16 July 2018

JGY HOLDINGS LIMITED

AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
(ARBN 622 384 776)

ANNUAL REPORT

For the financial period from

23 October 2017
(date of incorporation)

to

31 March 2018

1. Chairman's Statement

On behalf of the Board, I am pleased to present to you the 2018 Annual Report of JGY Holdings Limited (the **Company**) for the financial period from 23 October 2017 (date of incorporation) to 31 March 2018 (the **Financial Period Under Review**) and the directors' review of operations for that period. The 2018 Annual Report incorporates the following reports which are attached to this Annual Report as follows:

S/No.	Name of Report	
1.	Audited consolidated financial statements for the Financial Period Under Review (the **Financial Statements**) for the Company and its subsidiaries (the **Group**)	Appendix A
2.	Annual corporate governance statement	Appendix B
3.	List of top-20 shareholders	Appendix C

The 2018 Annual Report is the Company's first annual report since its incorporation on 23 October 2017. The Group came in place on 30 November 2017 upon completion of the Company's acquired its subsidiaries for the purpose of its compliance listing on the National Stock Exchange of Australia Limited (**NSX**). The Company's ordinary shares were listed on NSX on 21 December 2018.

Growing and selling grains, the Company's principal line of business, is especially susceptible to weather conditions. Therefore, the directors are happy to disclose that the Group had experienced a good planting season, during which, the Group's crop grew normally and was successfully harvested as scheduled. Sales and financial performance of the Group's secondary line of business, distilling and selling *bai-jiu*, did not perform as well as expected. Your directors and I will continue to explore various other means to improve the operational performance of this business during the upcoming financial year.

During the Financial Year Under Review, the Company's work focused on two principal areas, namely:

(a) strengthening the operational management of the Company's principal line of businesses, namely growing grains; and

(b) assessing potential markets, products and services to supplement the Company's principal and secondary lines of businesses.

2. Principal Activities of the Group

The principal activities of the Group is the growing of grains, mainly wheat and rice, for sale (the principal line of business) and, as a side business, the Group operates a liquor distillery producing *bai-jiu*, a traditional Chinese grain liquor.

3. Subsidiaries

As of 31 March 2018, the end of the Financial Period Under Review, the Company's subsidiaries are:

Name of Subsidiary	Country of incorporation	Equity held	Principal activities
Microbatt Singapore Pte. Ltd.	Singapore	100%	Investment holding

Held by Microbatt Singapore Pte. Ltd.

Tianchang Danguixiang Agricultural Products Co., Limited	China	100%	Investment holding

Held by Tianchang Danguixiang Agricultural Products Co., Limited

Tianchang Jinguixiang Agriculture Co., Limited	China	100%	Growing grains, mainly rice and wheat, for sale
Pizhou Yinxingyuan Liquor Industry Co., Limited	China	100%	Manufacture and sale of *bai-jiu*

4. Directors' Interests in Securities

As at 31 March 2018 (the end of the Financial Period Under Review) and 13 July 2017 (the latest practicable date before the 2018 Annual Report is issued), the interests of directors and officers of the Company in equity securities (shares and CDIs) of the Company are as follows:

Director	Direct interest	Deemed interest	Total interest	% of issued capital
WANG Caifu	20,000,000	29,690,000 [1]	49,690,000	58.46%
HE Ping	19,690,000	30,000,000 [1]	49,690,000	58.46%
SHANG Zonggen	100,000	--	100,000	0.12%

(1) WANG Caifu and HE Ping are spouses. Therefore, they are deemed to be interested in shares held by each other and in the 10,000,000 shares held by WANG Haotian, their adult but not yet financially independent son.

Save as disclosed above, no director or officer of the Company has a vested right to receive any distribution made on the securities or is entitled to exercise or direct the exercise of the voting rights attaching to the securities.

As of the end of the Financial Period Under Review:

(a) the Company and its subsidiaries does not have on issue any debt security; and

(b) the Company has not granted any right to subscribe for any equity or debt security of the Company to any person, including a director or officer of the Company.

5. Forecast

The Company has not published any forecast in relation to the Financial Year Under Review.

6. Directors' Service Contract

The Group has agreed to pay WANG Caifu and HE Ping, the executive directors of the Company, annual remuneration of RMB75,000 and RMB45,000 respectively. These remuneration are paid indirectly to the executive directors under the a Management Service Agreement with Nanjing Jinguiyuan Agricultural Development Co., Limited (**Nanjing JGY**) the Company's wholly-owned subsidiary, Tianchang Danguixiang Agricultural Products Co., Limited had entered into with Nanjing JGY, a company in which WANG Caifu and HE Ping have interests.

Save as disclosed above, during the Financial Period Under Review, the is no service contract in force with any director of the Company.

7. Material or Significant Contracts

During the Financial Period Under Review, save as disclosed elsewhere in this annual report and the Financial Statements:

(A) there is no material contract the Company had entered into; and

(B) there is no contract subsisting during or at the end of the Financial Year Under Review:

(i) in which a director of the issuer is or was materially interested, either directly or indirectly; or

(ii) between the Company, or one of its subsidiaries, and a controlling shareholder or any of its subsidiaries; or

(iii) for the provision of services to the Group by a controlling shareholder or any of its subsidiaries;

8. Discloseable Arrangements with Directors and Shareholders

During and at the end of the Financial Period Under Review, there has been no arrangement under which:

(a) a director has waived or agreed to waive any emoluments; or

(b) a shareholder has waived or agreed to waive any dividends.

9. Directors' Review of Operations

Directors' review of operations is incorporated in the Chairman's statement set out in paragraph 1.

11. Statement of Main Corporate Governance Practices

The Company's annual corporate governance statement for the Financial Period Under Review is attached as Appendix B.

12. List of Top-20 Shareholders

The list of the top-20 holders of the Company's fully-paid ordinary shares is attached as Appendix C.

13. Annual General Meeting

The Company will convene its annual general meeting on 28 August 2018. A notice to convene the Company's annual general meeting will be dispatched to the Company's shareholders in due course.

On behalf of the board of directors

WANG Caifu
Chairman
Singapore, 16 July 2018

JGY HOLDINGS LIMITED

(ARBN 618508964)
(Incorporated in Cayman Islands)

ANNUAL REPORT
For the period from 23 October 2017
(Date of incorporation) to 31 March 2018

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The Directors submit to the members the audited consolidated financial statements of the Group and the statement of financial position of the Company for the financial period from 23 October 2017 (date of incorporation) to 31 March 2018.

1. DIRECTORS

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

Name	Particulars
WANG Caifu	Chief Executive Director, Chairman (appointed 2/12/2017)
SHANG Zonggen	Independent Non-executive Director (appointed 2/12/2017)
He Ping	Executive Director (appointed 2/12/2017)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial period, neither the Company nor any of its subsidiaries 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.

3. DIRECTORS' INTERESTS IN SHARES

None of the Directors who held office at the end of the financial period 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 date of appointment 2.12.2017	As at 31.03.2018	As at date of appointment 2.12.2017	As at 31.03.2018
WANG Caifu	20,000,000	20,000,000	-	-
SHANG Zonggen	100,000	100,000	-	-
He Ping	19,690,000	19,690,000	-	-

4. SHARE OPTIONS

During the financial period, 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 period, there were no unissued shares of the Company under option.

5 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.

6 AUDITORS

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: 16 July 2018

In the opinion of the Directors:

(a) the accompanying statements 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 31 March 2018 and of the results of the business, changes in equity and cash flows of the Group for the financial period from 23 October 2017 (date of incorporation) to 31 March 2018; 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.

On behalf of the Directors

....

WANG Caifu
Chief Executive Director, Chairman

....

HE Ping
Executive Director

Dated: 16 July 2018

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 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial period from 23 October 2017 (date of incorporation) to 31 March 2018, 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 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period 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 AUD18,575,793 as at 31 March 2018. 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.

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 require 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.

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, managements 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 are 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 is 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 on 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, 16 July 2018

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	The Company 31.3.2018 $	The Group 31.3.2018 $
ASSETS			
Current Assets			
Inventories	5	-	18,575,793
Trade and other receivables	6	-	13,910,654
Cash and cash equivalents	7	-	286,957
Total current assets		-	32,773,404
Non-Current Assets			
Plant and equipment	8	-	3,090,889
Investment in subsidiaries	9	6,300,000	-
Total non-current assets		6,300,000	3,090,889
TOTAL ASSETS		6,300,000	35,864,293
LIABILITIES			
Current Liabilities			
Trade and other payables	10	-	7,795,300
Tax payables		-	222,295
Total current liabilities		-	8,017,595
Non-Current Liabilities			
Amount due to directors	11	-	16,817,671
Total non-current liabilities		-	16,817,671
TOTAL LIABILITIES		-	24,835,266
NET ASSETS		**6,300,000**	**11,029,027**
Equity			
Share capital	12	6,300,000	6,300,000
Translation reserve		-	578,112
Profit for the financial period		-	4,150,915
TOTAL EQUITY		**6,300,000**	**11,029,027**

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 PERIOD FROM
23 OCTOBER 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

	Notes	From 23.10.17 to 31.3.2018 $
Revenue	13	4,288,806
Cost of sales		(2,342,306)
Gross profit		**1,946,500**
Other income		3,265,776
Marketing and distribution		(178,289)
Administrative expenses		(364,605)
Other operating expenses		(482,319)
Profit before tax		**4,187,063**
Income tax expense		(36,148)
Profit for the financial period		**4,150,915**
Attributable to:		
Equity holders of the parent		4,150,915
Non-controlling interests		-
		4,150,915
Exchange differences on translation foreign controlled entities		578,112
Total comprehensive income for the financial period		**4,729,027**
Attributable to:		
Equity holders of the parent		4,729,027
Non-controlling interests		-
		4,729,027
Profit Per Share		
Basic Profit Per Share (cents)	14	55.64
Diluted Profit Per Share (cents)	14	55.64

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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM
23 OCTOBER 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

	Notes	Share capital $	Profit for the period $	Translation reserve $	Total equity $
At 23.10.2017 (Date of incorporation)		1	-	-	1
Issue of shares		6,299,999	-	-	6,299,999
Total comprehensive income For the period		-	4,150,915	-	4,150,915
Currency translation reserve		-	-	578,112	578,112
Balance at 31.03.2018		**6,300,000**	**4,150,915**	**578,112**	**11,029,027**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

JGY HOLDINGS LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM
23 OCTOBER 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

	Notes	From 23.10.17 to 31.3.2018 $
Cash flow from operating activities		
Profit before taxation		4,150,915
Adjustments for:		
Depreciation of plant and equipment	8	1,639,208
Unrealised foreign exchange gain		417,237
Operating cash flow before movements in working capital		6,207,360
(Increase) inventories		(18,575,793)
(Increase) in trade and other receivables		(13,910,654)
Increase in trade and other payables		7,795,300
Net cash (used in) generated from operations		(18,483,787)
Tax paid		222,295
Net cash (used in) operating activities		(18,261,492)
Cash flows from investing activities		
Purchases of plant and equipment		(4,569,222)
Net cash (used in) investing activities		(4,569,222)
Cash flow from financing activities		
Net proceeds from issuance of shares		6,300,000
Amount due to directors		16,817,671
Net cash from financing activities		23,117,671
Net increase in cash and bank balances		286,957
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	7	286,957

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

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 2018 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 23 October 2017. 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 IFRS not yet effective

The IASB has issued a number of new and revised IAS and IFRS which were relevant to the Company. The Group have not early adopted the following IAS and IFRS that have been issued but are not yet effective.

Reference	Description	Effective for annual periods beginning on or after
Amendments to IAS 102	Classification and Measurement of Share-based payment Transactions	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarifications to IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS 16	Leases	1 January 2019
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.4 Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2018. 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. exiting 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.

2.5 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. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.6 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.

2.7 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' right to receive payments is established.

2. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.7 Financial assets-Continued

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 and active market. The Company's loans and receivables comprise bridging loans and other receivables in the statement of financial position. Subsequent to initial recognition, loan 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.

2.8 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.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.9 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. SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

2.10 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.

2.11 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

2.12 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.

2.13 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

2.14 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.

2.15 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.

2.16 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 rations 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 23 October 2017 to 31 March 2018.

5. INVENTORIES

	The Company 2018 $	The Group 2018 $
Finished goods	-	18,575,793

6. TRADE AND OTHER RECEIVABLES

	The Company 2018 $	The Group 2018 $
Trade receivables	-	6,559,313
Prepayment	-	840,864
Other receivable-Third parties	-	3,747,571
Other receivable-Related parties	-	2,753,843
Amount due from staff	-	9,063
	-	13,910,654

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 AUD6,559,313 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:

	The Company 2018 $	The Group 2018 $
Trade receivables past due:		
- More than 90 days	-	6,559,313

7. CASH AND CASH EQUIVALENTS

	The Company 2018 $	The Group 2018 $
Cash and cash at bank	1	286,957
	1	286,957

Cash and cash equivalents are denominated in Chinese Renminbi.

8. PLANT AND EQUIPMENT

The Group	Computer	Office equipment	Motor cycle	Plant & Machinery	Workshop	Total
	$	$	$	$	$	$
COST:						
As at 23.10.2017 (date of incorporation)	-	-	-	-	-	-
Additions	2,077	9,221	3,147	1,802,937	2,751,840	4,569,222
Exchange realignment	114	506	173	98,992	151,092	250,877
As at 31.03.2018	2,191	9,727	3,320	1,901,929	2,902,932	4,820,099
As at 23.10.2017 (date of incorporation)	-	-	-	-	-	-
Depreciation for the period	1,988	2,176	2,342	652,359	980,343	1,639,208
Exchange realignment	109	119	129	35,818	53,827	90,002
As at 31.03.2018	2,097	2,295	2,471	688,177	1,034,170	1,729,210
NET BOOK VALUE:						
As at 31.03.2018	94	7,432	849	1,213,752	1,868,762	3,090,889

9. INVESTMENT IN SUBSIDIARIES

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

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 Agricultrual Products Co., Limited	China	-	100%	Investment holding
(3) Tianchang Jinguixiang Agricultrue 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
		6,300,000		

10. TRADE AND OTHER PAYABLES

	The Company 2018 $	The Group 2018 $
Trade payables	-	27,522
Other receivable-Third parties	-	398
Other receivable-Related parties	-	7,766,550
Amount due from staff	-	830
	-	7,795,300

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

Date		Number Issued	Issue Price $	Total Share Price $
Oct 2017	Issued and paid up capital	1	1	1
Nov 2017	Issued for the acquisition of the subsidiaries	84,999,999	0.074	6,299,999
		85,000,000	-	6,300,000

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.

13. REVENUE

	The Group From 23.10.2017 to 31.03.2017
Sales of goods	4,288,806

14. PROFIT PER SHARE

The Group

The profit per share is calculated based on the consolidated profit 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 and share data used in the computation of basic and diluted profit per share from continuing operations for the financial period ended 31 March 2018:

	The Group 2018 $
Weighted average number of ordinary shares for the purpose of calculating basic profit per share	
Effect of dilutive potential ordinary shares:	
Share options	-
Weighted average number of ordinary shares for the purpose of calculating diluted profit per share	85,000,000

Profit figures are calculated as follows:

	The Group 2018 $
Profit for the purpose of calculating basic and diluted profit per share	4,729,027

15. DIVIDENDS

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

16. 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
	2018
	$
Chinese Renminbi	0.2075

17. 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 marking 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
	2018
	$
Amount due to a directors	16,817,671

18. 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'sfinancial 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.

18. 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 2018 $	The Group 2018 $
Cash and cash equivalents	-	286,957
Trade and other receivables	-	13,910,654
	-	14,976,611

Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitmentsassociated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk mayresult 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 financialassets and liabilities. The Companyand the Group manage liquidity risk by monitoring forecast cash flows. As at the financial period end the Group has cash and cash equivalent of $286,957.

18. 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 contractualundiscounted cash flows:

The Group	Less than 1 year 2018 $	Between 2-5 years 2018 $	Over 5 years 2018 $	Total 2018 $
Trade and other payables	7,795,300	-	-	7,795,300
Tax payables	222,295	-	-	222,295
Amount due to directors	-	16,817,671	-	16,817,671
	8,017,595	16,817,671	-	24,835,266

The Company	Less than 1 year 2018 $	Between 2-5 years 2018 $	Over 5 years 2018 $	Total 2018 $
Trade and other payables				
Tax payables	-	-	-	-
Amount due to directors	-	-	-	-
	-	-	-	-

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and Company are not exposed to any interest rate risk as there are no interest-bearing financial instruments.

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

19. CONTINGENCIES AND COMMITMENTS

The Company and Group had neither contingent liabilities/assets nor any financial commitments as at 31 March 2018.

20. COMPARATIVE FIGURES

This is the first reporting period for JGY Holdings Limited as a consolidated entity. Consequently, no comparative information has been disclosed.

21. EVENTS OCCURRING AFTER THE REPORTING DATE

No matter or circumstance has arisen since 1 April 2018 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.

APPENDIX B

to 2018 Annual Report of JGY Holdings Limited

ANNUAL CORPORATE GOVERNANCE STATEMENT

Name of entity: JGY Holdings Limited , (the **Company**)

ACN / ARBN: 622 384 776

Reporting period: 23 October 2017 to 31 March 2018 , (the **Reporting Period**)

Principle No.	Recommendation	Compliance or Reason for Non-compliance
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	**The Company complies in full with this Recommendation.** The board has adopted a formal board charter setting out the responsibilities of the board. A copy of this board charter can be downloaded from the link below: https://www.nsx.com.au/ftp/news/021734569.PDF.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	**The Company complies in full with this Recommendation** The entire board will carry out appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. All material information in the board's possession will be set out in explanatory notes accompanying notices of general meetings where appointments of directors will be voted on by security holders.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	**The Company complies in full with this Recommendation** Each director is required to sign a letter of appointment setting out the terms of his or her appointment. Senior executives are employed on full-time basis and have signed employment contracts under relevant labour laws of China.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	**The Company complies in full with this Recommendation.** The chair and each member of the board has free and unfettered access to the company secretary. The company secretary is also authorized to communicate any issue or raise any concern directly with the chair and/or any member of the board as he consider necessary.

Principle No.	Recommendation	Compliance or Reason for Non-compliance
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy, and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	**The Company does not comply in full with this Recommendation.** The board supports workplace diversity, including gender diversity but considers that the Company is not of a size or maturity to justify a formal diversity policy. The board's priority has been to ensure that its members have the appropriate level of experience and skills to manage the Company at its early stages of operations rather than focusing on gender and other diversity factors.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a	**The Company complies in full with this Recommendation.** The Company has a practice and a process of periodically evaluating the performance of the board (collective self appraisal) and individual directors (peer review by other members of the board). This review will be done at the end of each financial year at the same time the board meets to approve its financial statements for

Principle No.	Recommendation	Compliance or Reason for Non-compliance
	performance evaluation was undertaken in the reporting period in accordance with that process.	that financial year. The board has carried out a performance evaluation in accordance with this process for the financial period ended 31 March 2018.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	**The Company complies in full with this Recommendation.** The board will meet at least annually to review the performance of executives. The senior executives' performance is assessed against the performance of the Group as a whole. The Company has carried out a performance evaluation in accordance with this process for the financial period ended 31 March 2018.
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues	**The Company does not comply in full with this Recommendation.** The board considers that the Company is not currently of a size to justify the formation of a nomination committee. The board as a whole undertakes the process of reviewing the skill base and experience of existing directors to enable identification or attributes required in new directors. Where appropriate, independent consultants will be engaged to identify possible new candidates for the board either as addition to the board to supplement its current skills and experience or as part of succession planning for the board.

Principle No.	Recommendation	Compliance or Reason for Non-compliance
	and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership	**The Company does not comply in full with this Recommendation.** The skills matrix setting out the mix of skills and diversity that the board currently has is set out below:

	WANG Caifu	HE Ping	SHANG Zonggen
Corporate governance			✓
General & administrative management		✓	
Risk management			✓
Sales and marketing	✓	✓	
Financial management			✓
Entrepreneurship	✓		

Principle No.	Recommendation	Compliance or Reason for Non-compliance
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	**The Company complies in full with this Recommendation.** As of the date of this Corporate Governance Statement, the board comprised of the following persons: WANG Caifu Managing director and chairman on the board Date first appointed: 2 December 2017 Date last elected: Not applicable# # Subject to re-election at the next AGM pursuant to Regulation 18.5 of the Constitution. However, as managing director, he is not subject to re-election by rotation. HE Ping Executive director Date first appointed: 2 December 2017 Date last elected: Not applicable# # Subject to re-election at the next AGM pursuant to Regulation 18.5 of the Constitution. SHANG Zonggen Independent director Date first appointed: 2 December 2017 Date last elected: Not applicable# # Subject to re-election at the next AGM

Principle No.	Recommendation	Compliance or Reason for Non-compliance
		pursuant to Regulation 18.5 of the Constitution. SHANG Zonggen, the independent director, has no an interest, position, association or relationship of the type described in Box 2.3.
2.4	A majority of the board of a listed entity should be independent directors.	**The Company does not comply in full with this Recommendation.** The board currently comprise of two executive directors and one independent director. The board consider the minimum number of executive directors required to function effectively is two, in that one to oversee the manufacturing and marketing functions of the Group's business and another to oversee the finance, administration, legal and compliance functions. To comply with this Recommendation will require the Company to appoint two additional two independent directors which will increase the size of the board to five members. The board consider that the current size of the Company and the scale of the Group's operations do not justify having such a large board when the functions of the board can be performed adequately by a three-member board. As the Company grows is scope and scale of operations, the board will assess whether there is a need to expand the board by inviting persons with the right skills sets to join the board as independent directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	**The Company does not comply in full with this Recommendation.** Currently, the chairman of the board is WANG Caifu who also performs the functions of a CEO. The board consider that it is in the best interest of the Company because currently the Group is at the stage of growth which requires the full leadership of WANG Caifu and this is best achieved with him performing both these roles together.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	**The Company complies in full with this Recommendation.** The board has put in place a program where all new directors will be assessed by the Company's nominated adviser as to the extent of his or her awareness of his or her responsibilities as a

Principle No.	Recommendation	Compliance or Reason for Non-compliance
		director of a company which is listed on NSX, and where such awareness is insufficient, to undergo such training or induction as may be recommended by the nominated adviser. The present members of the board are aware of their personal responsibilities to develop and maintain the skills and knowledge needed to perform their role as directors effectively and, if so requested by a director, the Company will bear reasonable costs and expenses of any continuing education program or course which a director may request to attend. Finally, the board intends to appoint only as director a person who has the necessary skills and knowledge to perform his or her intended role and who is aware of his or her personal responsibility for his or her own continuous education.
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	**The Company does not comply in full with this Recommendation.** The Company has not formally adopted a Code of Conduct. However, every director, senior executive and employees is aware of his or her responsibility to at all times act ethically and strictly comply with the spirit and letter of all laws and regulations of countries in which the Group carry on business
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee;	**The Company does not comply in full with this Recommendation.** The board considers that the Company is not of a size, nor is its financial affairs of such complexity, to justify the formation of an audit committee. The board as a whole, in consultation with the incumbent external auditor, undertakes the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems. When performing the role of an audit committee or when the board meets as the audit committee it will be chaired by SHANG Zonggen who has extensive financial management and accounting work experience.

Principle No.	Recommendation	Compliance or Reason for Non-compliance
	(4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The board maintains regular communication with the external auditor and monitors their performance on a yearly basis. Currently, the board considers the Company's financial affairs not to be of such complexity as to justify the rotation of the audit partner.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	**The Company complies in full with this Recommendation.** The board will receive an annual assurance in the form of a declaration from the chief executive officer and the chief financial officer (or equivalent) as required by the *Corporations Act* 2001.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	**The Company complies in full with this Recommendation.** It is Company's policy, and will make such a policy a term of the auditor's appointment, for the engagement partner or a personnel of sufficient seniority who was involved in the conduct of the audit to be present at the AGM be available to answer questions about the conduct of the audit and the preparation and content of the auditors' report.

Principle No.	Recommendation	Compliance or Reason for Non-compliance
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	**The Company complies in full with this Recommendation.** The board has adopted a formal continuous disclose policy which can be downloaded from the link below: https://www.nsx.com.au/ftp/news/021734570.PDF.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	**The Company complies in full with this Recommendation.** The Company's corporate website is at the following URL: www.jgy-nj.com.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	**The Company complies in full with this Recommendation.** The Company implements an active investor relations program. It outsources its investor relations functions to its nominated adviser who is to designate one of its personnel to act as the Company's investor relations officer tasked to attend to all communication with investors and to act as communications liaison for existing and/or potential investors with the Company's preferred broker. The e-mail address of the investor relations officer is jgy.ir@mybiztrack.com and investors are encouraged to write to the Company with any queries.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	**The Company does not comply in full with this Recommendation.** The Company has not put in place any policy and processes to facilitate and encourage participation at meetings of security holders. However, the Company allows unrestricted reasonable discussions and dialogue with and receive feedback from security holders during the Company's general meetings.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	**The Company complies in full with this Recommendation.** The Company's security registry has in place and has implemented a system where security holders are given the option to receive communications from, and send communications to, the entity and its security registry electronically.

Principle No.	Recommendation	Compliance or Reason for Non-compliance
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	**The Company does not comply in full with this Recommendation.** The board considers that the Company is not of a size, nor is its operations of such complexity, to justify the formation of a risk management committee. The board as a whole will oversee the risk management for the Company taking into account key material risks faced by the Company as identified by the board and how these risks or, if the risks materialises, its possible impact can be minimised. The board will ensure that risk management is included on the agenda of meetings of the board.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	**The Company complies in full with this Recommendation.** The board will reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound. A review in accordance with this risk management framework was carried out for the financial period ended 31 March 2018.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or	**The Company complies in full with this Recommendation.** The Company does not have an internal audit function.

Principle No.	Recommendation	Compliance or Reason for Non-compliance
	(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The primary responsibility for risk management and internal controls on a day-to-day basis at the operations level vests with the CEO. The board will ensure that risk management is included on the agenda of meetings of the board for discussion.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	**The Company complies in full with this Recommendation.** Material risks which the Company is exposed to and how it manages or intend to manage these risks are disclosed in this information memorandum. The board will continue to monitor the Company's exposure to these risks (or for any other risks the Company may become expose to in the future) and disclose them in the Company's annual report.
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting	**The Company does not comply in full with this Recommendation.** The board considers that the Company is not of a size to justify the formation of a remuneration committee. The board as a whole will perform the function of the remuneration committee. The remuneration of executive directors are set out their employment contracts. The board will seek shareholders' approval at general meetings before paying any directors' fees. The CEO sets and determines the remuneration for senior executives and he does so having regard to prevailing levels paid to executives performing similar roles at comparable companies. Where the remuneration intended to be offered to any senior executive is materially more than such comparable levels, the CEO is required to obtain prior approval from the board before making such an offer.

Principle No.	Recommendation	Compliance or Reason for Non-compliance
	the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	**The Company does not comply in full with this Recommendation.** The Company does not have a formal policy regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. The current practice in relation to this is set out in the explanation to the Company's adoption of Principal 8.1 above.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	**This Recommendation is not applicable as the Company does not have an equity-based remuneration scheme.**

Signed: Date: 16 July 2018

Name of signatory in block letters: WANG Caifu

Director, for and on behalf of **JGY Holdings Limited**

LIST OF TOP-20 SHAREHOLDERS AS OF
31 MARCH 2018 (END OF REPORTING PERIOD)
AND
13 JULY 2018 (LATEST PRACTICABLE DATE)

S/No.	Name of holder	Number of Shares
1	WANG CAIFU	20,000,000
2	HE PING	19,690,000
3	WANG HAOTIAN	10,000,000
4	PAN LIUFANG	4,000,000
5	HE LING	3,935,000
6	WANG XIAOZHEN	3,280,000
7	PAN XIN	3,000,000
	ZHOU XUYING	3,000,000
9	SUN YAFEI	2,000,000
10	JIA TINGTING	1,850,000
11	YANG HUIXIAN	1,200,000
12	TANG MAOXIANG	1,100,000
13	XU FUER	1,000,000
	WANG WEIWEI	1,000,000
	LUAN WEN	1,000,000
	WANG XIAOLAN	1,000,000
	ZHANG HUILI	1,000,000
	WU YONG	1,000,000
19	DING XIA	600,000
20	JIA RONG	500,000
	SUN HONGMEI	500,000
	HUANG HONGYING	500,000