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CLARIFYING ANNOUNCEMENT

The Exchange had brought to the Company's attention that certain posts in the Company's corporate website and a website of a party connected to certain directors were misleading and incorrect. The posts (collectively, the "**Relevant Web-posts**") which had appeared on the Company's corporate website and the website of Nanjing Kangli Biotechnology Co., Limited ("**Nanjing Kangli**") alluded that:

- (1) Nanjing Kangli is owned and/or invested by the Company;
- (2) Nanjing Kangli had launched a range of over-the-counter health supplement and healthcare products; and
- (3) these products were jointly produced by the Company and one Australia JGY International Chinese Medicine Institute Pty Ltd ("**AJI**").

The Company wishes to unequivocally state and confirm that the statements made in the Relevant Web-posts are **not correct and are false** to the following extent:


- (A) Nanjing Kangli is neither owned by nor is it invested by the Company; and
- (B) the Company is not involved in, either directly or indirectly, the development or production of products marketed by Nanjing Kangli.

Therefore, the Company had removed and had procured Nanjing Kangli to remove all the Relevant Web-posts.

Nanjing Kangli is wholly owned by WANG Caifu, an executive director of the Company, and his son. AJI is wholly owned by WANG Caifu. While the Company could in the future acquire a stake in or collaborate with Nanjing Kangli and/or AJI, directors are aware that such a transaction if it materialises in the future could represent a change in the scope and scale of the Company's operations and will also be an interested party transaction. The Company confirms that in the event any such a transaction is proposed, it will seek shareholders' prior approval for such a transaction as may be required under the listing rules.

For and on behalf of
JGY HOLDINGS LIMITED

WANG Caifu
Executive Director
15 March 2018


2018.3.14