



RESPONSE TO PERIODIC DISCLOSURE QUERY

1. Breakdown of inventoriesFinancial period ended 30 September 2018

Category of Inventories	Useful life of Inventories	Estimated value of Inventories (AUD\$)
Baijiu before being blended	Note 1	17,019,423
Packing material	5 years	643,091
Paddy	3 years	20,220
fragrant rice	1 year	1,348,286
Total		19,031,020

Financial period ended 31 March 2019

Category of Inventories	Useful life of Inventories	Estimated value of Inventories (AUD\$)
Baijiu before being blended	Note 1	17,728,565
Packing material	5 years	497,123
Paddy	3 years	28,539
fragrant rice	1 year	3,709
Total		18,257,936

Note 1: Baijiu has no expired date, the longer the better but need to keep it cool and out of light.

2. Please explain in detail how the Company determines the value of the inventories.

Inventories of Baijiu before being blended, Paddy and Fragrant rice are carried at the lower of cost and net realisable value. Inventories cost comprise direct materials, direct labor and an appropriate proportion of overheads such as depreciation of workshop, plant and equipment related to produce the inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

Cost of packing material is determined at the purchase value.

3. Please provide a breakdown and an aging analysis of the trade and other receivables in the below format:Trade receivables

Outstanding period	Financial period ended 30 September 2018 (AUD\$)	Financial period ended 31 March 2019 (AUD\$)
3 to 6 months	7,713,989	7,094,841
6 to 12 months	635,019	2,125,964
12 to 24 months		
24 to 36 months		
More than 36 months		
Total	8,349,008	9,220,805

Other receivables-Third parties

Outstanding period	Financial period ended 30 September 2018 (AUD\$)	Financial period ended 31 March 2019 (AUD\$)
3 to 6 months	5,330,209	4,669,826
6 to 12 months		
12 to 24 months		
24 to 36 months		
More than 36 months		
Total	5,330,209	4,669,826

Other receivables-Related parties

Outstanding period	Financial period ended 30 September 2018 (AUD\$)	Financial period ended 31 March 2019 (AUD\$)
3 to 6 months	2,621,577	4,367,305
6 to 12 months		
12 to 24 months		
24 to 36 months		
More than 36 months		
Total	2,621,577	4,367,305

4. Please provide a breakdown of the amount owing to directors, including the name of directors, the amount associated with it and the use of funds.

Financial period ended 30 September 2018

Name of director	Amount owing to (AUD\$)	The use of funds
Wang Cai Fu	6,715,121	The loan from directors to support company daily operation. It is interest free.
He Ping	14,149,967	
Total	20,865,088	

Financial period ended 31 March 2019

Name of director	Amount owing to	The use of funds
Wang Cai Fu	1,511,112	The loan from directors to support company daily operation. It is interest free.
He Ping	14,835,572	
Total	16,346,684	



Wang Cai Fu

Date: 19 September 2019