



## Periodic Disclosure Query

1. What is the nature of the " Exchange differences on translation foreign controlled entities' account, including the type of transactions that reflect in this account?

A: The exchange differences on translation foreign controlled entities related to translation the subsidiaries' financial statement to the parent's presentation currency using the closing rate at the date of that statement of financial position.

2. Please explain why there is a significant change in the reported figures for the " Exchange differences on translation foreign controlled entities' account. Please explain why such information was not disclosed to the market earlier per NSX Listing Rule 6.4.

A: A significant change in the reported figures for the " Exchange differences on translation foreign controlled entities' account only incurred when doing the consolidation of financial statement. Please refer to the following statement for your reference:

Year ended 31 March 2020	RMB	Type of exchange rate	Rate	A\$
Assets	145,651,946.00	Closing rate	0.23	33,499,948.00
Share capital	21,600,000.00	Acquisition date	0.196653	4,247,720.00
Accumulated profit	34,860,298.00	FY2019 statement		6,879,096.00
Loss for the period	(3,921,384.00)	From current year income statement	0.2115	(829,374.00)
Exchange differences on translation foreign controlled entities		Balance figure showed in consolidation statement		1,786,509.00
Liabilities	93,113,032.00	Closing rate	0.23	21,415,997.00

3. Please provide a breakdown of the Exchange differences on translation foreign controlled entities for the year ended 31 March 2020 and 31 March 2019.

A: For breakdown of the Exchange differences on translation foreign controlled entities for the year ended 31 March 2020 please refer to above statement. For year ended 31 March 2019 please refer to the below statement:

Year ended 31 March 2019	RMB	Type of exchange rate	Rate	A\$
Assets	196,076,656.00	Closing rate	0.21	41,176,098.00
Share capital	21,600,000.00	Acquisition date	0.196653	4,247,720.00
Accumulated profit	31,551,934.00	FY2018 statement		6,203,197.00
Profit for the period	3,308,364.00	From current year income statement	0.2043	675,899.00
Exchange differences on translation foreign controlled entities		Balance figure showed in consolidation statement		729,849.00
Liabilities	139,616,358.00	Closing rate	0.21	29,319,433.00

## Periodic Disclosure Query

4. Please provide a breakdown of inventories in the following format:

Financial period ended 30 September 2019

Category of Inventories	useful life of inventories	Estimated value of Inventories (A\$)
Paddy and rice	1 year	31,759.00
Packing material	10 years	322,629.00
Aged baijiu	Due to the nature of baijiu there no expire date	17,329,526.00

Inventories breakdown for financial period ended 30/09/2020 will be available after Company do the half year review for period ended 30/09/2020.

5. Please explain in detail how the Company performs the valuation of inventories and provide supporting documentation, if any (any supporting documentation will not be released to the market).

A: The main inventories of the company is aged baijiu. The company hired independent and professionally qualified valuer to review the value of these aged baijiu. The valuation report done on 14 May 2017, since the market price for baijiu is not much change this three years so the company rely on this valuation report.

6. As the Company has high levels of inventory, does the Company believe that it will be able to realise these assets within its useful life? Please provide the basis for your answer.

A: Main inventory is aged Baijiu which is white alcohol and is a strong distilled spirit, between 40 and 60% alcohol by volume (ABV). Due to this nature Baijiu don't have expire date and increase in value over the time. The Company believe there is rapid growth in demand for Baijiu as Chain develops and the standard of living increases, the number of consumers will grow. The company have confidence that they can realise these Baijiu during next several years.

7. Has there been any impairment review performed on the inventories? If yes, please provide the conclusion of impairment review and the basis for that conclusion.

A: Yes. At the end of each financial year, the Company assess whether there is any indication that inventories may be impaired. The company will do impairment check from external sources and internal sources and NRV test. After Impairment test the Company ensure that the closing stock is valued at the lower of Cost and NRV.

8. If the answer to question 7 is no, will there be any impairment review performed on the inventories? If yes, please provide a proposed date for when this will occur.

A: Please refer to above answer.

## Periodic Disclosure Query

9. Please provide a breakdown of the " other operation expenses" account for the years ended 31 March 2020 and 31 March 2019.

A: Please refer the breakdown below for your reference:

Other operation expenses	2019	2020
	A\$	A\$
Depreciation	199,527	206,559
Entertainment	7,928	9,201
Consulting and listing fee	253,737	238,947
Office expenses	39,070	57,728
Repairs and maintenance	5,361	6,036
Step duty	650	-
Upkeep of vehicle	5,825	7,977
utility	1,454	1,703
Witting off bad debts	-	528,957

10. For the " Other payables - Related parties " account, please provide an explanation as to the circumstances which led to the significant decrease in payables. Please explain why such information was not disclosed to the market earlier per NSX Listing Rule 6.4.

A: During this financial period, the company management decided to reduce other payable to improve the Company working capital structure.

11. Why was further information regarding material changes to the above accounts not included in the notes to the Company's Financial Reports?

A: Regarding the decreased in the other payables-related parties is Company normal practice to reduce the other payable to improve the Company working capital structure.

12. Per Listing Rule 6.9, please also provide the following information:

- a. a five-year comparative table of financial results;
- b. A corporate governance statements;
- c. a list of the top 10 shareholders; and
- d. a copy of the shareholder distribution.

A: Please refer to the five-year comparative table of financial results for your reference.

Regarding part b c and d, this will be lodged separately on the NSX announcements portal shortly.

	From 01/04/19 to 31/03/20	From 01/04/18 to 31/03/19
Sales Revenue	2,328,275	3,305,506
EBITDA	543,264	2,466,843
EBIT	227,288	827,635
Profit/loss) for the year	227,288	827,635
Basic earnings per share (cents)	0.27	0.97

### Periodic Disclosure Query

13. What steps will the Company take to ensure the documents referred to in question 12 will be provided as part of future submissions of annual reports to the exchanges?

A: In the future the Company will improve internal control on submitting the annual report to make sure the company will submit the completed annual report to the exchanges.



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Wang Caifu

Date: 13 January 2021