,404**	**3,750,059**
Motor vehicles at cost	203,057	288,152
Less: accumulated depreciation	(37,235)	(85,095)
Total motor vehicles	**165,822**	**203,057**
Total property, plant and equipment	**5,101,509**	**5,221,040**

Movements in carrying amounts

	Property	Plant and equipment	Motor vehicles	Projects under construction	Total
	$	$	$	$	$
Year ended 30 June 2022					
Balance at the beginning of year	1,267,924	3,750,059	203,057	-	5,221,040
Additions	-	251,968	-	-	251,968
Disposal	-	(35,415)	-	-	(35,415)
Depreciation	(9,641)	(289,208)	(37,235)	-	(336,084)
Balance at the end of the year	**1,258,283**	**3,677,404**	**165,822**	**-**	**5,101,509**
Year ended 30 June 2021					
Balance at the beginning of year	1,277,616	586,088	244,552	1,441,883	3,550,139
Additions	-	1,821,289	-	-	1,821,289
Re-allocate to Plant and Equipment	-	1,441,883	-	(1,441,883)	-
Depreciation	(9,692)	(99,201)	(41,495)	-	(150,388)
Balance at the end of the year	1,267,924	3,750,059	203,057	-	5,221,040

12 Right of use assets

	2022	2021
	$	$
Carrying amount at the beginning of the period	4,078,384	5,049,165
Add: new lease entered into	-	416,311
Less:		
- Early terminated lease	-	(806,640)
- adjustments	-	(3,540)
- depreciation	(548,573)	(576,912)
Carrying amount at the end of the period	**3,529,811**	**4,078,384**

Notes to Financial Statements

For the year ended 30 June 2022

13 Intangible Assets

	2022	2021
	$	$
Goodwill	**2,347,482**	**5,951,081**
Trade Names at cost	597,000	597,000
Less: accumulated amortisation	(222,117)	(162,417)
Carrying value	**374,883**	**434,583**
Customer Relationship at cost	2,830,000	2,830,000
Less: accumulated amortisation	(1,789,337)	(1,603,337)
Impairment loss	(802,685)	(802,685)
Carrying value	**237,978**	**423,978**
Import Licence at cost	12,353,275	12,353,275
Less: accumulated amortisation	(1,703,900)	(1,703,900)
Impairment loss	(10,649,375)	(10,649,375)
Carrying value	-	-
Total intangible assets	**2,960,343**	**6,809,642**
Movements in carrying amount of intangible assets		
Goodwill		
Balance as at 1 July	5,951,081	11,902,162
Impairment Loss	(3,603,599)	(5,951,081)
Carrying Value	**2,347,482**	**5,951,081**
Trade Names		
Balance as at 1 July	434,583	494,283
Amortisation	(59,700)	(59,700)
Carrying Value	**374,883**	**434,583**
Customer Relationships		
Balance as at 1 July	423,978	1,792,663
Impairment Loss	-	(802,685)
Amortisation	(186,000)	(566,000)
Carrying Value	**237,978**	**423,978**
Import Licence		
Balance as at 1 July	-	12,353,275
Impairment Loss	-	(10,649,375)
Amortisation	-	(1,703,900)
Carrying Value	**-**	**-**
The total impairment charge to profit in the year comprises:		
Sunnya goodwill	3,603,599	5,951,081
Green Forest customer relationships	-	802,685
Australian Natural Milk Association import licence	-	10,649,375
Total impairment	**3,603,599**	**17,403,141**

Notes to Financial Statements

For the year ended 30 June 2022

14 Trade and other payables

	2022	2021
	$	$
Trade payables	774,954	492,245
Customer deposits	3,698,395	-
Sundry accruals and other payables	788,092	545,922
ANMA acquisition payable	1,847,338	3,228,851
Total	**7,108,779**	**4,267,018**

15 Borrowings

	2022	2021
	$	$
Current		
Loans from shareholders (interest rate 0%)	1,390,917	1,468,917
Loans from directors (interest rate 0%)	-	57,308
Loan from Topwei Two Pty Ltd (interest rate 20%)	-	5,000,000
Loan from others (interest rate 0%)	254,195	287,685
Premium Funding (interest rate 6.72%)	-	44,849
HP Liability (interest rate between 5% to 6%)	137,685	43,321
Total	**1,782,797**	**6,902,080**
Non-current		
Loans from shareholders (interest rate 0%) (a)	1,523,555	973,555
HP Liability (interest rate between 5% to 6%)	79,264	123,712
Total	**1,602,819**	**1,097,267**

(a) The agreement in place between the Company and its non-controlling interest shareholder states that the loan is not required to be repaid in full until the Company makes profits and has sufficient cash reserves.

16 Deferred Tax Liabilities

	2022	2021
	$	$
Balance as at 1 July	458,100	5,117,460
Write back	-	(4,659,360)
Total	**458,100**	**458,100**

Notes to Financial Statements

For the year ended 30 June 2022

17 Contributed equity

	2022 $	2021 $
Share capital		
2,141,101,576 (2021: 1,651,957,672) Fully paid shares	85,981,706	77,859,269

Movements in Ordinary Share Capital	2022 $	2021 $	2022 No.	2021 No.
Balance at the beginning of year *	**77,859,269**	**63,977,915**	**1,651,957,672**	**934,548,092**
Share allotment during the year	8,037,437	14,554,062	485,543,904	733,975,795
Share conversion during the year	-	418,477	-	18,145,234
Share buyback during the year	-	-	(1,400,000)	(5,220,000)
Cancellation of collateral shares	-	(1,091,185)	-	(29,491,449)
Exercise of unquoted options	85,000	-	5,000,000	-
Balance at the end of year	**85,981,706**	**77,859,269**	**2,141,101,576**	**1,651,957,672**

*7,361,900 ordinary fully paid shares ("Error Shares") were issued to shareholders on 11 December 2017 due to an error. No payment was received from shareholders of Error Shares. Jatcorp Limited is in the process of undertaking a buyback of the Error Shares pursuant to section 257A of the Corporations Act. The buyback agreements, which are subject to shareholder approval, are in the process of being completed with the holders of the Error Shares. Once these agreements have been completed, the buyback will be completed for no consideration payable to holders of the Error Shares At the general meeting of shareholders on 29 January 2021, a resolution was passed approving the cancellation of up to 3,861,900 ordinary shares in the Company. A total of 1,400,000 of ordinary shares have been bought back and cancelled during the year. There are a further 840,000 shares which were issued in error which continue to be held by shareholders who have not yet entered into buy-back agreement. JAT will continue to take appropriate action against those shareholders, including court proceedings to seek orders for cancellation of those shares.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There were no changes in the Group's approach to capital risk management during the year. Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to Financial Statements

For the year ended 30 June 2022

18 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's financial instruments consist mainly of deposits with banks, financial assets, trade and other receivables (current and non-current), trade and other payables and borrowings (current and non-current).

	Note	2022 $	2021 $
Financial Assets			
Cash and cash equivalents		3,859,919	6,414,713
Trade and other receivables current and noncurrent	9	2,098,237	1,975,175
Total		**5,958,156**	**8,389,888**
Financial Liabilities			
Trade and other payables	14	7,108,779	4,267,018
Borrowings current and non-current	15	3,385,616	7,999,347
Total		**10,494,395**	**12,266,365**

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The Group is not exposed to material interest rate risk as majority of its borrowing arrangements are at fixed rate, which minimises any short-term downside impact of interest rate increase but limits any benefit from interest rate reductions.

Foreign exchange risk

Foreign exchange risk arises from commercial transactions and assets and liabilities held in a currency that is not the entity's functional currency, which is Australian dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group enters into transactions in US dollar and Chinese RMB and is exposed to currency risk arising from movements in these foreign currencies against AUD dollar. To mitigate foreign currency risk for US dollar and RMB transactions and to avoid the need for currency hedging the Group holds and trades in the relevant currency. Profits are then recovered by transfers of cash at a time the exchange rate is deemed favourable. The Group has 3 USD foreign currency bank accounts and the balance of these accounts at 30 June 2022 was $202,563 (2021: $323,512) The Directors do not consider that any reasonably possible movement in foreign currency rates would cause a material effect on Group's performance or equity given transactions are predominantly carried out in AUD.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The objective of the Group is to minimise the risk of loss from credit risk exposure.

Credit risk arises from cash and cash equivalents, deposits and banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

Notes to Financial Statements

For the year ended 30 June 2022

18 Financial risk management (continued)

Credit risk is managed on a group basis. The credit risk for cash and cash equivalents and deposits with banks and financial institutions is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are settled in cash or using major credit cards. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

In respect of the group, credit risk relates to loans with subsidiary. In order to achieve stated corporate objectives, the parent entity provides financial support to subsidiaries but only to the level which the Board considers necessary to achieve these objectives and meets agreed conditions. The management believes the loans to subsidiaries are fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated its obligation as they fall due. To manage this risk, the Group maintains sufficient liquidity by holding cash in readily accessible accounts. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's terms of sales require amounts to be paid within 30 to 60 days of sale. Trade payables are normally settled within 30 days. The maturity profile is monitored by management to ensure adequate liquidity is maintained.
The Group's financial assets of $5,958,156 have a maturity with 12 months of 30 June 2022 and financial liabilities of $10,494,395 of which $1,847,338 ANMA Purchase Instalments were paid in July 2022, $3,698,395 are customer deposits.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Due before 1 year	Due between 1 to 5 years	Total
	$	$	$
Trade and other payables	7,108,779	-	7,108,779
Borrowings	1,782,797	1,602,819	3,385,616
	8,891,576	**1,602,819**	**10,494,395**

Sensitivity analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk. This demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 June 2022 the Group held cash in low interest-bearing accounts. The Directors do not consider that any reasonably possible movement in interest rates would cause a material effect on Group's performance or equity.

The Group sells goods overseas and is affected by movement in US dollar and Chinese RMB. To mitigate foreign currency risk for US dollar and RMB transactions and to avoid the need for currency hedging the Group holds and trades in the relevant currency. Profits are then recovered by transfers of cash at a time the exchange rate is deemed favourable. The Directors do not consider that any reasonably possible movement in foreign currency rates would cause material effect on Group's performance or equity given translations are predominantly carried out in AUD.

Notes to Financial Statements

For the year ended 30 June 2022

19 Related party transactions

	2022 $	2021 $
(a) Payable to or receivable from related parties at year-end		
Directors/secretary & consulting fees payable to Aust JLY Group Pty Ltd, a company controlled by Wilton Yao	27,000	27,000
Directors/secretary & consulting fees payable to L&Q Enterprises Pty Ltd, a company controlled by Bo Qiang	3,990	-
Pacific Healthy Consultancy fee	24,000	-
(b) Transactions occurring during the year:		
Directors/consulting fees paid to Aust JLY Group Pty Ltd for the provision of the services of Wilton Yao	324,000	324,000
Pacific Healthy International Holding Pty Ltd Sales consultancy fee	96,000	-
Directors/secretary & consulting fees payable to L&Q Enterprises Pty Ltd, a company controlled by Bo Qiang	3,990	-
Directors/consulting fees paid to Aust JLY Group Pty Ltd for the provision of the services of Wilton Yao	-	2,200
Director's related company		
Pacific Healthy International Holding Pty Ltd - purchases	1,064,265	-
Pacific Healthy International Holding Pty Ltd - sales	7,068,762	-
Pacific Healthy ANZ Pty Ltd - purchases	340,768	-
Pacific Healthy ANZ Pty Ltd - sales	7,486,212	-
(c) Ordinary shares – Directors holding indirect interest through a related party	**No.**	**No.**
Brett Crowley	8,313,481	1,400,000
Wilton Yao	645,916	119,600

20 Key management personnel (KMP)

Directors and KMP of Jatcorp Limited (refer to Remuneration report for details) during the financial year were paid the following amounts.

	2022 $	2021 $
Short term benefits	597,352	562,212
Share based payment	109,789	-
Total	**707,141**	**562,212**

These amounts include fees and benefits paid to the Chairman, executive director and non-executive directors as well as all salary, paid leave benefits, short term incentive payments awarded to each KMP. There were no transactions with KMP during the financial year ended 30 June 2022 or 31 June 2021 other than noted here, in the remuneration report, and note 19.

Notes to Financial Statements

For the year ended 30 June 2022

21 Controlled entities

Subsidiaries of Jatcorp which are consolidated	Country of incorporation / Place of business	Percentage owned (%)*		Percentage owned by non-controlling interest (%)*	
		2022	2021	2022	2021
		%	%	%	%
Golden Koala Group Pty Ltd	Australia	51	51	49	49
Green Forest International Pty Ltd	Australia	50	50	50	50
Sunnya Pty Ltd	Australia	51	51	49	49
Jatpharm Pty Ltd	Australia	55	55	45	45
Australian Natural Milk Association Pty Ltd	Australia	65	65	35	35
Henan JAT Trading Co., Ltd	China	100	100	-	-
Hangzhou JAT Food Group Co., Ltd	China	100	100	-	-
KTPD Holding Pty Ltd	Australia	50	50	50	50
Jat Estates Pty Ltd	Australia	85	85	15	15
JP Global Trading Pty Ltd	Australia	50	-	50	-

*Percentage of voting power is in proportion to ownership.

Jatpharm Pty Ltd and Henan JAT Trading Co., Ltd did not carry out any business activities during year ended 30 June 2022.

22 Jatcorp Limited - Parent Company Information

	2022	2021
	$	$
Parent Equity		
Assets		
Current Assets	5,348,792	9,280,533
Non-current Assets	2,046,727	4,002,577
Total Assets	**7,395,519**	**13,283,110**
Liabilities		
Current Liabilities	2,582,872	9,456,116
Non-current Liabilities	146,362	200,398
Total Liabilities	**2,729,234**	**9,656,514**
Equity		
Issued Capital	85,981,706	78,259,269
Share option reserve	1,024,789	-
Retained Earnings	(82,340,210)	(74,632,673)
Total Equity	**4,666,285**	**3,626,596**
Financial Performance		
Loss for the year	(7,203,536)	(9,024,761)
Other Comprehensive Income	-	-
Total Comprehensive Income	**(7,203,536)**	**(9,024,761)**

Notes to Financial Statements

For the year ended 30 June 2022

23 Reconciliation of loss after income tax to net cash outflow from operating activities

	2022	2021
	$	$
Loss for the year including income tax	(10,011,768)	(21,065,549)
Non-cash flows in operating activities:		
Depreciation & amortisation	1,130,403	3,054,109
Impairment loss	4,738,963	12,743,781
Share based payments	109,789	1,268,333
Share options	-	400,000
Brokerage costs	-	157,097
Change in operating assets and liabilities:		
(Increase)/decrease in inventories	(1,655,758)	941,670
(Increase)/decrease in trade and other receivables	(1,350,895)	4,529,153
(Increase)/decrease in prepayments	650,632	(21,974)
(Increase)/decrease in financial assets	63,634	129,167
Increase/(decrease) in trade and other payables	4,223,276	(2,445,415)
Increase/(decrease) in income tax liability	(786,265)	(1,590,846)
Increase/(decrease) in provision for employees	103,859	59,665
Net cash outflow from operating activities	**(2,784,130)**	**(1,840,809)**

24 Auditors' remuneration

During the reporting period the following fees were paid or payable for services provided by the Groups auditors LNP Audit and Assurance Pty Ltd were $79,500 (2021: $75,000). No non-audit services were provided by the auditors.

25 Contingencies and Commitments

There are no contingent liabilities and commitments as at 30 June 2022 (2021: none).

26 Events occurring after the reporting date

In July 2022, the company issued a total of 356,850,263 fully paid ordinary shares at $0.012 per share. Total cash proceeds from the above share issuance amounts to $4,282,203 which was received on 7 July 2022.

On 12 July 2022 a total of 4,000,000 options lapsed.

On 15 August 2022, the company has lodged a Prospectus for options for placement (275,500,000 options), Rights Issue (321,087,429 options), Lead manager options (240,000,000 options) and shortfall options (35,762,834 options). These options are exercisable at $0.032 each on or before two years from the date of issue and will be issued on or before 2 September 2022. No funds will be raised from the issue of these options.

On 22 July 2022 and 9 August 2022, ANMA acquisition payable balance totalling $1,847,338 was paid in full.

Wilton Yao has resigned as an alternate director on 18 August 2022.

The shareholders approved the removal of Brett Crowley and Bing Hui Gong as directors of the company on 1 September 2022 and appointed Mr Zhi Guo Zhang as director on the same date.

Apart from the above, no other matters or circumstances have arisen since the end of the financial 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.

Directors' Declaration

In accordance with a resolution of the directors of Jatcorp Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 18 to 40 are in accordance with the *Corporations Act 2001* and
    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
    b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the board of directors.

……..

Mr Zhan Wang
Managing Director

Dated this 19th day of September 2022

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JATCORP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Jatcorp Limited (the Company), including its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the Group's consolidated financial position as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Report section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

Without modification to our opinion expressed above, attention is drawn to Note 2(B) of the financial report which sets out the basis on which the directors believe the Group will be able to continue as a going concern. The Group incurred a loss after tax in the year from continuing operations of $10,011,768 (2021: loss $21,065,549), has net current assets of $1,136,610 (2021: $1,052,487 net current liabilities) and negative cash flows from operating activities for the year of $2,784,130 (2021: negative cash flows $1,840,809). These conditions along with other matters set out in Note 2(B) indicate that a material uncertainty exists that may cast significant doubt in relation to the Group's ability to continue as a going concern.

No adjustments have been made to the financial report relating to the recoverability or classification of recorded assets and classification of liabilities that maybe necessary should the Group not continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Key Audit Matter	How our audit addressed the matter
Assessment of impairment and recoverable amounts of separable intangible assets and goodwill, Refer Note 13 – Intangible assets Management assessed the recoverable amount of goodwill and separable intangibles relating to the groups three cash generating units (CGU's) as at 30 June 2022 separately. The recoverable amount of each CGU is determined on a value in use basis, the assessment incorporates a range of assumptions, including discount rates, growth rates, and the timing and amounts of cashflows. An impairment expense of $3,603,599 has been recorded in the consolidated statement of profit or loss and other comprehensive income relating to Sunnya goodwill. After the impairment, the consolidated statement of financial position at 30 June 2022 includes goodwill and separable intangibles totalling $2,960,343 comprising Sunnya Goodwill $2,347,482, Sunnya customer relationships of $237,978 and Sunnya tradename of $374,883. This a key audit matter due to the material value of goodwill and separable intangibles and the degree of subjectivity, judgement and estimation uncertainty and the continuing effects of COVID-19 associated with the assessment.	Our procedures included, among others: Evaluating the value in use assessment developed by management for each CGU to assess the recoverable amount of goodwill and separable intangibles, including critically assessing the following assumptions: a) the discount rate; b) the revenue growth rates; c) other growth rate assumptions; and d) the timing and amounts of forecasted cash flows. Testing the mathematical accuracy of forecasting of the cash flows of the cash generating units. Consideration of the assumptions used in comparison with publicly available data. Subjecting the key assumptions used to sensitivity analysis and stress testing. Assessing company's estimates on the useful life of tradename, customer relationships and import licence. Assessing the adequacy of the disclosures made in the financial statements.

Key Audit Matter	How our audit addressed the matter
Net realisable value of inventory, Refer Note 10 – Inventory At 30 June 2022 the carrying value of inventory amounted to $4,946,768 which is made up of finished goods $2,587,699, raw materials and packaging materials $2,049,313, stock in transit $905,974 and provision for impairment $596,218. Management has assessed the net realisable value of inventory by assessing stock movement during the year, the status of future production and consumption rate of raw materials, and has provided $596,218 against raw materials and finished goods at year-end. This is a key audit matter due to the significance of the balance in the Group's consolidated financial position and the complexity in estimation of its net realisable value which requires significant subjective judgements including forecasting future sales and values of inventory.	Our procedures included, amongst others: • Testing the accuracy of the Group's inventory reconciliations and calculations; • Obtaining an understanding of the Group's stock control procedures and assessing the design, implementation and operating effectiveness of key controls over stock movement and stock provision assessment; • Attended annual stocktakes to validate the existence and condition of stock; • Assessed the application of inventory costing methodologies and tested the recorded cost of a sample of inventory items. • Performing net realisable value testing by considering post year-end sales of finished goods or consumption of raw materials used; • Evaluating the Group's assumptions and judgements used in its stock provision calculations; and • Assessing the adequacy of the disclosures made in the financial statements.
Recoverability of deposits paid to suppliers, Refer Note 9 – Trade and other receivables At 30 June 2022 the carrying value of deposits paid to suppliers amounted to $1,424,245 for the purpose of purchasing raw materials and production deposits. Management has assessed the recoverability of deposits paid to suppliers by amongst other things assessing each supplier's credit profile, and the status of subsequent deliveries of goods and has provided $417,345 against these deposits. This is a key audit matter due to the materiality of the balance and that the determination of the recoverable amount requires significant subjective judgements and assumptions including the impact of COVID-19.	Our procedures included, amongst others: • Obtaining an understanding of the Group's credit control procedures and assessing the design, implementation and operating effectiveness of key controls over granting of credit to customers and affording deposits to suppliers; • Evaluating the Group's assumptions and judgements used in its expected credit loss model; • Validating data used in the model; and • Assessing the adequacy of the disclosures made in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

At the date of signing this report, the corporate governance statement referred to in the Directors' Report on page 7 does not correctly reflect the constitution of the Board of Directors as presented in the Directors' report on page 4.

Directors' Responsibilities

The Directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 14 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Jatcorp Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

LNP Audit and Assurance Pty Ltd

Anthony Rose
Director
Melbourne, 19 September 2022

Shareholder Information

Additional Information required by the ASX Limited listing rule and not disclosed elsewhere in this report are set out below.

The shareholder information set out below was applicable as at 30 June 2022.

(a) Distribution of equity securities

Analysis of a number of ordinary fully paid shareholders by size of holding:

Holding Ranges	Holders	Total Units	Percentage
above 0 up to and including 1,000	127	23,581	0%
above 1,000 up to and including 5,000	336	1,081,876	0.05%
above 5,000 up to and including 10,000	223	1,646,638	0.08%
above 10,000 up to and including 100,000	1,624	58,736,494	2.74%
above 100,000	1,231	2,078,772,987	97.13%
Totals	**3,541**	**2,140,261,576**	**100.00%**

Total number of holders of less than a marketable parcel of ordinary shares: 1,700.

(b) Substantial holders

The substantial shareholders of the Company are as follows:

Holder Name	Ordinary Shares	Percentage
GOLD BRICK CAPITAL PTY LTD <GOLD BRICK CAPITAL UNIT A/C>	424,703,461	19.84%
SUPERHERO SECURITIES LIMITED <CLIENT A/C>	105,010,697	4.90%
GOLDEN LUCKY STAR PTY LTD <RONGJUN ZHAO FAMILY A/C>	83,000,000	3.88%
C&L CHEN PTY LTD <C&L CHEN LI SF A/C>	76,470,793	3.57%
QHX INVESTMENTS PTY LTD	73,287,207	3.42%
GOLDCARAVEL ASSET MANAGEMENT PTY LTD <GOLDCARAVEL 2 UNIT A/C>	49,121,125	2.29%
MR BIREN HU	41,578,948	1.94%
MR ZHONGLIANG WANG	41,417,493	1.93%
GOLDCARAVEL ASSET MANAGEMENT PTY LTD <GOLDCARAVEL 2 A/C>	39,262,574	1.83%
KINGSTONE CAPITAL PTY LTD	35,300,000	1.65%

(c) Voting rights

The voting rights attaching to each class of equity securities are set out below:

(i) Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(d) Equity security holdings

Twenty largest quoted equity security holders.

The names of the 20 largest quoted equity security holders of quoted equity securities are listed below:

Shareholder Information

		Spread & Top 20 Listings	
	Holder Name	**Share Holding**	**% of Holdings**
1	GOLD BRICK CAPITAL PTY LTD <GOLD BRICK CAPITAL UNIT A/C>	424,703,461	19.84%
2	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	105,010,697	4.90%
3	GOLDEN LUCKY STAR PTY LTD <RONGJUN ZHAO FAMILY A/C>	83,000,000	3.88%
4	C&L CHEN PTY LTD <C&L CHEN LI SF A/C>	76,470,793	3.57%
5	QHX INVESTMENTS PTY LTD	73,287,207	3.42%
6	GOLDCARAVEL ASSET MANAGEMENT PTY LTD <GOLDCARAVEL 2 UNIT A/C>	49,121,125	2.29%
7	MR BIREN HU	41,578,948	1.94%
8	MR ZHONGLIANG WANG	41,417,493	1.93%
9	GOLDCARAVEL ASSET MANAGEMENT PTY LTD <GOLDCARAVEL 2 A/C>	39,262,574	1.83%
10	KINGSTONE CAPITAL PTY LTD	35,300,000	1.65%
11	MISS YAQING HE	30,000,000	1.40%
12	JIN & YAO INVESTMENTS PTY LTD	28,390,059	1.33%
13	MS DONGMEI HUA	25,543,417	1.19%
14	KINGSTONE CAPITAL PTY LTD	24,230,000	1.13%
15	MR MAN SING LAM	23,548,604	1.10%
16	MR ZHOU XUAN FENG	21,111,111	0.99%
17	MR WALDEMAR WAWRZYNIUK & MS LIA WAWRZYNIUK <L & W SUPER FUND A/C>	21,000,000	0.98%
18	MR YINGHAN HE	20,960,379	0.98%
19	MS ZHIYING LIN	18,000,000	0.84%
20	VALPO INVEST PTY LTD <ZHAO SONG FAMILY A/C>	18,000,000	0.84%
	Total Top 20 Shareholders	**1,199,935,868**	**56.03%**
	Total issued capital - selected security class(es)	**2,141,101,576**	**100.00%**