

JGY HOLDINGS LIMITED

(ARBN 618508964)
(Incorporated in Cayman Islands)

ANNUAL REPORT

For the financial year ended 31 March 2020

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JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
DIRECTORS' STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 March 2020 and the statement of financial position of the Company as at 31 March 2020.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and the financial performance, change in equity and cash flows of the Group for the financial year ended on that date in accordance with the International Financial Reporting Standards; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of the Directors authorised these financial statements for issued on the date of this report.

Name of Directors

The Directors of the Company in office at the date of this report are:

<u>Name</u>	<u>Particulars</u>
WANG Caifu	Chief Executive Director, Chairman
SHANG Zonggen	Independent Non-executive Director
He Ping	Executive Director

Arrangements for enable Directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its controlled entities was a party to any arrangement of which the object was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other corporate body, other than as disclosed in this report.

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
DIRECTORS' STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

Directors' interests in shares

None of the Directors who held office at the end of the financial year had any interests in the shares of the Company or its related corporation, except as follows:

	Holdings registered in the Name of Director or nominee		Holdings in which Director is Deemed to have an interest	
	As at 31.03.2020	As at 01.04.2019	As at 31.03.2020	As at 01.04.2019
WANG Caifu	20,000,000	20,000,000	-	-
SHANG Zonggen	100,000	100,000	-	-
He Ping	19,690,000	19,690,000	-	-

Share Options

During the financial year, no options were granted to take up unissued shares of the Company and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company. At the end of the financial year, there were no unissued shares of the Company under option.

Directors' contractual benefits

Except as disclosed in the financial statements, since the date of incorporation, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

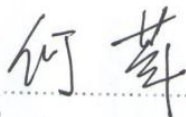
Independent auditor

The independent auditor, J. K. TAN & CO, has expressed its willingness to accept re-appointment.

On behalf of the Directors



.....
WANG Caifu
Chief Executive Director, Chairman



.....
HE Ping
Executive director

Dated: 31 August 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JGY HOLDINGS LIMITED**

Opinion

We have audited the accompanying financial statements of JGY Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Company and the Group as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

Key audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter include:

Net realisable value of inventories

The carrying value of inventories of the Group is \$19,956,302 as at 31 March 2020 (2019:\$18,257,936). Inventories are stated at lower of cost and net realisable value. The assessment of net realisable value of inventories is based on estimates and judgements by management in respect of, amongst others, the current economic condition, historical sales record, aging analysis and subsequent selling price of inventories.

This area is identified as a key audit matter due to the significance of the carrying values of inventories to the financial statements as a whole, combined with the significant degree of judgement and estimation by the management involved in determining the net realisable value of inventories.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JGY HOLDINGS LIMITED**

-Continued

Key audit Matters

Our audit procedures included:

- (i) Understanding the management's process in identifying obsolete or slow-moving inventories and determining the net realisable value of the inventories;
- (ii) Discussing with management and assessing the basis of the management's estimation of costs necessary to convert the work-in-progress to finished goods, and the subsequent selling price of these finished goods;
- (iii) Comparing the carrying value of a sample of inventory items at the reporting date with their subsequent selling prices achieved after the reporting date; and
- (iv) Comparing the carrying value of a sample of inventory items without sales after the reporting date with the estimated selling price, with reference to market prices at the reporting date, latest sales record and historical gross margins achieved. To assess the historical accuracy of management's estimation process, we compared, on sample basis, the actual selling prices achieved during the current period with the estimated selling prices of the respective inventories at the end of the previous financial year.

Other information

Management is responsible for the other information. The other information comprises the information included in the directors' statement, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action in accordance with the ISAs.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JGY HOLDINGS LIMITED**

-Continued

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards ("IFRS") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Group or to cease operation, or has no realistic alternative but to do so.

The responsibilities of those charged with governance include overseeing the Group's financial reporting process.

Auditor's responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JGY HOLDINGS LIMITED**

-Continued

Auditor's responsibility for the Audit of the Financial Statement

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe those 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.



J. K. TAN & CO
Chartered Accountants
Malaysia, 31 August 2020

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	The Company		The Group	
		31.3.2020	31.3.2019	31.3.2020	31.3.2019
		\$	\$	\$	\$
ASSETS					
Current Assets					
Inventories	5	-	-	19,956,302	18,257,936
Trade and other receivables	6	-	-	10,784,786	18,712,684
Cash and cash equivalents	7	-	-	43,748	1,402,142
Total current assets		-	-	30,784,836	38,372,762
Non-Current Assets					
Plant and equipment	8	-	-	2,715,111	2,803,336
Investment in subsidiaries	9	6,300,000	6,300,000	-	-
Total non-current assets		6,300,000	6,300,000	2,715,111	2,803,336
TOTAL ASSETS		6,300,000	6,300,000	33,499,947	41,176,098
LIABILITIES					
Current Liabilities					
Trade and other payables	10	-	-	3,512,487	12,949,526
Tax payables	16	-	-	-	23,226
Total current liabilities		-	-	3,512,487	12,972,752
Non-Current Liabilities					
Amount due to directors	11	-	-	17,903,510	16,346,684
Total non-current liabilities		-	-	17,903,510	16,346,684
TOTAL LIABILITIES		-	-	21,415,997	29,319,436
NET ASSETS		63,000,000	6,300,000	12,083,950	11,856,662
Equity					
Share capital	12	63,000,000	6,300,000	6,300,000	6,300,000
Translation reserve		-	-	1,786,509	729,849
Retained earnings		-	-	3,997,441	4,826,813
TOTAL EQUITY		6,300,000	6,300,000	12,083,950	11,856,662

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		From 01.04.19 to 31.3.2020	From 23.10.18 to 31.03.2019
	Notes	\$	\$
Revenue	13	2,328,275	3,305,506
Cost of sales		(1,638,120)	(1,932,942)
Gross profit		690,155	1,372,564
Other income		287	271,388
Marketing and distribution		-	(31)
Administrative expenses		(459,532)	(423,115)
Finance costs		-	(8,759)
Other operating expenses		(1,057,108)	(513,553)
Profit before tax		(826,198)	698,494
Income tax expense	16	(3,174)	(22,596)
Profit for the financial year		(829,372)	675,898
Attributable to:			
Equity holders of the parent		(829,372)	675,898
Non-controlling interests		-	-
		(829,372)	675,898
Exchange differences on translation foreign controlled entities		1,056,660	151,737
Total comprehensive income for the financial year		227,288	827,635
Attributable to:			
Equity holders of the parent		227,288	827,635
Non-controlling interests		-	-
		227,288	827,635
Profit Per Share			
Basic profit Per Share (cents)	17	0.27	0.97
Diluted profit Per Share (cents)	17	0.27	0.97

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Notes	Share capital \$	Retained earnings \$	Translation reserve \$	Total equity \$
At 01.04.2018		6,300,000	4,150,915	578,112	11,029,027
Total comprehensive income For the year		-	675,898	-	675,898
Currency translation reserve		-	-	151,737	151,737
Balance at 31.03.2019		6,300,000	4,826,813	729,849	11,856,662

	Notes	Share capital \$	Retained earnings \$	Translation reserve \$	Total equity \$
At 01.04.2019		6,300,000	4,826,813	729,849	11,856,662
Total comprehensive income For the year		-	(829,372)	-	(829,372)
Currency translation reserve		-	-	1,056,660	1,056,660
Balance at 31.03.2020		6,300,000	3,997,441	1,786,509	12,083,950

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Notes	From 01.04.19 to 31.3.2020 \$	From 01.04.18 to 31.3.2019 \$
Cash flow from operating activities			
(Loss)/profit before taxation		(829,372)	698,494
Adjustments for:			
Depreciation of plant and equipment	8	326,638	315,976
Unrealised foreign exchange (loss)/gain		(948,647)	122,597
Operating cash flow before movements in working capital		(1,451,381)	1,137,067
Decreased in inventories		40,485	317,857
Decrease /(increase) in trade and other receivables		7,927,898	(4,802,030)
(Decrease) / increase in trade and other payables		(9,437,039)	5,154,226
Net cash (used in) operation		(2,920,037)	1,807,120
Tax paid		(23,226)	(221,665)
Net cash from operating activities		(2,943,263)	1,585,455
Cash flows from investing activities			
Purchase of plant and equipment		-	-
Net cash (used in) investing activities		-	-
Cash flow from financing activities			
Net proceeds from issuance of shares			-
Amount due to directors		1,556,826	(470,987)
Net cash (used) financing activities		1,556,826	(470,987)
Net (decrease)/increase in cash and bank balances		(1,386,437)	1,114,468
Cash and cash equivalents at the beginning of the period		1,402,142	286,957
Exchange difference on translation of cash and cash equivalents at beginning of the year		28,043	717
Cash and cash equivalents at the end of the year	7	43,748	1,402,142

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

1. CORPORATE INFORMATION

JGY Holdings Limited is the Group's ultimate parent company. The Company was incorporated in and under the laws of the Cayman Islands on 23 October 2017.

The Company was listed on the National Stock Exchange of Australia on 21 December 2017. The registered office of the Company is located at Grand Pavilion, West Bay Road, Grand Cayman, Cayman Islands.

The Company is an investing holding company. The Group comprises two operating companies which are Farmco growing grains, mainly rice and wheat for sale and Wineco producing and selling of bai-Jiu products.

The financial statements of the Company and of the Group for the period ended 31 March 2019 were authorised for issue in accordance with a resolution of the Directors on the date of the Statement by Directors.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis and are presented in Australian Dollars which is the Company's functional currency. All financial information is presented in Australian Dollars, unless otherwise stated.

2.2 Adoption of new and amended IFRSs

The Group has adopted all the new and revised standards and interpretations of FRS (INT FRS) that are effective for financial periods beginning on or after 1 April 2018. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company and the Group.

2.3 Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a controlled entity begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.4 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on the straight-line basis so as to write off the cost of plant and equipment net of the estimated residual values over their estimated useful lives as follows:

	Estimated useful lives	Estimated residual value as a percentage of cost
Computer	3 years	5%
Office equipment	5 years	5%
Motorcycle	5 years	5%
Plant & Machinery	10 years	5%
Workshop	20 years	5%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2.5 Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further economic benefits are expected to arise.

2. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.6 Financial assets

The Group classifies its financial assets, at initial recognition, into one of the following categories: investments at fair value through profit or loss, loans and receivables, derivative financial instruments and other financial assets, as appropriate, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Investments at fair value through profit or loss

These financial assets are designated by the Board of Directors at fair value through profit or loss at inception, which include investment in debt and equity securities upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Group.

Recognition / Derecognition:

Regular acquisitions and disposals of investments are recognised on the trade date on which the Company received acquisitions of investments or delivered disposals of investments. A fair value through profit or loss asset is derecognised when the Company loses control over the contractual rights that comprise that assets. This occurs when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Fair value through profit or loss assets that are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Company commits to sell the assets.

Measurement:

Financial assets held at fair value through profit or loss is initially recognised at fair value. Transaction costs are expensed in the profit or loss. Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets held at fair value through profit or loss are presented in the profit or loss in the period in which they arise.

Dividend income from investments at fair value through profit or loss is recognised in the profit or loss within other income when the Company's right to receive payments is established.

Fair value estimation:

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques in accordance with the Guidelines.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise bridging loans and other receivables in the statement of financial position. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortization process.

2. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.7 Financial liabilities

Trade and other payables are initially measured at fair value net of transaction costs, and are subsequently measured at amortised cost, using effective interest rate method, with interest expenses recognised on an effective yield basis. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.8 Cash and cash equivalents

Cash and bank balances comprise cash in hand and at bank that are subject to an insignificant risk of changes in value.

2.9 Impairment of tangible assets

At each statement of financial position date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset /cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset/cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset /cash-generating unit is increased to the revised estimate of its recoverable amount, to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairments loss been recognised for the asset/cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

1) Net gain or loss on financial assets and liabilities at fair value through profit or loss

This items includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at fair value through profit or loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

2) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods,

2. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.11 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the balance sheet. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.12 Employee benefits

Defined contribution plan

The employees of the Group are required to participate in a central pension scheme operated by the government. The company are required to contribute a certain percentage of its payroll costs to the central pension scheme.

These contributions are charged to the profit or loss in the period to which the contributions relate. The Company's obligations under these plans are limited to the fixed percentage contributions payable.

2. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.13 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) where as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit and loss statement on a straight – line basis over the lease term. The aggregated benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight – line basis.

2.15 Related Parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint over the Company
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the company

2. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.16 Related Parties - continued

- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint control venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a past-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Depreciation of plant and equipment

The Group's management exercises its judgment in estimating the useful lives of the depreciable assets. The estimated useful lives reflect management's estimate of the periods the Company intends to derive future economic benefits from the use of these assets based on historical experience. Changes in expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The company depreciated plant and equipment in accordance with the accounting policies stated in Note 8.

Income Taxes

The Group's controlled entity in China is subject to income taxes in the PRC. The Group recognises liabilities for anticipated tax issues based on estimations of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences may impact the income tax and deferred income tax provisions in the year in which such determinations are made.

4. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Group is not subject to any externally imposed capital requirements. No charges were made in the objectives, policies or processes for managing capital during the financial period from 1 April 2019 to 31 March 2020.

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5. INVENTORIES

	The Company		The Group	
	2020	2019	2020	2019
	\$	\$	\$	\$
Finished goods	-	-	19,956,302	18,257,936

6. TRADE AND OTHER RECEIVABLES

	The Company		The Group	
	2020	2019	2020	2019
	\$	\$	\$	\$
Trade receivables	-	-	3,021,502	9,220,805
Prepayment	-	-	-	900,026
Other receivable-Third parties	-	-	3,424,100	4,224,548
Other receivable-Related parties	-	-	4,336,786	4,347,305
Amount due from staff	-	-	2,398	20,000
	-	-	10,784,786	18,712,684

Other receivables are non-trade in nature, unsecured, interest-free and repayable on demand and denominated in Chinese Renminbi.

Receivables that are past due but not impaired

The company has trade receivables amounting to (2019:\$9,220,805) that are past due at the financial position date but not impaired. These receivables are unsecured and the analysis of their aging at the financial position date is as follows:

Trade receivables past due:

	The Company		The Group	
	2020	2019	2020	2019
	\$	\$	\$	\$
- More than 90 days	-	-	3,021,502	9,220,805

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7. CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash and cash at bank	<u>1</u>	<u>1</u>	<u>43,748</u>	<u>1,402,142</u>

Cash and cash equivalents are denominated in Chinese Renminbi.

8. PLANT AND EQUIPMENT

The Group	Computer	Office	Motor	Plant &	Workshop	Total
	\$	equipment	cycle	Machinery	\$	\$
		\$	\$	\$		
COST:						
As at 01.04.2018	2,191	9,727	3,320	1,901,929	2,902,932	4,820,099
Additions	-	-	-	-	-	-
Exchange realignment	26	117	40	22,915	34,975	58,073
As at 31.03.2019	2,217	9,844	3,360	1,924,844	2,937,907	4,878,172
Additions	-	-	-	-	-	-
Exchange realignment	211	938	320	183,319	279,801	464,589
As at 31.03.2020	<u>2,428</u>	<u>10,782</u>	<u>3,680</u>	<u>2,108,163</u>	<u>3,217,708</u>	<u>5,342,761</u>
 As at 01.04.2018	 2,097	 2,295	 2,471	 688,177	 1,034,170	 1,729,210
Depreciation for the period	15	1,710	621	177,868	135,763	315,976
Exchange realignment	26	75	47	13,254	16,248	29,650
As at 31.03.2019	2,138	4,080	3,139	879,299	1,186,181	2,074,836
Depreciation for the year	-	1,901	54	184,136	140,547	326,638
Exchange realignment	203	555	303	99,849	125,263	226,175
As at 31.03.2020	<u>2,341</u>	<u>6,536</u>	<u>3,496</u>	<u>1,163,285</u>	<u>1,451,991</u>	<u>2,627,650</u>
 NET BOOK VALUE:						
As at 31.03.2020	<u>87</u>	<u>4,246</u>	<u>184</u>	<u>944,878</u>	<u>1,765,716</u>	<u>2,715,111</u>
 As at 31.03.2019	 79	 5,764	 221	 1,045,545	 1,751,727	 2,803,336

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9. INVESTMENT IN SUBSIDIARIES

The consolidated financial statements include the financial statements of JGY Holdings Limited and its subsidiaries listed in the following table.

As at 31 MARCH 2020

Name of entity	Country of incorporation/ principal place of business	Cost of investment 2018 \$	Percentage of equity held 2018	Principal activities
(1) Microbatt Singapore Pte Ltd	Singapore	6,300,000	100%	Investment holding
(2) Tianchang Danguixiang Agricultural Products Co., Limited	China	-	100%	Investment holding
(3) Tianchang Jinguixiang Agricultural Co., Limited	China	-	100%	Growing grains, mainly rice and wheat for sales
(4) Tianchang Yinxingyuan Liquor Industry Co., Limited	China	-	100%	Manufacture and sale of bai-jiu products
		<u>6,300,000</u>		

As at 31 MARCH 2019

Name of entity	Country of incorporation/ principal place of business	Cost of investment 2018 \$	Percentage of equity held 2018	Principal activities
(1) Microbatt Singapore Pte Ltd	Singapore	6,300,000	100%	Investment holding
(2) Tianchang Danguixiang Agricultural Products Co., Limited	China	-	100%	Investment holding
(3) Tianchang Jinguixiang Agricultural Co., Limited	China	-	100%	Growing grains, mainly rice and wheat for sales
(4) Tianchang Yinxingyuan Liquor Industry Co., Limited	China	-	100%	Manufacture and sale of bai-jiu products
		<u>6,300,000</u>		

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
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10. TRADE AND OTHER PAYABLES

	The Company		The Group	
	2020	2019	2020	2019
	\$	\$	\$	\$
Trade payables	-	-	244,967	302,000
Other payables-Third parties	-	-	-	375,206
Other payables-Related parties	-	-	3,267,520	12,267,320
Amount due from staff	-	-	-	5,000
	-	-	3,512,487	12,949,526

Other payables are non-trade in nature, unsecured, interest-free and repayable on demand and denominated in Chinese Renminbi.

11. AMOUNTS DUE TO DIRECTORS

Amounts due to directors are non-trade in nature, unsecured, interest-free and repayable on demand and denominated in Chinese Renminbi.

12. SHARE CAPITAL

	The Group	
	Number of shares	\$
As at 01/04/2019	85,000,000	6,300,000
Share issued	-	-
Issued capital	85,000,000	6,300,000
As at 31/03/2020		

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder or its proxy, attorney or representative has one vote on a show of hands.

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13. REVENUE

	The Group	
	From	From
	01.04.2019 to	01.04.2018 to
	31.03.2020	31.03.2019
	\$	\$
Sales of goods	2,328,275	3,305,506

14. PROFIT BEFORE INCOME TAX

	The Group	
	From	From
	01.04.2019 to	23.10.2018 to
	31.03.2020	31.03.2019
	\$	\$
Profit before tax has been arrived at after charging:		
Depreciation assets	326,638	315,976
Employee benefit expense (note 18)	40,385	37,368

15. EMPLOYEE BENEFITS EXPENSE

	The Group	
	From	From
	01.04.2019 to	01.04.2018 to
	31.03.2020	31.03.2019
	\$	\$
Employee benefit expense (including Key management personnel)		
- Salaries	40,385	37,368

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16. INCOME TAX EXPENSE

	The Group	
	From 01.04.2019 to 31.03.2020 \$	From 01.04.2018 to 31.03.2019 \$
Current tax for the financial year	3,174	22,596

Provision for enterprise income tax of the subsidiaries operating in the PRC is made in accordance with the Income Tax Law of the PRC concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws.

Taxation has been provided at the appropriate tax rates prevailing in Singapore, Hong Kong and the PRC in which the Group operates on the estimated assessable profits for the financial period. These rates generally range from 16.50% to 25% for the reporting period.

The reconciliation of income tax expense applicable to the loss before income tax at the statutory income tax rates to the income tax expense for the reporting period is as follows:

	The Group	
	From 01.04.2019 to 31.03.2020 \$	From 01.04.2018 to 31.03.2019 \$
Profit before income tax	(826,198)	698,494
Tax at applicable tax rates	(206,550)	174,624
Tax effect of non-taxable revenue	(97,240)	(202,584)
Tax effect of non-deductible expenses	306,964	50,556
Tax for the financial period	3,174	22,596

No deferred tax has been provided, as the Group did not have any significant temporary differences which gave rise to a deferred tax asset or liability at the reporting date.

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17. PROFIT/(LOSS) PER SHARE

The Group

The profit/(loss) per share is calculated based on the consolidated profit/(loss) attributable to owners of the parent divided by the weighted average number of shares on issue of 85,000,000 (2019: 85,000,000) shares during the financial year/period.

The following table reflects the profit or loss and share data used in the computation of diluted profit/(loss) per share from continuing operations for the financial period ended 31 March:

	The Group	
	From	From
	01.04.2019 to	01.04.2018 to
	31.03.2020	31.03.2019
	\$	\$
Weighted average number of ordinary Shares for the purpose of calculating diluted profit per share	85,000,000	85,000,000

	The Group	
	From	From
	01.04.2019 to	01.04.2018 to
	31.03.2020	31.03.2019
	\$	\$
Profit for the purpose of calculating basic and diluted profit per share	227,288	827,635

18. DIVIDENDS

During the current financial period, no dividend was proposed declared or paid.

19. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to AUD equivalent) for the translation of foreign currency balances at the statement of financial position date are as follows:

	The Group	
	2020	2019
	\$	\$
Chinese Renminbi	0.2300	0.2100

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
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20. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and reporting decisions. Parties are also considered to be related if they are subject to common control.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the company and related parties took place at term agreed between the parties during the financial period:-

Compensation of key management personnel

Key management personnel of the company are those person having the authority and responsibility for planning, directing and controlling the activities of the company.

	The Group	
	2020	2019
	\$	\$
Amount due to directors	17,903,510	16,346,684

21. FAIR VALUES AND FAIR VALUES HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amount of cash and cash equivalents, other receivables, other payables and amount due from/to controlled entity/directors approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statement.

The Company and the Group are exposed to financial risks arising from its operations and use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
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22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES-CONTINUED

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from cash and cash equivalents and other receivables. For other receivables, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Cash and cash equivalents are held with reputable financial institutions.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management.

Exposure to credit risk

The maximum exposure to credit risk for each class of the Company's and the Group's financial instruments areas following:

	The Company		The Group	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash and cash equivalents	-	-	43,748	1,402,142
Trade and other receivables	-	-	10,784,786	18,712,684
	-	-	10,828,534	20,114,826

Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company and the Group manage liquidity risk by monitoring forecast cash flows. As at the financial period end the Group has cash and cash equivalent of \$43,748 (2019:\$1,402,142).

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
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22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES-CONTINUED

Liquidity risk-Cont'd

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

The Group 2020	Less than 1 year \$	Between 2-5 years \$	Over 5 years \$	Total \$
Trade and other payables	3,512,487	-	-	3,512,487
Tax payables	-	-	-	-
Amount due to directors	-	17,903,510	-	17,903,510
	3,512,487	17,903,510	-	21,415,997

The Group 2019	Less than 1 year \$	Between 2-5 years \$	Over 5 years \$	Total \$
Trade and other payables	12,949,526	-	-	12,949,526
Tax payables	23,226	-	-	23,226
Amount due to directors	-	16,346,684	-	16,346,684
	12,972,752	16,346,684	-	29,319,436

The Company 2020	Less than 1 year \$	Between 2-5 years \$	Over 5 years \$	Total \$
Trade and other payables	-	-	-	-
Tax payables	-	-	-	-
Amount due to directors	-	-	-	-
	-	-	-	-

The Company 2019	Less than 1 year \$	Between 2-5 years \$	Over 5 years \$	Total \$
Trade and other payables	-	-	-	-
Tax payables	-	-	-	-
Amount due to directors	-	-	-	-
	-	-	-	-

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES-CONTINUED

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is not exposed to any significant foreign currency risk because the main operation for the Group is in China which is not exposed to any significant foreign currency risk.

Market price risk

Given that the Group does not have any available-for-sale financial assets, the Group is not exposed to any significant market price risk.

24. CONTINGENCIES AND COMMITMENTS

The Company and Group had neither contingent liabilities/assets nor any financial commitments as at 31 March 2020.

25. EVENTS OCCURRING AFTER THE REPORTING DATE

No matter or circumstance has arisen since 1 April 2020 that has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

26. AUTHORISATION OF FINANCIAL STATEMENTS

The financial report for the financial period ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on the date of this report.