

# **JGY HOLDINGS LIMITED**

(ARBN 622384776)  
(Incorporated in Cayman Islands)

## **INTERIM FINANCIAL REPORT**

for the six months ended  
30 September 2019

### **INDEX**

	Page No.
Statement by Directors	1
Review report to the members of JGY Holdings Limited	2
Consolidated statement of financial position	3
Consolidated statement of comprehensive income	4
Consolidated statement of changes in equity	5
Consolidated statement of changes in cash flows	6
Notes to the interim consolidated financial statements	7

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
(ARBN 622384776)  
**STATEMENT BY DIRECTORS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

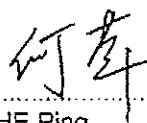
---

In the opinion of the Directors, the accompanying interim consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2019 and of the results of the business, changes in equity and cash flows of the Group for the six month period ended on that date and as 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.

On behalf of the Directors



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



.....  
HE Ping  
Executive director

Dated: 2 March 2020

**REVIEW REPORT**  
**TO THE MEMBERS OF JGY HOLDINGS LIMITED**

**Introduction**

We have reviewed the accompanying interim consolidated statement of financial position as at 30 September 2019 and the interim consolidated statements of comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and selected explanatory notes and a summary of significant accounting policies ("Financial Information") of **JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES (the Group)**. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements does not present fairly, in all material respects, the financial position of the Group as at 30 September 2019, and of the Group's financial performance and its cash flows for the six months ended 30 September 2019 in accordance with the International Financial Reporting Standards.



**J. K. TAN & CO**  
Chartered Accountants  
Malaysia, 2 March 2020

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
(ARBN 622384776)  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2019**

		<b>The Group</b>	
	Notes	<b>30 September 2019</b>	31 March 2019
		\$	\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Plant and equipment		<b>2,607,248</b>	2,803,336
Total non-current assets		<b>2,607,248</b>	2,803,336
<b>Current Assets</b>			
Inventories	4	<b>17,683,914</b>	18,712,684
Trade and other receivables	5	<b>11,670,232</b>	18,257,936
Cash and bank balance	6	<b>195,678</b>	1,402,142
Total current assets		<b>29,549,824</b>	38,372,762
<b>TOTAL ASSETS</b>		<b>32,157,072</b>	41,176,098
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	7	<b>6,300,000</b>	6,300,000
Translation reserves		<b>575,832</b>	729,849
Retained earnings		<b>5,002,425</b>	4,826,813
		<b>11,878,257</b>	11,856,662
<b>Current liabilities</b>			
Trade and other payables		<b>4,219,183</b>	12,949,526
Tax payables		<b>422</b>	23,226
Total current liabilities		<b>4,219,605</b>	12,972,752
<b>Non-Current Liabilities</b>			
Amount due to directors	8	<b>16,059,210</b>	16,346,684
Total non-current liabilities		<b>16,059,210</b>	16,346,684
<b>Total Liabilities</b>		<b>20,278,815</b>	29,319,436
<b>TOTAL EQUITY and LIABILITIES</b>		<b>32,157,072</b>	<b>41,176,098</b>

The accounting policies and explanatory notes form an integral part of the financial statements.

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
(ARBN 622384776)  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

		<b>From 01.04.19 to 30.09.2019</b>	<b>From 01.04.18 to 30.09.2018</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>			
Revenue	9	<b>1,391,067</b>	2,454,289
Cost of sales		<b>(1,140,075)</b>	(1,326,196)
<b>Gross profit</b>		<b>250,992</b>	1,128,093
Other income		<b>14,341</b>	208,207
Marketing and distribution		-	-
Administrative expenses		<b>(56,562)</b>	(519,798)
Other operating expenses		<b>(33,159)</b>	(22,464)
<b>Profit before tax</b>		<b>175,612</b>	794,038
Income tax expense		-	-
<b>Profit for the year from continuing operations</b>		<b>175,612</b>	794,038
<b>Discontinued operation</b>			
Profit for the year from discontinued operation		-	-
<b>Profit for the year</b>		<b>175,612</b>	794,038
Exchange differences on translation foreign controlled entities		<b>(154,017)</b>	(295,467)
<b>Total comprehensive profit for the financial year</b>		<b>18,595</b>	498,571
Attributable to:			
Equity holders of the parent		<b>18,595</b>	498,571
Non-controlling interests		-	-
<b>Profit Per Share</b>			
Basic Profit Per Share (cents)	10	<b>0.21</b>	0.93
Diluted Profit Per Share (cents)	10	<b>0.21</b>	0.93

The accounting policies and explanatory notes form an integral part of the financial statements.

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
**(ARBN 622384776)**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

---

	<b>Note</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Translation reserve</b>	<b>Total equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 01.04.2019</b>		<b>6,300,000</b>	<b>4,826,813</b>	<b>729,849</b>	<b>11,856,662</b>
Total comprehensive Income for the period		-	175,612	-	175,612
Currency translation reserve		-	-	(154,017)	(154,017)
<b>Balance at 30.09.2019</b>		<b>6,300,000</b>	<b>5,002,425</b>	<b>575,832</b>	<b>11,878,257</b>

	<b>Note</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Translation reserve</b>	<b>Total equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 01.04.2018</b>		<b>6,300,000</b>	<b>4,150,915</b>	<b>578,112</b>	<b>11,029,027</b>
Total comprehensive Income for the period		-	794,038	-	794,038
Currency translation reserve		-	-	(295,467)	(295,467)
<b>Balance at 30.09.2018</b>		<b>6,300,000</b>	<b>4,944,953</b>	<b>282,645</b>	<b>11,527,598</b>

The accounting policies and explanatory notes form an integral part of the financial statements.

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
(ARBN 622384776)  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	<b>From 1 April 2019 to 30 September 2019</b>	<b>From 1 April 2018 to 30 September 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	175,612	794,038
Adjustments for:		
Depreciation of plant and equipment	230,972	157,545
Unrealised exchange profit or loss	(170,873)	(209,129)
Operating cash flow before movements		
In working capital	235,711	742,454
Decrease/(Increase) inventories	574,022	(455,227)
Decrease/(Increase) in trade and other receivables	7,042,452	(2,390,140)
(Decrease) in trade and other payables	(8,730,343)	(1,701,803)
Net cash (used in) generated from operations	(878,158)	(3,804,716)
Tax paid	(22,804)	(222,295)
<b>Net cash (used in) operating activities</b>	<b>(900,962)</b>	<b>(4,027,011)</b>
<b>Cash flow from investing activities</b>		
Purchase of plant and equipment	-	-
Net cash (used in) investing activities	-	-
<b>Cash flow from financing activities</b>		
Amount due to directors	(287,474)	4,047,417
Net cash generated from financing activities	(287,474)	4,047,417
Net (decrease)/increase in cash and bank balances	(1,188,436)	20,426
Cash and cash equivalents at the beginning of the period	1,402,142	286,957
Effects of exchange rate on cash and cash equivalents	(18,028)	-
Cash and cash equivalents at the end of the period	195,678	307,383

The accounting policies and explanatory notes form an integral part of the financial statements.

# **JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(ARBN 622384776)

## **NOTES TO THE FINANCIAL STATEMENTS**

### **INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

---

#### **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.

#### **2. GENERAL INFORMATION AND BASIS OF PREPARATION**

The interim consolidated financial statements are for the six months ended 30 September 2019 and are presented in Australian Dollars which is the Company's functional currency. They have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the annual report for more information.

#### **3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

##### **3.1 Principles of Consolidation**

###### **(i) Subsidiaries**

Subsidiaries are entities controlled by the Company. The Company 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.

Investments in subsidiaries are carried at their cost of acquisition, less provision for impairment, in the Company's financial statements.

###### **(ii) Transactions eliminated on consolidation**

Intergroup balances and any unrealised gains and losses or income and expenses arising from intergroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(ARBN 622384776)

**NOTES TO THE FINANCIAL STATEMENTS****INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

---

**3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED****3.2 NEW AND AMENDED STANDARDS AND INTERPRETATIONS**

The Company adopted accounting policies which 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.

**Standards issued but not yet effective**

Reference	Description	Effective for annual periods beginning on or after
IFRS 16	Leases	1 January 2019
IFRS 23	Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to IFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Annual Improvements to IFRS Standards	2015-2017 Cycles	1 January 2019
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021
Amendments to IFRS 10 And IAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Date to be determined

The adoption of these new standards, where relevant to the Group, did not result in substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements.

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(ARBN 622384776)

**NOTES TO THE FINANCIAL STATEMENTS****INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

---

**3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED****3.3 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.

**3.4 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.

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(ARBN 622384776)

**NOTES TO THE FINANCIAL STATEMENTS****INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019****3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED****3.5 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 item 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.

**4. INVENTORIES**

	<b>30.09.2019</b>	<b>31.03.2018</b>
	<b>\$</b>	<b>\$</b>
Finished goods	<b>17,683,914</b>	18,712,684

**5. CASH AND CASH EQUIVALENTS**

	<b>30.09.2019</b>	<b>31.03.2018</b>
	<b>\$</b>	<b>\$</b>
Cash and bank balance	<b>195,678</b>	1,402,142

Cash and cash equivalents are denominated in Chinese Renminbi.

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(ARBN 622384776)

**NOTES TO THE FINANCIAL STATEMENTS**

**INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

**7. ISSUED CAPITAL**

	<b>30 September 2019</b>	<b>31 March 2019</b>
	<b>\$</b>	<b>\$</b>
<u>Ordinary share</u>		
Issued and fully paid	<b>6,300,000</b>	6,300,000
Share issue cost	-	-
	<b>6,300,000</b>	6,300,000
	<b>Number Issued</b>	<b>Total Share Price</b>
<u>Movements in ordinary shares on issue</u>		
1 April 2019	85,000,000	6,300,000
Share issued	-	-
Share issue cost	-	-
<b>30 September 2019</b>	<b>85,000,000</b>	<b>6,300,000</b>

**8. 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.

**9. REVENUE**

	<b>From 01.04.2019 to 30.09.2019</b>	<b>From 01.04.2018 to 30.09.2018</b>
	<b>\$</b>	<b>\$</b>
Sales of goods	<b>1,391,067</b>	2,454,289

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(ARBN 622384776)

**NOTES TO THE FINANCIAL STATEMENTS****INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019****10. PROFIT PER SHARE****The Group**

The profit per share is calculated based on the consolidated losses attributable to owners of the parent divided by the weighted average number of shares on issue of shares during the financial period.

The following table reflects the profit or loss and share data used in the computation of basic and diluted loss per share from continuing operations for the financial period ended 30 September 2018:

	<b>30 September 2019</b>	30 September 2018
	<b>\$</b>	<b>\$</b>
Weighted average number of ordinary shares For the purpose of calculating basic profit Per share	<b>85,000,000</b>	85,000,000
Effect of dilutive potential ordinal shares Share options	-	-
Weighted average number of ordinary shares For the purpose of calculation diluted loss per Share	<b>175,612</b>	794,038

Profit figures are calculated as follows:

	<b>From 01.04.2019 to 30.09.2019</b>	From 01.04.2018 to 30.09.2018
	<b>\$</b>	<b>\$</b>
Profit for the purpose of calculation basic And diluted loss per share	<b>175,612</b>	794,038

**11. DIVIDENDS**

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

**12. 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:

	<b>30 September 2019</b>	30 September 2018
	<b>\$</b>	<b>\$</b>
Chinese Renminbi	<b>0.2073</b>	0.2016

**JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(ARBN 622384776)

**NOTES TO THE FINANCIAL STATEMENTS****INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

---

**13. 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.

	<b>30 September 2019</b>	<b>31 March 2019</b>
	<b>\$</b>	<b>\$</b>
Amount due to directors	<b>16,059,210</b>	<b>16,346,684</b>

**14. 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.

**15. CONTINGENCIES AND COMMITMENTS**

The Company and Group had neither contingent liabilities/assets nor any financial commitments as at 30 September 2019.

**16. EVENTS OCCURRING AFTER THE REPORTING DATE**

No matter or circumstance has arisen since 1 October 2019 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.