

This information memorandum is dated 10 June 2016



INFORMATION MEMORANDUM

issued in connection with the proposed listing on
the National Stock Exchange of Australia

Nominated adviser



BIZTRACK CONSULTANTS
PRIVATE LIMITED
企道策略



IMPORTANT NOTICE

This information memorandum is dated 10 June 2016 and has been prepared by Juhe Capital Holdings Limited (ARBN 612 600 423) in connection with its application for a compliance listing on the National Stock Exchange of Australia ("NSX"). No offer of securities is being made under this information memorandum.

Not a disclosure document under the Corporations Act 2001

This document is not a prospectus, nor is it an offer information statement, both of which are disclosure documents under the Corporations Act 2001 which must be lodged with the Australian Securities and Investment Commission ("ASIC"). Consequently, this information memorandum should be regarded as having a lower level of disclosure than a prospectus or an offer information statement. This information memorandum will not be lodged with ASIC. Therefore, ASIC takes no responsibility for the contents of this information memorandum.

Application for compliance listing on NSX

Application has been made for listing of the Company's securities described in this information memorandum to the National Stock Exchange of Australia Limited.

The fact that NSX may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or its listed securities. NSX takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

Unauthorised representations

No person is authorised to provide any information or make any representation in connection with the Listing which is not contained in this information memorandum or is not publicly disseminated through the official announcement platform of NSX.

Suitability of investment and risks

Before deciding to invest in the Company following its admission to the Official List, prospective investors should read entirely this information memorandum and, in particular, the summary of the Company's business in Section 3 and the risk factors in Section 5. Prospective investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues) and consider seeking professional advice from their accountant, bank manager, stockbroker, lawyer or other professional adviser before deciding to invest.

Any investment in the Shares should be regarded as speculative.



Definitions and photographs

Certain terms and abbreviations used in this information memorandum have defined meanings which are explained in the Definitions Section. The assets depicted in the photographs in this document are not the assets of the Company unless otherwise stated.

Shares issued in CDI form

The Company's shares ("Shares") are issued in the form of CHESS Depositary Interests ("CDIs"), which are a form of beneficial interest in Shares held by a depositary nominee. The issue of CDIs is necessary to allow trading on NSX. CDIs give a holder similar, but not identical, rights to a holder of Shares. More details regarding CDIs are contained in Section 7.9. Therefore, references in this document to "Shares" include references to "CDIs" as appropriate.

Forward-looking statements

This information memorandum includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding the Company's financial position, business strategies, and plans and objectives for its business and future operations (including development plans and objectives), which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward-looking statements. These statements reflect views held only as at the date of this information memorandum. In light of these risks, uncertainties and assumptions, the forward-looking statements in this information memorandum might not occur. Investors are therefore cautioned not to place undue reliance on these statements.



DEFINITIONS

Unless the context otherwise permits or unless otherwise stated, the following summary key terms and definitions are used in this information memorandum:

“A\$”	The Dollar, the official currency of Australia
“ASIC”	Australian Securities and Investments Commission
“ASX Settlement”	ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited
“Act”	The Corporations Act 2001 (Cth), as amended from time to time
“BVI”	The Territory of the British Virgin Islands
“CDI”	CHESS Depositary Interest over a Share
“CDN”	CHESS Depositary Nominees Pty Ltd, a wholly owned subsidiary of ASX Limited
CHESS	The Clearing House Electronic Subregister System operated by ASX Settlement
“Company”	Juhe Capital Holdings Limited (ARBN 612 600 423)
“Constitution”	Collectively, the Memorandum and Articles of Association, being the constituting documents of the Company
“Existing Shareholders”	Shareholders as at the date of this information memorandum, all being legal and/or beneficial owners of JCM before completion of the Restructuring, and whose shareholdings in the Company are in proportion to their interests in JCM prior to the Restructuring.
“Group”	The Company and its subsidiaries
“JCM”	Juhe Capital Management Co., Ltd [official name: 巨和投资管理(上海)有限公司], a company registered in and under the laws of PRC
“JHC”	JHC Investments Pte. Ltd., a company incorporated in and under the laws of the Republic of Singapore
“JJH”	Juhe Financial Outsource Services Co., Ltd [official name: 嘉善巨和金融服务外包有限公司], a company registered in and under the laws of PRC
“Latest Practicable Date”	23 May 2016, being the latest practicable date before this information memorandum is finalized



“Listing”	The Company's application to NSX for a compliance listing of the CDIs on NSX or, where the context so require, the Company's listing of the CDIs on NSX
“Listing Rules”	The Listing Rules of NSX, as amended from time to time
“NSX”	The National Stock Exchange of Australia Limited, or the the securities exchange which it operates. as the case may be
“Official List”	The list of issuers maintained by NSX in accordance with the Listing Rules
“PRC” or “China”	The People's Republic of China
“RMB” or “¥”	The <i>Renminbi</i> or the Chinese Yuan, the official currency of the PRC
“Restructuring”	The restructuring of corporate holdings of the Group described in Section 3.1
“Share”	One ordinary share in the issued and paid-up share capital of the Company and, where the context so requires, includes a CDI.
“Shareholder”	A shareholder of the Company, that is, a holder of a Share and, where the context so requires, includes the holder of a CDI
“WFOE”	Zhejiang AOGU Information Technology Co., Ltd [official name: 浙江澳谷信息科技有限公司], a company registered in and under the laws of the PRC

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing one gender shall include the other gender. Reference to persons shall include corporations.

Any reference in this information memorandum to a “Rule” is a reference to the relevant Rule in the Listing Rules for the time being.



1. CHAIRMAN'S STATEMENT



Dear investor

It is my privilege to be able to introduce our company, Juhe Capital Holdings Limited, to you. The Company and its subsidiaries were recently registered to take over the assets, selected liabilities and the entire business undertaking of JCM for the purpose of a listing on NSX. JCM is an investment and investment services company which had carried on business since 2008. It saw significant growth since 2013 when HU Liyong (Leon), the Company's managing director, acquired a controlling stake. Following completion of the Restructuring, the Company, through its 100% subsidiary JJH, has taken over and now carries on the existing businesses of JCM.

China has the second largest economy by nominal gross domestic product (GDP) in the world, and the largest economy by purchasing power parity according to the International Monetary Fund. Up to 2015, China was the world's fastest-growing major economy, with annual growth rates averaging 10% over 30 years. China is a global hub for manufacturing, and is the world's largest manufacturing economy as well as the largest exporter of goods in the world. China is also the world's fastest growing consumer market and second largest importer of goods in the world. China is a net importer of services products.

Due to historical and political facts of China's developing economy, China's public sector accounts for a significantly bigger share of the national economy than the burgeoning private sector. However, the private sector is expected to account for an increasingly bigger share of the national economy. This offers opportunities for private investors to invest in promising private sector companies. The Group intends to operate in this space to seek out and invest in private (as opposed to state-owned) companies with good growth potential. The Company's strategy is to invest in already operating companies as well as in promising start-ups.

The Company considers a listing on NSX to be an important next step to better take advantage of these opportunities. A listing will enhance the Company's profile to attract a bigger pool of potential investee companies as well as potential co-investors to share the risks and rewards of investing in such companies. It will also facilitate fund raising should the need arise in the future.

This information memorandum is issued in connection with the Company's application for a compliance listing on NSX. It sets out more information about the Company, its current operations, its financial information and more significant risks faced by the Company and its investors. Shareholders and interested investors should read this information memorandum



carefully and in its entirety and, if so required, seek professional advice before deciding whether to invest or trade in the Company's shares after its listing on NSX.

On behalf of my fellow directors, I welcome you to take this journey with us. While it may be unpredictable and is not without risks, I believe the satisfaction of possibly being part of the transformation of a promising start-up company to being a widely known name in the commercial world will be rewarding, both financially and otherwise.

Yours sincerely

MA Haiyong
Chairman



2. INVESTMENT OVERVIEW

This information is a selective overview only and is not intended to provide full information for investors intending to invest in the Shares. Prospective investors should read this information memorandum in full before deciding whether to invest in the Shares.

Question	Response	Where to find more information
Who is issuing this information memorandum?	Juhe Capital Holdings Limited, a company incorporated in BVI (registration number 1912676) and registered in Australia under the Corporations Act (ARBN 612 600 423).	Section 3.1
What is the purpose of this information memorandum?	This information memorandum is issued in connection with the Company's application for a compliance listing of its Shares on NSX.	Section 7.1
Why does the Company want to list on NSX?	Directors believe that a listing on NSX will: <ul style="list-style-type: none">◆ allow Shareholders who may wish to trade their Shares through a stock exchange to do so;◆ broaden the Company's shareholder base;◆ facilitate the Group to raise further capital when such additional capital is required to expand the Group's business operations or for such other purposes as they may arise;◆ raise the Group's profile among its prospective investment targets, investee companies, co-investors and other business partners to accelerate the Group's business expansion.	Section 7.2
Who is the Company and what does it do?	The Company is an investment holding company, and it indirectly holds 100% of the equity interest in JJH, the sole operating entity of the Group. JJH carries on business of investing in privately owned unlisted early-stage companies with growth potential, providing short-term bridging loans and channel marketing of third-party financial product.	Sections 3.1 to 3.8



Question	Response	Where to find more information
What are the benefits of investing in the Company?	<p>The benefits of investing in the Company include the following:</p> <ul style="list-style-type: none">◆ an existing management team with good operating track record who is overseen by an experienced board of directors◆ being able to participate in the growing private sector of China's national economy	
What are the key risks of investing in the Company?	<p>There are a number of risks associated with investing in the share market generally and in the Company specifically. Full details of these risks are set out in Section 5 and include:</p> <ul style="list-style-type: none">◆ risks associated with the Group's investments in unquoted investee companies;◆ the ability to identify suitable investment opportunities in the future◆ reliance on key management personnel, in particular, HU Liyong (Leon), the managing director.	Section 5, particularly 5.1(a) to 5.1(c)
What is the financial position of the Company?	<p>The Company is a new company formed on 29 April 2016 to hold 100% of the equity interest in JJH who has taken over the assets, selected liabilities and the entire business undertaking of JCM, an existing company with an operating track record. This information memorandum contains historical financial information of JCM for the past two financial years and the recent six-month financial period.</p>	
Who are directors of the Company?	<p>Directors of the Company are:</p> <ul style="list-style-type: none">◆ MA Haiyong (Independent non-executive chairman)◆ HU Liyong (Leon) (Managing director)◆ CHENG Tianxi (Independent non-executive director) <p>Their qualifications, work experience and shareholdings in the Company (if any) are set out in Section 6.</p>	Section 6



Question	Response	Where to find more information
Who are shareholders of the Company?	<p>All existing Shares were issued to satisfy in full the purchase consideration for the Company's (indirect) acquisition of JJH, the successor-in-title to the assets, certain liabilities and business undertakings of JCM. Therefore, all existing Shares are held by the registered and/or beneficial owners of JCM, each holding such number of Shares in proportion to his or her interest in JCM before completion of the Restructuring.</p> <p>More detailed shareholding information, including substantial shareholdings, is set out in Section 4 and the list of Top-20 shareholders is set out in Appendix A.</p>	Section 4
What important contracts have the Company and its subsidiaries entered into?	<p>The Company and/or one of its subsidiaries is a party to a number of important contracts. They include:</p> <ul style="list-style-type: none">◆ Asset Sale and Business Transfer Agreement between JCM (as vendor and transferor) and JJH (as purchaser and transferee)◆ Equity Transfer Agreement in relation to JJH between JCM (as vendor) and WFOE (as purchaser)◆ Sale & Purchase Agreement for the acquisition of the entire share capital of JJH by way of acquisition of Carlson Management Limited between Fidus Custodians Limited (trustee for the Existing Shareholders as vendor) and the Company (as purchaser)	Section 3.10
Will the Company pay any dividend?	<p>The Company's initial focus will be on generating capital growth. The Company has no immediate plan to declare or distribute dividends. However, where possible, directors intend to declare the highest possible rates of dividends after taking into account factors such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by directors.</p>	Section 3.11



Question	Response	Where to find more information
What are CDIs?	<p>The Listing Rules require that the Company operate both an electronic issuer-sponsored sub-register and an electronic Clearing House Electronic Sub-register System (CHESS) sub-register.</p> <p>The Company is incorporated in BVI, a jurisdiction whose laws have the effect that the Clearing House Electronic Subregister System (CHESS) can be used for holding legal title to securities only in certain circumstances. A listing on NSX does not qualify the Company to use CHESS for this purpose. Therefore, to facilitate the use of CHESS, Shareholders will hold their Shares in the form of CDIs, which are a form of beneficial interest in Shares held by a depositary nominee. CDIs give a holder similar, but not identical, rights to a holder of Shares.</p>	Section 7.9
Where will the Shares be quoted?	An application has been made to NSX for quotation of the Shares under the trading symbol "JCL".	
Where can I obtain additional advice?	By speaking to your accountant, bank manager, stockbroker, lawyer or other professional adviser.	



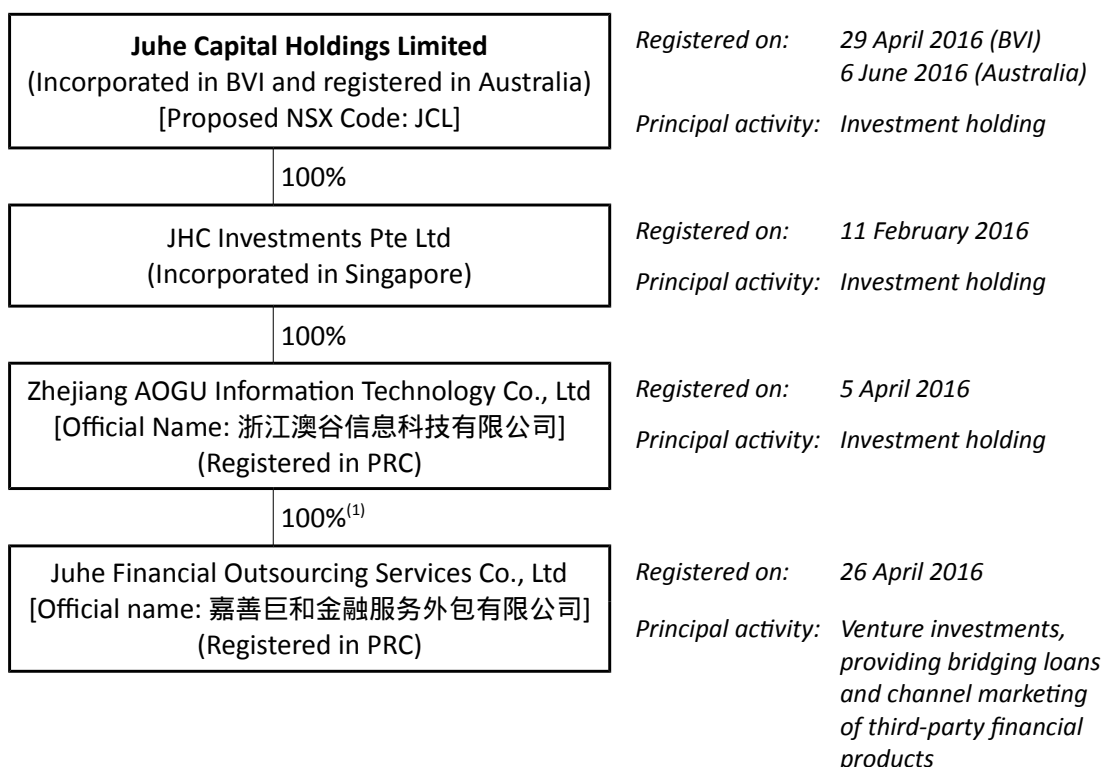
3. COMPANY AND BUSINESS OVERVIEW

3.1. Introduction

The Company was incorporated in BVI on 29 April 2016, and was registered under the Act on 6 June 2016 with a registration number ARBN 612 600 423.

In connection with and for the purpose of the Listing, Existing Shareholders carried out a restructuring of their interests in JCM (*i.e.*, the Restructuring), an existing company in China with an operating track record and which was established in 2008. The purpose of the Restructuring was to transfer all of JCM's assets, certain liabilities and its business undertakings as a going concern to JJH and for Existing Shareholders to hold their interests in JJH (who now owns and carries on the business of JCM) indirectly through their shareholdings in the Company in the proportion of their interests in JCM prior to the Restructuring.

The corporate structure of the Group on completion of the Restructuring and as at the date of this information memorandum is as follows:



⁽¹⁾ Includes a 1% beneficial interest registered in the name of MAO Xiaohui, the Group's financial controller who hold it in trust for Zhejiang AOGU Information Technology Co., Ltd

The above corporate structure is the result of completion of material contracts entered into by the Company and/or its subsidiary, details which are set out in Section 3.10.



The corporate objectives of the Company are:

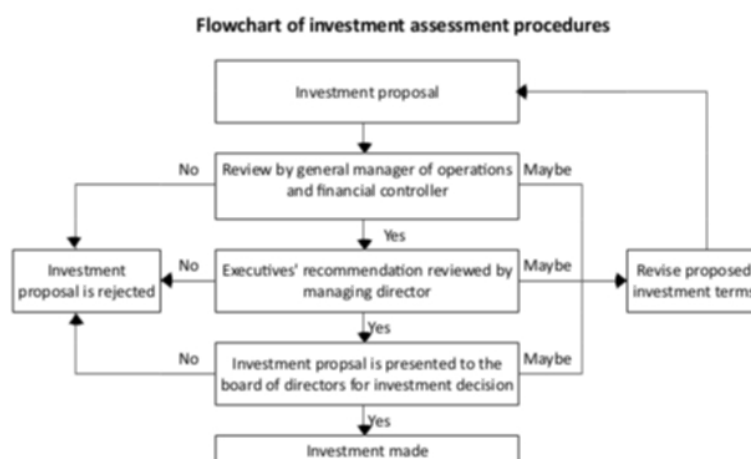
- (a) to create shareholder value through carrying on and developing the Group's existing principal businesses, namely as an investment and investment services company; and
- (b) to assess and, if warranted, acquire or build other businesses in the capital markets and business advisory businesses to complement and/or supplement the Group's existing principal businesses.

3.2. Principal businesses

The principal businesses of the Group which is carried on by its sole operating subsidiary, JJH, is that of an investment and investment services company.

For its investment business, it invests its own funds in promising unlisted companies. The Group's investment strategy is to invest in privately-owned, unlisted early-stage companies with good growth potential. The investment objective is to profit from capital growth of these companies and to dispose of the whole or part of these investments by way of a listing on a recognised stock exchange or a trade sale. The Group does not limit its investments to any specific industries nor to any specific region of the PRC. As an investment criteria, the Group will require the founders and key management team of the potential investee company to hold a significant stake in the company. This way, the founders and key management team will remain invested in the future performance of the investee company. As a result, the Group will typically invest in non-controlling stakes in the investee companies.

Before the Restructuring, JCM was a privately-held owner-managed company. As such, potential investments by JCM were assessed and final investment decisions made by its controlling shareholder and director, HU Liyong (Leon). However, after the Restructuring, the board has implemented a more structured process to assess and approve future investments. A flowchart showing the investment assessment and approval procedures implemented by JJH is set below:





As shown in the flowchart, a potential investment by JJH will undergo a three stage assessment process. It will be first assessed by the general manager of operations and financial controller, who will then make their recommendation. If their recommendation is to proceed with the proposed investment, this recommendation will then be reviewed by the managing director. If the managing director concurs with the executives' recommendation, the proposed investment will then be tabled to the board of directors who will make the final investment decision.

As of the date of this information memorandum, JJH has investments in the following investee companies:

Name of investee company	Ownership	
	interest	Principal activities
1. Shanghai UTO X-internet Co., Ltd	40%	Developer of information and communication technology products and solutions
2. Shanghai Dreamworks Technology Co., Ltd	40%	Developer of alternative reality and virtual reality products, productions and solutions
3. Montessori (Shanghai) Investment Management Ltd	5%	Owner and operator of pre-school education centres

JJH also has a right to acquire a 40% stake in Shuangbai Wotuodi Iron Ore Mining Co., Ltd [official name: 双柏县窝拖地铁矿业有限公司] who holds the extraction licence for iron ore at a 1.6506km² tenement located in Wutuodi Village, Shuangbai County in Yunnan Province. This extraction licence expired on 9 October 2014 and the license holder is applying for its renewal. As of the date of this information memorandum, JJH has not invested in this company nor have any intention to exercise this right in the near term.

Further information on the Group's investee companies and Shuangbai Wotuodi Iron Ore Mining Co., Ltd are set out in Sections 3.3 to 3.6 below.

In addition to the Group's venture investment business, the Group also carries out two supplementary businesses, namely providing bilateral business-to-business bridging loans to small and medium enterprises and channel marketing of third-party financial products. Further description of these businesses are set out in Sections 3.7 and 3.8 respectively.

As of Latest Practical Date, the Group employs a total of 55 permanent employees. The number of employees employed by the Group is not subject to seasonal fluctuations although the Group has a network of independent sales agents and



occasionally employ temporary and hourly-rated workers to assist and supplement its work force when there are *ad-hoc* promotional activities.

3.3. Information on Shanghai UTO X-internet Co., Ltd

Shanghai UTO X-internet Co., Ltd. [official name: 上海佑途物联网有限公司] (“UTO”) is an information and communication technology company which has been operating since 2010. Products developed and marketed by UTO are primarily deployed in the tourism and healthcare industries.

(a) intelligent tour guide and navigation products

UTO's proprietary tour guide and location navigation products were initially developed for and was successfully deployed at the 2010 World Expo hosted by Shanghai. After this product line's successful launch at the 2010 World Expo, UTO modified the product line and its capabilities for use at large scale tourist attractions. The three main products under this product line are:



RF-1 tour machine range

The RF-1 tour machine is a mobile device with 3.2” TFT screen delivering location based video and voice content at the tourist attraction it is deployed for. It automatically pushes customised contents to users based their locations to give individual users a one-on-one guide experience. It also has a map mode where the overall map of the attraction is available for the user to select specific points of that tourist attraction he or she wishes to go.



WG-1 tour machine range

WG-1 tour machines have similar functionalities as those in the RF-1 tour machine range. The main difference is that the WG-1 tour machines use wi-fi and GPS technologies for its location based services whereas the RF-1 tour machines use radio frequency identification or RFID technology for its location based services.



Pen device tour machine range

Products in this range uses near invisible printed codes made up of tiny dots. Each user is given a pen-shaped device (pen device) which has a built-in speaker, a standard 3.5mm audio jack and a micro-scanner. The user is also given a special printed guide map of the tourist attraction. Users just need to use the pen device to point to a specific location on the printed guide map, and the



pen device will provide audio directions to and commentaries, introduction and explanation on that location. These locations can be points of interests at the tourist attraction, amenities such as public toilets and food & beverage outlets, or even locations of advertisers.

In addition to the above standard products, UTO also custom develops tour guide and navigation products to meet clients specific requirements. UTO has developed an intelligent guide and navigation product with a wrist band form factor for Shanghai Disney Resort. These devices have, apart from the usual tour guide and navigation functions, functionalities to monitor and track human traffic and for crowd control at the theme park.

Currently, UTO customises and supplies its standard intelligent tour guide and navigation products for a number of famous tourist attractions in China, the more prominent ones being:



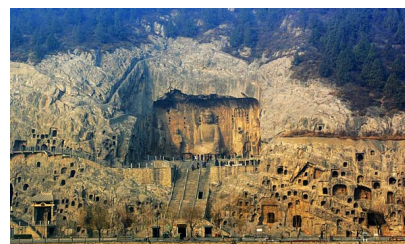
Hengdian Film Studio

This film studio located in Hengdian Town in Zhejiang Province claims to be the largest film studio in the world. It is larger than Universal Studios and Paramount Studios combined.

Located at Hengdian Film Studio are permanent filming sets covering a spectrum of Chinese history from colonial Hong Kong to pre-war Guangzhou to a staggering full-sized recreation of Beijing's Forbidden City, all recreated to minute detail. It has the capacity to cater to 40 separate filming simultaneously.

Longmen Grottoes or Longmen Caves

This attraction is considered to be one of the finest examples of Chinese Buddhist art, and it houses tens of thousands of statues of Lord Buddha and his disciples. It is located in Luoyang County in Henan Province. In 2000, the Longmen Grottoes site was inscribed upon the UNESCO World Heritage List as “an outstanding manifestation of human artistic creativity” for its perfection of an art form, and for its encapsulation of the cultural sophistication of Tang Dynasty China.



The Oriental Pearl Radio & TV Tower

This TV tower is a distinct landmark in Shanghai situated at the tip of Lujiazui area in Pudong (the financial district of Shanghai), by the side of Huangpu River. It directly faces



The Bund, a famous waterfront in, and regarded as the symbol of, Shanghai. The tower has 15 observatory levels, the highest at 350m and the lowest at 263m.

(b) Hospital and clinic management system

UTO's hospital and clinic management system currently comprise of two modules or components which can either be integrated or be used individually. These are:

Prescription dispensing module



This module allows attending nurses and pharmacists to use personal digital assistant or PDA based devices to digitally cross check the patient's identity with the medication to be dispensed or administered as well as with the patient's case file, and to electronically update the patient's case file after the medication is administered. The use of this module reduces risks of human error in the prescription dispensing and administering process and increases medical records management efficiency.

Medical records management

This module is designed for two primary user groups: doctors and patients. Functionalities for doctors are case management records (including contemporaneous real time update function), digital signature encryption, online access of patient information and medical records. With this module, patients can manage, that is to say make and/or amend, their medical appointments online as well as registering for their appointments online.

UTO's hospital and clinical management system has been successfully launched in Changhai Hospital of Shanghai.

Day-to-day management of UTO vests with a team of administrative and technical executives led by WANG Yun. He has more than fifteen years operational and management experience. WANG Yun has been with UTO since its inception, and was promoted to his current position of deputy general manager in 2014. His present focus in UTO is in business development and planning. He led the business development teams that procured the contracts to supply the intelligent tour guide systems for the 2010 World Expo in Shanghai and the 2015 World Expo in Milan.

3.4. Information on Shanghai Dreamworks Technology Co., Ltd

Shanghai Dreamworks Technologies Co., Ltd. [official name: 上海梦想指造科技有限公司] ("SDT") is a multimedia entertainment technology company that specializes on



the development and integration of alternate reality and virtual reality products and applications for entertainment and theme park operators to create unique experiences for their customers. SDT has been operating since 2012.

Alternate reality (or AR) products, productions and solutions refers to a system that uses the real, physical world as a platform and then uses multimedia technology to alter a user's sensory experience by his or her actions. On the other hand virtual reality (or VR) products, productions and solutions uses computer technology to replicate an environment, real or imagined, and simulates a user's physical presence and environment to allow for user interaction. VR products artificially create a different sensory experience for the user.

Depending on client's requirements, SDT plan, build or operate multimedia entertainment platforms for entertainment or theme parks. SDT does so either on a modular basis or on a turnkey basis. For the planning stage, SDT provide concept and theme design on theme concept, zoning and planning of tour routes (i.e., foot traffic routing). When the design plan is approved by the client, SDT can undertake the whole spectrum of works required to build the platform, from architectural design, construction and supervision, software customization and engineering integration to content production and creation. Upon completion of the construction stage, SDT has the capability to, if the client so requires, manage and operate the platform for the client.

SDT currently has strategic partnership with Hengdian Film Studio and Zhejiang University as business and technology partner respectively. Details of Hengdian Film Studio is set out in Section 3.3. Zhejiang University is widely regarded as a Top-3 university in China and they consistently rank high in the field of engineering technology studies not only in China but in the world.

The first project undertaken under the strategic partnership with Hengdian Film Studio and Zhejiang University is the construction of a full sized replica of the Old Summer Palace located in Beijing at Hengdian Film Studio to operate not only as a theme park but as a filming set. For this project, SDT was responsible for the planning and construction of two entertainment platforms thereat, namely a multimedia fountain show and an ice sculpture pavilion. SDT is currently developing two additional AR/VR platforms at that location.

Day-to-day management of SDT vests with a team of engineering, administrative and technical executives led by BAI Ningsong (Tony). Tony graduated from Shanghai Fudan University with a degree in Electronic Engineering and Informations Systems. After graduation, Tony worked in a number of software and multimedia production companies in Shanghai. He migrated to Canada in 2003, where he worked for Rainmaker Entertainment Inc. (Canada) and EntityFX (USA) as CG (computer-generated graphics) artist and as special effects (or VFX) supervisor and director. Projects Tony worked on when in North America includes *Garfield*, *I-Robot*, *Elektra*, *Stargate Atlantis*, *Superman Smallville (Seasons 7 and 8)* and CG advertisements for



Nike. Tony returned to Shanghai in 2008 when he founded 37 Entertainment, a CG animation company which he sold to Dreamworks Animation LLC (a Disney company) in 2012. Tony joined SDT in 2013 where he is now chief technical officer and chief executive officer.

3.5. Information on Montessori (Shanghai) Investment Management Ltd

Founded in Shanghai in 2005, Montessori (Shanghai) Investment Management Ltd (“MTSR”) is the first entity in China to introduce and offer the Montessori concept of early childhood education. It currently develops, own and manages early childhood programmes, programme materials and content. MTSR trains and certifies teachers and educators for its own registered Montessori qualifications.

MTSR runs and franchises a chain of early childhood education centres under its own *Maria Montessori Kids' Home* brand. Currently, there are more than 200 centres in 70 cities in 20 provinces throughout China offering MTSR's early childhood education programmes for children ranging from new-born to 6 year-olds. MTSR also offers programmes to teach parents how to home educate their children using MTSR's own Montessori approach.

In 2014, MTSR entered into a collaboration with Barry University (www.barry.edu) in the United States to jointly conduct degree-level programmes in Montessori education.

MTSR is listed on the Shanghai Equity Exchange, China's largest over-the-counter equity market.

3.6. Information on Shuangbai Wotuodi Iron Ore Mining Co., Ltd

Shuangbai Wotuodi Iron Ore Mining Co., Ltd (“IronCo”) holds extraction licence numbered C5300002010032120057986, which is a licence to extract iron ore from a 1.6506km² area (the “Tenement”) located in Wutuodi Village, Shuangbai County in Yunnan Province in China. The extraction licence expired on 9 October 2014, and IronCo has submitted an application to the relevant authorities to renew the extraction licence. Under Chinese law, the current holder of an expired licence, either an exploration or an extraction license, has the first right and priority to renew the licence when it wishes to re-commence activities permitted under that expired licence on that tenement area.

The Tenement which is defined by four inflection points is situated approximate 45 km straight-line distance in the 253° direction from Shuangbai County, which in turn is approximately 220km away from Kunming, the capital city of Yunnan Province. Exploration works had been carried out and geological reports prepared by PRC geologists under applicable PRC geological standards. These exploration results were not reported under JORC Code by a *Competent Person* (as defined under the code).



Therefore, no disclosure is made in this information memorandum in respect of these exploration works and the results thereof.

As of the date of this information memorandum, JJH has not invested in this company nor have any intention to exercise this right in the near term.

3.7. Business of providing bridging loans

JCM (and now JJH) provides bi-lateral business-to-business bridging loans to companies. These bridging loans are short-term in nature with terms ranging from 1 to 12 months and at interest rates from 9% to 15% per annum. At present, JJH provides bridging loans only to its investee companies primarily because of two reasons, namely:

- (i) JJH has limited capital which it can allocate to this business segment; and
- (ii) the investee companies' financial position, risk profile and creditworthiness is well known to JJH.

JJH have plans to extend this service to other customers who meet the Group's credit assessment criteria in the future.

Applications for bridging loan will go through the same assessment and approval process for investments described in Section 3.2.

3.8. Channel marketing of third-party financial products

JJH sells third-party financial products through a wide sales network operating throughout PRC, but with primary focus on the Shanghai area. It has strategically located retail sales outlets which are manned by full-time staff of JJH. These retail sales outlets are referred to as "owned outlets". In addition to these owned outlets, JJH also have retail sales outlets which are operated by third parties under franchise arrangements. These outlets are referred to as "franchised outlets".

Currently, JJH operates 20 retail sales outlets in Shanghai and 9 retail sales outlets in other major provincial cities in China, namely Nanjing, Jiaxing, Hangzhou, Wuxi, Changzhou, Hefei, Qingdao, Wuhan and Jinan. Retail sales outlets in Shanghai carry out only sale and marketing activities. Prospective clients will make an appointment to attend at either JJH's main office or at one of JJH's two branch offices where they undergo a final financial counselling session, to complete product purchase documentation and to make payment or payment arrangement for purchases. Retail sales outlets outside of Shanghai carry out sale and marketing activities as well as the back-room procedures which are carried out at branch offices in Shanghai.

In addition to operating the retail sales outlets, JJH also has a network independent sales representatives. These independent sales representatives are not employed by



JJH although they get sales support and training from JJH. As they do not receive a base salary, they are not subject to as strict a sales quota as paid sales staff of JJH are subject to.

Currently, financial products JJH markets includes the following :

- (a) units in Jugu Anyang Fund, a fund which focuses on investments in geriatric care industries;
- (b) units in Jugu Offshore Mergers & Acquisitions Fund, a fund which invests in offshore companies and assets;
- (c) units in Jugu China Cultural, Films & Media Content Investment Fund, a fund which invests in movies, television dramas, cultural exhibitions and investments in related copyrights; and
- (d) units in Jugu Multi-Product Discretionary (No. 1) Fund, a fund which invests in listed securities, debt securities, currency-linked products and other financial products.

These funds are issued and managed by Shanghai Jugu Shares Investment Fund Co., Ltd [official name: 上海巨谷股权投资基金有限公司] ("Jugu"), a company which HU Liyong (Leon), a director of the Company, has interest in. Therefore, commissions received from, payments to or transactions with Jugu are considered related party transactions. The board has put in place procedures to ensure that all transactions with Jugu are arms length transactions or on less favourable terms than arms length. Hu Liyong (Leon) will not participate in any board deliberation or decision on matters relating to the Group's dealings with Jugu.

3.9. Properties

As of the date of this information memorandum, the properties of the group are as follows:

Held by JCM (lease agreements to be renewed and signed by JJH on its expiry)

- | | |
|-----------------------|--|
| (1) Location: | Room 3101, Huizhi Plaza
No. 396 North Caoxi Road
Xuhui District, Shanghai
China |
| Land area: | Not applicable |
| Number of buildings: | Not applicable |
| Aggregate floor area: | 400m ² |



- Owned or leased: Rent-free license from a company which Hu Liyong (Leon), a director of the Company, has interest in (expiring 13 November 2018)
- (2) Location: Unit 1702 Hengli Building
No. 199 Chengdu North Road
Jing'an District, Shanghai
China
- Land area: Not applicable
- Number of buildings: Not applicable
- Aggregate floor area: 400m²
- Owned or leased: Leased (expiring 21 October 2017)
- (3) Location: Room 905, Five-Cornered Square
No. 2218 Huangxing Road
Yangpu District, Shanghai
China
- Land area: Not applicable
- Number of buildings: Not applicable
- Aggregate floor area: 273m²
- Owned or leased: Leased (expiring 19 April 2019)

In addition to the above properties, JJH operates 14 “owned outlets” in Shanghai and 4 “owned outlets” in other major provincial cities in China. These retail sales outlets operate from rented premises with short-term leases. Directors believe that in the event any of these leases are not renewed when their leases expire, JJH will be able to secure suitable alternative sites on similar terms or on no less favourable terms, and will be able to do so without disruption to JJH's business.

3.10. Material contracts

- (a) *Asset Sale and Business Transfer Agreement between JCM (as vendor and transferor) and JJH (as purchaser and transferee)*

JCM (as vendor and transferor) and JJH (as purchaser and transferee) entered into an Asset Sale and Business Transfer Agreement dated 8 May 2016, under which:

- (i) JCM sold and transferred to JJH all its business assets including but not limited to its investments in investee company, all debts due and payable to JCM by its debtors, all other assets listed in JCM's financial statement as of 31 March 2016 as being asset belonging JCM and all rights and benefits under any contract, including but not limited to, contracts of employment of employees and contracts for rental of



properties JCM had entered into as of 31 March 2016 for and in connection with its business undertaking (the “Business Contracts”); and

- (ii) JJH assume all obligations to pay all debts and liabilities due and payable by JCM to its creditors as listed in JCM's financial statement as of 31 March 2016 as being liabilities of JCM,

for a total consideration of RMB177,560,000 which was deemed satisfied by JJH to JCM in accordance with terms of the agreement. This agreement is effective 1 April 2016, and the Parties agree that they will do all that is necessary to give effect to this agreement, including but not limited to:

- (i) signing and executing any document or other agreement, either between themselves or amongst themselves and other third party;
- (ii) JCM continuing to being named as a contracting party to any Business Contract which has not been transferred to JJH for the benefit of JJH.

The agreement is governed by the laws of the PRC. The agreement was effective from 1 April 2016 based on its term and completed on its execution on 8 May 2016. On completion of the above Asset Sale and Business Transfer Agreement, JJH became successor-in-title to all of JCM's businesses.

- (b) *Equity Transfer Agreement in relation to JJH between JCM (as transferor) and WFOE (as transferee)*

JCM (as transferor) and WFOE (as transferee) entered into an Equity Transfer Agreement dated 18 May 2016, under which JCM transferred its 99% equity interest in JJM to WFOE for a consideration of RMB9,900,000 which was satisfied in full by WFOE assuming liability to pay the said sum as capital contribution in accordance with the terms of the agreement.

The agreement is governed by the laws of the PRC. The agreement was completed on 26 May 2016 and the parties' obligations had been fulfilled in accordance with terms of the agreement. On completion of the above Equity Transfer Agreement, JJH became a 99% owned subsidiary WFOE, a wholly owned subsidiary of JHC.

- (c) *Sale & Purchase Agreement in relation to Carlson Management Limited between Fidus Custodians Limited (as Vendor) and the Company (as purchaser)*

The Company and Fidus Custodians Limited (acting as bare nominee for the Existing Shareholders) entered into a Sale & Purchase Agreement dated 8 June 2016 (the “SPA”), under which the Company acquired all of the issued



share capital of Carlson Management Limited (and, indirectly, its then wholly owned subsidiary JHC) for a consideration of A\$240,000,000 to be satisfied by the issue of 160,000,000 Shares issued and credited as being fully paid to the Existing Shareholders.

The SPA is governed by the laws of Singapore. The SPA was completed on 8 June 2016 and the parties' obligations had been fulfilled in accordance with the terms of the agreement. On completion of the SPA, JHC became an indirect wholly owned subsidiary of the Company.

(d) Disposal of Carlson Management Limited

Upon completion of the SPA:

- (A) Carlson Management Limited transferred its interest in the entire issued and paid-up share capital of JHC to the Company for a nominal consideration of S\$1,000; and thereafter
- (B) the Company disposed of its interest in the entire issued and paid-up share capital of Carlson Management Limited to Lu Bo (an unrelated third party) for a consideration of S\$1,000.

On completion of the above transactions, JHC became a direct wholly owned subsidiary of the Company.

3.11. Dividend policy

The Company does not intend to pay dividends on securities for the financial year ending 30 September 2017 (the first financial year following the incorporation of the Company). Any future determination as to the payment of dividends by the Company will be at the discretion of directors. However, where possible, directors intend to adopt a policy of declaring the highest possible rates of dividends after taking into account factors such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by directors.

Directors expect that any dividend, if paid, will be paid without franking credits.

3.12. Tax status and financial year

The Company will not carry on business in Australia nor operate with management control in Australia. Hence, directors do not expect the Company to be considered a tax resident in Australia.

The financial year of the Company will end on 30 September annually.



3.13. Litigation

There is no litigation or claims of material importance made against any entity of the Group in the last five (5) years or which is pending or threatened against any member of the Group.



4. SHARES AND SHAREHOLDING INFORMATION

4.1. Share class information

As of the date of this information memorandum, the Company has only one class of shares in issue, namely Ordinary Shares (issued as CDIs), the details of which are as follows:

	Number of securities issued	Voting rights attaching to each security	The amount of fully paid-up security
Ordinary Shares (issued in form of CDIs)	160,000,000	Each shareholder is entitled to one vote for each Share.	\$240,000,000

4.2. Substantial shareholders

As of the date of this information memorandum, the shareholdings of substantial shareholders (defined as persons who own 5% or more of a class of security) are as follows:

Substantial shareholder	Direct interest	Deemed interest	Total interest	% of issued capital
HU Liyong (Leon)	64,000,000 ⁽¹⁾	-	64,000,000	40.00%

⁽¹⁾ On completion of the Restructuring, HU Liyong (Leon) transferred 14,600,000 Shares to five other Shareholders for no consideration. Notwithstanding these Shareholders own these 14,600,000 Shares legally and beneficially, they offer these shares to be subject the same restrictions as would be applicable to HU Liyong (Leon) had he not transferred these Shares. Further details on restricted securities are set out in Section 4.6. HU Liyong's shareholding of 64,000,000 Shares is after he had transferred the aforesaid 14,600,000 Shares.

4.3. Previous share issues

All existing 356 Shareholders of the Company were issued shares in the Company on 8 June 2016 as consideration for the acquisition by the Company of the entire share capital of JJH. The 160,000,000 Shares in the Company were issued for a total consideration of A\$240,000,000 pursuant to a restructuring exercise carried out by the Company for the purpose of the proposed listing on NSX.

Shares in the Company were issued to these 356 investors who had pooled their funds to invest in the capital of JCM (the predecessor-in-title of JJH) since 2008. The dates of investment and amounts invested by the Existing Shareholders in JCM are shown in the following table:



Issue date	Amount invested (in RMB)	Exchange rate (from xe.com)	Amount invested (in A\$)	Average cost per share
28 July 2008	100,000	0.1527	15,270	
23 December 2010	400,000	0.1497	59,880	
16 August 2011	10,000,000	0.1493	1,493,000	
23 October 2013	10,000,000	0.1707	1,707,000	
22 December 2015	60,000,000	0.2061	12,366,000	
23 December 2015	59,000,000	0.2138	12,614,200	
24 December 2015	61,000,000	0.2124	12,956,400	
	200,500,000		41,211,750	0.258 ⁽¹⁾

⁽¹⁾ Calculated based on 160,000,000 Shares

4.4. Analysis of shareholdings

As of the date of this information memorandum, the distribution of holders of CDIs issued by the Company (including CDIs which are subject to escrow arrangements) are as follows:

Holding	Number of holders	Number of CDIs	% of issued capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	49	10,343,000	6.46%
100,001 and above	307	149,657,000	93.54%
	356	160,000,000	100.00%

4.5. Top-20 Shareholders

The list of the Top-20 Shareholders of the Company (including CDIs which are subject to escrow arrangements) as of the date of this information memorandum is set out in Appendix A.

4.6. Restricted securities

Subject to NSX's acceptance of the Company's submission on securities to be restricted, the Company intends to have escrow arrangements in respect of 78,600,000 Shares. These 78,600,000 Shares represent 49.125% of the Company's



issued and paid up share capital. If NSX accepts the Company's submission on securities to be restricted, the following persons will enter into restriction agreements with the Company under which they are restricted from dealing in any Share held by them during the escrow period. The escrow arrangement are as follows:

Name of holder	Number of CDIs	Escrow Period
<i>Director of the Company</i>		
1. HU Liyong (Leon)	64,000,000	24 months from listing date
<i>Non-director of the Company</i>		
2. CHEN Ying	3,600,000	As above
3. ZHOU Yixiao	3,600,000	As above
4. MAO Xiaohui	3,200,000	As above
5. ZHANG Lei	3,200,000	As above
6. WANG Feilei	1,000,000	As above
	<u>78,600,000</u>	

The above non-director Shareholders who hold restricted shares had received their Shares from HU Liyong (Leon) at nil consideration. Therefore, they offered to subject their shareholdings to the same restrictions as would be applicable to HU Liyong (Leon) had he not transferred these Shares to them.



5. RISK FACTORS

An investment in the Company is not risk free. Before deciding to trade in the Shares, Shareholders and prospective investors should read this information memorandum in its entirety, consider at least the following risk factors in light of their personal circumstances and investment objectives (including financial and taxation issues) and seek professional advice from their accountant, bank manager, stockbroker, lawyer or other professional adviser.

The operating and financial performance and position of the Group, the value of Shares and the amount and timing of any dividends that the Company may pay will be influenced by a range of factors. Many of these factors will remain beyond the control of the Group and directors. Accordingly, these factors may have a material effect on the Group's performance and profitability which may cause the market price of Shares to rise or fall over any given period.

This Section identifies the areas directors regard as major risks associated with an investment in the Company. This list is not intended to be an exhaustive list of the risk factors to which the Group is exposed. The risks and uncertainties described below are not the only ones faced by the Group. There are other risks and uncertainties which directors deem immaterial or not currently known may also have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

5.1. Specific risks

In addition to the general risks outlined below, there are specific risks associated with the Group's existing and proposed business operations. These include:

(a) Risk associated with the Group's investments in investee companies

The success of the Group will depend upon, amongst others, the ability to identify, make, manage and realise suitable investments. There is no assurance that such investments can or will be made or that such investments will be successful. Poor performance by any investment could severely affect the investment return. In particular, investors should the following:

- (i) there is no assurance that the performances of companies the Group invests in will continue to be satisfactory or that the value of the Group's investments in these investee companies will increase over time. These investee companies typically operate in a very competitive market and business environment in which their own competitors may develop or market technologies or products or services that are more attractive in terms of price and quality (perceived or actual) than those developed or marketed by the investee companies.



- (ii) the Group invests only in non-controlling stakes in these investee companies. Therefore, there is no assurance that the Group will be able to exercise any actual or even significant control over the future objectives, operations, strategic directions and financial performance of such these investee companies; and
- (iii) the Group typically invests in small unlisted companies. Investments in such small unquoted companies typically involve different type of risks as compared to investments in larger, more established companies or companies which are listed on a recognised securities exchange. In general, there is less protection of market participants and less government regulation and supervision of transactions in securities of unlisted companies. The Group's holdings in these unlisted companies may not be easily converted to cash which may potentially result in the risk that the fair value of these investments may be overstated by the independent valuers appointed by the Group to value these investments.

(b) Ability to identify suitable investment opportunities in the future

As of the date of this information memorandum, the Group has not identified its potential investment targets. Therefore, Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Group and, accordingly, will be dependent upon the judgement and ability of the management in investing and managing assets of the Group. There is no assurance that the Group or the management team will be successful in obtaining suitable investments in investee companies, or that if such investments are made, the investing objectives of the Group can be achieved.

(c) Key personnel

The prospects of the Group depend, in part, on the entrepreneurial drive and business experience of key executives, in particular, HU Liyong (Leon), the managing director. There can be no assurance that the Group will be able to retain these key personnel. The loss of a number of key personnel without replacement by, or the inability to recruit and retain, persons of similar technical skills and experience may have an adverse effect on the business. The proposed listing of the Company in part seeks to place JJH, being a controlled entity of a publicly listed company, in a better position to provide a more attractive career path for these key personnel in order to retain them.

(d) Location of directors, management, assets and operations

The Company is incorporated in BVI, and all directors, management, assets and operations are located in China. As a result, investors and other market



participants may view or perceive that the Company may have a reduced level of title and control over those assets, reporting to shareholders and the market (through continuous and periodic disclosure) may be less reliable, and it may be more difficult for Shareholders to pursue any claims against either the Company and/or its directors and management.

These investors and other market participants may also view or perceive that the location may also create challenges for the Company's auditors to access reliable information to independently verify and test information provided by management.

The directors have assessed that the likelihood of this perceived risk occurring as being remote. Nonetheless, the directors are mindful that there is a perception that such a risk exists, and that its disclosure in the information memorandum is necessary to assure these investors and other market participants that directors have applied their minds to this perceived risk and disclose how the directors have addressed it. The Company highlights and will continue to highlight that it and each director has given separate undertakings to NSX that they will comply with all provisions of the Listing Rules and of the Act. The Company will also highlight and continue to highlight that it also mitigates this risk by appointing as auditors, nominated adviser and other advisers firms whom have a good track record of auditing and advising clients whose management, assets and operations are located in China.

(e) Competitive activity

The Group operates in a competitive market. Many private equity and direct investment funds (collectively and interchangeably described as "investment companies"), both domestically funded and managed investment companies and foreign funded and managed investment companies, have since become active in seeking investment opportunities in the PRC. Therefore, the Company faces significant competition from these investment companies. Many of these competitors have greater financial resources than the Company and a greater ability to borrow funds to acquire assets. Furthermore, competition to attract promising investment opportunities may lead to higher asset prices which in turn may affect the Company's ability to invest on attractive terms. Should there be any significant increase in competition or in the event that the Group is not able to compete effectively against its competitors or cope with the aforesaid changes in market conditions caused by increased competition from its competitors, the Group's financial performance may be adversely affected.



(f) Internal controls

The system of internal controls currently implemented by the Group is designed for the operations of an owner-managed enterprise. It comprises a number of undocumented procedures which require the substantial hands-on involvement of the owner-manager. Directors are of the opinion that while this system of internal control is adequate and effective for the current level of operations, it may become inadequate after the Group's business expands. If the Group is not able to improve and subsequently maintain the quality of the Group's internal controls, any weaknesses could materially and adversely affect the Company's ability to properly manage the operations of the Group, provide timely and accurate information about the Group's operations and finance, and could cause the Group to be susceptible to internal fraud.

Directors will continually review the Group's system of internal controls and ensure that they are developed to, and maintained at, a level appropriate for a publicly listed company of comparable size and scale of operations. Any weaknesses in effective internal controls may create additional challenges in the Company complying with its continuous disclosure obligations. To mitigate risks associated with compliance with continuous disclosure obligations, directors may consider inviting other persons experienced in corporate governance within a Chinese company listed on an overseas exchange to sit on or advise the board of directors.

(g) Currency and foreign exchange

Revenue generated, and capital and operating costs incurred, by the Group will largely be denominated in the Chinese currency, *i.e.*, the Chinese Yuan or *Renminbi*. The conversion of the Yuan into foreign currencies is regulated in China. The Group expects to report financial results in Chinese Yuan, being the functional currency of the Group. As a result, the Group's reported earnings and financial position, when expressed in or converted to Australian Dollar terms, will be subject to foreign exchange currency risks due to exchange rate movements. Shares will be quoted and traded on NSX in Australian Dollars. Therefore, and any significant fluctuation in the Chinese Yuan-Australian Dollar exchange rate, will have an impact on the Australian Dollar denominated prices the Shares are quoted and traded. The cross exchange rates are affected by numerous factors outside the Group's control. These factors include the economic conditions of China, interest rates, inflation and other economic factors which may have a material adverse effect on the Group's operations and financial performance.

The value of the Yuan is subject to change in the Chinese government's policies and to international economic and political developments. There can be no assurance that the Yuan will not become volatile against other currencies or that the Yuan will not be devalued. The Company does not



hedge against movements in the Yuan. There can be no assurance that future changes in the exchange rate of the Yuan against other currencies will not have adverse effects on the Group's financial position.

Under Chinese government regulations, all foreign enterprises must establish a "current account" and a "capital account" with a bank authorised to deal in foreign exchange. Currently, foreign enterprises are able to exchange Yuan into foreign currencies at designated foreign exchange banks for settlement of "current account" transactions, which include payment of dividends on the basis of a board resolution authorising the distribution of profits or dividends, without other regulatory approval. Conversion of the Yuan into foreign currencies for "capital account transactions" which include the receipt and payment of foreign exchange for loans, contributions and purchases of fixed assets continues to be subject to limitations and requires regulatory approval. There can be no assurance that the Group will be able to repatriate funds from China to pay dividends or satisfy foreign exchange requirements in the future.

(h) Legal considerations

China operates under a civil law system. This system is different from the common law system which exists in Australia and in BVI. While individual court decisions in China may be noted for reference, they may not have precedent value. Although legislative reforms during the last two decades have significantly enhanced the protection enjoyed by enterprises in China, some of these laws, regulations and measures are relatively recent and their interpretation and enforcement remain uncertain. In addition, the legal system in China is subject to continuing development in areas such as foreign investment, tax and foreign exchange and these could adversely affect the operations of the Group's operating companies.

Should it be necessary for the Company to enforce its legal rights in relation to its business, it would need to do so in accordance with the laws of China and perhaps other jurisdictions. If multiple jurisdictions or cross-border issues are involved, the matters may well attract unusual complexities which may result in added costs.

(i) Political, economic and social reforms

The Chinese economy has gradually changed from a centralised economy to a market economy. This reform has, among other things, resulted in significant economic growth. Political, economic and social factors may lead to further readjustment of the reforms already in place. However, there is no assurance that any change that occurs as a result of political, economic or social reforms in China will have a positive effect on China's economic development or that the Group's operating companies will benefit from or will be able to capitalise



on these reforms. There is a risk that the Group's operating companies' operations, markets and financial position may be adversely affected by these continuing changes.

(j) Shareholder rights

The Company is incorporated in BVI, and the rights of Shareholders are governed by the laws of BVI. There is a risk that these rights may not be equal to the rights shareholders in Australian companies enjoy, and additional costs and delays in enforcing those rights. To mitigate this, the Company has incorporated certain features of shareholder protection that shareholders in Australian companies enjoy, such as rules relating to takeovers, into the Company's constitution.

5.2. General investment risks

In addition to the above specific risks associated with the Group's existing and proposed business operations there are also general risks associated with an investment in the Shares. These include:

(a) Investment in securities

Shareholders and interested investors should be aware that there are risks associated with any investment in securities such as the Shares, and should recognise that the price of securities may fall as well as rise. In particular, the trading price of securities at any given time may be higher or lower than the price paid by the investor for these securities. Further, there can be no assurance that an active trading market will develop in the Shares.

Many other factors will affect the price of the Shares, including general fluctuations in the performance of local and international stock markets, movements in interest and exchange rates, industry-specific as well as general economic conditions and investor sentiment. Stock markets have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies. There can be no guarantee that trading prices and volumes of any securities will be sustained. These factors may materially affect the market price of the Shares, regardless of the Group's operational performance.

No guarantee can be given by the Company in respect of the payment of dividends, any returns of capital or the market value of the Shares. Such issues are dependent on the Group's performance after listing, the control of costs and the need for working capital and other funding requirements.



(b) Economic risk

Changes in the general economic climate in which the Group operates may adversely affect the financial performance of the Group. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Group, industrial disruption and the rate of growth of the gross domestic product in China where it operates, interest and exchange rates and the rates of inflation.

No assurances can be given or forecasts made regarding the continuing strong growth experienced by the Chinese economy nor whether or when it will slow materially or shrink. If the Chinese economy does not continue to grow or if it slows materially, stops growing or goes into recession, there may be a diminished market for the Group's services. This would have a material adverse effect on the performance and profitability of the Group.

(c) Changes in legislation and government regulation

The introduction of new legislation or amendments to existing legislation and regulations by governments, and the decisions of courts and tribunals, can impact adversely on the assets, operations and, ultimately, the financial performance of the Group. In addition, any adverse changes in political and regulatory conditions in China, BVI or Australia could affect the prospects of the Group's operating companies or those of the Group as a whole. Financial and economic changes such as changes in both monetary and fiscal policies, import regulations and tariffs, taxation, methods of taxation and currency exchange could affect the profitability of the Group and adversely affect the return to Shareholders.



6. DIRECTORS AND CORPORATE GOVERNANCE

6.1. Directors

The Company is managed by a board of directors which currently comprise of three directors, namely:

Name	Age	Designation
MA Haiyong	59	Independent director and chairman of the board
HU Liyong (Leon)	45	Managing director
CHENG Tianxi	77	Independent director

The business and working experience of each director is summarised below:

- (a) MA Haiyong *Appointed on*
8 June 2016



Residential address

Room 1601, No. 6 Yixian Road No 458 Lane (Nong)
Hongkou District, Shanghai
China

Haiyong is a retired business executive and entrepreneur. Prior to his retirement, he held various senior executive positions such as general manager, president and chief executive officer. The more significant achievements of his career includes being president of the Heping Group, a diverse conglomerate in the property development, leisure & hospitality industries and motor vehicle distributorship, chairman of the board and general manager of Shanghai Guihong Enterprise Development Co., Ltd., an interior decoration business which he founded and went on to become one of the 50 largest tax paying enterprise in Hongkou district in Shanghai.

For his distinguished service and contribution to industry and government promoted community activities, Haiyong was conferred a number of awards, the most prominent being the May Day Distinguished Labour Award conferred by the PRC central government which he received in 2014.

Haiyong has very immense interest in the area of knowledge in information driven business management and this has driven him to contribute significantly in SISA till now.



(b) HU Liyong (Leon)

Appointed on
8 June 2016



Residential address
Room 102, No. 21 Zhonghai Xin Garden
Weiqinzhou South Road No. 8 Lane (Nong)
Xuhui District, Shanghai
China

Leon graduated with a Bachelor of Science degree in Enterprise Management from Fudan University, a Top-10 university in China which is ranked 88th in the QS World University Rankings® 2013/4, and has a Masters in Business Administration from the University of Hong Kong. Prior to entering the private sector in 2006, Leon spent a number of years as an university administrator being the vice-dean of Shanghai Jiaotong University School of Microelectronics. During this time, he also served as deputy general manager of Shanghai Jiaotong University Creative Microsystems Co., Ltd, a commercial entity under Shanghai Jiaotong University School of Microelectronics, and as executive director and deputy general manager of Shanghai Congli Cultural Media Co., Ltd and Shanghai Silicone Intellectual Property Exchange Co., Ltd respectively.

Leon is an active participant of, and has leadership role in, a number of business, trade or civic associations. These include World Chinese Entrepreneurs' Association, Shanghai Financial Information Industry Association and Shanghai International Tourism Alliance.

(c) CHENG Tianxi

Appointed on
8 June 2016



Residential address
Room 1202, No. 294 Shapu Road No. 311 Lane (Nong)
Baoshan District, Shanghai
China

CHENG Tianxi was a career public servant who served at the Shanghai Textile Bureau, the regulatory authority for the textile industry, from 1961 until he retired in 1997.

Post-retirement, given Tianxi's extensive experience in the textile industry, he was appointment by the local government of various cities in China as senior economic advisor. These cities include Ma'anshan City in Anhui Province, Qidong and Haimeng Cities and Rudong County in Jiangsu Province. Tianxi also a senior advisor to the emergency rescue operations centre of a large-scale petrochemical company.



Tianxi is also active in civil society activities since 2001, particularly in International Development Network, Shanghai branch or Devnet (Shanghai). Devnet (Shanghai) is the Shanghai branch of Devnet International, a non-governmental organisation accredited by the Economic and Social Council of the United Nations and whose principal objective is to promote reflection, debate and innovative thinking on sustainable development. Currently, he serves as the senior vice-president of the organising committee of Devnet (Shanghai) and had served as the vice chairman of its organizing committee on participation in the 2010 World Expo held in Shanghai.

6.2. Senior management

The day-to-day management of the Group's business is tasked to HU Liyong (Leon) who is the Company's managing director. He is supported by a core management team of experienced personnel, comprising:

(a) YIN Jiajie (Age: 33), General manager (business development, Shanghai)

Jiajie is a graduate in maritime studies from Nanjing Maritime College (now known as Jiangsu Maritime Institute) and in human resource management from Beijing Institute of Technology. As general manager (business development), he oversees the channel marketing of third-party financial products business of JJH in the greater Shanghai area, including recruiting, training, motivating and managing sales personnel covering that area. Jiajie joined JCM in 2012.

Jiajie holds 50,000 Shares.

(b) LIAO Jiaqing (Age: 26), General manager (business development, ex-Shanghai)

An accountancy graduate from Shanghai Lixin University of Commerce, Jiaqing first joined JCM in 2013 as a team leader of a sales teams in Shanghai. He was promoted first to manager overseeing the Eastern China region and then to his current position where he is responsible for the channel marketing of third-party financial products business of JJH in the rest of China market, except greater Shanghai area. His duties includes recruiting, training, motivating and managing sales personnel covering that area.

Jiaqing holds 80,000 Shares.

(c) LI Qun (Age: 49), General manager (Operations)

Prior to joining JCM in 2014, Li Qun has more 20 years experience in accounting, human resource management and administration in a wide range of industries, including petrochemicals (9 years as chief accountant) and hotel (9 years in finance and human resource management). Li Qun's principal



responsibility in JJH is to provide administrative support services (such as sales processing and documentation) to the sales and marketing team, devise and implement standard operating procedures on work flow and work processes and to ensure compliance with these standard operating procedures. Li Qun graduated with a degree in accountancy from the Shanghai University of Finance and Economics.

(d) MAO Xiaohui (Age: 44), Financial controller

As financial controller, Xiaohui has overall responsibility for financial reporting for JJH. His duties includes the timely preparation of financial reports and periodic management accounts for management and cash flow management. He also provides financial and accounting support for all ad-hoc projects JCM, and now JJH, undertakes. Prior to joining JCM in 2015, he was financial controller of a shipping company and of UTO, a company invested by JCM. Xiaohui has an accountancy degree from Anhui University.

Xiaohui owns 3,200,000 Shares, all of which are subject to escrow.

6.3. Directors' holdings

As of the date of this information memorandum, directors' interests in Shares are as follows:

Director	Direct interest	Deemed interest	Total interest	% of issued capital
MA Haiyong	-	20,000 ⁽¹⁾	-	-
HU Liyong (Leon)	64,000,000	-	64,000,000	40.00%
CHENG Tianxi	-	-	-	-

⁽¹⁾ Shares owned by and held in the name of his spouse

6.4. Remuneration received by directors and their related entities

Directors will be paid the following remuneration:

	Director's fees per annum ⁽¹⁾	Wages, salaries and/or bonus
MA Haiyong	A\$40,000	-
HU Liyong (Leon)	A\$40,000	RMB300,000 ⁽²⁾
CHENG Tianxi	A\$40,000	-

⁽¹⁾ Subject to Shareholders' approval at each annual general meeting

⁽²⁾ Equivalent to approximately A\$63,600 based on the exchange rates as of Latest Practicable Date



A director may also be paid fees or other amounts as the board of directors determines if that director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out-of-pocket expenses incurred as a result of his directorship or any special duties.

6.5. Other information on directors

As of the date of this information memorandum:

- (a) there are no family relationships among any of the directors; and
- (b) none of the directors has, in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or any partnership in which he is or was a partner or any body corporate of which he is or was a director or has been sanctioned or otherwise disciplined by any self-regulatory securities association of which he is or has been a security holder or any securities supervisory or regulatory body or any such event is pending.

6.6. Corporate governance statement

Given the size of the Company the board is yet to formally adopt corporate governance procedures. The board will continually review the need for corporate governance practices, and to adopt them as and when the need arises in the future. Disclosure of these corporate governance practices will be given in accordance with the Listing Rules.



7. DETAILS OF THE LISTING

7.1. NSX listing

The Company has applied to NSX for admission to the Official List and for official quotation of its CDIs on NSX. The fact that NSX may list the Company's securities is not to be taken in any way as an indication of the merits and commercial viability of the Company or the listed securities. The NSX takes no responsibility for the contents of this information memorandum, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of this Prospectus.

Directors expect that trading of the Shares on NSX will commence as soon as practicable after approval for admission to the Official List is granted and all conditions (if any) applicable thereto have been fulfilled.

7.2. Purpose of the Listing

The Company's application to NSX is to list its CDIs on NSX by way of a compliance listing. No new capital will be raised by the Company as a result of the Listing. Nonetheless, directors believe that the listing of the CDIs on NSX is beneficial to the Company and Shareholders because a listing on NSX will:

- ◆ allow Shareholders who may wish to trade their shares through a stock exchange to do so;
- ◆ broaden the Company's shareholder base;
- ◆ facilitate the Group to raise further capital when such additional capital is required to expand the Group's business operations or for such other purposes as they may arise; and
- ◆ raise the Group's profile among its prospective investment targets, investee companies, co-investors and other business partners to accelerate the Group's business expansion.

7.3. Information about NSX

In February 2000, NSX became the second stock exchange to be approved under the then corporations law in Australia and is licensed under the Corporations Act. NSX is a fully operational and fully regulated stock exchange. NSX creates a market for a wide range of interests including alternative investments and traditional equity securities. Investments listed by NSX cover various areas of the economy that require a market platform. NSX is focused on listing small to medium-sized enterprises, as there is a great need for growth entities to have a capital market in which they can



raise further capital and provide a mechanism for the transferability of shares or other listed interests.

Additional information about NSX and the market which it operates can be obtained on its website (www.nsx.com.au).

7.4. Brokers

As at the Latest Practicable Date, there are twenty-three brokers registered as participant brokers of NSX, and they are the only brokers who can execute trades on NSX. Full profiles of these participant brokers are available on NSX website under the “For Brokers | Brokers List” tab.

7.5. Nominated Adviser

Companies intending to list on NSX are required to have a nominated adviser. It is contemplated that, with a nominated adviser for each company, investors will be offered better protection because nominated advisers are required to make sure that companies meet the on-going requirements for listing on NSX and the requirements of the Act. The Company has appointed Biztrack Consultants Private Limited as nominated adviser.

7.6. Restricted securities

NSX may classify certain securities as being subject to the restricted securities provisions of the Listing Rules. In particular, directors, other related parties and promoters may receive escrow on securities held by them for up to 24 months from the date the Company's CDIs are listed on NSX.

The Company has made submission to NSX on the securities to be restricted, and subject to NSX's acceptance thereof, the Company will enter into restriction agreements with certain directors to implement the proposed escrow arrangements. A summary of the proposed escrow arrangements is set out in Section 4.6.

7.7. Rights and liabilities attaching to Shares and CDIs

Full details of the rights and liabilities attaching to the Shares are:

- (a) detailed in the Company's Memorandum and Articles of Association (its constituent documents, which are the equivalent of an Australian company's constitution), copies of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by BVI law (in particular, the BVI Business Companies Act), the Listing Rules and the general law; and



- (c) in the case of CDIs, detailed the ASX Settlement Operating Rules.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The summary applies also to CDIs and CDI holders, unless specified otherwise.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there is only one class of shares), at meetings of Shareholders of the Company:

- (i) each Shareholder who is entitled to vote may vote in person or by proxy;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, have one vote.

To exercise their voting rights, a holder of CDIs must either:

- (i) direct CDN in advance of the meeting to appoint the holder or a person nominated by the holder as CDN's proxy in relation to the number of CDIs the holder holds to attend and vote at the meeting; or
- (ii) direct CDN on how to vote in advance of the meeting.

(b) Dividends

Directors may declare that a dividend is to be paid to Shareholders entitled to the dividend. Dividends are payable out of profits. Dividends declared will (subject to any special rights or restrictions attached to a class of shares created as to any arrangement as to dividend) be payable on shares in accordance with the BVI Business Companies Act.

(c) Future issues of securities

Subject to the Constitution and the Listing Rules, directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the



times and on the terms that directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

Subject to the Constitution, a Shareholder may transfer Shares by:

- (i) if the Shares are in the form of CDIs, a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules for the purpose of facilitating transfers in CDIs; or
- (ii) an instrument in writing in any usual or common form or in any other form approved by directors or in any other usual or common form.

(e) Future increases in capital

Without prejudice to any special rights conferred on the holder of any Shares, and subject to the Listing Rules and the Constitution, and prior Shareholders' approval being granted at a general meeting of Shareholders, directors may allot and issue such number of Shares or class of Shares and on such terms as they see fit.

(f) Variation of rights

Under the Constitution, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary the rights attached to the Shares. Subject to the Constitution and the Listing Rules, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up, may be varied with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(g) Meetings and notices

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, and other documents required to be sent to Shareholders under the Constitution or the Listing Rules.

Shareholders may requisition meetings in accordance with the Constitution.



(h) Election of directors

There must be a minimum of three directors. At every annual general meeting one-third of directors (rounded to the nearest whole number) must retire from office. If the Company has fewer than three directors, one director must retire from office together with any director who would have held office for more than 3 years if that director remains in office until the next general meeting. These retirement rules do not apply to certain appointments including the managing director.

(i) Winding Up

Subject to the rights of holders of shares (if any) with special rights in a winding up, on the winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them.

(j) Alteration to the Constitution

The Constitution can be amended by a special resolution passed by at least three-quarters of Shareholders present and voting at a general meeting. At least 21 days' written notice, specifying the intention to propose the resolution as a special resolution, must be given.

(k) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in Constitution, if the Listing Rules prevents an act being done, that act must not be done. Nothing in the Constitution prevent an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it does contain such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

7.8. CHESS

The NSX has established a transfer service agreement with ASX Settlement. This agreement recognises NSX as an Australian market operator pursuant to the ASX Settlement and Operating Rules and allows NSX to be a recipient of the transfer service provided by ASX.



The Company will apply to participate in the Clearing House Electronic Subregister System (CHESS), operated by ASX Settlement, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. These two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive holding statements that set out the number of Shares each Shareholder owns. If a Shareholder is broker-sponsored, ASX Settlement will send that shareholder a CHESS statement. This statement will also advise shareholders of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (SRN) in the case of a holding on the issuer-sponsored sub-register.

A CHESS statement or issuer-sponsored statement will routinely be sent to Shareholders at the end of every calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time; however a charge may be imposed for additional statements.

BVI Business Companies Act (as amended by BVI Business Companies (Amendment) Act 2015) allows BVI companies listed on certain stock exchanges (which does not include NSX) to maintain their share registers and implement procedures for share transfers in accordance with the rules of the relevant stock exchanges. Notwithstanding a listing on NSX, BVI law does not recognise the Company's participation in the electronic CHESS sub-register as being in compliance with BVI laws. Therefore, beneficial ownership of Shares held on the CHESS sub-register will be held in the form of CDIs.

7.9. CDIs

(a) What are CDIs?

CHESS Depositary Interests, or CDIs, are a form of beneficial interest in shares (sometimes called a depositary receipt), rather than a holding of shares themselves. This means that a depositary nominee holds shares on behalf of the CDI holder as trustee, and passes through all benefits accruing to the underlying shares such as dividends, capital returns, bonus issues and rights to take up new shares in entitlement issues.

One CDI issued by the Company represents an interest in one underlying Share.



(b) Why issue CDIs?

The issue of CDIs instead of Shares is necessary because under BVI Business Companies Act (as amended by BVI Business Companies (Amendment) Act 2015), business companies incorporated in BVI may directly participate in uncertificated electronic share trading systems such as CHESS if they are listed on certain stock exchanges. However, the Company's listing on NSX does not qualify it to do so. Accordingly, Shares will instead be issued to CDN, which is a special purpose subsidiary of ASX Limited that has been set up to act as depositary nominee and trustee for CDI holders. Shareholders, will receive CDIs which represent an interest in the Shares held by CDN.

The Company will issue holding statements for CDIs in exactly the same way that holding statements are issued for uncertificated shares that are traded on NSX.

(c) What are the main differences between Shares and CDIs?

The main difference is that a CDI holder is not the registered holder of Shares. The Shares are held in the name of CDN, which issues CDIs representing those Shares. However, as the beneficial owner of the same number of Shares which are represented by the number of CDIs, a CDI holder effectively has all the benefits of share ownership with the exception of the right to vote directly in person at a general meeting.

The Constitution provides that a CDI holder may attend and vote at a general meeting as proxy for CDN in relation to such number of CDIs the holder holds. Therefore, for a holder of CDIs to exercise voting rights relating to the CDIs, the holder must either:

- (i) direct CDN in advance of the meeting to appoint the holder or a person nominated by the holder as CDN's proxy in relation to the number of CDIs the holder holds to attend and vote at the meeting; or
- (ii) return voting direction forms in advance of the general meeting, which direct CDN how to vote on a particular resolution. CDN is then obliged under the ASX Settlement Operating Rules to lodge proxy votes in accordance with the directions of CDI holders.

Other aspects of direct Share ownership are, in effect, enjoyed by CDI holders including direct payment of dividends and other distributions, direct receipt of notices of meeting, annual reports and other information from the Company, and rights to take up new shares in entitlement issues. The Company's share registry will maintain a register of CDI holders to facilitate direct communication and dealing in this way.



(d) Can CDIs be converted into Shares?

Holders of CDIs can elect to convert their CDIs into the underlying Shares. This will result in the cancellation of the CDIs and the transfer of the Shares from CDN to the former holder of the CDIs. However, any such Shares cannot be traded on NSX unless they are first converted back into CDIs by reversing the above procedure. CDI holders should contact their sponsoring participant (usually the stockbroker who bought the CDIs for them) or the Share Registry for more information on the procedure.



8. FINANCIAL INFORMATION

8.1. Introduction

- (a) The Group is a result of the Restructuring whose sole purpose was to acquire all assets, specified liabilities and the entire business undertakings of JCM for purposes of the Listing. Therefore, the financial information (the “Financial Information”) set out in this section relates to financial information of JCM comprising:
 - (i) the audited historical financial statements for the financial year ended 30 September 2014;
 - (ii) the audited historical financial statements for the financial year ended 30 September 2015; and
 - (iii) the reviewed historical financial statements for the 6-month period ended 31 March 2016.
- (b) The Financial Information were prepared in accordance with International Financial Reporting Standards (“IFRS”), which collective term includes all applicable individual IFRS and interpretations approved by the International Accounting Standards Board.
- (c) J.K. Tan & Co, Chartered Accountants (Malaysia) had audited or reviewed (as the case may be) the aforesaid financial statements, and had issued unqualified opinions on these financial statements. The audit and review performed by J.K. Tan & Co were carried out in accordance with International Standards on Auditing issued by the International Federation of Accountants through the International Auditing and Assurance Standards Board.
- (d) The Financial Information had been prepared and are presented in Chinese Yuan or *Renminbi*, the currency of the primary economic environment in which JCM operates. The Australian Dollars equivalents of the Financial Information in this Section is derived at by direct conversion using a fixed exchange rate of A\$1 = RMB4.73 (being the approximate exchange rate as at Latest Practicable Date) and is presented for reference purposes only.

8.2. Audited and reviewed proforma consolidated financial statements

The company's auditors have prepared a reporting accountant's report of the audited and reviewed proforma consolidated financial statements of the company and its subsidiaries for the financial years ended 30 September 2014 and 30 September 2015 (audited) and for the six-month period ended 31 march 2016 (reviewed). This reporting accountant's report is reproduced (with typesetting modifications only) in its entirety as Appendix B.



8.3. Tabulation of Statement of Financial Position

A tabulation of the Statement of Financial Position (or balance sheet) as at the end of each of the two preceding financial years and of the last financial period are set out below:

	Statement of Financial Position as of					
	(Presented in Australian Dollars for reference purposes only)			(In Chinese Yuan or Renminbi, the original reporting currency)		
	31.3.2016 (Reviewed)	30.9.2015 (Audited)	30.9.2014 (Audited)	31.3.2016 (Reviewed)	30.9.2015 (Audited)	30.9.2014 (Audited)
Non-current assets						
Plant and equipment	287,456	9,516	8,860	1,359,668	45,010	41,912
Investments at fair value through profit or loss	66,200,457	66,200,457	58,985,949	313,128,160	313,128,160	279,003,538
	66,487,913	66,209,973	58,994,809	314,487,828	313,173,170	279,045,450
Current assets						
Bridging loans receivable	40,632,003 ⁽⁴⁾	1,951,200	788,474	192,189,376 ⁽⁴⁾	9,229,175	3,729,481
Other receivables	418,285	323,005	56,660	1,978,489	1,527,813	268,000
Amount due from shareholder	-	-	2,565,607	-	-	12,135,322
Cash and bank balances	8,824,878	3,452,958	215,046	41,741,675	16,267,488	1,017,166
	49,875,166	5,727,163	3,625,787	235,909,540	27,044,476	17,149,969
TOTAL ASSETS	116,363,079	71,927,620	62,620,596	550,397,368	340,217,646	296,195,419
Capital and reserves						
Share capital	42,283,298	4,228,330	4,228,330	200,000,000	20,000,000	20,000,000
Paid-in surplus	105,798	105,708	105,708	500,000	500,000	500,000
Retained earnings	65,957,358	65,768,276	57,955,971	311,978,308	311,083,946	274,131,741
	108,346,364	70,102,314	62,290,009	512,478,308	331,583,946	294,631,741
Current liabilities						
Provision for taxation	595,038	528,224	330,587	2,814,529	2,498,499	1,563,678
Amount due to shareholder ⁽¹⁾	7,421,677	1,297,082		35,104,531	6,135,201	-
Total liabilities	8,016,715	1,825,306	330,587	37,919,060	8,633,700	1,563,678
TOTAL EQUITIES AND LIABILITIES	116,363,079	71,927,620	62,620,596	550,397,368	340,217,646	296,195,419
NET ASSET PER SHARE⁽²⁾	A\$0.677⁽³⁾	A\$0.438	A\$0.389	RMB3.203⁽³⁾	RMB2.072	RMB1.841



Notes:

- (1) The amount due to shareholder is non-trade in nature, unsecured, interest-free and is payable on demand.
- (2) Calculated based on 160,000,000 Shares, the number of issued shares of the Company.
- (3) During the six-month period ended 31 March 2016, there was an increase in capital from RMB20,000,000 to RMB200,000,000. This increase in paid up capital is the main factor for the increase in net asset per share during this six-month period.
- (4) This amount includes a short-term bridging loan amounting to RMB98,000,000 extended Juru Asset Management Group Co., Ltd, a company which Hu Liyong, a director of the Company, has interest in.

8.4. Tabulation of Statement of Comprehensive Income

A tabulation of the Statement of Comprehensive Income (or profit and loss statement) for each of the two preceding financial years and for the last financial period are set out below:

	Statement of Comprehensive Income for the period / years ended					
	(Presented in Australian Dollars for reference purposes only)			(In Chinese Yuan or Renminbi, the original reporting currency)		
	31.3.2016 (Reviewed)	30.9.2015 (Audited)	30.9.2014 (Audited)	31.3.2016 (Reviewed)	30.9.2015 (Audited)	30.9.2014 (Audited)
Revenue	5,565,365 ⁽²⁾	12,839,412 ⁽¹⁾	61,563,680	26,324,175 ⁽²⁾	60,730,417 ⁽¹⁾	291,196,208
Other items of income	1,275	6,839	378	6,033	32,350	1,789
Items of expense						
Direct costs	(1,911,839)	(2,106,344)	(1,860,679)	(9,042,997)	(9,963,009)	(8,801,010)
Employee benefits expense	(1,149,089)	(1,035,407)	(647,522)	(5,435,192)	(4,897,474)	(3,062,777)
Depreciation expense	(15,164)	(2,411)	(1,016)	(71,725)	(11,402)	(4,805)
Other operating expenses	(2,233,404)	(1,691,748)	(574,342)	(10,564,003)	(8,001,966)	(2,716,640)
	(5,309,496)	(4,835,910)	(3,083,559)	(25,113,917)	(22,873,851)	(14,585,232)
Profit before taxation	257,144	8,010,341	58,480,499	1,216,291	37,888,916	276,612,765
Taxation	(68,061)	(198,036)	(330,825)	(321,929)	(936,710)	(1,564,807)
Profit after taxation	189,083	7,812,305	58,149,674	894,362	36,952,206	275,047,958
Other comprehensive income	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	189,083	7,812,305	58,149,674	894,362	36,952,206	275,047,958
EARNINGS PER SHARE⁽³⁾	A\$0.001	A\$0.049	A\$0.364	RMB0.006	RMB0.231	RMB1.72



Notes:

- (1) The decrease in revenue for the financial year ended 30 September 2015 from the previous financial year is due to the initial recognition of net gain on financial assets at fair value through profit and loss of JCM's financial investments in the financial year ended 30 September 2014.
- (2) Revenue for the six-month period ended 31 March 2016 does not include net gain on financial assets at fair value through profit and loss as such gain (or loss) is assessed and recognised only at the end of each financial year.
- (3) Calculated based on 160,000,000 shares, the number of issued shares of the Company.

8.5. Working capital

As at the date of this information memorandum, the Group has sufficient working capital for its current requirements. Therefore, the Company has no intention of raising additional funds for at least three months after its listing on NSX.

8.6. No prospective financial forecast

No prospective financial forecast or projection is prepared for inclusion in this information memorandum because directors consider that any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Notwithstanding the above, this information memorandum includes, or may include, forward-looking statements which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. Matters not yet known to the Company or not currently considered material to the Company may impact on these forward-looking statements.

In light of these risks, uncertainties and assumptions, forward-looking statements in this information memorandum might not occur. Investors are therefore cautioned not to place undue reliance on these statements.



9. ADDITIONAL INFORMATION

9.1. Differences in key issues between BVI and Australian law

The Company is incorporated in BVI. There may be material differences between the rights of Shares and holders of Shares in an Australian company and the rights of Shares and holders of Shares in a BVI company, resulting from the differences in their governing documents and governing laws.

This summary is a general description of the principal differences in selected key issues between the laws and regulations concerning shares in a company incorporated in BVI as opposed to Australia. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time and investors should seek their own independent legal advice if they have any doubt as to their own legal position.

(a) Corporate procedures

The general company law structures of BVI and Australia are reasonably similar, being based in legislation with a common law background of directors' duties. As with Australian company law, many corporate procedures which require approval by a special resolution of shareholders under Australian law also require approval by a special resolution of shareholders under BVI law. These corporate actions include a change of company name, alteration of the memorandum or articles of association, and approval of capital reductions.

(b) Takeovers

Acquisitions of shares in a BVI company are not regulated under the BVI Business Companies Act. However, the Constitution provides that if the Company is listed on an exchange that is constituted under or is subject to Australian law, then Australian Takeover Rules shall apply as if the Company was incorporated in Australia.

(c) Substantial shareholder reporting

Under the Constitution, substantial shareholder reporting will be regulated under the Listing Rules to exactly the same extent as a listed Australian company.

(d) Related-party transactions

Related-party transactions (that is, transactions between a public company



and a director, an entity controlled by a director, or a parent company of the public company) are regulated in Australia under the Corporations Act by a requirement for disinterested shareholder approval, unless the transaction is on “arm's length terms”, represents no more than reasonable remuneration, or complies with other limited exemptions.

Under the Constitution, issues of shares or other equity securities to directors, and all other transactions with directors will be regulated under the Listing Rules to exactly the same extent as a listed Australian company.

9.2. Privacy statement

The Company will include information about Shareholders (including names, addresses and details of the Shares held) in its register. The information contained in the Company's register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communication (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

9.3. Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to take independent financial advice about the taxation and any other consequences of investing in the Company.

9.4. Consents

Each of the following persons referred has given and has not, before the date of this information memorandum, has withdrawn his written consent to be named in this information memorandum in the form and context in which he is named:

- (a) Biztrack Consultants Private Limited; and
- (b) J.K. Tan & Co, Chartered Accountants (Malaysia)



10. DIRECTORS RESPONSIBILITY STATEMENT

This information memorandum has been seen and approved by all directors who collectively and individually accept responsibility for this information memorandum and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this information memorandum are fair and accurate in all material respects as at the date of this information memorandum and that there are no material facts the omission of which would make any statement in this information memorandum misleading.

Each director has consented to lodgement of this information memorandum with NSX and has not withdrawn that consent, and has authorised this information memorandum for issue on the date of this information memorandum.

Signed for and behalf of
Juhe Capital Holdings Limited

MA Haiyong
Chairman

HU Liyong
Executive director



11. CORPORATE DIRECTORY

Directors

MA Haiyong, *Independent non-executive chairman*

HU Liyong (Leon), *Managing director*

CHENG Tianxi, *Independent non-executive director*

Company Secretary

Mah Seong Kung

(A Responsible Officer of the nominated adviser)

Registered Agent in Australia[#]

Themis Corporate Pty Ltd

Nominated Adviser

Biztrack Consultants Private Limited
Room 703 Kowloon Building
555 Nathan Road
Hong Kong

Legal Counsel on PRC Law

China Legal Bureau (Singapore)
101 Upper Cross Street #05-40A
People's Park Centre
Singapore 058357

Registered Address in Australia

Level 1, Office F
1139 Hay Street
West Perth WA 6005

Registered Address in BVI

Offshore Incorporations Centre, Coastal Building
Wickhams Cay II, Road Town, Tortola
British Virgin Islands VG1110

Share Registry[#]

Automic Registry Services
Suite 310, Level 3
50 Holt Street
Surry Hills NSW 2010

Principal Banker[#]

CITIC Bank (Jiaxing Branch)
No. 33-43 Puyang West Road
Jiashan County, Zhejiang Province
China

Auditors

Name of firm: J.K. Tan & Co. (AF-002116)[@]

Chartered Accountants (Malaysia)

Address: 46A Jalan Kebudayaan 16

Taman Universiti

81300 Skudai, Johor

Malaysia

Partner-in-charge: TAN Jin Kiat

Professional Chartered Accountant (Malaysia)

qualifications: Fellow, Association of Chartered Certified Accountants (United Kingdom)

[#] These persons were not involved in the preparation of this information memorandum and have not made any statement included in this information memorandum nor is there any statement made in this information memorandum on the basis of any statement made by these persons. These persons did not consent to being named in this information memorandum and did not authorise or cause the issue of this information memorandum.

[@] J.K. Tan & Co is a firm of Malaysian chartered accountants registered with and licensed by the Malaysian Institute of Accountants ("MIA") under the powers conferred on it by the Accountants Act 1967 of Malaysia. MIA is a statutory agency under the Ministry of Finance of Malaysia.



APPENDIX A

LIST OF TOP-20 SHAREHOLDERS

The Top-20 Shareholders of the Company (including CDIs which are subject to escrow arrangements) as of the date of this information memorandum are as follows:

	Name of holder	Number of CDIs	% of issued capital
1.	HU Liyong [#]	64,000,000	40.00%
2.	Dragon Corn Development Limited	6,810,000	4.26%
3.	Ivana Management Limited	6,610,000	4.13%
	Rosina Consultant Limited	6,610,000	4.13%
5.	Yunfeng Shi	6,600,000	4.13%
6.	Binhao Chu	6,200,000	3.88%
7.	Zhiqun Wang	6,000,000	3.75%
8.	Rongyu Shen	5,985,000	3.74%
9.	Huada Hu	5,800,000	3.63%
10.	Jiaojiao Shen	4,235,000	2.65%
	Yuechen Zao	4,235,000	2.65%
12.	Ying Chen [#]	3,600,000	2.25%
	Yixiao Zhou [#]	3,600,000	2.25%
14.	Xiaohui Mao [#]	3,200,000	2.00%
	Lei Zhang [#]	3,200,000	2.00%
16.	Feilei Wang [#]	1,000,000	0.63%
17.	Shanmei Yao	600,000	0.38%
	Qing Zhao	600,000	0.38%
	Ru Jia	600,000	0.38%
	Yu Huang	600,000	0.38%
	Han Huang	600,000	0.38%
	Xiaoxu Dong	600,000	0.38%
	Sai Zhang	600,000	0.38%
	Juan Huang	600,000	0.38%
	Yao Huang	600,000	0.38%
	Yunxia Lu	600,000	0.38%
	Renjian Luo	600,000	0.38%
	Yuan Le	600,000	0.38%

[#] Restricted securities



REPORTING ACCOUNTANT'S REPORT

J. K. TAN & CO (AF-002116)

46A Jalan Kebudayaan 16

Taman Universiti, 81300 Skudai

Johor, Malaysia

Telephone: 016-7189179 | E-mail: jktanco2020@hotmail.com

10 June 2016

JUHE CAPITAL HOLDINGS LIMITED

c/- Themis Corporate Pty Ltd

Level 1, Office F

1139 Hay Street

West Perth WA 6005

Dear Sirs

REPORTING ACCOUNTANT'S REPORT ON THE AUDITED AND REVIEWED PROFORMA CONSOLIDATED FINANCIAL STATEMENTS OF JUHE CAPITAL HOLDINGS LIMITED AND ITS SUBSIDIARIES (THE "GROUP") FOR THE FINANCIAL YEARS ENDED 30 SEPTEMBER 2014 AND 30 SEPTEMBER 2015 (AUDITED) AND FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2016 (REVIEWED)

1. This report was prepared for inclusion in an information memorandum to be dated on or about 10 June 2016 (the "Information Memorandum") to be issued by Juhe Capital Holdings Limited ("JCL" or the "Company") in relation to its proposed compliance listing on the National Stock Exchange of Australia ("NSX"). Unless the context otherwise permit or is otherwise define, a capitalised word used in this report shall have the same meaning given to it in the Information Memorandum.
2. For the purpose of its proposed compliance listing on NSX, the Company had entered into a series of transactions (*i.e.*, the "Restructuring") as set out in Section 3.10 of the Information Memorandum. The current corporate structure is the result of completion of these transactions.
3. This report is included in the Information Memorandum to illustrate to potential investors and their financial advisers what the historical information of the Group might have been had the Restructuring been completed at an earlier date, that is to say, on 1 October 2013, being the commencement date of the period covered under this report. However, such financial information are not necessarily indicative of the



results of operations or the related effects on the financial position that would have been attained had the Restructuring actually been completed at that earlier date.

BACKGROUND INFORMATION

4. The Company was incorporated in and under the laws of the British Virgin Islands as a BVI business company limited by shares on 29 April 2016 and became registered as a foreign company in Australia on 6 June 2016. The Company has not actively traded since it was incorporated on 29 April 2016 to the date of this report. Consequently, no historical financial information in respect of the Company is presented in this report.
5. On 8 June 2016, the Company entered into and completed an agreement as detailed in Section 3.10(c) and (d) of the Information Memorandum to acquire all of the issued capital of JHC Investments Limited ("JHC") for a consideration of A\$239,999,999 satisfied by the issue of 159,999,999 consideration shares. The consideration to purchase the JHC group has been issued in full as of the date of this report.
6. JHC, and its wholly-owned subsidiary, Zhejiang AOGU Information Technology Co., Ltd ("WFOE") were registered on 11 February 2016 and 5 April 2016 respectively. Neither JHC nor WFOE has actively traded since their respective registration to the date of this report. Consequently, no historical financial information in respect of JHC and WFOE is presented in this report.
7. Juhe Financial Outsourcing Services Co., Ltd ("JJH") is the principal operating subsidiary of the JHC group and is a wholly owned subsidiary within the JHC group. JJH is successor-in-title of the assets and businesses of Juhe Capital Management Co., Ltd ("JCM") having completed the Asset Sale and Business Transfer Agreement dated 8 May 2016 it had entered into with JCM. Based on its terms, the Asset Sale and Business Transfer Agreement was effective 1 April 2016. JJH was acquired by WFOE on 26 May 2012.
8. The proforma financial information presented in this report is the historical financial information of the Company and its subsidiaries for the financial years ended 30 September 2014 and 30 September 2015 and the financial half-year ended 31 March 2016, assuming that:
 - 8.1. the assets acquisitions and businesses transfers from JCM to JJH;
 - 8.2. the acquisition of JJH by JHC; and
 - 8.3. the acquisition of JHC by the Company,set out in Section 3.10 of the Information Memorandum had been completed on 1 October 2013.



9. The proforma consolidated reviewed and audited financial information has been prepared using a balance date of 30 March 2016, the corresponding balance date of JCM. At this time, the registration of the Company and certain of the JHC group companies, the assets acquisitions and businesses transfers from JCM to JJH, the acquisitions of JJH by JHC and the acquisition of the JHC group by the Company had not yet being effected. The proforma consolidated audited financial information has therefore been prepared on the basis that the Company and the JHC group were in existence as at 1 October 2013, being the commencement date of the period covered under this report, and the transactions set out in Section 3.10 of the Information Memorandum had occurred as at that date.
10. Entities with functional currencies other than Australian dollars have been translated into Australian Dollars using fixed exchange rates of A\$1 = RMB4.73 and A\$1 = S\$0.994 (being approximate exchange rates as at Latest Practicable Date).

SCOPE OF REPORT

11. You have requested us to prepare this report on audited and reviewed proforma consolidated financial statements of the Company and its subsidiaries for the financial years ended 30 September 2014 and 30 September 2015 (audited) and for the six-months period ended 31 March 2016 (reviewed) presenting the the audited and reviewed historical financial information of JCM comprising the historical Statements of Financial Position as at 30 September 2014, 30 September 2015 and 31 March 2016 and the historical Statements of Comprehensive Income for the periods then ended as set out in Attachment 1 to this report.
12. The directors have prepared and are responsible for the historical and proforma information. To the extent permitted by law, we disclaim any responsibility for any reliance on this report or on the financial information to which it relates for any purposes other than that for which it was prepared. This report should be read in conjunction with the full Information Memorandum.
13. The the proforma financial information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.
14. The historical financial information used to prepare the proforma financial information as set out in Attachment 1 has been extracted from the historical financial statements of JCM for the period from 1 October 2013 to 31 March 2016 which we have audited. Our audit opinions on those financial statements were unqualified.



FINANCIAL INFORMATION

15. Set out in Attachment 1 (attached) are:

15.1. The proforma Consolidated Statements of Financial Position of the Company and its subsidiaries as at 30 September 2014, 30 September 2015 and 31 March 2016 and the proforma Consolidated Statements of Comprehensive Income for the periods then ended as they would appear had the following transactions had occurred on 1 October 2013:

- (a) assets acquisitions and businesses transfers from JCM to JJH;
- (b) acquisition of JJH by JHC; and
- (c) acquisition of JHC by the Company; and

15.2. Notes to the proforma financial information.

SUBSEQUENT EVENTS

16. In our opinion, there have been no material items, transactions or events subsequent to 31 March 2016 not otherwise disclosed in the Information Memorandum that have come to our attention during the course of our audit of the financial statements of JCM for the preparation of this report and of the preparation of this report that would require comment in, or adjustment to, the content of this report or which would cause such information included in this report to be misleading.

STATEMENT

17. Based on our work done, we have not become aware of any matter that causes us to believe that the audited and reviewed proforma consolidated financial information of Juhe Capital Holdings Limited as at 30 September 2014, 30 September 2015 and 31 March 2016 as set out in Attachment 1 of this report, does not present fairly the financial position of the Company and its subsidiaries at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable International Financial Reporting Standards, and its performance as represented by its results of its operations for the periods then ended, as if the transactions referred to in paragraph 8 of this report had occurred at the commencement of that period.

DECLARATION

18. J. K. Tan & Co. hereby declare and state as follows:

18.1. We have been or will be paid our usual professional fees based on time involvement for:



- (a) the audit and review (as the case may be) of the financial statements of JCM from which information used for the preparation of this report has been extracted; and
 - (b) the preparation of this report,
- at our normal professional rates.
- 18.2. Apart from the aforementioned fee, neither J. K. Tan & Co., nor any of its associates has received or will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 18.3. Neither J. K. Tan & Co., nor any of its employees or associated persons has any interest in the Company or its promotion.
- 18.4. Unless specifically referred to in this report, or elsewhere in the Information Memorandum, we were not involved in the preparation of any other part of the Information Memorandum and did not cause the issue of any other part thereof. Accordingly, we make no representations or warranties as to the completeness or accuracy of information contained in any other part of the Information Memorandum.
- 18.5. J. K. Tan & Co. has consented to the inclusion of this report in the Information Memorandum in the form and context in which it appears. The inclusion of this report should not be taken as an endorsement of the Company or as a recommendation by us of any participation in the Company by any potential investor.

J. K. Tan & Co
(AF-002116)



ATTACHMENT 1

JUHE CAPITAL HOLDINGS LIMITED AND SUBSIDIARIES

Proforma Consolidated Statements Of Financial Position

as at 30 September 2014, 30 September 2015 and 31 March 2015

	Proforma Consolidated Statement of Financial Position as at		
(In A\$)	31 March 2016	30 September 2015	30 September 2014
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Current Assets			
Bridging loans and other receivables	41,047,087	2,274,027	3,410,475
Cash and bank balances	8,825,197	3,444,182	216,036
	49,872,284	5,718,209	3,626,511
Non-current Assets			
Goodwill	197,806,981	235,858,981	235,858,981
Plant and equipment	287,434	9,515	8,860
Investments at fair value through profit and loss	66,195,293	66,195,293	58,981,348
	264,289,708	302,063,790	294,849,189
TOTAL ASSETS	314,161,992	307,781,999	298,475,700
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	240,000,000	240,000,000	240,000,000
Retained earnings	66,145,903	65,965,835	58,145,138
Total Equity	306,145,903	305,956,835	298,145,138
Current Liabilities			
Provision for taxation	594,991	528,183	330,562
	594,991	528,183	330,562
Non-current Liabilities			
Amount due to director	7,421,098	1,296,981	-
	7,421,098	1,296,981	-
Total Liabilities	8,016,089	1,825,164	330,562
TOTAL EQUITY AND LIABILITIES	314,161,992	307,781,999	298,475,700

(The above should be read with the accompanying notes)



JUHE CAPITAL HOLDINGS LIMITED AND SUBSIDIARIES

Proforma Consolidated Statements Of Comprehensive Income for financial periods ended 30 September 2014, 30 September 2015 and 31 March 2015

**Proforma Consolidated Statement of Comprehensive Income
for the period ended**

	31 March 2016	30 September 2015	30 September 2014
	<i>(6 months)</i>	<i>(12 months)</i>	<i>(12 months)</i>
<i>(In A\$)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	5,565,365	12,839,412	61,563,680
Other items of income	1,275	6,839	378
Items of expense			
Direct costs	(1,911,839)	(2,106,344)	(1,860,679)
Employee benefits expense	(1,149,089)	(1,035,407)	(647,522)
Depreciation expense	(15,164)	(2,411)	(1,016)
Other operating expenses	(2,233,404)	(1,691,748)	(574,342)
	(5,309,496)	(4,835,910)	(3,083,559)
Profit before taxation	257,144	8,010,341	58,480,499
Taxation	(68,061)	(198,036)	(330,825)
Profit after taxation	189,083	7,812,305	58,149,674
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	189,083	7,812,305	58,149,674

(The above should be read with the accompanying notes)



JUHE CAPITAL HOLDINGS LIMITED AND SUBSIDIARIES

Notes to the Proforma Consolidated Financial Statements for the financial periods ended 30 September 2014, 30 September 2015 and 31 March 2015

1. REPORTING ENTITY

Juhe Capital Holdings Limited is a company registered in the British Virgin Islands, with its operations and management control in the People's Republic of China.

JCM transferred its assets and businesses to JJH, its successor-in-title, effective 1 April 2016 on 8 May 2016. JJH was acquired by the JHC Group on 26 May 2016. JHC and its subsidiaries were in turn acquired by the Company on 6 June 2016. The historical financial information from 1 October 2013 to 31 March 2016 (the "Period Under Review") is that of JCM and the proforma consolidated balances comprise the Company and its controlled entities as if they were registered on 1 October 2013 and the above acquisitions had been effected as at that date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies which have been adopted in the preparation of the historical and proforma financial information reported under International Financial Reporting Standards ("IRFS") are shown below:

2.1. Basis of preparation

The financial statements are prepared in accordance with IFRS, which collective term includes all applicable individual International Financial Reporting Standards and Interpretations approved by the International Accounting Standards Board ("IASB"), and all applicable individual International Accounting Standards and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2.2. Principles of consolidation

The proforma consolidated financial statements incorporate the assets and liabilities of all subsidiaries controlled by the parent entity as at balance date and the results of all subsidiaries for the period then ended. The parent entity and its subsidiaries together are referred to in this report as the "Group" or the "consolidated entity". Where control of an entity is obtained during a financial period, its results are included in the consolidated Statement of Comprehensive Income from the date on which control commences.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a



shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3. Financial Assets

The Company 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 Company'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 associates 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 Company.

Investment in associates:

In accordance with the exemption within *IAS28 Investments in Associates and Joint Ventures*, the Company does not account for its investment in associates using the equity method. Instead, the Company has elected to measure its investment in associates at fair value through profit or loss.

Recognition / Derecognition:

Regular acquisitions and disposals of investments are recognised on the trade date on which the Company received acquisitions of investments or delivered disposals of investments. A fair value through profit or loss asset is derecognised when the Company loses control over the contractual rights



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

Measurement:

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

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

Fair value estimation:

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The fair value of financial instruments that are not traded in an active market is determined by using valuation report at the reporting date issued by an Independent, Certified Practising Valuer. The Company believes that Certified Practising Valuer have a professional approach and work with well-established processes and standards to produce valuations that are robust, reliable and independent for their each investee company.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise bridging loans and other receivables in the statement of financial position. Subsequent to initial recognition, 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.



2.4. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company 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) Interest income

Interest income is recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

- (3) Commissions income

Commissions income is recognised on an accrual basis.

2.5. 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; or
 - (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.



- (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); or
 - (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);
 - (vii) 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 Company'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.



Fair value of financial instruments

The fair value of financial instruments was assessed by an Independent, Certified Practising Valuer who use valuation models and techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Income Taxes

The Company is subject to income taxes in the PRC. The Company 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. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 March 2016⁽¹⁾ and 30 September 2015:

Name	Country of incorporation	Fair value hierarchy level	Portion of ownership interest	Cost A\$	Fair value A\$
Shanghai Dreamworks Technology Co., Ltd	China	3	40%	845,666	31,976,186
Shanghai UTO X-internet Co., Ltd	China	3	40%	930,233	33,272,897
Montessori (Shanghai) Investment Management Ltd	China	2	5%	52,854	951,374
				1,828,753	66,200,457

(1) No valuation of the Company's investments as at 31 March 2016 (end of the half-year financial period) was carried out.

As at 30 September 2014

Name	Country of incorporation	Fair value hierarchy level	Portion of ownership interest	Cost A\$	Fair value A\$
Shanghai Dreamworks Technology Co., Ltd	China	3	40%	845,666	28,507,872
Shanghai UTO X-internet Co., Ltd	China	3	40%	930,233	30,434,918
Montessori (Shanghai) Investment Management Ltd	China	2	5%	52,854	43,159
				1,828,753	58,985,949



In accordance with *IFRS 7- Financial Instruments: Disclosures*, financial instruments recognised at fair value are required to be analysed between those whose fair value is based on:

- (a) Quoted prices in active markets for identical assets or liabilities (Level 1);
- (b) Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- (c) Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

In accordance with *IFRS 13*, for assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period of 2014 and 2015.

Statement of changes in Investment at fair value through profit or loss based on level 3:

	2016 A\$	2015 A\$	2014 A\$
Opening balance	65,249,083	58,942,790	845,666
Additions	-	-	930,233
Total gains in profit or loss ⁽¹⁾	-	6,306,293	57,166,891
Closing balance	65,249,083	65,249,083	58,942,790

⁽¹⁾ No valuation of the Company's investments as at 31 March 2016 (end of the half-year financial period) was carried out.

Description of significant unobservable inputs to valuation based on level 3:

As at 30 September 2015

Name	Fair value A\$	Valuation technique	Unobservable input	Range
Shanghai Dreamworks Technology Co., Ltd	31,976,186	DCF	Discount rate	13.5%
Shanghai UTO X-internet Co., Ltd	33,272,897	DCF	Discount rate	13.7%



As at 30 September 2014

Name	Fair value A\$	Valuation technique	Unobservable input	Range
Shanghai Dreamworks Technology Co., Ltd	28,507,872	DCF	Discount rate	13.5%
Shanghai UTO X-internet Co., Ltd	30,434,918	DCF	Discount rate	13.7%

Valuation techniques

The Company has estimated the value of each of its unquoted equity instruments by using valuation report at the reporting date issued by an independent Certified Practising Valuer. The Company believes that the appointed Certified Practising Valuer have a professional approach and work with well-established processes and standards to produce valuations that are robust, reliable and independent for their each investee company. Valuation methodologies mainly include the price of recent investments, discounted cash flows, available market prices and so on, which may apply individually or in combination. Key assumptions and judgements of each methodology concerning the future and other key sources of estimation uncertainty will have a significant risk of causing a material adjustment to the fair value of the instruments within the next reporting period.

12. BRIDGING LOANS

(In A\$)	31 March 2016	30 September 2015	30 September 2014
Bridging loans to related parties	40,632,003	1,951,200	788,474

The bridging loan to their related parties with term ranging from 1 month to 12 months bear interest rate from 9% to 15% per annum.

13. REVENUE

(In A\$)	31 March 2016	30 September 2015	30 September 2014
Net gain on financial assets at fair value through profit or loss	-	7,214,508	57,157,196
Interest income from bridging loans	2,285,477	1,608,573	934,925
Commission income	3,279,888	4,016,331	3,471,559
	5,565,365	12,839,412	61,563,680



14. RELATED PARTY TRANSACTIONS

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:

With companies in which a director has substantial interests

During the year, the company entities entered into the following trading transactions with related companies:

<i>(In A\$)</i>	Revenue	Costs and Expenses	Amount due from related parties
2016 (6-months)			
Other related parties	5,565,365	-	40,632,003
2015 (12 months)			
Other related parties	5,624,904	16,913	1,951,200
2014 (12 months)			
Other related parties	4,406,484	-	788,474

All related party transactions were made at arm's length basis and on normal commercial terms and conditions.

15. GOODWILL

	2016 A\$	2015 A\$	2014 A\$
Opening balance	235,858,981	235,858,981	-
Adjustment(s) during the year / period	38,052,000 ⁽²⁾		235,858,981 ⁽¹⁾
Closing balance	197,806,981	235,858,981	235,858,981

⁽¹⁾ Goodwill arising from the Company's acquisition of the JHC group

⁽²⁾ The increase in the proforma net tangible asset of the Group as a result of the increase in paid-up capital of JCM, without a corresponding capital contribution from the Group, is adjusted to goodwill on acquisition of the JHC group