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## MARKET UPDATE ON THE AGREEMENT IN RELATION TO THE MANAGEMENT AND OPERATION RIGHTS TO AN EXISTING HOTEL LOCATED IN JINTAN DISTRICT, CHANGZHOU CITY IN JIANGSU PROVINCE, CHINA

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*Unless otherwise defined or the context otherwise permit, capitalised terms used in this market update shall have the meanings given to them in the Company's announcement dated 8 October 2018*

Directors of JGY Holdings Limited wish to announce that subsequent to the Company's entry into the Agreement with Jiangsu Run'ao Garden Hotel Group Co., Ltd. [official name: 江苏润澳花园大酒店集团有限公司] (i.e., the **Owner**), the Owner and its related entities have applied to the People's Intermediate Court of Wuxi City in Jiangsu Province (**Court**) for an order for a moratorium on all debt enforcement action against them and for the court's supervision of a debt restructuring exercise to be proposed to their creditors (**Administration Order**), a process similar, but not identical, to the voluntary administration process in Australia.

As of the date of this announcement, the Court has not granted the Administration Order nor appointed an administrator to propose a scheme for the debt restructuring and to implement that scheme. Nonetheless, the Company will temporarily suspend all preparatory works to convene the proposed 2018 EOGM to approve the Company's entry into the New Business Segment until such time when:

- (a) the Court has granted the Administration Order; and
- (b) the Company receives expressed written consent from the court appointed administrator to the Owner's entry into the Agreement with the Company.

Henceforth, any dealing the Company will have with the Owner in relation to the Agreement and the Management Agreement will be with the court appointed administrator.

Separately, WANG Caifu, a director of the Company, has informed the board that he and/or Nanjing Jingu Yuan Agricultural Development Co., Limited (**Nanjing JGY**), a company in which he and another executive director have interests in are interested and may participate in the debt restructuring scheme to be proposed by the court appointed administrator, which, if implemented, may result in him and/or Nanjing JGY acquiring interests in the Owner and/or Run'ao Hotel. The Company will not be a party to any discussion that WANG Caifu and/or Nanjing JGY will enter into with the court appointed administrator in relation thereto.

### Media queries

For any media query, please e-mail the company secretary at [skmah@mybiztrack.com](mailto:skmah@mybiztrack.com).

For and on behalf of

**JGY HOLDINGS LIMITED**

WANG Caifu  
Executive Director  
4 December 2018