

# ANHUI GUJING DISTILLERY COMPANY LIMITED

## Semi-annual Report 2012

### I. Important Notes

The Board of Directors, Supervisory Committee and directors, supervisors, and senior managers of Anhui Gujing Distillery Company Limited (hereinafter referred to as the Company) ensure that there is neither untrue presentation, seriously misleading statements, nor omission of material facts contained in the information herein and shall severally and jointly bear responsibility for the authenticity, accuracy and completeness of the information contained in this report.

All directors attend the Board meeting for reviewing the interim report.

Mr. Yu Lin, the principal of the Company, Mr. Ye Changqing, the principal in charge of accounting, and Ms. Xia Xueyun, the principal of the accounting organ (chief accountant), hereby declare that: We guarantee the authenticity and completeness of the financial statements in the semi-annual report.

Explanation

Item	Refer to	Content for explanation
Company/the Company, Gujing	Refer to	Anhui Gujing Distillery Company Limited
Gujing Group	Refer to	Anhui Gujing Group Co., Ltd.
SASAC	Refer to	State-owned Assets Supervision and Administration Commission of Bozhou Municipal

### II. Company Profile

#### (I) Basic information

A-share code	000596	B-share code	200596
A-share abbreviation	Gujing Distillery	B-share abbreviation	Gujing Distillery B
Stock exchange listed with	Shenzhen Stock Exchange		
Legal Chinese name of the Company	安徽古井贡酒股份有限公司		
Abbr. of the legal Chinese name of the Company	古井贡酒		
Legal English name of the Company	ANHUI GUJING DISTILLERY COMPANY LIMITED		
Abbr. of the legal English name of the Company	GUJING		
Legal representative of the Company	Yu Lin		
Registered address	Gujing, Bozhou, Anhui		

Postal code for the registered address	236820
Office address	Gujing, Bozhou, Anhui
Postal code for the office address	236820
Internet website of the Company	<a href="http://www.gujing.com">http://www.gujing.com</a>
Email	<a href="mailto:gujing@mail.ahbbptt.com.cn">gujing@mail.ahbbptt.com.cn</a>

**(II) For contact**

	Secretary to the Board of Directors	Securities Affairs Representative
Name	Ye Changqing	Ma Junwei
Contact address	Gujing, Bozhou, Anhui	Gujing, Bozhou, Anhui
Tel.	(0558)5712231	(0558)5710057
Fax	(0558)5317706	(0558)5317706
Email	<a href="mailto:ycq@gujing.com.cn">ycq@gujing.com.cn</a>	<a href="mailto:zqb@gujing.com.cn">zqb@gujing.com.cn</a>

**(III) About information disclosure and where the interim report is placed**

Newspapers designated by the Company for information disclosure	Securities Times, Shanghai Securities News and Ta Kung Pao
Internet website designated by CSRC for disclosing the semi-annual report	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Where the semi-annual report is placed	Office of Secretary of BOD of the Company

**III. Financial and Business Highlights****(I) Major accounting data and indexes**

Any retrospective adjustment in previous financial statements?

Yes No Inapplicable

Major accounting data

Major accounting data	Reporting period (Jan.-Jun.)	Same period of last year	Increase/decrease (%)
Gross operating revenues (RMB Yuan)	2,227,809,202.69	1,583,297,669.82	40.71%
Operating profit (RMB Yuan)	548,414,605.63	388,708,798.74	41.09%
Total profit (RMB Yuan)	555,798,666.62	394,339,400.11	40.94%
Net profit attributable to shareholders of the Company (RMB Yuan)	413,724,138.05	287,947,478.86	43.68%
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses (RMB Yuan)	408,186,092.30	283,724,527.83	43.87%

Yuan)			
Net cash flow from operating activities (RMB Yuan)	147,934,126.72	195,085,921.58	-24.17%
	As at the end of this reporting period	As at the end of last year	Increase/decrease (%)
Total assets (RMB Yuan)	4,261,928,852.58	4,241,819,550.30	0.47%
Owners' equity attributable to shareholders of the Company (RMB Yuan)	3,061,529,422.50	2,761,115,284.45	10.88%
Total shares (share)	503,600,000.00	251,800,000.00	100%

## Major financial indexes

Major financial indexes	Reporting period (Jan.-Jun.)	Same period of last year	Increase/decrease (%)
Basic EPS (RMB Yuan/share)	0.82	1.23	-33.33%
Diluted EPS (RMB Yuan/share)	0.82	1.23	-33.33%
Basic EPS after deducting non-recurring gains and losses (RMB Yuan/share)	0.81	1.21	-28.32%
Fully diluted ROE (%)	14.98%	22.94%	-7.96%
Weighted average ROE (%)	14.21%	24.99%	-10.78%
Fully diluted ROE after deducting non-recurring gains and losses (%)	13.51%	10.28%	3.09%
Weighted average ROE after deducting non-recurring gains and losses (%)	14.02%	24.62%	-10.56%
Net cash flow per share from operating activities (RMB Yuan/share)	0.29	0.77	-62.34%
	As at the end of this reporting period	As at the end of last year	Increase/decrease (%)
Net assets per share attributable to shareholders of the Company (RMB Yuan/share)	6.08	10.97	-44.58%
Liability/asset ratio (%)	28.17%	39.21%	-11.04%

Notes to major accounting data and financial indexes before the end of this reporting period (please write an adjustment note if there's any retrospective adjustment)

**(II) Accounting data differences under the domestic and overseas accounting standards****1. Net profit and net asset differences between financial reports disclosed according to the international and Chinese accounting standards respectively**

Applicable Inapplicable

**2. Net profit and net asset differences between financial reports disclosed according to the overseas and Chinese accounting standards respectively**

Applicable Inapplicable

**3. Specific items involving significant difference**

Items involving significant difference	Amount (RMB Yuan)	Reason for the difference	Involved provisions of international and/or overseas accounting standards

**4. Notes to accounting data differences under the domestic and overseas accounting standards****(III) Items of non-recurring gains and losses**

√Applicable □Inapplicable

Items	Jan.-Jun. 2012 (RMB Yuan)	Notes
Gains and losses on disposal of non-current assets	-39,042.62	
Tax rebate, reduction or exemption due to un-authorized approval or the lack of formal approval documents	0.00	
Government grants recognized in the current year, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	200,000.00	
Capital occupation fees received from non-financial enterprises that are included in current gains and losses	0.00	
Gains generated when the investment costs of the Company's acquiring subsidiaries, associates and joint ventures are less than the fair value of identifiable net assets in the investees attributable to the Company in the acquisition of the investments	0.00	
Exchange gains and losses of non-monetary assets	0.00	
Gains and losses through entrusting others to invest or manage assets	0.00	
Various asset impairment provisions due to acts of God such as natural disasters	0.00	
Gains and losses on debt restructuring	0.00	
Enterprise reorganization expenses, such as expenses on employee settlement and integration	0.00	
Gains and losses on the parts exceeding the fair value when prices of transactions become unfair	0.00	
Net current gains and losses from the period-begin to the combination date of subsidiaries due to business combinations under the same control	0.00	
Gains and losses on contingent matters which are irrelevant to the normal operation of the Company	0.00	
Gains and losses on fair value changes of transactional financial assets and liabilities, and investment gains on disposal of transactional financial assets and liabilities and available-for-sale financial	0.00	

assets, except for the effective hedging business related to the Company's normal operation		
Reversal of impairment provisions for accounts receivable which are separately tested for impairment signs	0.00	
Gains and losses on entrustment loans from external parties	0.00	
Gains and losses on fair value changes of investing properties for which the fair value method is adopted for subsequent measurement	0.00	
Current gain and loss effect due to a just-for-once adjustment to current gains and losses according to requirements of taxation and accounting laws and regulations	0.00	
Custodian fee income from entrusted operations with the Company	0.00	
Other non-operating incomes and expenses besides the items above	7,223,103.61	
Other gain and loss items that meet the definition of non-recurring gains and losses		
Minority interests effects		
Income tax effects	1,846,015.25	
Total	5,538,045.74	--

Explanation given by the Company to "other gain and loss items that meet the definition of non-recurring gains and losses" and when it recognizes a non-recurring gain and loss item as a recurring one according to the nature and features of its ordinary business:

Item	Involving amount (Yuan)	Notes

## IV. Changes in Share Capital and Particulars about Shareholders

### (I) Changes in share capital

#### 1. Statement of changes of shares

√Applicable □Inapplicable

	Before the change		Increase/decrease (+, -)					After the change	
	Number	Proportion (%)	Issuance of new shares	Bonus shares	Capitalization of public reserve fund	Others	Subtotal	Number	Proportion (%)
I. Shares subject to trading moratorium	16,800,000.00	6.67%			16,800,000.00	900.00	16,800,900.00	33,600,900.00	6.67%
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares	16,800,00	6.67%			16,800,00			33,600,00	6.67%

	0.00				0.00			0.00	
Including: Shares held by domestic legal persons									
Shares held by domestic individuals									
4. Shares held by overseas shareholders									
Including: Shares held by overseas legal persons									
Shares held by overseas individuals									
5. Shares held by senior management staff	0.00	0%				900.00		900.00	0%
II. Shares not subject to trading moratorium	235,000,000.00	93.33%			235,000,000.00	-900.00	234,999,100.00	469,999,100.00	93.33%
1. Ordinary shares denominated in RMB	175,000,000.00	69.5%			175,000,000.00	-900.00	175,000,000.00	349,999,100.00	69.5%
2. Domestically listed foreign shares	60,000,000.00	23.83%			60,000,000.00		60,000,000.00	120,000,000.00	23.83%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	251,800,000.00	100%					251,800,000.00	503,600,000.00	100%

Approval of share changes (if applicable)

On 19 Apr. 2012, on the Shareholders' General Meeting 2011, the Company approved Equity Distribution Plan. According to the plan Company will conducted "each 10 shares with 10 shares bonus" by capital reserves to all shareholders. By then, the total shares of the Company increase to 503,600,000 shares.

Transfers in share changes

Influence of share changes on the latest financial indexes such as EPS and net assets per share (if any)

Other contents that the Company thinks necessary or is asked by securities regulators to be disclosed

## 2. Changes of shares subject to trading moratorium

Applicable Inapplicable

Name of shareholder	Number of shares subject to trading moratorium at year-begin	Number of shares released from trading moratorium in current year	Number of shares subject to trading moratorium increased in current year	Number of shares subject to trading moratorium at year-end	Reason	Date of releasing trading moratorium
Puning Xinhong Industrial Investment Co.,Ltd	7,500,000.00	0.00	7,500,000.00	15,000,000.00	Private offering, equity distribution	3 Aug. 2012
Shanghai Kaisiyi Investment Management Partnership	2,000,000.00	0.00	2,000,000.00	4,000,000.00	Private offering, equity distribution	3 Aug. 2012

(LLP)						
Xi'an Changxian Changxian Investment Management LLP Enterprise	2,000,000.00	0.00	2,000,000.00	4,000,000.00	Private offering, equity distribution	3 Aug. 2012
Shanghai Greenwoods Jingtong Equity Investment Center	2,000,000.00	0.00	2,000,000.00	4,000,000.00	Private offering, equity distribution	3 Aug. 2012
Xi'an Changguo Investment Management LLP Enterprise	2,000,000.00	0.00	2,000,000.00	4,000,000.00	Private offering, equity distribution	3 Aug. 2012
Goldstate Securities	1,300,000.00	0.00	1,300,000.00	2,600,000.00	Private offering, equity distribution	3 Aug. 2012
Zhai Liangdong	0.00	0.00	900.00	900.00	Shares held by senior management, equity distribution	
<b>Total</b>	<b>16,800,000.00</b>	<b>0.00</b>	<b>16,800,900.00</b>	<b>33,600,900.00</b>	<b>--</b>	<b>--</b>

## (II) Issuance and listing of securities

### 1. Securities issues in the previous three years

Applicable Inapplicable

Name of security and its derivative security	Issuing date	Issuing price (yuan/share)	Number of issuance	Listing date	Number approved for listing	Ending date of trade
<b>Stock</b>						
Private offering of A shares	25 Jul. 2011	75.00	16,800,000.00	3 Aug. 2011	16,800,000.00	
<b>Convertible company bonds, bonds with attached warrant, company bonds, etc.</b>						
<b>Warrant</b>						

Notes of securities issues in the previous three years (make notes of bonds that with different interest in useful life).

### 2. Changes of the Company's share number and structure, as well as the corresponding changes in its asset-liability structure

Applicable Inapplicable

### 3. Existing employee shares

Applicable Inapplicable

**(III) Shareholders and actual controller****1. Total number of shareholders at the end of the reporting period**

The Company had 22,802.00 shareholders at the end of reporting period.

**2. Shareholding of the top ten shareholders**

Particulars about shares held by the top ten shareholders						
Name of shareholder (full name)	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Number of shares held subject to trading moratorium	Pledged or frozen shares	
					Status of shares	Number of shares
Anhui Gujing Group Company Limited	State-owned Corporation	53.89%	271,404,022.00			114,000,000.00
Puning Xinhong Industrial Investment Co., Ltd.	Domestic non-state-owned Corporation	2.98%	15,000,000.00			15,000,000.00
KGI ASIA LIMITED	Foreign corporation	2.14%	10,776,730.00			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	1.62%	8,136,472.00			
UBS (LUXEMBOURG) S.A.	Foreign corporation	1.46%	7,373,834.00			
China Merchants Securities (HK) Co., Ltd	Foreign corporation	1.34%	6,726,117.00			
TRIVEST CHINA FOCUS MASTER FUND	Foreign corporation	1.27%	6,379,720.00			
China Construction Bank- ABN AMRO TEDA Efficiency Fund	Domestic non-state-owned Corporation	1.17%	5,914,263.00			
Industrial and Commercial Bank of China-Galaxy Yintai Financing Fund	Domestic non-state-owned Corporation	1.07%	5,369,626.00			
Agricultural Bank of China-Soochow Value Growth Double Power Fund	Domestic non-state-owned Corporation	0.95%	4,805,424.00			
Notes to particulars about shareholders						

Particulars about shares held by the top ten shareholders holding shares not subject to trading moratorium

√Applicable □Inapplicable

Name of shareholder	Number of shares held not subject to trading moratorium at the period-end	Type and number of shares	
		Type	Number
Anhui Gujing Group Company Limited	271,404,022.00	A-share	271,404,022.00
KGI ASIA LIMITED	10,776,730.00	B-share	10,776,730.00
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	8,136,472.00	B-share	8,136,472.00
UBS (LUXEMBOURG) S.A.	7,373,834.00	B-share	7,373,834.00
China Merchants Securities (HK) Co., Ltd	6,726,117.00	B-share	6,726,117.00
TRIVEST CHINA FOCUS MASTER FUND	6,379,720.00	B-share	6,379,720.00
China Construction Bank- ABN AMRO TEDA	5,914,263.00	A-share	5,914,263.00



Industrial and Commercial Bank of China-Galaxy	5,369,626.00	B-share	5,369,626.00
Yantai Financing Fund Agricultural Bank of China-Soochow Value	4,805,424.00	A-share	4,805,424.00
Growth Double Power Fund GOLDEN CHINA MASTER FUND	4,078,234.00	B-share	4,078,234.00

Explanation on associated relationship among the top ten shareholders or/and acting-in-concert

Among the shareholders above, no affiliated relationship exists between the Company's controlling shareholder—Anhui Gujing Group Company Limited—and other shareholders, nor they are parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies. As for other shareholders, the Company does not know whether they are related parties or whether they belong to parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.

### 3. Controlling shareholder and actual controller

#### (1) Change of the controlling shareholder and actual controller

Applicable Inapplicable

#### (2) Particulars about the controlling shareholder and actual controller

Is there a new actual controller?

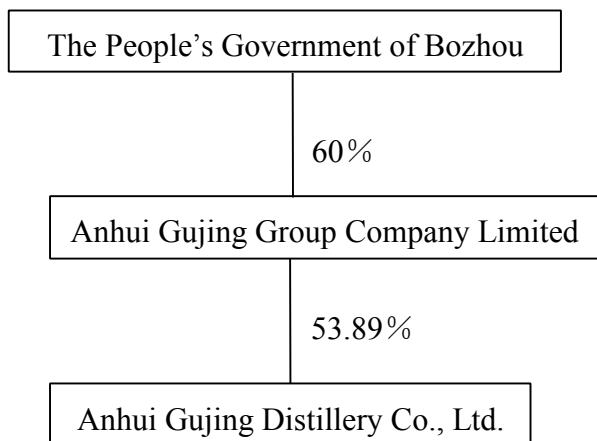
Yes No Applicable

Name of the actual controller	Anhui Gujing Group Company Limited
Type of the actual controller	SASAC

Notes:

Anhui Gujing Group Company Limited, shareholder with over 5% shares of the Company, held 271,404,022 shares as at the end of the reporting period. All shares held by Gujing Group were shares not subject to trading moratorium. On 16 Mar. 2009, 57,000,000 shares held by Gujing Group were used for loan business. The Company conducted Equity Distribution for 2011 in May 2012. Subsequent to the equity distribution, pledged shares and trusted shares were of 114,000,000 shares. Besides, there was no particular about pledged or trusted shares in the Company.

#### (3) Property right relationship and control relationship between the Company and actual controller



#### (4) The actual controller controls the Company via trust or other ways of asset management

Applicable Inapplicable

**4. Other corporate shareholders with a shareholding over 10%**

Applicable Inapplicable

**(IV) Convertible corporate bonds**

Applicable Inapplicable

**V. Directors, Supervisors and Senior Management**

**(I) Shareholding changes of directors, supervisors and senior management**

Name	Office title	Sex	Age	Starting date of office	Ending date of office	Number of shares held at period-begin	Number of shares increased in reporting period	Number of shares decreased in reporting period	Number of shares held at period-end	Of which: number of restricted shares held	Number of stock options held at period-end	Reason for change	Receives payment from shareholder units or other related units?
Zhai Liangdong	Assistant to GM	Male	42.00	12 Jun. 2012	12 Jun. 2015	600.00	600.00		1,200.00	900.00		Equity distribution	No
Total	--	--	--	--	--							--	--

Equity incentives granted to directors, supervisors and senior management during the reporting period

Applicable Inapplicable

**(II) Post-holding particulars**

Post-holding in shareholders units

√Applicable □Inapplicable

Name of the person holding any post in any shareholder unit	Name of the shareholder unit	Position in the shareholder unit	Beginning date of office term	Ending date of office term	Receives payment from the shareholder unit?
Yu Lin	Gujing Group	Chairman of the Board	15 Apr. 2011	15 Apr. 2014	Yes
Wang Feng	Gujing Group	Secretary of the Discipline Committee	15 Apr. 2011	15 Apr. 2014	Yes
Zhou Qingwu	Gujing Group	Vice Secretary of the Party	15 Apr. 2011	15 Apr. 2014	No
Yang Xiaofan	Gujing Group	Vice president	15 Apr. 2011	15 Apr. 2014	Yes
Lu Duicang	Gujing Group	Chief of the Finance Management Center	15 Apr. 2011	15 Apr. 2014	Yes
Notes to post-holding in other shareholding units	Though the above personnel held post in other shareholding units, they didn't gain any punishment from CSRC or other relevant authorities or reprimand from Shenzhen Stock Exchange. Their post-holding were in accordance with requirements of relevant laws and regulations of Company Law, Securities Law, etc..				

Information of post-holding in other units

□Applicable √Inapplicable

**(III) Remuneration for directors, supervisors and senior management**

Decision-making procedure for the remuneration of directors, supervisors and senior management	The Remuneration & Appraisal Committee under the Board of Directors is in charge of drafting appraisal index of senior management and checking accomplishment of annual index.
Basis for determining the remuneration of directors, supervisors and senior management	Remuneration of directors, supervisors and senior management is calculated by appraisal index drafted in year-begin and weight. Financial index is on base of Auditor's Report issued by certified public accountant, and comprehensive appraisal index is appraised and discussed by the Remuneration & Appraisal Committee under the Board of Directors.

Actual payment of the remuneration of directors, supervisors and senior management	Payment of the remuneration of directors, supervisors and senior management is with certain amount in advance monthly and distributed annually according to check.
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#### (IV) Change of directors, supervisors and senior management

Name	Position	Way of change	Date of change	Reason for change
Zong Zhaoji	Assistant General Manager	Newly engaged	12 Jun. 2012	With the requirement of business development of the Company, the Company approved Proposal on Newly Engagement on the Special Session of the 6 <sup>th</sup> Board of Directors convening on 12 Jun..
Zhai Liangdong	Assistant General Manager	Newly engaged	12 Jun. 2012	With the requirement of business development of the Company, the Company approved Proposal on Newly Engagement on the Special Session of the 6 <sup>th</sup> Board of Directors convening on 12 Jun..
Fang Ji	Assistant General Manager	Newly engaged	12 Jun. 2012	With the requirement of business development of the Company, the Company approved Proposal on Newly Engagement on the Special Session of the 6 <sup>th</sup> Board of Directors convening on 12 Jun..
Zhang Lihong	Assistant General Manager	Newly engaged	12 Jun. 2012	With the requirement of business development of the Company, the Company approved Proposal on Newly Engagement on the Special Session of the 6 <sup>th</sup> Board of Directors convening on 12 Jun..

#### (V) Employees

Number of on-job employees	5,483.00
Number of retired employees for whom the Company shall bear expenses	512.00
Function structure	
Type of function	Number of personnel
Production	3,929.00
Sale	577.00
Technical	222.00
Financial	84.00
Administration	89.00
Level of education	
Level of education	Number of personnel
High school and below	4,317.00

Junior college	609.00
University	539.00
Master degree	18.00
Doctor degree	0.00

Notes about particulars of employee:

There were a total of 512 retirees in the Company. All of them were enrolled in social management and the Company shoulder part of expense in accordance with the state policy.

## VI. Report of the Board of Directors

### (I) Discussion and analysis by the management

In the first half of 2012, the Company kept to the leap-frog development strategy. Through implementing lean management, adjusting the organizational structure, pushing forward internal control improvement step by step, continuously upgrading the management mode and allocating various resources properly, the Company steadily improved its management and overall competitiveness, ensured the rapid growth of its main business of distilled spirit, enhanced its brand influence and improved its profitability. In all, the Company has excellent prospects.

For the first half of 2012, the Company achieved an operating income of RMB 2,227,809,200, up by 41% year on year; a distilled spirit income of RMB2,153,757,100, representing a year-on-year growth of 42.09% a total profit of RMB 555,798,700, up by 41% year on year; and a net profit reaching RMB 413,724,100, up by 44% year on year. As such, the Company fully accomplished the product and operation objectives set at the beginning of the year, with its production and operation condition constantly improving.

Is the Company's actual business performance 20% lower or higher than any earning forecast or business plan for the reporting period which has been publicly disclosed earlier?

Yes  No  Inapplicable

Analysis to the business and performances of the Company's main subsidiaries and stock-participating companies:

Naught

All risk factors that might have adverse impact on the Company's effort to realize its future development strategy and business goals:

A. Currently, competition among distilled spirit enterprises is extremely fierce. Enterprises keep upgrading their marketing modes for rapid growth. In particular, competition in the province becomes fiercer.

B. With its product and brand value continuously, how to release resources more precisely, increase the output-input efficiency and shift the driving force of sales from resources to brand will become a direct challenge to the Company in its future rapid development.

### 1. Main business lines and their operating results

#### (1) Main business lines classified by industries and products

Unit: RMB Yuan

Industries/products	Operating revenue	Operating cost	Gross profit rate (%)	Increase/decrease of operating revenue compared with the same period last year (%)	Increase/decrease of operating cost compared with the same period last year (%)	Increase/decrease of gross profit rate compared with the same period last year (%)
<b>Industries</b>						
Distilled spirit	2,153,757,133.65	530,668,071.69	75.36%	42.09%	47.83%	-0.96%
Hotel services	35,947,124.71	22,448,505.99	37.55%	11.48%	14.13%	-1.45%
Others	8,965,332.76	6,633,722.01	26.01%	-44.48%	-42.79%	-2.19%
<b>Products</b>						
High grade liquor	1,254,438,442.99	227,288,814.90	81.88%	32.1%	23.37%	1.28%
Mid-range wine	849,549,642.90	276,677,853.96	67.43%	54.5%	66.57%	-2.36%
Cheap wine	49,769,047.76	26,701,402.83	46.35%	204.7%	209.53%	-0.84%
others	44,912,457.47	29,082,228.00	35.25%	-7.2%	-6.99%	-0.15%

Explanation to the main business performances classified by industries and products:

Naught

Explanation to the reasons for any significant year-on-year change of the gross profit rate:

Naught

## (2) Main business lines classified by regions

Unit: RMB Yuan

Region	Operating revenue	Increase/decrease compared with the same period last year (%)
North China	319,507,955.35	6.71%
Central China	1,691,838,902.10	48.82%
South China	187,212,938.97	46.34%
International	109,794.70	

Explanation to the main business performances classified by regions:

Naught

Explanation to the main business structure:

Naught

## (3) Reasons for significant changes in main business and its structure

Applicable Inapplicable

## (4) Reasons for significant changes in profitability of main business (gross profit rate) compared with that in the last year

Applicable Inapplicable

**(5) Analysis on reasons of significant changes in profit breakdown compared with the last year**Applicable Inapplicable**(6) Business nature, main products/services, net profit and other particulars about subsidiaries which made a contribution over 10% to the Company's net profit for the reporting period**Applicable Inapplicable**(7) Problems and difficulties encountered in operation**

Naught

**2. Internal control rules in relation to fair value measurement**Applicable Inapplicable**3. Foreign-currency financial assets and liabilities held**Applicable Inapplicable**(II) Investments****1. General utilization of the raised funds**Applicable Inapplicable

Unit: RMB Ten thousand

Total raised capital	122,749.95
Total raised capital input in the reporting period	21,727.85
Accumulative raised capital input	36,332.15
Total raised capital of which the use was changed in the reporting period	0
Accumulative raised capital of which the use was changed	0
Proportion of accumulative raised capital of which the use was changed	0
General utilization of the raised funds	



**2. Projects promised to be invested with raised funds**

√Applicable □Inapplicable

Unit: RMB Ten thousand

Projects invested with raised capital as promised and investments with over-raised capital	Project changed or not (including partially changed)	Raised capital input as promised	Investment after adjustment (1)	Input in the reporting year	Accumulative input up to the period-end (2)	Investment progress up to the period-end (%) (3) = (2)/(1)	Date when the project reaches the expected usable condition	Profit generated in the reporting period	Reach the expected profit or not	Material change in the project feasibility or not
Projects invested with raised capital as promised										
Technological Transform on the Brewage of High-quality Base Wine	No	13,500	12,194.42	1,191.27	1,650.95	13.54%	31 Dec. 2012	0		No
Construction of Base Wine Blending & Filling Centre and Ancillary Facilities	No	68,600	65,921.06	9,169.52	11,378.44	17.26%	31 Dec. 2012	0		No
Construction of Marketing Network	No	27,500	27,500	4,572.62	11,207.22	40.75%	31 Dec. 2012	0		No
Construction of Brand Promotion	No	17,000	17,000	6,794.44	12,095.54	71.15%	31 Dec. 2012	0		No
Subtotal of promised investment projects	-	126,600	122,615.48	21,727.85	36,332.15	-	-	-		-
Investments of over-raised capital										
Repaying bank loans (if any)	-						-	-	-	-
Supplementing working capital (if any)	-						-	-	-	-
Subtotal of investments with	-					-	-		-	-

over-raised capital										
Total	-	126,600	122,615.48	21,727.85	36,332.15	-	-		-	-
Reason for failing to reach scheduled progress or projected income (explain one project by one project)	Naught									
Explanation on significant changes in feasibility of projects	No significant change in the feasibility of the project									
Amount, usage and usage progress of over-raised capital	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Inapplicable									
Change of the implementation location of any raised funds investment project	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Inapplicable									
	<input type="checkbox"/> Took place in the reporting period <input type="checkbox"/> Took place in previous years									
Adjustment of the implementation method of any raised funds investment project	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Inapplicable									
	<input type="checkbox"/> Took place in the reporting period <input type="checkbox"/> Took place in previous years									
Advance input and exchange of any raised funds investment project	<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Inapplicable									
	In accordance with the explanation of the Particulars on the Private Issuance of A-share of Anhui Gujing Distillery Co., Ltd. and the Listing Announcement, "Before the raised proceeds being in place, the Company can use the self-raised proceeds to input preliminarily in accordance with the actual progress of raised proceeds investment projects; after the raised proceeds being in place, the Company can use the raised proceeds to replace the self-raised proceeds preliminarily input". And the Proposal on Using the Raised Proceeds to Replace the Self-raised Proceeds Preliminarily Input to the Raised Proceeds Investment Projects was reviewed and approved at the 7 <sup>th</sup> Session of the 6 <sup>th</sup> Board of Directors, which agreed to use the raised proceeds to replace the self-raised proceeds of RMB27,058,143.42 preliminarily input to the raised proceeds investment projects. The above funds replacement was completed on 6 Jan. 2012.									
Idle raised capital for temporarily	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Inapplicable									

supplementing working capital	
Outstanding raised funds in project implementation and reasons	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Inapplicable
Usage and whereabouts of unused raise capital	Deposited in the special account for raised proceeds
Problems found in the usage and disclosure affairs of raised capital and other situations	Naught

**3. Change of projects invested with raised funds**

Applicable Inapplicable

**4. Significant projects invested with non-raised funds**

Applicable Inapplicable

**(III)Revision of the Board of Directors' business plan for the second half of the year**

Applicable Inapplicable

**(IV)Business performance estimate for Jan.-Sept. 2012**

Warnings of estimated possible losses or major changes of the accumulative net profit achieved during the period from the beginning of the year to the end of the next reporting period compared with the same period of last year, as well as the reasons

Applicable Inapplicable

**(V)Explanation of the Board of Directors on "Non-standard Auditing Report" issued by the CPA firm for the reporting period**

Applicable Inapplicable

**(VI)Explanation of the Board of Directors on changes and solutions of the issues involved in the "Non-standard Auditing Report" issued by the CPA firm for last year**

Applicable Inapplicable

**(VII)State the discussion results of the Board of Directors on the reasons and influence of the Company's accounting policy and estimate alterations or significant accounting error correction**

Applicable Inapplicable

**(VIII)Formulation and execution of the Company's cash dividend policy**

According to the Notice of CSRC on Further Implementing Matters Related to Cash Dividend Distribution by Listed Companies, the Company revised the Articles of Association at the 10<sup>th</sup> Session of the 6<sup>th</sup> Board of Directors as follows: in the Article 161 of Articles of Association for the Company, the Company's decision-making procedures and mechanism for profits distribution are as follows: 1. The Company's profits distribution policy and preplan shall be promulgated, reviewed and approved by the Board of Directors, and then submitted to the Shareholders' General Meeting for approval. The Company shall effectively protect the rights of social shareholders to attend the Shareholders' General Meeting, the Board of Directors, independent directors and

qualified shareholders can collect their voting rights in the Shareholders' General Meeting towards the shareholders of the Company. 2. When reviewing the specified Cash Dividends Distribution Preplan, the Board of Directors shall carefully research and demonstrate the time, conditions, minimum ratio, conditions of adjustment and other decision-making procedures as well as other issues for the cash dividends distribution of the Company. 3. When deciding and forming the Profits Distribution Preplan, the Board of Directors shall detailed record the advice of management team, key points in the speeches of present directors, opinion of independent directors, voting result of board session, etc., and then form a written record to be properly kept as the files of the Company. 4. When reviewing the specified Cash Dividends Distribution Preplan, the Shareholders' General Meeting shall actively communicate with shareholders especially minority shareholders through various ways, and fully listen to the opinion and appeals of minority shareholders, as well as timely answer the problems raised by the minority shareholders. 5. The Company shall disclose the execution situation of profits distribution preplan and cash dividends distribution policy in the annual report and semi-annual report. As for the Company gained profits but didn't issue the cash dividends distribution plan, the Board of Directors shall detailed explained on the reason of no distribution, the reserving purpose and use plan of the funds not used in the cash dividends distribution in the annual report, and the independent directors shall issue their independent opinion for such cash and disclose it publicly. 6. The Supervisory Committee shall review the Profits Distribution Plan promulgated and revised by the Board of Directors, and approve it with the agreement from over half of the whole supervisors. As for the Company gained profits but didn't issue the cash dividends distribution plan, the Supervisory Committee shall issue their specified explanation and opinion on the execution situation of relevant policies and plan. Besides, it shall supervise the execution situation of Profits Distribution Plan and Return Program for Shareholders. 7. In accordance with the production and operation situation, investment plan and long-term development needs, or changes in external operating environment, if it's necessary to adjust the profits distribution policy, the Company shall start from protecting the shareholders' interest, and the profits distribution policy after adjustment shall not violate the stipulations of relevant laws, regulations, normative documents and the Articles of Association; As for the Proposal on Adjustment of Profits Distribution Policy, the independent directors and supervisors shall issue their relevant opinion, and it shall be reviewed by the Board of Directors, then submitted to the Shareholders' General Meeting for approval and finally passed by more than two thirds of the voting rights held by shareholders attending the session. 8. The Company shall provide multiple ways (such as telephone, fax, email and interactive platform, etc.) to accept the advice and supervision of all shareholders on dividends distribution for the Company.

**(IX)Pre-plan for profit distribution or turning capital reserve into share capital**

Applicable Inapplicable

**(X)The accumulative retained profit as at the end of 2011 is a positive number but the Company has not put forward a cash dividend pre-plan.**

Applicable Inapplicable

**(XI) Execution of the Management Rules for Information Insider and Management Rules for Information Reporting, Submission to and Use by External Parties**

In order to further perfect the Company's corporate governance, strengthen the management on the information disclosure for the Company, the Company promulgated the Management Rules for Information Insider and Management Rules for Information Reporting, Submission to and Use by External Parties, which were reviewed and approved at the 20<sup>th</sup> Session of the 5<sup>th</sup> Board of Directors. In the reporting period, the company secretary was

responsible for the disclosure of sensitive information. Before the disclosure of any significant information in periodical reports or interim announcements, the personnel who had access to the insider information all filled in the Registration Form for Information Insiders in a timely manner as required by Anhui Securities Regulatory Bureau and Shenzhen Stock Exchange. During the reporting period, no insider traded the Company's shares making use of the insider information before the disclosure of significant sensitive information that might influence the Company's stock price.

During the first half of the year, the Company strictly carried out the Management Rules for Information Reporting, Submission to and Use by External Parties, effectively controlling the reporting and submission of the Company's business data, financial statements and other internal information to external parties. No information of the Company was leaked against applicable laws and regulations during the reporting period.

## **(XII) Other events to be disclosed**

In order to ensure the implementation of national principles, policies and regulations in the Company, ensure the correctness and reliability of accounting information and other management information, protect the safety and completeness as well as effective use of assets, ensure each production and operation activity of the Company to be carried out orderly and efficiently and improve the management efficiency, in accordance with the requirements of Standard for Internal Accounting Control, Basic Standard for Enterprise Internal Control and Shenzhen Stock Exchange Guideline on Internal Control of Listed Companies as well as the Notice of CSRC Anhui Bureau on Doing Well Relevant Work on the Implementation of Internal Control Rules by Listed Companies, the Company further strengthened and standardized its internal control, overall enhances its operation management capacity and risk prevention capacity, and carried out the internal control construction and promulgated the Plan on the Implementation of Internal Control Construction. The Company has finished the review work on implementation plan since Mar. 2012, and started to formally conduct every work in Apr. 2012, as well as plans to finalize the Internal Control Management Brochure in Jul. 2012.

## **(XIII) The Company's liabilities, credit changes and future cash arrangements for debt-clearing (Only listed companies with convertible corporate bonds are required to fill the table below.)**

Applicable Inapplicable

## **VII. Significant Events**

### **(I) Corporate governance**

Since foundation, the Company constantly perfects corporate governance structure and standardize its management strictly in accordance with the Company Law, Securities Law, Standard for Governance of Listed Companies, Guide Opinion on Setting up Independent Directors Systems for Listed Companies as well as principles and requirements of other relevant laws, regulations and normative documents.

(I) In the reporting period, as per requirements of Basic Standard for Enterprise Internal Control and Shenzhen Stock Exchange Guideline on Internal Control of Listed Companies, the Company developed internal control activity, implemented Rules on Management of Assets Provision for Impairment, The Policy on the Liability of

Disclosing Materially Inaccurate Information in Annual Report, Rules for Management of External Information User and Rules for Management of Insider of Inner Information, perfected internal control system step by step, promoted normative operation and healthy development. The Board of Directors, the Supervisory Committee and the management of the Company make decisions, perform rights and assume obligation strictly according to the standard operation rules and inner control system so as to make sure the standard operation of the Company in the frame of rules and systems.

(II) In the reporting period, according to requirements of China Securities Regulatory Commission and Rules for Listing of Shares in Shenzhen Stock Exchange and with the “open, fair and just” principle, the Company seriously and timely performed information disclosure obligation and guaranteed that the information disclosed is true, accurate and complete, free from fictitious presentation, misleading statements or important omissions, so that all the shareholders will equally acquaint themselves with all the notices of the Company.

(III) During the reporting period, the Company promulgated and implemented the Work Plan on the Implementation of Internal Control Rules. Under the principles of careful plan and step-by-step implementation, the Company actively carried out propaganda work of internal control construction. Besides, it comb the current rules and regulations of every unit so as to find and make specified rectification plan, optimize part of organizations, further make clear of the structure and functional duties of each unit, which makes the Company’s system optimized and smooth and overall risk prevention capacity increased.

(IV) In the reporting period, there was no horizontal competition or related-party transactions arising from partial system reform, characteristics of industry, state policies or merger or acquisition.

In a word, the Company has primarily established a structure of corporate governance in line with requirements for listed companies, the actual corporate governance of the Company is in accordance with requirements of regulatory documents on corporate governance of listed companies stipulated by CSRC.

**(II) Execution of the plans for profit distribution, turning capital reserve into share capital or new share issuance which had been made in the previous period and were carried out in the reporting period**

Applicable Inapplicable

The Company convened the 2011 Annual Shareholders’ General Meeting on 19 Apr. 2012, at which reviewed and approved the Preplan on the 2011 Annual Profits Distribution and Transferring Capital Reserves to Share Capital: Based on the total 251,800,000 shares at the year-end, the Company intended to distribute a cash dividend of RMB 4.5 (tax included) for every 10 shares, totaling RMB113,310,000, for all shareholders. The surplus retained profit of RMB 574,700,778.37 shall be carried over to next year; at the same time, transfer of capital reserves to share capital by 10 shares upon each 10 shares to the whole shareholders, thus the total share capital will turn to 503,600,000 shares after the capitalization. The Company entrusted China Securities Depository and Clearing Corporation Limited Shenzhen Branch (hereinafter referred to as “Clearing Company”) to conduct the equity distribution on 27 Apr. 2012, which was finished on 4 May 2012.

**(III) Significant litigations and arbitrations**

Applicable Inapplicable

The Company was not involved in any significant lawsuit or arbitration during the reporting period.



**(IV) Bankruptcy or reorganization events**

Applicable Inapplicable

**(V) Holding equity of other listed companies and joint financial enterprises**

**1. Securities investment**

Applicable Inapplicable

Notes of securities investment

**2. Holding equity of other listed companies**

Applicable Inapplicable

Notes of holding equity of other listed companies

**3. Holding equity of non-listed financial enterprises**

Applicable Inapplicable

Notes of holding equity of non-listed financial enterprises

**4. Trading stocks of other listed companies**

Applicable Inapplicable

Notes of trading stocks of other listed companies

**(VI) Assets transaction events**

**1. Purchase of assets**

Applicable Inapplicable

Notes to purchase of assets:

**2. Sale of assets**

Applicable Inapplicable

Notes to sale of assets:

**3. Exchange of assets**

Applicable Inapplicable

Notes to exchange of assets:

**4. Business combination**

Applicable Inapplicable

**5. Progress of these events after the publication of the assets reorganization report or public notices on the purchases or sales of assets, as well as the influences of these events on the operation results and financial status of the Company in this reporting period**

Applicable Inapplicable

**(VII) Explanation on shareholding increase scheme during the reporting period proposed or implemented by the principal shareholders and act-in-concert persons**

Applicable Inapplicable

**(VIII) Implementation situation and influence of equity incentive plan of the Company**

Applicable Inapplicable

**(IX) Significant related-party transactions**

**1. Related-party transactions relevant to routine operation**

√ Applicable □ Inapplicable

Related party	Relationship	Type of the related-party transaction	Content of the related-party transaction	Pricing principle of the related-party transaction	Transaction price (RMB Ten thousand)	Transaction amount (RMB Ten thousand)	Proportion in same kind of transactions (%)	Settlement method of the related-party transaction	Influence on the profits of the Company	Market price (RMB Ten thousand)	Reason for significant difference between the transaction price and the market price
Anhui Ruifuxiang Food Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	Purchase of goods	Purchase of alcohol	Market price	Market price	4,551.49	99.39%	Cash on delivery	Naught	4,551.49	Naught
Total				--	--	4,551.49		--	--	--	--
Details of large amount of sales returns				Naught							
Necessity and continuity of related-party transaction as well as reason of choosing the related party (but not other transaction parties) to conduct the said transaction				Naught							
Impacts of related-party transaction on independency of the Company				Naught							
Dependant degree of the Company on related party and relevant solutions for the dependence (if any)				Naught							
As for the prediction on the total amount of routine related-party transactions to be occurred in the reporting period by relevant				Naught							

types, the actual performance in the reporting period	
Explanation on related-party transaction	

#### Related-party transactions relevant to routine operation

Related party	Selling products and providing labor services to related parties		Purchasing products and receiving labor services from related parties	
	Transaction amount (RMB Ten thousand)	Proportion in same kind of transactions (%)	Transaction amount (RMB Ten thousand)	Proportion in same kind of transactions (%)
Gujing Group	0.61	0.28%		
Gujing Group	10.77	4.86%		
Anhui Ruifuxiang Food Co., Ltd	7.7	3.48%		
Bozhou Gujing Hotel Co., Ltd.	3.58	1.62%		
Anhui Gujing Real Estates Group Co., Ltd.	4.5	2.03%		
Bozhou Ruineng Thermal Electric Co., Ltd.	2.77	1.25%		
Bozhou Gujing Hotel Co., Ltd.			28	0.61%
Total	29.93		28	0.61%

Of which: the total amount of related-party transactions of the Company regarding selling products or providing labor services to the controlling shareholder and subsidiaries during the reporting period stood at RMB 298,901.

#### 2. Related-party transactions regarding purchase and sales of assets

Applicable Inapplicable

#### 3. Significant related-party transitions with joint investments

Applicable Inapplicable

**4. Significant credits and liabilities with related parties**

Applicable Inapplicable

Capital occupation during the reporting period and debt-clearing progress

Applicable Inapplicable

The accountability plan put forward by the Board of Directors when the Company had not completed collecting the capital occupied for non-operating purposes by the end of the reporting period

Applicable Inapplicable

**5. Other significant related-party transactions**

**(X) Significant contracts and execution**

**1. The trust, contract and lease whose profits reaching more than 10% (including 10%) of the total profits of the Company in the reporting period**

**(1) Status of trust**

Applicable Inapplicable

**(2) Particulars about contracting**

Applicable Inapplicable

**(3) Particulars about leasing**

Applicable Inapplicable

**2. Guarantees provided by the Company**

Applicable Inapplicable

**3. Entrusted financial management**

Applicable Inapplicable



**4. No performance of significant contracts relevant to routine operation****5. Other significant contracts**

Applicable Inapplicable

**(XI) Explanation on issuing corporate bonds**

Applicable Inapplicable

**(XII) Performance of commitments****1. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period, or such commitments carried down into the reporting period**

Applicable Inapplicable

**2. The Company's assets or projects exist profitable prediction and the reporting period is in such prediction period, it states the profits from the assets or projects reaching original prediction and relevant reasons**

Applicable Inapplicable

**(XIII) Items of other comprehensive income**

Unit: RMB Yuan

Items	This reporting period	Same period of last year
1. Profits/(losses) from available-for-sale financial assets		
Less: Effects on income tax generating from available-for-sale financial assets		
Net amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period		
Subtotal		
2. Interests in the investee entities' other comprehensive income as per equity method		
Less: Effects on income tax generating from the interests in the investee entities' other comprehensive income as per equity method		
Net amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period		
Subtotal		
3. Profits/(losses) from cash flow hedging instrument		
Less: Effects on income tax generating from cash flow hedging instrument		
Net amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period		

The adjustment value that is the converted initial recognition amount of arbitrage project		
Subtotal		
4. Converted amount of foreign currency financial statements		
Less: Net value of disposal of oversea operations that recognized into current profit and loss		
Subtotal		
5. Other		
Less: Effects on income tax generating from the others that included into other comprehensive income		
Net amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period		
Subtotal		
Total		

**(XIV) Particulars about researches, visits and interviews received in this reporting period**

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company

**(XV) Particulars about engagement and disengagement of CPAs firm**

Has this semi-annual report been audited?

Yes  No  Inapplicable

Whether changed to engage the CPAs firm?

Yes  No  Inapplicable

**(XVI) Particulars about punishment and rectification order received by the Company, its directors, supervisors, senior executives, shareholders, actual controller and acquirer**

Applicable  Inapplicable

**(XVII) Explanation on other significant events**

Applicable  Inapplicable

**(XVIII) Particulars about significant changes in the profitability, asset status and credit status of the Company's convertible bonds guarantor**

(Only listed companies which issue convertible corporate bonds are required to fill the form below.)

Applicable  Inapplicable

**(XIX) Index for information disclosure**

Event	Newspapers for disclosing information and relevant page	Publishing date	Internet website for disclosing information and the searching approach
Announcement on Earnings Forecast	China Securities Journal and Ta Kung Pao	18 Jan. 2012	www.cninfo.com.cn
2011 Annual Work Report of Independent Director (Wang Ruihua)	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
2011 Annual Work Report of Independent Director (Wu Cisheng)	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
2011 Annual Work Report of Independent Director (Liu Libin)	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Announcement on Resolutions Made at the 8 <sup>th</sup> Session of the 6 <sup>th</sup> Board of Directors	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Announcement on Resolutions Made at the 6 <sup>th</sup> Session of the 6 <sup>th</sup> Supervisory Committee	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Announcement on 2012 Annual Routine Related-party Transactions	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Feasibility Report of White Spirit Industrial Park Project	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Announcement on Investment on White Spirit Industrial Park Project	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Verification Report on Deposit and Use Situation of Raised Funds for 2011	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Independent Opinion of Independent Directors on Resolutions of the 8 <sup>th</sup> Session of the 6 <sup>th</sup> Board of Directors	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Independent Opinion of Independent Directors on Appropriation of the Company's Capital by	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn

Controlling Shareholder and Related Parties & External Guarantees			
Work Plan on Implementation of Internal Control	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Review Opinion of Supervisory Committee on the Self-appraisal Report of Internal Control in 2011	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Review Opinion of GF Securities Co., Ltd. on the Self-appraisal Report of Internal Control in 2011 for Anhui Gujing Distillery Co., Ltd.	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Notice on Convening the 2011 Annual Shareholders' General Meeting	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Announcement on Changes in Accounting Estimates of the Company	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
2011 Annual Auditor's Report	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Summary of 2011 Annual Report	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
2011 Annual Report	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Special Report of the Board of Directors on the Deposit and Use Situation of the Raised Funds in 2011	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Self-appraisal Report of Internal Control in 2011	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Special Explanation on Appropriation of the Company's Capital by Controlling Shareholder and Related Parties (2011)	China Securities Journal and Ta Kung Pao	29 Mar. 2012	www.cninfo.com.cn
Announcement on Earnings Forecast	China Securities Journal and Ta Kung Pao	12 Apr. 2012	www.cninfo.com.cn

Letter of Legal Opinion on the 2011 Annual Shareholders' General Meeting	China Securities Journal and Ta Kung Pao	20 Apr. 2012	www.cninfo.com.cn
Announcement on Resolutions Made at the 2011 Annual Shareholders' General Meeting	China Securities Journal and Ta Kung Pao	20 Apr. 2012	www.cninfo.com.cn
Announcement on Resolutions Made at the 9 <sup>th</sup> Session of the 6 <sup>th</sup> Board of Directors	China Securities Journal and Ta Kung Pao	23 Apr. 2012	www.cninfo.com.cn
Announcement on Resolutions Made at the 7 <sup>th</sup> Session of the 6 <sup>th</sup> Supervisory Committee	China Securities Journal and Ta Kung Pao	23 Apr. 2012	www.cninfo.com.cn
Announcement on Using the Bank Acceptance Bills to Pay the Funds of Raised Funds Investment Projects	China Securities Journal and Ta Kung Pao	23 Apr. 2012	www.cninfo.com.cn
Review Opinion of GF Securities Co., Ltd. on Using the Bank Acceptance Bills to Pay the Construction Charges of Raised Funds Investment Projects for the Company	China Securities Journal and Ta Kung Pao	23 Apr. 2012	www.cninfo.com.cn
Independent Opinion of Independent Directors on the Proposal on Using the Bank Acceptance Bills to Pay the Input Funds of Raised Funds	China Securities Journal and Ta Kung Pao	23 Apr. 2012	www.cninfo.com.cn
Summary of the First Quarterly Report for 2012	China Securities Journal and Ta Kung Pao	23 Apr. 2012	www.cninfo.com.cn
The First Quarterly Report for 2012	China Securities Journal and Ta Kung Pao	23 Apr. 2012	www.cninfo.com.cn
Announcement on Equity Distribution and Execution for 2011	China Securities Journal and Ta Kung Pao	24 Apr. 2012	www.cninfo.com.cn
Independent Opinion of Independent Directors on Engagement of Senior Management	China Securities Journal and Ta Kung Pao	13 Jun. 2012	www.cninfo.com.cn
Announcement on Resolutions Made at the Special Session of the 6 <sup>th</sup> Board of Directors	China Securities Journal and Ta Kung Pao	13 Jun. 2012	www.cninfo.com.cn

Notice on Convening the 1 <sup>st</sup> Special Shareholders' General Meeting for 2012	China Securities Journal and Ta Kung Pao	25 Jul. 2012	www.cninfo.com.cn
Announcement on Resolutions Made at the 10 <sup>th</sup> Session of the 6 <sup>th</sup> Board of Directors	China Securities Journal and Ta Kung Pao	25 Jul. 2012	www.cninfo.com.cn
Return Program for Shareholders(2012~2014)	China Securities Journal and Ta Kung Pao	25 Jul. 2012	www.cninfo.com.cn
Independent Opinion of Independent Directors on Promulgation of the Return Program for Shareholders(2012~2014)	China Securities Journal and Ta Kung Pao	25 Jul. 2012	www.cninfo.com.cn
Preliminary Earnings Estimate for the First Half Year of 2012	China Securities Journal and Ta Kung Pao	25 Jul. 2012	www.cninfo.com.cn
Suggestive Announcement on Release of Restricted Shares by the Board of Directors	China Securities Journal and Ta Kung Pao	8 Aug. 2012	www.cninfo.com.cn

## VIII. Financial Report

### (I) Audit opinion

Has this semi-annual report been audited?

Yes  No  Inapplicable

### (II) Financial statements

Consolidated statements or not?

Yes  No  Inapplicable

The monetary unit in the financial statements of the financial report is RMB Yuan if not specified otherwise.

Monetary unit of notes to financial statements: RMB Yuan

#### 1. Consolidated balance sheet

Prepared by Anhui Gujing Distillery Company Limited

Unit: RMB Yuan

Item	Note	30 Jun. 2012	31 Dec. 2011
Current Assets:			
Monetary funds		1,824,743,757.27	2,082,032,491.33

Settlement reserves			
Intra-group lendings			
Transactional financial assets			
Notes receivable		625,430,346.43	490,543,018.49
Accounts receivable		27,254,959.72	37,685,831.22
Accounts paid in advance		206,035,812.34	233,262,710.73
Premiums receivable			
Reinsurance premiums receivable			
Receivable reinsurance contract reserves			
Interest receivable		8,592,066.30	4,451,540.35
Dividend receivable			
Other accounts receivable		20,550,532.33	7,882,417.86
Financial assets purchased under agreements to resell			
Inventories		536,062,640.51	578,157,069.43
Non-current assets due within 1 year			
Other current assets			
Total current assets		3,248,670,114.90	3,434,015,079.41
Non-current assets:			
Loans by mandate and advances granted			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term accounts receivable			
Long-term equity investment			
Investing property		32,146,584.20	32,558,410.26
Fixed assets		396,187,708.92	362,778,190.84
Construction in progress		227,723,809.28	133,017,100.51
Engineering materials		3,635,801.34	
Disposal of fixed assets			
Production biological assets			
Oil-gas assets			
Intangible assets		325,467,547.65	248,594,232.04

R&D expense			
Goodwill			
Long-term deferred expenses		7,178,678.18	9,678,465.54
Deferred income tax assets		20,918,608.11	21,178,071.70
Other non-current assets			
Total of non-current assets		1,013,258,737.68	807,804,470.89
Total assets		4,261,928,852.58	4,241,819,550.30
Current liabilities:			
Short-term borrowings			
Borrowings from Central Bank			
Customer bank deposits and due to banks and other financial institutions			
Intra-group borrowings			
Transactional financial liabilities			
Notes payable		10,000,000.00	
Accounts payable		152,183,085.16	219,823,856.45
Accounts received in advance		82,399,866.61	135,597,187.88
Financial assets sold for repurchase			
Handling charges and commissions payable			
Employee's compensation payable		131,335,468.19	192,762,077.27
Tax payable		522,050,748.40	671,079,511.43
Interest payable			
Dividend payable			
Other accounts payable		290,916,502.05	248,890,018.78
Reinsurance premiums payable			
Insurance contract reserves			
Payables for acting trading of securities			
Payables for acting underwriting of securities			
Non-current liabilities due within 1 year			



Other current liabilities		1,037,854.38	2,075,708.75
Total current liabilities		1,189,923,524.79	1,470,228,360.56
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Long-term payables			
Specific payables			
Estimated liabilities			
Deferred income tax liabilities			
Other non-current liabilities		10,475,905.29	10,475,905.29
Total non-current liabilities		10,475,905.29	10,475,905.29
Total liabilities		1,200,399,430.08	1,480,704,265.85
Owners' equity (or shareholders' equity)			
Paid-up capital (or share capital)		503,600,000.00	251,800,000.00
Capital reserves		1,294,938,493.19	1,546,738,493.19
Less: Treasury stock			
Specific reserves			
Surplus reserves		147,070,297.60	147,070,297.60
Provisions for general risks			
Retained profits		1,115,920,631.71	815,506,493.66
Foreign exchange difference			
Total equity attributable to owners of the Company		3,061,529,422.50	2,761,115,284.45
Minority interests			
Total owners' (or shareholders') equity		3,061,529,422.50	2,761,115,284.45
Total liabilities and owners' (or shareholders') equity		4,261,928,852.58	4,241,819,550.30

Legal representative: Yu Lin

Person-in-charge of the accounting work: Ye Changqing

Chief of the accounting division: Xia Xueyun

**2. Balance sheet of the Company**

Unit: RMB Yuan

Item	Note	30 Jun. 2012	31 Dec. 2011
<b>Current Assets:</b>			
Monetary funds		1,588,912,478.60	1,885,937,555.53
Transactional financial assets			
Notes receivable		616,203,956.57	481,125,332.25
Accounts receivable		6,062,711.93	1,857,487.49
Accounts paid in advance		199,999,272.47	148,873,681.27
Interest receivable		8,592,066.30	4,395,740.35
Dividend receivable			
Other accounts receivable		225,188,338.68	263,635,938.96
Inventories		493,342,878.55	545,878,714.66
Non-current assets due within 1 year			
Other current assets			
<b>Total current assets</b>		<b>3,138,301,703.10</b>	<b>3,331,704,450.51</b>
<b>Non-current assets:</b>			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term accounts receivable			
Long-term equity investment		267,989,408.32	247,991,408.32
Investing property		32,146,584.20	32,558,410.26
Fixed assets		194,049,105.90	152,140,192.21
Construction in progress		163,533,607.63	132,982,180.51
Engineering materials			
Disposal of fixed assets			
Production biological assets			
Oil-gas assets			
Intangible assets		203,209,284.42	124,709,474.17
R&D expense			
Goodwill			
Long-term deferred expenses		3,597,906.56	4,536,265.22
Deferred income tax assets		19,942,284.56	20,167,034.56
Other non-current assets			
<b>Total of non-current assets</b>		<b>884,468,181.59</b>	<b>715,084,965.25</b>

Total assets		4,022,769,884.69	4,046,789,415.76
Current liabilities:			
Short-term borrowings			
Transactional financial liabilities			
Notes payable		10,000,000.00	
Accounts payable		134,848,972.87	225,568,150.93
Accounts received in advance		871,997,930.67	590,174,171.08
Employee's compensation payable		71,779,025.06	102,876,125.19
Tax payable		281,548,570.11	446,265,127.40
Interest payable			
Dividend payable			
Other accounts payable		87,856,444.49	89,012,417.91
Non-current liabilities due within 1 year			
Other current liabilities		899,000.00	1,798,000.00
Total current liabilities		1,458,929,943.20	1,455,693,992.51
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Long-term payables			
Specific payables			
Estimated liabilities			
Deferred income tax liabilities			
Other non-current liabilities		10,354,500.20	10,354,500.20
Total non-current liabilities		10,354,500.20	10,354,500.20
Total liabilities		1,469,284,443.40	1,466,048,492.71
Owners' equity (or shareholders' equity)			
Paid-up capital (or share capital)		503,600,000.00	251,800,000.00
Capital reserves		1,247,162,107.35	1,498,962,107.35
Less: Treasury stock			
Specific reserves			
Surplus reserves		141,968,037.33	141,968,037.33
Provision for general risks			

Retained profits		660,755,296.61	688,010,778.37
Foreign exchange difference			
Total owners' (or shareholders') equity		2,553,485,441.29	2,580,740,923.05
Total liabilities and owners' (or shareholders') equity		4,022,769,884.69	4,046,789,415.76

### 3. Consolidated income statement

Unit: RMB Yuan

Item	Note	Jan.-Jun. 2012	Jan.-Jun. 2011
I. Total operating revenues		2,227,809,202.69	1,583,297,669.82
Including: Sales income			
Interest income			
Premium income			
Handling charge and commission income			
II. Total operating cost			
Including: Cost of sales		573,199,355.13	405,155,605.30
Interest expenses			
Handling charge and commission expenses			
Surrenders			
Net claims paid			
Net amount withdrawn for the insurance contract reserve			
Expenditure on policy dividends			
Reinsurance premium			
Taxes and associate charges		363,847,284.75	239,474,072.21
Selling and distribution expenses		601,302,281.14	337,004,379.60
Administrative expenses		181,575,060.50	222,974,971.23
Financial expenses		-40,529,384.46	-10,495,581.72
Asset impairment loss			475,424.46
Add: Gain/(loss) from change in fair value ("-" means loss)			

Gain/(loss) from investment ("—" means loss)			
Including: share of profits in associates and joint ventures			
Foreign exchange gains ("—" means loss)			
III. Business profit ("—" means loss)		548,414,605.63	388,708,798.74
Add: non-operating income		8,591,072.54	5,916,789.73
Less: non-operating expense		1,207,011.55	286,188.36
Including: loss from non-current asset disposal		303,137.32	122,757.19
IV. Total profit ("—" means loss)		555,798,666.62	394,339,400.11
Less: Income tax expense		142,074,528.57	106,391,921.25
V. Net profit ("—" means loss)		413,724,138.05	287,947,478.86
Including: Net profit achieved by combined parties before the combinations		0.00	
Attributable to owners of the Company		413,724,138.05	287,947,478.86
Minority shareholders' income			
VI. Earnings per share		--	--
(I) Basic earnings per share		0.82	1.23
(II) Diluted earnings per share		0.82	1.23
VII. Other comprehensive incomes			
VIII. Total comprehensive incomes		413,724,138.05	287,947,478.86
Attributable to owners of the Company		413,724,138.05	287,947,478.86
Attributable to minority shareholders			

Where business mergers under the same control occurred in this report period, the net profit achieved by the merged parties before the business mergers was RMB 0.

Legal representative: Yu Lin

Person-in-charge of the accounting work: Ye Changqing

Chief of the accounting division: Xia Xueyun

#### 4. Income statement of the Company

Unit: RMB Yuan

Item	Note	Jan.-Jun. 2012	Jan.-Jun. 2011
I. Total sales		1,373,991,362.63	926,197,487.04
Less: cost of sales		552,748,073.80	393,587,049.61
Business taxes and surcharges		343,532,474.26	226,271,977.03
Distribution expenses		284,453,474.89	
Administrative expenses		99,682,004.17	160,408,927.06
Financial costs		-21,895,510.32	-5,222,173.59
Impairment loss			115,880.47
Add: gain/(loss) from change in fair value (“-” means loss)			
Gain/(loss) from investment (“-” means loss)			299,516.89
Including: income from investment on associates and joint ventures			
II. Business profit (“-” means loss)		115,470,845.83	151,335,343.35
Add: non-business income		6,166,248.63	1,901,357.07
Less: non-business expense		431,479.11	129,123.05
Including: loss from non-current asset disposal			
III. Total profit (“-” means loss)		121,205,615.35	153,107,577.37
Less: income tax expense		35,151,097.11	49,721,597.50
IV. Net profit (“-” means loss)		86,054,518.24	103,385,979.87
V. Earnings per share		--	--
(I) Basic earnings per share		0.17	0.44
(II) Diluted earnings per share		0.17	0.44
VI. Other comprehensive income			
VII. Total comprehensive income		86,054,518.24	103,385,979.87

## 5. Consolidated cash flow statement

Unit: RMB Yuan

Item	Jan.-Jun. 2012	Jan.-Jun. 2011
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,865,698,167.01	1,297,349,192.92
Net increase of deposits from customers and dues from banks		

Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of tradable financial assets		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received		422,693.25
Other cash received relating to operating activities	140,956,983.36	45,771,101.29
Subtotal of cash inflows from operating activities	2,006,655,150.37	1,343,542,987.46
Cash paid for goods and services	414,219,022.36	285,643,594.11
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	231,081,015.76	157,164,781.96
Various taxes paid	1,007,128,786.60	531,346,111.98
Other cash payment relating to operating activities	206,292,198.93	174,302,577.83

Subtotal of cash outflows from operating activities	1,858,721,023.65	1,148,457,065.88
Net cash flows from operating activities	147,934,126.72	195,085,921.58
II. Cash flows from investing activities:		
Cash received from withdrawal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	386,600.00	64,799.30
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	386,600.00	64,799.30
Cash paid to acquire fixed assets, intangible assets and other long-term assets	291,847,486.87	93,006,246.14
Cash paid for investment		
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	291,847,486.87	93,006,246.14
Net cash flows from investing activities	-291,460,886.87	-92,941,446.84
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings		
Cash received from issuance of		



bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	113,761,973.91	82,296,583.50
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	113,761,973.91	82,296,583.50
Net cash flows from financing activities	-113,761,973.91	-82,296,583.50
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-257,288,734.06	19,847,891.24
Add: Opening balance of cash and cash equivalents	2,082,032,491.33	643,231,404.42
VI. Closing balance of cash and cash equivalents	1,824,743,757.27	663,079,295.66

## 6. Cash flow statement of the Company

Unit: RMB Yuan

Item	Jan.-Jun. 2012	Jan.-Jun. 2011
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,395,279,587.72	920,002,968.03
Tax refunds received		
Other cash received relating to operating activities	41,126,590.91	34,636,174.52
Subtotal of cash inflows from operating activities	1,436,406,178.63	954,639,142.55
Cash paid for goods and services	479,559,767.86	188,896,577.24
Cash paid to and for employees	140,012,751.43	75,008,438.31

Various taxes paid	579,265,398.31	386,162,796.55
Other cash payment relating to operating activities	122,148,502.51	35,367,982.85
Subtotal of cash outflows from operating activities	1,320,986,420.11	685,435,794.95
Net cash flows from operating activities	115,419,758.52	269,203,347.60
II. Cash flows from investing activities:		
Cash received from retraction of investments		9,900,000.00
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	327,600.00	3,275.55
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	327,600.00	9,903,275.55
Cash paid to acquire fixed assets, intangible assets and other long-term assets	279,012,461.54	87,152,430.25
Cash paid for investment	19,998,000.00	
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	299,010,461.54	87,152,430.25
Net cash flows from investing activities	-298,682,861.54	-77,249,154.70
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received from issuance of bonds		

Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	113,761,973.91	82,296,583.50
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	113,761,973.91	82,296,583.50
Net cash flows from financing activities	-113,761,973.91	-82,296,583.50
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-297,025,076.93	109,657,609.40
Add: Opening balance of cash and cash equivalents	1,885,937,555.53	480,737,398.56
VI. Closing balance of cash and cash equivalents	1,588,912,478.60	590,395,007.96

## 7. Consolidated statement of changes in owners' equity

Reporting period

Unit: RMB Yuan

Item	Reporting period										
	Equity attributable to owners of the Company									Minority interests	Total owners' equity
	Paid-up capital (or share capital)	Capital reserve	Less: treasury stock	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Others			
I. Balance at the end of the previous year	251,800,000.00	1,546,738,493.19			147,070,297.60		815,506,493.66				2,761,115,284.45
Add: change of accounting policy											
Correction of errors in previous periods											
Other											

II. Balance at the beginning of the year	251,800,000.00	1,546,738,493.19			147,070,297.60		815,506,493.66			2,761,115,284.45
III. Increase/ decrease of amount in the year (“-” means decrease)	251,800,000.00	-251,800,000.00					300,414,138.05			300,414,138.05
(I) Net profit							413,724,138.05			413,724,138.05
(II) Other comprehensive incomes										
Subtotal of (I) and (II)							413,724,138.05			413,724,138.05
(III) Capital paid in and reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capital paid in by owners										
2. Amounts of share-based payments recognized in owners’ equity										
3. Others										
(IV) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	-113,310,000.00	0.00	0.00	-113,310,000.00
1. Appropriations to surplus reserves										
2. Appropriations to general risk provisions										
3. Appropriations to owners (or shareholders)							-113,310,000.00			-113,310,000.00
4. Other										
(V) Internal carry-forward of owners’ equity	251,800,000.00	-251,800,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. New increase of capital (or share capital) from capital public reserves	251,800,000.00	-251,800,000.00								
2. New increase of capital (or share capital) from surplus reserves										
3. Surplus reserves for making up losses										
4. Other										

(VI) Specific reserve										
1. Withdrawn for the period										
2. Used in the period										
(VII) Other										
IV. Closing balance	503,600,000.00	1,294,938,493.19			147,070,297.60		1,115,920,631.71			3,061,529,422.50

Last year

Unit: RMB Yuan

Item	Last year									
	Equity attributable to owners of the Company								Minority interests	Total owners' equity
	Paid-up capital (or share capital)	Capital reserve	Less: treasury stock	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Others		
I. Balance at the end of the previous year	235,000,000.00	336,039,042.92			97,283,190.70		381,153,314.20			1,049,475,547.82
Add: retrospective adjustments due to business combinations under the same control										
Add: change of accounting policy										
Correction of errors in previous periods										
Other										
II. Balance at the beginning of the year	235,000,000.00	336,039,042.92			97,283,190.70		381,153,314.20			1,049,475,547.82
III. Increase/ decrease of amount in the year ("-" means decrease)	16,800,000.00	1,210,699,450.27			49,787,106.90		434,353,179.46			1,711,639,736.63
(I) Net profit							566,390,286.36			566,390,286.36
(II) Other comprehensive incomes										
Subtotal of (I) and (II)							566,390,286.36			566,390,286.36
(III) Capital paid in and	16,800,000.00	1,210,699,450.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,227,499,736.63

reduced by owners	00.00	99,450.27								450.27
1. Capital paid in by owners	16,800,000.00	1,210,699,450.27								1,227,499,450.27
2. Amounts of share-based payments recognized in owners' equity										
3. Others										
(IV) Profit distribution	0.00	0.00	0.00	0.00	49,787,106.90	0.00	-132,037,106.90	0.00	0.00	-82,250,000.00
1. Appropriations to surplus reserves					49,787,106.90		-49,787,106.90			
2. Appropriations to general risk provisions										
3. Appropriations to owners (or shareholders)							-82,250,000.00			-82,250,000.00
4. Other										
(V) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. New increase of capital (or share capital) from capital public reserves										
2. New increase of capital (or share capital) from surplus reserves										
3. Surplus reserves for making up losses										
4. Other										
(VI) Specific reserve										
1. Withdrawn for the period										
2. Used in the period										
(VII) Other										
IV. Closing balance	251,800,000.00	1,546,738,493.19			147,070,297.60		815,506,493.66			2,761,115,284.45

**8. Statement of changes in owners' equity of the Company**

Reporting period

Unit: RMB Yuan

Item	Reporting period							
	Paid-up capital (or share capital)	Capital reserve	Less: treasury stock	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Total owners' equity
I. Balance at the end of the previous year	251,800,00 0.00	1,498,962, 107.35			141,968,03 7.33		688,010,77 8.37	2,580,740, 923.05
Add: change of accounting policy								
Correction of errors in previous periods								
Other								
II. Balance at the beginning of the year	251,800,00 0.00	1,498,962, 107.35			141,968,03 7.33		688,010,77 8.37	2,580,740, 923.05
III. Increase/ decrease of amount in the year ("-" means decrease)	251,800,00 0.00	-251,800,0 00.00					-27,255,48 1.76	-27,255,48 1.76
(I) Net profit							86,054,518 .24	86,054,518 .24
(II) Other comprehensive incomes								
Subtotal of (I) and (II)							86,054,518 .24	86,054,518 .24
(III) Capital paid in and reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capital paid in by owners								
2. Amounts of share-based payments recognized in owners' equity								
3. Others								
(IV) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	-113,310,0 00.00	-113,310,0 00.00
1. Appropriations to surplus reserves								
2. Appropriations to general risk provisions								

3. Appropriations to owners (or shareholders)							-113,310,000.00	-113,310,000.00
4. Other								
(V) Internal carry-forward of owners' equity	251,800,000.00	-251,800,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1. New increase of capital (or share capital) from capital public reserves	251,800,000.00	-251,800,000.00						
2. New increase of capital (or share capital) from surplus reserves								
3. Surplus reserves for making up losses								
4. Other								
(VI) Specific reserve								
1. Withdrawn for the period								
2. Used in the period								
(VII) Other								
IV. Closing balance	503,600,000.00	1,247,162,107.35			141,968,037.33		660,755,296.61	2,553,485,441.29

Last year

Unit: RMB Yuan

Item	Last year							
	Paid-up capital (or share capital)	Capital reserve	Less: treasury stock	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Total owners' equity
I. Balance at the end of the previous year	235,000,000.00	288,262,657.08			92,180,930.43		322,176,816.26	937,620,403.77
Add: change of accounting policy								
Correction of errors in previous periods								
Other								
II. Balance at the beginning of the year	235,000,000.00	288,262,657.08			92,180,930.43		322,176,816.26	937,620,403.77
III. Increase/ decrease of amount in the year ("-" means decrease)	16,800,000.00	1,210,699,450.27			49,787,106.90		365,833,962.11	1,643,120,519.28



(I) Net profit							497,871,069.01	497,871,069.01
(II) Other comprehensive incomes								
Subtotal of (I) and (II)							497,871,069.01	497,871,069.01
(III) Capital paid in and reduced by owners	16,800,000.00	1,210,699,450.27	0.00	0.00	0.00	0.00	0.00	1,227,499,450.27
1. Capital paid in by owners	16,800,000.00	1,210,699,450.27						1,227,499,450.27
2. Amounts of share-based payments recognized in owners' equity								
3. Others								
(IV) Profit distribution	0.00	0.00	0.00	0.00	49,787,106.90	0.00	-132,037,106.90	-82,250,000.00
1. Appropriations to surplus reserves					49,787,106.90		-49,787,106.90	
2. Appropriations to general risk provisions								
3. Appropriations to owners (or shareholders)							-82,250,000.00	-82,250,000.00
4. Other								
(V) Internal carry-forward of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. New increase of capital (or share capital) from capital public reserves								
2. New increase of capital (or share capital) from surplus reserves								
3. Surplus reserves for making up losses								
4. Other								
(VI) Specific reserve								
1. Withdrawn for the period								
2. Used in the period								
(VII) Other								

IV. Closing balance	251,800,00	1,498,962,			141,968,03		688,010,77	2,580,740,
	0.00	107.35			7.33		8.37	923.05

### (III) Company Profile

#### 1. Company history

Anhui Gujing Distillery Company Limited (“the Company”) was registered in the People Republic of China on 30 May 1996.

The Company has been issued 60,000,000 domestic listed foreign shares (“B” shares) in June 1996 and 20,000,000 ordinary shares (“A shares) on September 1996, ordinary shares are listed in national and par value is one yuan per share. Those A share and B share are listed in Shenzhen Stock exchange.

On May 29, 2006, a shareholder meeting was held to discuss and approval a program of equity division of A share, the program was implement in June 2006. After implementation, all shares are outstanding share, which include 147,000,000 shares with restrict condition on disposal, represent 62.55% of total equity, and 88,000,000 shares without restrict condition on disposal, represent 37.45% of total equity.

The Company issued <Announcement of release restriction shares by Anhui Gujing Distillery Company Limited> on June 27, 2007, 11,750,000 outstanding shares with restrict condition on disposal are listed in stock market on June 29, 2007. Up to that day, outstanding shares with restrict condition on disposal are 135,250,000, representing 57.55% of total equity, the share without restrict condition are 99,750,000, representing 42.45% of total equity.

The Company issued <Announcement of release restriction shares by Anhui Gujing Distillery Company Limited> on July 17, 2008, 11,750,000 outstanding shares with restrict condition on disposal are listed in stock market on July 18, 2008. Up to that day, outstanding shares with restrict condition on disposal are 123,500,000, representing 52.55% of total equity, the share without restrict condition are 111,500,000, representing 47.45% of total equity.

The Company issued <Announcement of release restriction shares by Anhui Gujing Distillery Company Limited> on July 24, 2009, 123,500,000 outstanding shares with restrict condition on disposal are listed in stock market on 29 July, 2009. Up to that day, the Company’s all shares are all tradable.

As approved by the CSRC Document Zheng-Jian-Xu-Ke [2011] No. 943, the Company privately offered 16,800,000 ordinary shares (A-shares) to special investors on 15 Jul. 2011, with a par value of RMB 1 and the price of RMB 75.00 per share, raising RMB 1,260,000,000.00 in total, the net amount of raised funds stood at RMB 1,227,499,450.27 after deducting RMB 32,500,549.73 of various issuance expenses. Reanda Certified Public Accountants verified the raised capital upon its arrival and issued the Capital Verification Report Reanda-Yan-Zi [2011] No. 1065.

In accordance with the resolutions made at the 2011 Annual Shareholders’ General Meeting, basing on the total share capital of 251,800,000 shares, the Company decided to transfer the capital reserves to share capital by 10 shares upon each 10 shares to the A-share holders registered in the Company on 27 Apr. 2012 and the B-share holders registered in the Company on 4 May 2012, thus the total share capital increased to RMB 503,600,000 after the capitalization. Reanda Certified Public Accountants verified the raised capital (Capital Verification Report Reanda-Yan-Zi [2012] No. 1022). Up to 4 May 2012, the Company has transferred RMB 251,800,000 of capital reserves to share capital.

Legal representative of the Company: Yu Lin

Registration address of the Company: Gujing Town, Bozhou City, Anhui Province

Parent company of the Company: Anhui Gujing Group Co., Ltd. (“the Gujing Group” hereinafter)

## **2. The industry**

The Company belongs to the food manufacturing industry.

## **3. Scope of business**

The approved business of the Company including procurement of grain (operating with business license), manufacture of distilled spirits, wine distilling facilities, packaging material, bottles, alcohol, grease (limited to byproducts from wine manufacture), and research and development of high-tech, biotechnology development, agricultural and sideline products deep processing, as well as sale of self-manufacturing products.

## **4. Main product**

The company’s main product is grain distilled spirit.

## **5. Explanation on changes in main business, significant changes in equity, occurrence of significant merger and reorganization during the reporting period**

There are no changes in main business, occurrence of significant merger or reorganization for the Company during the reporting period.

## **(IV) Main accounting policies and estimates and corrections of previous accounting errors**

### **1. Basis for the preparation of financial statements**

The financial statements of the Company have been prepared on the going concern basis with reference to the actual occurrence of transactions and events and in accordance with the China Enterprise Accounting Standards (CAS) issued by the Ministry of Finance on 15 Feb. 2006 and the significant accounting policies and estimates as set out in part two of this FS notes.

### **2. Declaration of Compliance with the Enterprise Accounting Standards**

The financial statements of the Company have been prepared in accordance with the Enterprise Accounting Standards to present truly and completely the financial position, result of operation and cash flow and the relevant information of the Company.

### **3. Accounting year**

The Company employs a period of calendar days from 1 Jan. to 31 Dec. each year as accounting year.

### **4. Bookkeeping base currency**

The Company’s bookkeeping base currency is Renminbi (“RMB”).

Bookkeeping base currency for overseas subsidiaries

### **5. Accounting treatment of the business combination that is under the same control and not under the same control.**

#### **(1) Accounting treatment of the business combination that is under the same control**

Those assets and liabilities obtained by the Company during the business combination should be recognized in the carrying value of the equity of the merged party on the merger date. The difference between the carrying amount of the net assets obtained and carrying amount of the merger consideration (or total par value of issued shares ) paid shall be adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

#### **(2) Accounting treatment of the business combination that is not under the same control**

The consideration paid for the business combination exceeds the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, the difference shall be recognized as goodwill; Where the cost of combination is less than the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, should be review the fair value of acquiree’s identifiable assets, liabilities and contingency liabilities , as well as the computation of combination cost, after reassessment, the difference shall be recognized in profit or loss at the current period.

### **6. Methods for preparing consolidated financial statements**

## **(1) Preparation methods for consolidated financial statements**

### 1) Principle for determining the consolidation scope

The consolidated financial statements prepared are in accordance with the No. 33 Enterprise Accounting Standards – Consolidated Financial Statement issued in Feb. 2006. The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries directly controlled or indirectly controlled by the Company as well as units with special purpose. Control is achieved where the Company has the power to govern the financial and operating policies of an invested enterprise so as to obtain benefits from its operating activities.

If there is evidence provide that the invested company is not controlled by holding company, the invested company would not be included in the consolidation scope.

### 2) Purchase and sale of equities of subsidiaries

The effective purchase day and sales day shall be recognized after transferring the related risks and reward of ownership of equities of subsidiaries. For the subsidiaries not under the same control from business combination, the results of operation and cash flow of subsidiaries before disposal or after acquired the share have been included in the consolidated income statement and consolidated cash flow statement; for the subsidiaries under the same control from business combination, the operation results and cash flow from beginning of combination period to consolidation date have been included in the consolidated income statement and consolidated cash flow statement and disclosed in statement individual, the comparative amount in consolidation statement has been adjusted accordingly.

For the long-term equity investment gained from acquiring minority equity shares of subsidiaries, on the date of preparing consolidation statement, the difference between the value of the new long-term equity investment and the value of subsidiary's net assets calculated by proportion of shareholdings from acquiring date (or combination date) shall be adjusted to owners' equity(capital reserve), if the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

### 3) Adjusting the subsidiary' financial statement when different accounting policy and reporting period existing between the subsidiaries and the parent company.

If the subsidiary has different accounting policy and reporting period with the parent company, the Company has made relevant adjustment in the subsidiary' financial statement according to the parent company's accounting policy while preparing its consolidated financial statement; For those subsidiary acquired not under the same control, the Company has made relevant adjustment in the subsidiary' financial statement according to the fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary on the acquisition date.

### 4) Consolidation method

All significant accounts and transactions between the Company and the subsidiary and those between the subsidiaries are offset while preparing consolidated financial statement.

The minority interest in the net assets of merged subsidiary shall be individually listed under the owners' equity in the consolidated financial statement.

## **(2) As for the event about purchasing and then selling (or selling and then purchasing) equities of the same subsidiary, the Company shall disclose relevant accounting treatment methods.**

### **7. Standard of cash and cash equivalents**

Cash equivalents are short-term (normally with a maturity date within three months from the date of acquisition), high-liquidity investments that are readily convertible to known amounts of cash and low-risk of changes in value.

## **8. Foreign currency business and translation of foreign currency financial statement**

### **(1) Foreign currency transactions**

The Company's foreign currency transactions are converted into presentation currency (RMB) at spot exchange

rates of transaction date (usually refer to the middle price of the foreign exchange rate of transaction date).

On the balance sheet date, those foreign currency monetary items within the financial statement shall be converted at the spot rates on the balance sheet date. The exchange difference caused by the change in the exchange rate from the initial recognized date and the current balance sheet date shall be included in current profits and losses. Those foreign currency non-monetary items measured by historical cost shall still be converted at the spot exchange rate of transaction date, without changing its presentation currency amount. Those foreign currency non-monetary items measured by fair value shall be converted at the spot exchange rate on the day when the fair value can be determined, the difference between amount after converted into presentation currency and the original presentation currency amount shall be treated as the changes in the fair value and recognized in the current profits and losses.

## **(2) Translation of foreign currency financial statement**

① Those items of assets and liabilities in the balance sheet shall be converted at the spot rate on the balance sheet date; Items of owners' equity other than undistributed profits shall be converted at the spot rate on the transaction date.

② Those items of income and expenses in income statement shall be converted at the spot rate on the transaction date.

The difference caused from the above translation method shall be individually listed under the owners' equity in the balance sheet.

③ The items in cash flow statement shall be converted at the spot rate on the occurrence date of the cash flow. And the affected amount due to the changes of exchange rate shall be as the adjusted item and individually listed in the cash flow statement.

## **9. Financial Instruments**

### **(1) Classification of financial instruments**

The Company classified its financial assets into four categories in accordance with the investment purpose and economic substance, which are financial assets measured at fair value and the change in fair value recorded into current profits and losses, held-to-maturity investments, loans and receivables, available-for-sale financial assets.

The financial liabilities are divided into financial liabilities measured at fair value and the change in fair value recorded into current profits and losses and other financial liabilities according to the economic substance.

① Financial assets or financial liabilities measured at fair value and the change in fair value recorded into current profits and losses: including transactional financial assets or financial liabilities and financial assets or financial liabilities designated by the Company to be measured at fair value and the change in fair value recorded into current profits and losses.

Transactional financial assets or financial liabilities refer to the financial assets or financial liabilities meeting one of the following conditions:

- a. The main purpose of acquiring the financial assets or bearing the financial liabilities is to sell or repurchase in the near term; or
- b. Part of a portfolio of identified financial instruments that are managed together and there is evidence that the Company manage them under the pattern of short-term profit-gaining recently; or
- c. A derivative instrument (except for a derivative instrument that is a designated and effective hedging instrument, a derivative instrument of financial guarantee contract, a derivative instrument that connected with and settled by equity instrument, whose price could not be quoted in active market and the fair value could not be measured reasonably).

Financial assets or financial liabilities designated by the Company to be measured at fair value and the change in fair value recorded into current profits and losses refer to the financial assets or financial liabilities meeting one of the following conditions:

a. The designation can eliminate or significantly reduce the inconsistent situation of the relevant gains and losses on the aspects of recognition and measurement caused by adopting different measurement basis of financial assets and financial liabilities;

b. The official documents on Company risk management or investment strategy has stated that the financial assets portfolio, the financial liabilities portfolio, or the financial assets and financial liabilities portfolio are managed and evaluated on the basis of fair value and reported to key management person.

② Held-to-maturity investments: refer to non-derivative financial assets with fixed maturity date, fixed or determinable payments that enterprise has the clear intention and ability to hold to maturity. Mainly include fixed-rate national bonds, floating-rate corporate bonds and etc. that the Company's management has a clear intention and ability to hold to maturity.

③ Receivables: are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables of the Company mainly refer to the Company's accounts receivable and other accounts receivable formed by sales of goods or rendering of services.

④ Available-for-sale financial assets: are those non-derivative financial assets that are designated as available for sale at initial recognition, and those financial assets not divided into financial assets measured at fair value and the change in fair value recorded into current profits and losses, held-to-maturity investments, loans and receivables.

⑤ Other financial liabilities: are those financial liabilities not divided into financial liabilities measured at fair value and the change in fair value recorded into current profits and losses.

## **(2) Recognition basis and measurements for financial instruments**

The Company's financial asset or financial liability is recognized at its fair value initially. For financial assets or financial liabilities measured at fair value and the change in fair value recorded into current profits and losses, relevant transaction costs that are directly recorded into current profits and losses; for other types of financial assets or financial liabilities, relevant transaction costs are recorded into the initial recognized amount.

Subsequent measurement of financial assets and financial liabilities by the Company:

1. Financial assets or financial liabilities measured at fair value and the change in fair value recorded into current profits and losses shall be made subsequent measurement at its fair value, the gains and losses from the change of fair value and termination of recognition shall be recorded into current profits and losses.

2. Held-to-maturity investments shall be made subsequent measurement at amortized cost using the effective interest method, the gains and losses from termination of recognition, depreciation or amortization shall be recorded into current profits.

3. Receivables shall be made subsequent measurement at amortized cost using the effective interest method, the gains and losses from termination of recognition, depreciation or amortization shall be recorded into current profits.

4. Available-for-sale financial assets shall be made subsequent measurement at its fair value, the gains and losses from the change of fair value shall be recorded into capital reserve. Disposal of available-for-sale financial assets, the difference between consideration received and carrying value of the financial assets included into investment profits or losses account; at the same time, turn out the disposal amount corresponding to the cumulative amount of changes in fair value that originally directly recorded into owners' equity investment, and recorded into investment profits or losses account. The impairment losses of such financial assets and exchange differences of foreign monetary financial assets shall be recorded into current profits and losses. Interest received and cash dividends declared to distribute by the invested company during the holding period of such financial assets shall be recognized into investment income.

5. Other financial liabilities that connected with and settled by equity instrument, whose price could not be quoted in active market and the fair value could not be measured reasonably shall be made subsequent measurement by

cost.

The financial guarantee contract is not belong to financial liabilities designated by the Company to be measured at fair value and the change in fair value recorded into current profits and losses, as well as the loan commitment is not belong to financial liabilities designated by the Company to be measured at fair value and the change in fair value recorded into current profits and losses and for lending at the lower-than-market rate, after initial recognition, which shall be made subsequent measurement at the higher of : (a) Amount recognized by < Enterprise Accounting Standard 13—Contingent events > ; (b) Balance of initial recognition amount after deducting the accumulated amortization refer to < Enterprise Accounting Standard 14—Revenue >.

Other financial liabilities shall be made subsequent measurement at amortized cost using the effective interest method, the gains and losses from termination of recognition or amortization shall be recorded into current profits and losses.

1. Fair value: it refers to the amount, at which both parties to a transaction who are familiar with the condition exchange their assets or clear off their debts under fair conditions. In a fair transaction, both parties to it shall be enterprises in continuous operation, and do not plan or do not need to carry out any liquidation, significantly reduce their operational scale or carry out transactions notwithstanding the unfavorable conditions they face. As for the financial assets or financial liabilities for which there is an active market, the quoted prices in the active market shall be used to determine the fair values thereof. If there is no active market, company should adopt valuation techniques to determine the fair value.

2. The post-amortization cost of a financial asset or financial liability : it refers the balance of the initially recognized amount of the financial asset or financial liability after deducting the already paid principal, adding or deducting the accumulative amount of amortization incurred from amortizing the balance between the initially recognized amount and the amount of the maturity date by adopting the actual interest rate method, and deducting the impairment losses that have actually incurred.

3. The actual interest rate method: it refers to the method by which the post-amortization costs and the interest incomes of different installments or interest expenses are calculated in light of the actual interest rates of the financial assets or financial liabilities (including a set of financial assets or financial liabilities). The actual interest rate refers to the interest rate adopted to cash the future cash flow of a financial asset or financial liability within the predicted term of existence or within a shorter applicable term into the current carrying amount of the financial asset or financial liability. When the actual interest rate is determined, the future cash flow shall be predicted on the basis of taking into account all the contractual provisions concerning the financial asset or financial liability (including the right to repay the loan ahead of schedule, call options, similar options and etc.), and the future credit losses shall not be taken into account.

### **(3) Recognition basis and measurement of financial asset transfers**

#### **(4) Termination of recognition of financial liabilities**

- ① Where a financial asset satisfies any of the following requirements, the recognition of it shall be terminated:
  - a. Where the contractual rights for collecting the cash flow of the said financial asset are terminated; or
  - b. Where the financial asset has been transferred and nearly all of the risks and rewards related to the ownership of the financial asset have been transferred to the transferee; or
  - c. Where the financial asset has been transferred but the enterprise does not transfer or retain nearly all of the risks and rewards related to the ownership of a financial asset, and the enterprise gives up its control over the financial asset.
- ② If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the Company recorded the difference between the amounts of the following two items into the current profits and losses:
  - a. The book value of the transferred financial asset;

b. The sum of consideration received from the transfer, and the accumulative amount of the changes of the fair value originally recorded in the owner's equities.

③ If the transfer of partial financial asset satisfies the conditions to stop the recognition, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value, and the difference between the amounts of the following two items shall be included into the current profits and losses:

a. The book value of the portion whose recognition has been stopped;

b. The sum of consideration of the portion whose recognition has been stopped, and the portion of the accumulative amount of the changes in the fair value originally recorded in the owner's equity which is corresponding to the portion whose recognition has been stopped.

④ If the transfer of partial financial asset doesn't satisfy the conditions to stop the recognition, the Company shall continue to recognize the financial assets and recognized the consideration it receives as a financial liability. For those financial assets transferred by adopting continuous involvement method, the Company should recognize one financial asset and one financial liability, according to the extent of the transferred financial assets under continuous involvement.

#### **(5) Determination of the fair value of main financial assets and financial liabilities**

#### **(6) Withdrawal of impairment provision for financial assets (excluding accounts receivable)**

① If the Company have the following evidence to prove the impairment of financial assets, should recognize the provision of impairment:

a. A serious financial difficulty occurs to the issuer or debtor;

b. The debtor breaches any of the contractual stipulations, for example, fails to pay or delays the payment of interests or the principal, etc.;

c. The creditor makes any concession to the debtor which is in financial difficulties due to economic or legal factors, etc.;

d. The debtor will probably become bankrupt or carry out other financial reorganizations;

e. The financial asset can no longer continue to be traded in the active market due to serious financial difficulties of the issuer;

f. It is impossible to identify whether the cash flow of a certain asset within a certain combination of financial assets has decreased or not. But after making an overall appraisal according to the public data available, it is found that the predicted future cash flow of the said combination of financial assets has indeed decreased since it was initially recognized and such decrease can be measured.

g. Any seriously disadvantageous change has occurred to technical, market, economic or legal environment, etc. wherein the debtor operates its business, which makes the investor of an equity instrument unable to take back its investment;

h. Where the fair value of the equity instrument investment drops significantly or not contemporarily;

i. Other objective evidences showing the impairment of the financial asset.

② On balance sheet date, the Company should adopt different impairment test method for different category financial assets, and recognize provision for impairment:

a. Held-to-maturity investments: on the balance sheet date, if there are objective evidence of impairment for the investment, the Company has recognized the impairment loss by the balance between the asset's carrying amount and the present value of estimated future cash flows.

b. Available-for-sale financial assets: on the balance sheet date, the Company analyzes the impairment evidences of the financial assets, judging whether the fair value of the financial asset continued to decline. Generally, if the fair value of financial assets had serious decline, after consideration of all relevant factors, anticipating this is



non-temporary, then identified the available-for-sale financial assets has been impaired, and recognized the impairment loss. If the fair value of the available-for-sale financial asset has a decline, when recognizing the impairment losses, the Company shall transferred the accumulated losses from the decrease in fair value that originally directly recorded in owners' equity to the assets impairment losses account.

**(7) As for event about reclassifying the undue held-to-maturity investment into available-for-sale financial assets, the Company shall state the basis of changes in holding purpose or ability**

## 10. Recognition criteria and withdrawal methods for bad debts provision of accounts receivable

### (1) Bad debt provision for individually significant accounts receivable

Judgement basis or monetary standards of provision for bad debts of the individually significant accounts receivable	More than RMB 2 million (including 2 million)
Method of individual provision for bad debts of the individually significant accounts receivable	When making individual impairment test on accounts receivable with significant amount, if there is objective evidence that the accounts receivable have been impaired, the impairment loss shall be recognized based on the difference of the book values higher than the present value of future cash flows, then withdraw the bad debts provision.  If the accounts receivable with significant amount has not been impaired under the individual test, which shall be withdrawn the bad debts provision by aging group as the credit risk group. Please refer to Note II. 10. (2)

### (2) Accounts receivable withdrawn bad debts provision by group

Name of group	Withdrawal method of bad debt provision on the group basis	Recognition basis of group
Aging group	Aging analysis	Age

In the groups, adopting aging analysis method to withdraw bad debt provision:

Applicable  Inapplicable

Age	Withdrawal proportion for accounts receivable (%)	Withdrawal proportion for other accounts receivable (%)
Within 1 year (including 1 year)		
Of which: within six months	1%	1%
Six months to one year	5%	5%
1-2 years	10%	10%
2-3 years	50%	50%
Over 3 years	100%	100%
3-4 years		
4-5 years		
Over 5 years		

In the groups, adopting balance percentage method to withdraw bad debt provision

Applicable  Inapplicable

In the groups, adopting other methods to withdraw bad debt provision

Applicable  Inapplicable

(3) Accounts receivable with insignificant amount but being individually withdrawn bad debts provision

Reason for individually withdrawing the bad debts provision:

high credit risk.

Withdrawal method of bad debts provision:

When making individual impairment test on accounts receivable with insignificant amount but high credit risk, the impairment loss shall be recognized based on the difference of the book values higher than the present value of future cash flows, then withdraw the bad debts provision.

## 11. Inventory

(1) Category of inventory:

Inventory of the Company refers to enterprises' hold-for-sale finished goods or merchandise, product in process, and materials consumed in the production process or rendering of services, etc. in the daily activities, which includes material in transit, raw materials, goods in process, merchandise on hand, merchandise issued, entrusted processing materials and circulating materials, etc.

(2) Pricing method for outgoing inventories

First-in first-out method  Weighted average method  Specific identification method  Other

The routine accounting of inventory is calculated by actual cost.

(3) Recognition basis of net realizable value and withdrawal method of falling price provision for inventories:

① Recognition of net realizable value for inventories:

Those inventories of merchandise, such as finished goods, commodities and materials used for directly sale, the net realizable value is referred to the estimated selling price minus the estimated selling expenses and related tax and fees in normal operating process. Those inventories of materials needing being processed, the net realizable value is referred to the estimated selling price of products minus the estimated finished cost and estimated selling expenses and related tax and fees in normal operating process. The net realizable value of the inventory held to exercising sales contract or service contract is based on the contract price. If the sales contracts are for less than the inventory quantities held, the net realizable value of the excess is based on general selling prices.

② Withdrawal method of falling price provision for inventories:

On the balance sheet date, the evaluation criteria should base on the lower value between costs and net realizable value. When net realizable value is lower than costs, falling price provision of inventories shall be made. Under normal circumstances, the Company withdraws the falling price provision in according to individual inventory items, but for large quantity and low-unit-price inventories, falling price provision of inventories shall be made based on the category of inventories; for those inventories that relating to the same product line that have similar purposes or end uses, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line, their falling price provision of inventories shall be consolidated.

After withdrawing the depreciation reserves for inventories, if the factors, which cause any write-down of the inventories, have disappeared, the amount of write-down shall be recovered and reversed from the original amount of depreciation reserve for inventories. The reversed amount shall be included in the profits and losses of the current period.

(4) Inventory system for inventories

Perpetual inventory system  Periodic inventory system  Other

The inventory system for inventories is perpetual inventory system..

(5) Amortization method of the low-value consumption goods and packing articles

Low-value consumption goods

Amortisation method: one-off amortization method

Packing articles

Amortisation method: one-off amortization method

## **12. Long-term equity investment**

(1) Recognition of initial investment costs

The Company separates the following two cases of long-term equity investment in the measurement:

① Long-term equity investment obtained through business combinations:

a. For obtaining subsidiary under common control, the consideration cost can be paid by cash payment, non-monetary assets transfer or taking over the subsidiary's liability. Under this situation, the investment cost is carrying amount of owners' equity of the subsidiary on the merger date. The difference between the carrying amount of the net assets obtained and investment cost of long-term equity investment shall be adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. In the case of company issues equity securities as the consideration, the investment cost is carrying amount of owners' equity of the subsidiary on the merger date. If the book value amount of the issued shares is deemed as the capital, the difference between the carrying amount of the issued shares and investment cost of long-term equity investment shall be adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. All direct expenses related to the merger, including the auditor fee, evaluation expense, legal service expense, etc will be accrued to the current profit and loss.

b. For obtaining subsidiary not under common control, the cost of long-term equity investment is fair value of assets paid, liabilities undertaken by the Company, or the fair value of equity bonds issued. Where the cost of a business combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference shall be recognized as goodwill, Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, after reassessment, the difference shall be recognized in profit or loss for the current period (non-operating income). The costs related to business combinations, including the commission fees for audit, law services, assessment & consultancy services and other relevant expenses occurred in the business combination by the combining party, shall be recorded into current profits and losses upon their occurrence; the transaction expense from the issuance of equity securities or bonds securities which are as consideration for combination by the combining party, should be recorded as the initial amount of equity securities and bonds securities.

For business combination not under the same control realized by two or more transactions of exchange, which was implemented relevant accounting treatment by separating the individual financial statement and consolidated financial statement:

(I) In the individual financial statement, the investment cost was the sum of the book value of such equity investment of acquiree before the purchasing date and the newly added investment cost on the purchasing date; while if the equity of acquiree held before purchasing date involves any other comprehensive income, which shall be transferred into current investment income together with other relevant comprehensive income (i.e. the change in the fair value of available-for-sale financial assets transferred to capital reserves, the same below) when disposing such investment.

(II) In the consolidated financial statement, the equity of acquiree held before purchasing date shall be re-measured at the fair value of such equity on the purchasing date, and the balance between its fair value and

book value shall be recorded into current investment income; while if the equity of acquiree held before purchasing date involves any other comprehensive income, which shall be transferred into current investment income together with other relevant comprehensive income. The acquirer shall disclose its amounts of the fair value of equity of acquiree held before purchasing date, relevant profits or losses from the re-measurement at the fair value in the notes to financial statement.

② Except for the long-term equity investments formed by the merger of enterprises, the initial cost of a long-term equity investment obtained by other means shall be ascertained in accordance with the provisions as follows:

a. The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid. The investment cost consists of the expenses directly relevant to the obtainment of the long-term equity investment, taxes and other necessary expenses. But if the actual payment contains cash dividend that has not been received but has been announced, that should be accounted as receivable items separately.

b. The investment cost of a long-term equity investment obtained on the basis of issuing equity securities shall be the fair value of the equity securities issued.

c. Long-term equity investment made by the investors, the values agreed in the investment contracts or agreements will be deemed as the initial investment cost, except that the contracts or agreements provide that the values are not fair.

d. Long-term equity investment is acquired by exchange of non-monetary assets, if this transaction has commercial substance or the fair values of exchange assets can be reliably measured, the fair values of these assets and relevant taxes will be deemed as the investment cost; the difference between the fair values of the assets and book values will be record into the current profit and loss; if the non-currency asset exchange does not satisfy these two conditions mention above, the book values of the assets and relevant taxes will be deemed as the investment cost.

e. Long-term equity investment, which is acquired by the debt restructuring, the fair values of the obtained equities will be deemed as the investment cost; the difference between the investment cost and book values of credit will be record into the current profit and loss.

(2) Subsequent measurement and recognition of gains or losses

The cost method is employed to calculate the long-term equity investment of subsidiaries and will be adjusted in accordance with the equity method in the preparation of the consolidated financial statements.

The Company uses cost method for the following conditions: a long-term equity investment where the investing enterprise does not have joint control or significant influence over the investee, the investment can't be quoted in an active market and its fair value can't be reliably measured.

The Company uses equity method for the following conditions: a long-term equity investment where the investing enterprise has joint control or significant influence over the investee.

a. When using cost method, increase or recovery of investment need to adjust the cost of long term equity investment. When gaining cash dividends or profit distributions declared by the investee, the return on investment at current period shall be recognized in accordance with the cash dividend or profit announced to distribute by the invested entity, except the announced but not distributed cash dividend or profit included in the actual payment or consideration upon gaining the investment.

b. When measured by adopting equity method, the investment profits or losses at current period shall be the attributable share of the net profits or losses of the investee, and adjust the carrying amount of the investment accordingly.

The Company shall recognize current period investment profits or losses following the attributable share of the net profits or losses of the investee. When recognizing the attributable share of the net profits or losses of the investee, basing on the investee's book value of net profit, if the investee used inconsistent accounting policies with the Company, the Company shall withdraw the depreciation amount and amortization amount basing on the fair value

of fixed assets and intangible assets of the investee on the investment acquired date, and the Company shall adjust the affected net profits of the investee with the recognized amount of impairment provision of fixed assets basing on the fair value of relevant assets on the investment acquired date, and offset the internal transaction profit and loss between the Company and the joint enterprises or the jointly-run enterprises, and then recognize the investment profit or loss on this basis. The internal transaction profit and loss between the Company and the joint enterprises or the jointly-run enterprises, refer to the < Enterprise Accounting Standard 8--Impairment of assets>, belong to asset impairment loss, and recognized in full.

The Company shall recognize the net losses of the invested enterprise until the book value of the long-term equity investment and other long-term rights and interests which substantially form the net investment made to the invested entity are reduced to zero (unless the investing enterprise has the obligation to undertake extra losses). If the invested entity realizes any net profits later, the investing enterprise shall, after the amount of its attributable share of profits exceeding its attributable share of the un-recognized losses, resume the book value of the long-term equity and long-term investment according to attributable un-recognized losses.

Those long term equity investment on joint venture and associate company held before first executive date, if their is relevant investment debit difference, according to residual time to amortize in straight line method, and the amortization amount shall be recognized in current profits and losses account.

(3) Recognition basis of joint control and significant influences on investee

① The existence of jointly control on investee is usually evidenced in one or more of the following ways: A. any joint venture cannot control the jointly controlled company's operation alone; B. the strategy decision of the jointly controlled company, should be agreed by each venture parties; C. the venture parties may appoint one of them to manage the daily activities of the joint venture, but executing the management right in the scope of financial and operation strategies unanimously agreed by the venturers. When the investee is under legal reconstruction or bankrupt, or the ability of transferring funds to investors strictly restricted in long time, the venturers cannot exercise joint control to the investee generally. However, if the existence of joint control can be proved, the venturers still adopt equity method of long term equity investment principle to account.

② The existence of significant influence by an investor is usually evidenced in one or more of the following ways: A. representation on the board of directors or equivalent governing body of the investee; B. participation in policy-making processes, including participation in decisions about dividends or other distributions; C. material transactions between the investor and the investee; D. dispatch of managerial personnel; or E. provision of essential technical information.

(4) Impairment test method and withdrawal method of impairment provision

On the balance sheet date, the Company shall assess the long term equity investment one by one, according to the investee's operation strategy, legal environment, market demand, industry and profitability etc, to decide whether there are impairment indicators. When the recoverable amount of long term equity investment is lower than its book value, the differences should be recognized as provision for impairment. Once the impairment loss was recognized, it shall never be reversed in the future accounting periods.

### **13. Investment property**

Investment property is held to earn rentals or for capital appreciation or for both. Investment property includes leased or ready to transfer after capital appreciation land use rights and leased buildings.

(1) The depreciation and amortization method for investment property by adopting cost model

The Company's all investment properties are subsequently measured by adopting cost model. The Company withdrew depreciation or amortization on the use right of building and land according to its expected useful life and net residual rate. The expected useful life, net residual rate and annual depreciation rate of Company's investment property as follow:

<u>Categories</u>	<u>Expected residual rate (%)</u>	<u>Expected useful life</u>	<u>Annual depreciation (amortization) rate (%)</u>
Houses and buildings	3-5	8-35 years	2.7-12.1
Land use rights	0	50 years	2

(2) Withdrawal basis of impairment provision for investment property by adopting cost model

On the balance sheet date, the evaluation criteria should base on the lower one between book value and recoverable amount. If the recoverable amount is lower than the book value, the difference of which shall be the impairment provision. If the value of the impaired investment property recovered, the withdrawn impairment loss in prior period cannot be reversed.

#### 14. Fixed assets

(1) Recognition of fixed assets:

Fixed assets refer to high-unit-value tangible assets held for production of goods or rendering of services, rental, or operation purpose as well as useful lives more than one accounting year. Fixed assets shall be recognized by actual costs incurred, if they meet the following conditions:

1. The economic benefits related to fixed asset probably flows to the enterprise;
2. The cost of fixed asset may be reliably measured.

The subsequent expenses related with the fixed asset, if they meet the above recognition condition to fixed asset, which would be recorded in the cost of fixed asset, otherwise, they would be recorded into current profits and losses upon occurrence.

(2) Recognition basis and pricing method of fixed assets by finance lease

The Company recognized a lease that has transferred in substance all the risks and rewards related to the ownership of an asset as finance lease. The cost of fixed asset acquired by finance lease shall be recognized by the lower one between the fair value of the asset on the inception date of such finance lease and the current value of the lowest rental. The fixed assets by finance lease shall adopt the same depreciation policy for self-owned fixed assets to withdraw the depreciation of leased assets. If it is reasonable to be certain that the lessee will obtain the ownership of the leased asset when the lease term expires, the leased asset shall be fully depreciated over its useful life. If it is not reasonable to be certain that the lessee will obtain the ownership of the leased asset at the expiry of the lease term, the leased asset shall be fully depreciated over the shorter one of the lease term or its useful life.

(3) The depreciation method of fixed assets

Straight-line method is in used to calculate the depreciation of fixed assets.

The categories	Estimated useful life (years)	Residual value (%)	Annual depreciation rate (%)
Houses and buildings	8-35	3-5	2.7-12.1
Machineries	8-10	3-5	9.7-12.1
Electronic equipment	3	3	32.33
Vehicles	4	3	24.25
Other equipments	3	3	32.33
Fixed assets acquired under finance lease	--	--	--
Of which: houses and buildings			

Machineries			
Electronic equipment			
Vehicles			
Other equipments			

(4) Impairment test method and withdrawal method of provision for impairment on fixed assets

On the balance sheet date, the Company assess all types of fixed assets whether there is any indication that an asset may be impaired, where the recoverable amount is lower than its carrying value, the carrying value of the asset shall be recorded down to the recoverable amount, and the reduced amount shall be recognized as the loss of asset impairment and be recorded as the profit or loss for the current period. Simultaneously, a provision for the asset impairment shall be made accordingly. Once any loss of asset impairment is recognized, it shall not be switched back in the future accounting periods. There may be an impairment of fixed assets when one of the following signs occurs:

1. The current market price of assets falls, and its decrease is obviously higher than the expected drop over time or due to the normal use;
2. The economic, technological or legal environment in which the enterprise operates, or the market where the assets is situated will have any significant change in the current period or in the near future, which will cause adverse impact on the enterprise;
3. The market interest rate or any other market investment return rate has risen in the current period, and thus the discount rate of the enterprise for calculating the expected future cash flow of the assets will be affected, which will result in great decline of the recoverable amount of the assets;
4. Any evidence shows that the assets have become obsolete or have been damaged substantially;
5. The assets have been or will be left unused, or terminated for use, or disposed ahead of schedule;
6. Any evidence in the internal report of the enterprise shows that the economic performance of the assets have been or will be lower than the expected performance, for example, the net cash flow created by assets or the operating profit (or loss) realized is lower than the expected amount, etc.; and
7. Other evidence indicates that the impairment of assets has probably occurred.

(5) Other explanations

## 15. Construction in progress

(1) Categories of construction in progress

The construction in progress shall be classified by the approved project.

(2) The standard and time point of the construction in progress transferred to fixed assets

Construction in progress is transferred to fixed assets by actual cost of construction when the project is substantially ready for its intended use. The project is in condition of ready for used but not handled the final account would be transferred to fixed assets in its estimate value firstly, and adjust the temporary estimated value after handling the final account, but would not adjust depreciated value that have been depreciated.

(3) Method of impairment test and provision for impairment loss of construction in progress:

On the balance sheet date, the Company shall assess the overall construction in progress, if there is evidence providing that the value of project was impaired, the carrying value of the asset shall be recorded down to the recoverable amount, and the reduced amount shall be recognized as the loss of asset impairment and be recorded as the profit or loss for the current period. Simultaneously, a provision for the asset impairment shall be made accordingly. Once any loss of asset impairment is recognized, it shall not be switched back in the future accounting periods. The construction in progress shall be made impairment test if one or more of the following situation existed:

1. The project has been suspended for a long time, and it is expected to resume within the next 3 years;
2. The project has fallen behind no matter in function or technology, which has brought significant uncertainty to the economic benefits of the enterprise;
3. Other evidence indicates that the impairment of the project has probably occurred.

#### **16. Borrowing costs**

##### (1) Recognition principles for capitalization of borrowing costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, which shall not be capitalized and recorded into the costs of relevant assets unless they simultaneously meet the following requirements:

- ① The capital expenditures have been incurred.
- ② The borrowing costs have been incurred.
- ③ The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

Other borrowing costs, discount or premium and difference of foreign exchange, should be recognized in the current profit and loss account.

##### (2) Capitalization period of borrowing costs

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased. Borrowing costs should be recognized as an expense in the subsequent period.

##### (3) Period for ceasing capitalization of borrowing costs

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased. Borrowing costs should be recognized as an expense in the subsequent period.

##### (4) Calculation method of capitalized amount of borrowing costs

As for specifically borrowed loans for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests shall be determined in light of the actual cost incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing loans as a deposit in the bank or as a temporary investment.

Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the enterprise shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used.

#### **17. Biological assets**

Naught

#### **18. Oil-gas assets**

Naught

#### **19. Intangible assets**



## (1) Pricing method of intangible assets

Intangible asset are recognize initially at cost.

## (2) Estimated useful life of intangible assets with limited useful life

Intangible asset is judged by the comprehensive factors, such as its contractual right, condition in same industry, history experience, and demonstration of expert, etc., if the result shows that it can bring future economic benefit inflow to company, which can be recognized as finite useful life assets. Otherwise, the asset would be recognized as infinite useful life assets.

① To estimate the useful life of finite useful life asset need consider the following factors: A. The life cycle of the product produced by the assets, and the information of similar asset; B. The current situation of craftwork and technology, and the estimate of future development trend; C. The market demand of the product produced by the asset; D. The estimated action would be taken by competitor or potential competitor; E. The expense expected to maintain the assets to bring future economic benefits and the ability of the Company to pay for it; F. The relevant law restriction on control period of the asset or other similar restriction such as franchise, lease period; G. Relation with other assets' useful life that held by the Company.

② The intangible asset with finite useful years should be amortization on a systematic and rational basic according its economic benefit achievement plan. A straight line method would be used if the plan could not define.

Item	Estimated useful life	Basis

## (3) Judgment basis of intangible assets with uncertain useful life

The Company shall check the useful life of intangible assets with uncertain useful life during each accounting period, if the result shows that the useful life is still uncertain, which shall be implemented the impairment test on the balance sheet date.

## (4) Withdrawal of impairment provision of intangible assets

The Company shall check the useful life of intangible assets with uncertain useful life during each accounting period, if the result shows that the useful life is still uncertain, which shall be implemented the impairment test on the balance sheet date. The intangible asset's recoverable amount is lower than its carrying value, the carrying value of the asset shall be recorded down to the recoverable amount, and the reduced amount shall be recognized as the loss of asset impairment and be recorded as the profit or loss for the current period. Simultaneously, a provision for the asset impairment shall be made accordingly. Once any loss of asset impairment is recognized, it shall not be switched back in the future accounting periods. Impairment test for intangible assets shall be implemented if one or more the following conditions met:

- A. The intangible asset has been replaced by other new technology, which caused significant adverse effect on its profitability.
- B. The market value has declined in current period, and may not rise in the future residual period;
- C. Other indication to prove that the carrying value higher than the recoverable value.

## (5) The criterion to divide the research stage and the development stage of internal research and development project:

The expenditures on research stage for internal research and development project shall be recorded in current profits and losses upon their occurrence. The expenditures on research stage for internal research and development project shall not be recognized as an intangible asset unless it meets the following conditions simultaneously: ① It is feasible technically to finish intangible assets for use or sale; ② It is intended to finish and use or sell the intangible assets; ③ The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying

the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; ④ It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and ⑤ The development expenditures of the intangible assets can be reliably measured.

(6) Calculation of the expenditures of internal R&D project

The expenditures on research stage for internal research and development project shall be recorded in current profits and losses upon their occurrence. The expenditures on research stage for internal research and development project shall not be recognized as an intangible asset unless it meets the following conditions simultaneously: ① It is feasible technically to finish intangible assets for use or sale; ② It is intended to finish and use or sell the intangible assets; ③ The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; ④ It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and ⑤ The development expenditures of the intangible assets can be reliably measured.

## **20. Long-term deferred expenses**

Long-term deferred expenses refer to general expenses with the apportioned period over one year (one year excluded) that have occurred but attributable to the current and future periods. Long-term deferred expense shall be recoded into book in the light of the actual expenditure, and amortized averagely within benefit period.

## **21. Assets transfer with repurchasing conditions**

Naught

## **22. Estimated liabilities**

(1) Recognition criteria of estimated liabilities

The obligation such as external guaranty, pending litigation or arbitration, product quality assurance, layoff plan, loss contract, restructuring and disposal of fixed assets, pertinent to a contingencies shall be recognized as an estimated liabilities when the following conditions are satisfied simultaneously:

- ① That obligation is a current obligation of the Company;
- ② It is likely to cause any economic benefit to flow out of the Company as a result of performance of the obligation; and
- ③ The amount of the obligation can be measured in a reliable way.

Loss contracts and reorganization obligations of the Company shall be recognized as accrued liabilities when the above conditions are satisfied simultaneously.

## **(2) Measurement of estimated liabilities**

The estimated liabilities shall be initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation. To determine the best estimate, the Company shall take into full consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash. On balance sheet date, check the carry amount of accrued liabilities, and make adjustment to carry amount to reflect the optimum evaluation. The increase amount in carry amount of accrued liabilities cause by time process would be determined as interest fee.

## **23. Share-based payment and equity instruments**

### **(1) Categories of share-based payment**

The types of shares-based payment of the Company are: cash-settle and equity-settle.

#### **① Cash-settled share-based payment**

The measurement of cash-settle is according with the fair value of liability undertake by the Company, which is calculated base on the Company's share or other equity instrument.

The value of cash-settle share-based payment that could exercise immediately after award would be reckoned to relate cost or expense, and increase liability corresponds to it.

At each balance sheet date, a best estimated of situation of exercise cash-settled right that with waiting-period should be undertaken, and reckon cost or expense and increase liability which is on the base of service award by the Company, according to the fair value of company's liability.

#### **② Equity-settled share-based payment**

The measurement is base on the fair value of the equity instrument granted to employees.

The value of equity-settled payment that could be exercised immediately after award would be reckoned in relates cost and expense and increase capital reserves corresponds to it..

On each balance sheet date, a best estimated of amount of exercise equity-settled that with waiting-period should be undertaken, and reckon in cost or expense and capital reserves which is on the base of service award by the Company, according to the fair value of company's liability.

### **(2) Recognition method of the fair value of equity instruments**

① For those shares granted to employees shall measure the fair value of equity instruments granted at the measurement date, based on market prices if available, simultaneously, taking into account the terms and conditions (exclude the vesting conditions of external market) upon which those equity instruments were granted.

② For those share options granted to employees, the market prices are not available in most circumstance. If there are no clauses and requirements of others similar trading options, the Company shall estimate the fair value of the share option granted using a valuation technique.

### **(3) Recognition basis of the best estimate of vesting equity instrument:**

On each balance sheet date of waiting-period, the Company shall recognize an amount for the equity instrument during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates.

### **(4) Accounting treatment of share-based payment plan:**

1. As to a cash-settled share-based payment instruments, if the right may be exercised immediately after the grant, the fair value of the liability undertaken by the Company shall, on the date of the grant, be included in the relevant

costs or expenses, and the liabilities shall be increased accordingly. Re-measure the fair value of liabilities on every balance sheet date and settlement date before settlement, and record the change of fair value into profits and losses.

2. As to a cash-settled share-based payment, if the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Company

3. As to an equity-settled share-based payment in return for services of employees, if the right may be exercised immediately after the grant, the fair value of the equity instruments shall, on the date of the grant, be included in the relevant cost or expense and the capital reserves shall be increased accordingly.

4. As to a equity-settled share-based payment in return for employee services, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the number of vested equity instruments, be included in the relevant costs or expenses and the capital reserves at the fair value of the equities instruments on the date of the grant.

## **24. Repurchase of shares of the Company**

Naught

## **25. Revenue**

### **(1) Criteria for recognition time of revenue from sale of goods**

No revenue shall be realized unless the following conditions are met simultaneously:

- ① The significant risks and rewards of ownership of the goods have been transferred to the buyer by the Company;
- ② The Company retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods;
- ③ The relevant amount of revenue can be measured in a reliable way;
- ④ The relevant economic benefits may flow into the enterprise; and
- ⑤ The relevant costs incurred or to be incurred can be measured in a reliable way.

### **(2) Recognition basis of revenue from transferring use rights of assets**

The revenue from abalienating of right to use assets consists of interest revenue and royalty revenue, which may not be recognized unless the following conditions are met simultaneously:

- ① The relevant economic benefits are likely to flow into the enterprise; and
- ② The amount of revenues can be measured in a reliable way.

The amount of interest revenue should be measured and confirmed in accordance with the length of time for which the enterprise's cash is used by others and the actual interest rate; or

The amount of royalty revenue should be measured and confirmed in accordance with the period and method of charging as stipulated in the relevant contract or agreement.

### **(3) Recognition basis and method for the schedule of contracted project when recognizing the revenue from providing labour services and construction contract by percentage-of-completion method**

① If the Company can, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall recognize the revenue from providing services employing the percentage-of-completion method. The term "percentage-of-completion method" refers to a method to recognize the revenues and expenses in the light of the stage of completion under a transaction concerning the providing of labor services

The outcome of a transaction concerning the providing of labor services can be measured in a reliable way, means that the following conditions shall be met simultaneously:

- a. The amount of revenue can be measured in a reliable way;
- b. The relevant economic benefits are likely to flow into the enterprise;
- c. The schedule of completion under the transaction can be confirmed in a reliable way; and
- d. The costs incurred or to be incurred in the transaction can be measured in a reliable way.

② If the Company can not, on the date of the balance sheet, measure the result of a transaction concerning the providing of labor services in a reliable way, it shall be conducted in accordance with the following circumstances, respectively:

- a. If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; or
- b. If the cost of labor services incurred is not expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labor services may be recognized.

## **26. Government grants**

### **(1) Types**

① The Company can meet the conditions for the government subsidies; and ② The Company can obtain the government subsidies.

### **(2) Accounting treatment method**

① A government grant related to an asset shall be recognized as deferred income, when the assets is substantially ready for its intended use, evenly amortized to profit and loss over the useful lives of the related asset. Unamortized amount would be one-off recognized in profit and loss account when the asset is sold, transferred, discarded or damaged before its useful life.

② The government subsidies pertinent to incomes shall be treated respectively in accordance with the circumstances as follows: (a) Those subsidies used for compensating the related future expenses or losses of the enterprise shall be recognized as deferred income and shall included in the current profits and losses during the

period when the relevant expenses are recognized; or (b) Those subsidies used for compensating the related expenses or losses incurred to the enterprise shall be directly included in the current profits and losses.

## **27. Deferred income tax assets and liabilities**

### **(1) Recognition basis of deferred income tax assets**

① The Company recognize the deferred income tax liability arising from a deductible temporary difference to the extent of the amount of the taxable income which it is most likely to obtain and which can be deducted from the deductible temporary difference. However, it shall not recognize the deferred income tax assets arising from the initial recognition of assets or liabilities in a transaction which is simultaneously featured by the following:

a. This transaction is not business combination; and

b. At the time of transaction, the accounting profits will not be affected, nor will the taxable amount (or the deductible losses) be affected.

② For the deductible temporary difference relating to the investments of the subsidiary companies, associated enterprises and joint enterprises, the enterprise shall recognize the corresponding deferred income tax assets for those that meet the following requirements:

a. The temporary differences are likely to be reversed in the expected future; and

b. It is likely to acquire any amount of taxable income that may be used for deducting the deductible temporary differences.

③ For any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax asset shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

### **(2) Recognition basis of deferred income tax liabilities**

Except for the deferred income tax liabilities arising from the following transactions, an enterprise shall recognize the deferred income tax liabilities arising from all taxable temporary differences:

① The initial recognition of business reputation;

② The initial recognition of assets or liabilities arising from the following transactions which are simultaneously featured by the following:

a. The transaction is not business combination;

b. At the time of transaction, the accounting profits will not be affected, nor will the taxable amount (or the deductible losses) be affected.

③ The taxable temporary differences relating to the investments of subsidiary companies, associated enterprises and joint enterprises shall recognized as corresponding deferred income tax liabilities, however, excluding those that simultaneously satisfy the following conditions:

a. The investing enterprise can control the time of the reverse of temporary differences; and

b. The temporary differences are unlikely to reverse in the excepted future.

## **28. Operating lease and finance lease**

### **(1) Accounting treatments of operating lease**

① When the Company as the Lessee under operating lease, the rents from operating leases shall be recorded by the lessee in the profits and losses of the current period by using the straight-line method over each period of the lease term or in accordance with the using amount of leased assets. Initial direct expense undertaken by the Company, recognized to the management expenses, contingent rental incurred recognized as current expenses. If the lease contract including a rent-free period, the Company shall amortize the overall rent expenses on a straight-line basis over the whole lease period, during the rent-free period recognize lease expenses and liability correspond to it. If the lessee's expenses paid by the lessor, the Company shall be reduce this expenses from the total rent expenses, and amortize the balance.

② When the Company as the lessor under operating lease, lease income from operating leases shall be recognized in income on a straight-line basis over the lease term. The initial costs, recognized to the current profit and loss account. However, if the amount is large, the lease income shall be capitalized, and recognized in current profits and losses over the lease term on installment on the same basis as the lease income. The contingent lease income shall be recorded into current income upon the occurrence if it is stipulated in the agreement. If the lease contract including a rent-free period, the Company shall recognize the total lease income for the whole lease period (not deducting the rent-free period), and distribute by adopting straight line method or other methods, and the lessor's lease income is also recognized during the rent-free period. If the Company paid some lessee's expenses, the Company shall amortize the income balance (total lease income deduct the expenses) during lease period.

### **(2) Accounting treatments of finance lease**

① On the lease beginning date, a lessee shall record the lower one of the fair value of the leased asset and the present value of the minimum lease payments on the lease beginning date as the entering value in an account, recognize the amount of the minimum lease payments as the entering value in an account of long-term account payable, and treat the balance between the recorded amount of the leased asset and the long-term account payable as unrecognized financing charges. The unrecognized financing charges should be recorded into current financing charges measured by adopting effective interest method during the lease period, and recorded into current financial expense. The direct initial expense shall be recorded into value of rented assets..

The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, the depreciation period according to the lease period. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the assets shall be depreciated over its useful life. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life

② When the Company as the lessor under finance lease, on the beginning date of the lease term, a lessor shall recognize the sum of the minimum lease receipts on the lease beginning date and the initial direct costs as the entering value in an account of the financing lease values receivable, and recorded into the long-term accounts receivable in the balance sheet, and record the unguaranteed residual value at the same time. The balance between the sums of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the sum of their present values shall be recognized as unrealized financing income. The unrealized financing income should be recorded into lease income measured by adopting effective interest method during the lease period, and

recorded into income from other business.

## **29. Assets held for sale**

### **(1) Recognition criteria of available-for-sale assets**

Recognition criterion of assets held for sale

An entity shall classify a non-current asset as held for sale if when all the following conditions are satisfied:

- ① The Company has made a decision on disposing such non-current assets;
- ② The Company has entered into a irreversible transfer agreement with buyer;
- ③ The transfer will be completed within one year.

### **(2) Accounting treatments of the assets held for sale**

For those assets held for sale, the Company shall adjust the assets' estimated net residual value, let the amount can reflect the fair value after deducting costs to sell, but not in excess of the original carrying amount of the fixed assets, the balance of estimated net residual value after adjustment and the original carrying amount, shall be recognized as assets impairment loss to be recorded into current profit and loss account.

An asset or an disposal group was classified as held for sale before, but if it couldn't meet the recognition conditions for held-for-sale fixed asset later, the Company shall cease to classify it as held for sale, and measure it by the lower amount of the followings:

- ① Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or impairment before the asset (or disposal group) being classified as held for sale; or
- ② Its recoverable amount on the date of the subsequent decision not to sell.

## **30. Capitalization of assets business**

Naught

## **31. Hedging accounting**

Naught

## **32. Changes in main accounting policies and estimates**

Were the main accounting policies or estimates changed during the reporting period?

Yes No Inapplicable



**(1) Change of accounting policies**

Were the main accounting policies changed during the reporting period?

Yes No Inapplicable

**(2) Change of accounting estimates**

Were the main accounting estimates changed during the reporting period?

Yes No Inapplicable

1. Date of change: 1 Jan. 2012

2. Reason for change: with an aim to unified and specified management and accounting rules of fixed assets, and revealing a more objective and fair conditions of depreciation of fixed assets of the Company, as well as reflecting the prudence principle of accounting, the Company planned to change depreciation term of fixed assets since 1 Jan. 2012.

3. Accounting estimates before change of fixed assets

Category	Estimated useful life and annual depreciation ratio and residual rate
House and buildings: 8-35years	2.70%-12.1%, 3%-5%
Machinery equipments: 8-10years	9.70%-12.10%, 3%-5%
Vehicles: 8years	12.10%, 3%
Official equipments and other: 8years	12.10%, 3%

4. Accounting estimates after change of fixed assets

Category	Estimated useful life and annual depreciation ratio and residual rate
House and buildings: 8-35years	2.70%-12.1%, 3%-5%
Machinery equipments: 8-10years	9.70%-12.10%, 3%-5%
Vehicles: 4years	24.25%, 3%
Official equipments and other:3years	32.33%, 3%

5. Effect of this change of accounting estimate on the Company

In accordance with relevant regulations of Corporate Accounting Standard, the above mentioned change is applicable to adopted prospective application method and it started to conducted on 1 Jan. 2012. There was no need to make retrospective adjustment to financial data of previous fiscal years. Subsequent to the change of the above accounting estimate of fixed assets, it is estimated that net profit of the Company will reduced about RMB3.0908 million in the prospective period, and reduced about RMB3.0908 million of all shareholders' equity.

Specific notes:

Unit: RMB Yuan

Content of change in accounting estimates and reason	Approval procedure	Name of influence items in statement	Influence amount
For unity and refinement of the management of fixed assets and the accounting rules, more objective and fair response company fixed assets depreciation, embody the prudent accounting principles, the company from January 1, 2012 to change the period of	Company of the sixth session of the board of directors of the Eighth conference	The classification of fixed assets estimated useful life	3,090,800.00

depreciation of fixed assets			

### 33. Correction of previous accounting errors

Was any accounting error made in previous periods discovered in the reporting period?

Yes No Inapplicable

#### (1) Retrospective restatement method

Was any previous accounting errors adopting retrospective restatement method discovered in the reporting period?

Yes No Inapplicable

#### (2) Prospective application method

Was any previous accounting errors adopting prospective application method discovered in the reporting period?

Yes No Inapplicable

### 34. Other main accounting policies, accounting estimates as well as compilation method of financial statements

Naught

## (V) Taxation

### 1. Main taxes and tax rate

Category of taxes	Tax basis	Tax rate
VAT	Sale of product and raw material	17% 、 13%
Consumption tax	Sales amount and quantity of taxable product	From the price of 20%, from 0.5 yuan / kg ( 500ml ) commissioned processing taxable liquor, in accordance with the trustee 's similar liquor sales price for tax computation; no similar liquor sales price, according to the composite assessable price for tax computation
Business Tax	Business turnover	3% 、 5%
Urban maintenance and construction tax	Taxable turnover amount	5% 、 7%
Enterprise income tax	Taxable turnover amount	2% 、 5%
Education expenses surcharge	Taxable turnover amount	3%
Local education surcharge	Taxable turnover amount	2%

The income tax rates adopted by each subsidiary and branch factory

## **2. Tax preference and official documents**

## **3. Other explanation**

Distilled spirit consigned for process was taxed in accordance with selling price of similar kind of distilled spirit of entrusting party.  
As for those without selling price of similar kind, taxed according to the composite assessable value.

## **(VI) Business combination and consolidated financial statements**

General instruction of business combination and consolidated financial statements:

### **1. Subsidiaries**

**(1) Subsidiaries obtained by establishment and investment**

Unit: RMB Yuan

Subsidiaries	Type	Registered place	Business nature	Registered capital	Currency	Business scope	Actual amount of investments at the period-end	Other essential investment	The proportion of holding shares(%)	The proportion of voting rights(%)	Included in consolidated statement	Minority interest	Deductible minority interests	Balance of parent company's equity after deducting the difference that loss of minority interests exceed equity obtained by minority shareholders
Bozhou Gujing Sales Co., Ltd (hereinafter refer to as Gujing Sales)	Limited company	Bozhou, Anhui	Business trading	84,860,000.00	CNY	Wholesales of distilled spirit, construction materials, feeds and assistant materials	84,860,000.00	0.00	100%	100%	Yes	0.00	0.00	0.00

Hefei Gujing Trade Co., Ltd (hereinafter refer to as "Hefei Trade")	Limited company	Hefei, Anhui	Business trading	10,000,000.00	CNY	Department stores, wine, hardware, and wholesale of construction materials	10,000,000.00	0.00	100%	100%	Yes	0.00	0.00	0.00
Bozhou Gujing Transportation Co., Ltd (hereinafter refer to as "Gujing Transportation")	Limited company	Bozhou, Anhui	Transportation	6,950,000.00	CNY	Transportation, sales and repair service	6,950,000.00	0.00	100%	100%	Yes	0.00	0.00	0.00
Bozhou Gujing Glass Co., Ltd (hereinafter refer to as "Gujing Glass")	Limited company	Bozhou, Anhui	Manufacture	86,660,000.00	CNY	Manufacture and sale of glass products	86,660,000.00	0.00	100%	100%	Yes	0.00	0.00	0.00
Bozhou Gujing	Limited company	Bozhou, Anhui	Wastecycle	1,000,000.00	CNY	Collect and sale of	1,000,000.00	0.00	100%	100%	Yes	0.00	0.00	0.00

Waste Reclamation Co., Ltd (hereinafter refer to as “Gujing Waste”)						recycled glass bottle, glass, wastebasket								
Anhui Jinyunlai Culture & Media Co.,Ltd. (hereinafter refer to as “Jinyunlai”)	Limited company	Hefei, Anhui	Ads marketing	2,000,000.00	CNY	Design, publish, design and proxy of ads in China; ceremony service for conferences as well as sales of gifts in arts and crafts	2,000,000.00	0.00	100%	100%	Yes	0.00	0.00	0.00
Bozhou Gujing Packing Co., Ltd. (hereinafter refer to as “Bozhou Packing”)	Limited company	Anhui Bozhou	Production and manufacture	30,000,000.00	CNY	Administrative licence items: Naught; General operating items: providing packings for	30,000,000.00	0.00	100%	100%		0.00	0.00	0.00

						Gujing Brand, serials wine, fruit and vegetable wine, health wine of Gujing Brand								
--	--	--	--	--	--	---	--	--	--	--	--	--	--	--

Other notes to subsidiaries obtained by establishment and investment:

**(2) Subsidiaries obtained by business combination under same control**

Unit: RMB Yuan

Subsidiaries	Type	Registered place	Business nature	Registered capital	Currency	Business scope	Actual amount of investments at the period-end	Other essential investment	The proportion of holding shares(%)	The proportion of voting rights(%)	Included in consolidated statement	Minority interest	Deductible minority interests	Balance of parent company's equity after deducting the difference that loss of minority interests exceed equity obtained by minority shareholders
Shanghai Gujing Jinhao Hotel Management Co., Ltd. (herein after refer to as "Shanghai	Limited company	Shanghai	Hotel management	54,000,000.00	CNY	Hotel management (Except for catering management, Except for hotel operation); Self-owned	265,058,900.00	0.00	100%	100%	Yes	0.00	0.00	0.00



Jinhao” )						housing rental; establish branch. (If there is need administrative licensing, operating based on the license.)								
Bozhou Gujing Hotel Co., Ltd.(hereinafter refer to as “Gujing Hotel”)	Limited company	Bozhou, Anhui	Hotel management	628,000.00	CNY	Accommodation and parking services; lunch processing, sales of alcohol and tobacco and sales of daily commodity	798,400.00	0.00	100%	100%	Yes	0.00	0.00	0.00

Other notes to subsidiaries obtained by business combination under same control:

**(3) Subsidiaries obtained by business combination not under same control**

Unit: RMB Yuan

Subsidi	Type	Registe	Busines	Registe	Currenc	Busines	Actual	Other	The	The	Include	Minorit	Deducti	Balance
---------	------	---------	---------	---------	---------	---------	--------	-------	-----	-----	---------	---------	---------	---------

aries		red place	s nature	red capital	y	s scope	amount of investm ents at the period- end	essentia l investm ent	proporti on of holding shares( %)	proporti on of voting rights( %)	d in consoli dated stateme nt	y interest	ble minorit y interest s	of parent compan y's equity after deducti ng the differen ce that loss of minorit y interest s exceed equity obtaine d by minorit y shareho lders

Other notes to subsidiaries obtained by business combination not under same control:

**2. Special purpose entities or operating entities with control right formed by entrusted operation or lease**

Applicable Inapplicable

Other explanation on special purpose entities or operating entities with control right formed by entrusted operation or lease:

**3. Explanation on changes in consolidated scope**

Explanation on changes in consolidated scope:

Applicable Inapplicable

**4. Subsidiaries that newly combined into consolidation scope in the reporting period**

The subsidiaries, special purpose entities and operating entities with control right formed by entrusted operation or lease that newly

included in the consolidated scope

Unit: RMB Yuan

Name	Closing net assets	Net profit in current period

The subsidiaries, special purpose entities and operating entities with control right formed by entrusted operation or lease that not longer included in the consolidated scope

Unit: RMB Yuan

Name	Net asset at the disposal date	Net profit from year-begin to disposal date

Other notes to changes in consolidated scope:

## 5. Business combination under same control during the reporting period

Unit: RMB Yuan

The combined party	Judgment basis of business combination under the same control	Actual controller of the same control	The consolidated income from period-begin to combination date	The consolidated net profit from period-begin to combination date	Cash flow arising from operating activities between period-begin and combination date

Other notes to business combination under same control:

## 6. Business combination not under same control during the reporting period

Unit: RMB Yuan

The combined party	Amount of goodwill	Calculation method of goodwill

Other notes to business combination not under same control:

## 7. Subsidiaries reduced by selling equities without control right during the reporting period

Name of subsidiary	Disposal date	Recognition method of gains and losses

Other notes to subsidiaries reduced by selling equities without control right during the reporting period:

**8. The counter purchases in the reporting period**

The backdoor party	Judgment basis of counter purchase	Recognition method of combination costs	Calculation method of goodwill recognized or included into current gains and losses in the combination

Other notes to counter purchases:

**9. Mergers in the reporting period**

Unit: RMB Yuan

Type of merger	Main assets merged in		Main liabilities merged in	
	Item	Amount	Item	Amount
Mergers under the same control				
Mergers not under the same control	Item	Amount	Item	Amount

Other notes to mergers:

**10. Exchange rates of major items in financial statements for foreign entities****(VII) Notes on major items in consolidated financial statements of the Company****1. Monetary funds**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Cash:	--	--	114,599.85	--	--	101,826.09
RMB	--	--	114,599.85	--	--	101,826.09
Bank deposit:	--	--	1,824,629,157.42	--	--	2,081,911,723.03
RMB	--	--	1,824,629,157.42	--	--	2,081,911,723.03

Other monetary funds:	--	--	0.00	--	--	18,942.21
RMB	--	--		--	--	
						18,942.21
Total	--	--	1,824,743,757.27	--	--	2,082,032,491.33

Special explanation shall be made for the accounts limited by being mortgaged, pledged or frozen, deposited overseas or with potential collecting risks:

## 2. Trading financial assets

### (1) Trading financial assets

Unit: RMB Yuan

Item	Closing fair value	Opening fair value
Trading bonds investment		
Trading equity instruments investment		
The financial assets which are measured at their fair values and the variation of which is recorded into the profits and losses of the current period		
Derivative financial assets		
Hedging instruments		
Others		
Total		

### (2) Trading financial assets with realizable limit

Unit: RMB Yuan

Item	Trading restriction or other significant limits in realization	Closing balance

### (3) Hedging instruments and notes to relevant hedging transaction

## 3. Notes receivable

### (1) Category of notes receivable

Unit: RMB Yuan

Category	Closing balance	Opening balance
Bank acceptance bill	625,430,346.43	490,543,018.49
Total	625,430,346.43	490,543,018.49

**(2) Notes receivable pledged at period-end**

Unit: RMB Yuan

Issuing entity	Date of issuance	Expiring date	Amount	Remark
Total	--	--	0.00	--

Notes:

**(3) Notes transferred to accounts receivable because drawer of the notes fails to execute the contract or agreement, and undue notes endorsed to other parties at the end of the period**

Unit: RMB Yuan

Issuing entity	Date of issuance	Expiring date	Amount	Remark
Total	--	--		--

Notes:

As at the end of the reporting period, the Company has endorsed a total of undue bill of RMB243,230,785.85 to other parties.

Undue notes endorsed to other parties by the Company

Unit: RMB Yuan

Issuance unit	Issuance date	Expired date	Amount	Remark
Bozhou Gujing Wine Shop Co., Ltd.	27 Feb. 2012	27 Jul. 2012	5,150,000.00	
Wenzhou Zhongyuan Subsidiary Foodstuff Co., Ltd.	16 Mar. 2012	16 Sep. 2012	4,300,000.00	
Xiehe Food (Jiangyin) Co., Ltd.	28 Feb. 2012	28 Aug. 2012	3,700,000.00	
Huaian Wangyuan Food Development Co., Ltd.	18 Jan. 2012	18 Jul. 2012	3,000,000.00	
Bozhou Gujing Wine Shop Co., Ltd.	9 Feb. 2012	9 Aug. 2012	2,750,000.00	
Total	--	--	18,900,000.00	--

Notes:

Notes of bank acceptance bill that already discounted or pledged.

#### 4. Dividends receivable

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Dividends receivable aging less than one year				
Of which:				
Dividends receivable aging over one year				
Of which:	--	--	--	--
Total				

Notes:

#### 5. Interest receivable

##### (1) Interest receivable

Unit: RMB Yuan

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Certificate of deposit	4,451,540.35	8,592,066.30	4,451,540.35	8,592,066.30
Total	4,451,540.35	8,592,066.30	4,451,540.35	8,592,066.30

##### (2) Overdue interest

Unit: RMB Yuan

Borrowing entity	Overdue days (day)	Amount of overdue interest
Total	--	0.00

##### (3) Notes to interest receivable

Naught

**6. Accounts receivable****(1) Accounts receivable listed by categories**

Unit: RMB Yuan

Category	Closing balance				Opening balance			
	Book balance		Bad debt provision		Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable with significant single amount and individually withdrawn bad debt provision	0.00	0%	0.00	0%	0.00	0%	0.00	0%
Accounts receivable for which bad debt provisions are made on the group basis								
Aging group	28,583,010.85	100%	1,328,051.13	4.65%	39,013,882.35	100%	1,328,051.13	3.4%
Subtotal of the groups	28,583,010.85	100%	1,328,051.13	4.65%	39,013,882.35	100%	1,328,051.13	
Accounts receivable with insignificant single amount and individually withdrawn bad debt provision	0.00	0%	0.00	0%	0.00	0%	0.00	0%
Total	28,583,010.85	--	1,328,051.13	--	39,013,882.35	--	1,328,051.13	--

Notes to category of accounts receivable:

Accounts receivable with significant single amount and individually withdrawn bad debt provision

Applicable Inapplicable

In the groups, accounts receivable adopting aging analysis method to withdraw bad debt provision:

Applicable Inapplicable

Unit: RMB Yuan

Aging	Closing balance			Opening balance		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Proportion		Amount	Proportion	
Within 1 year						
Including:	--	--	--	--	--	--
within 6 months	23,883,601.89	83.56%	238,836.02	32,023,338.50	82.08%	320,233.38



6 months to 1 year	1,670,776.13	5.85%	83,538.80	4,401,006.02	11.28%	220,050.30
Subtotal of within 1 year	25,554,378.02	89.41%	322,374.82	36,424,344.52	93.36%	540,283.68
1 year to 2 years	1,970,751.84	6.89%	197,075.18	1,994,998.68	5.12%	199,499.87
2 years to 3 years	498,559.73	1.74%	249,279.87	12,543.15	0.03%	6,271.58
More than 3 years	559,321.26	1.96%	559,321.26	581,996.00	1.49%	581,996.00
3 year to 4 years						
4 years to 5 years						
Over 5 years						
Total	28,583,010.85	--	1,328,051.13	39,013,882.35	--	1,328,051.13

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable Inapplicable

In the groups, accounts receivable adopting other methods to withdraw bad debt provision

Applicable Inapplicable

Other closing individually insignificant but provisions for bad debts individually accounts receivable:

Applicable Inapplicable

## (2) Accounts receivable reversed or collected in the reporting period

Unit: RMB Yuan

Content of accounts receivable	Reversed or collected reason	Recognition basis of original bad debt provision	Reversed or collected amount of the accrued bad debt provision	Reversed or collected amount
			0.00	
Total	--	--	0.00	--

The withdrawal of bad debt provision of accounts receivable with significant single amount or insignificant single amount but individually made impairment test at the end of reporting period:

Content	Book balance	Bad debt amount	Withdrawing proportion(%)	Reason
Total			--	--

Notes to accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics:

## (3) The write-off accounts receivable

Unit: RMB Yuan

Name of entity	Nature of accounts receivable	Write-off time	Write-off amount	Write-off reason	Whether arising from related party

					transaction or not?
Total	--	--	0.00	--	--

Notes to write off of accounts receivable:

#### (4) Particulars about accounts receivable due to shareholders holding 5% (including 5%) voting rights of the Company

Applicable  Inapplicable

Unit: RMB Yuan

Name of entity	Closing balance		Opening balance	
	Book balance	Withdrawal amount	Book balance	Withdrawal amount
Prosperity Lamps & Components Limited	13,725.06	0.00	38,485.49	0.00
Total	13,725.06	0.00	38,485.49	0.00

#### (5) Information of top 5 accounts receivable:

Unit: RMB Yuan

Name of entity	The relationship with the Company	Amount	Aging	Proportion
Huangshan Huaxia Commerce Co., Ltd.	Non-related relationship	2,338,553.25	Within 6 months	8.18%
NGS Supermarket Group Co., Ltd.	Non-related relationship	2,299,286.69	Within 6 months	8.04%
Shanghai Haiyan Logistics Development Co., Ltd.	Non-related relationship	1,240,345.81	Within 6 months	4.34%
Tongling Yi'an Commercial City Co., Ltd.	Non-related relationship	1,192,937.09	Within 6 months	4.17%
Bozhou Chen Xiaomei	Non-related relationship	1,102,287.84	Within 6 months	3.86%
Total	--	8,173,410.68	--	28.59%

#### (6) The amounts due from related parties

Unit: RMB Yuan

Name of entity	The relationship with the	Amount	Proportion
----------------	---------------------------	--------	------------

	Company		
Gujing Group	Controlling shareholder	13,725.06	0.05%
Total	--	13,725.06	0.05%

**(7) Information of accounts receivable that terminated recognition**

Unit: RMB Yuan

Item	Amount of termination	Gains or losses related to the termination of recognition
Total	0.00	0.00

**(8) If securitization is carried out on accounts receivable as the underlying assets, please list amount of assets and liabilities arising from further involvement**

Unit: RMB Yuan

Item	Period-end
Assets:	
Subtotal of assets	0.00
Liabilities:	
Subtotal of liabilities	0.00

**7. Other accounts receivable****(1) Other accounts receivable disclosed by type:**

Unit: RMB Yuan

Category	Closing balance				Opening balance			
	Balance		Provision for doubtful debts		Balance		Provision for doubtful debts	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other accounts receivable that is individually significant and provisions for bad debts individually	51,109,940.55	70.75%	51,109,940.55	100%	54,205,281.87	90.99%	51,109,940.55	94.29%
Other accounts receivable that provisions for bad debts by group								

Aging group	21,132,155.07	29.25%	581,622.74	2.75%	5,368,699.28	9.01%	581,622.74	10.83%
Subtotal of group	21,132,155.07	29.25%	581,622.74		5,368,699.28	9.01%	581,622.74	
Other accounts receivable that is individually insignificant but provisions for bad debts individually	0.00	0%	0.00	0%	0.00	0%	0.00	0%
Total	72,242,095.62	--	51,691,563.29	--	59,573,981.15	--	51,691,563.29	--

Notes for categories of other accounts receivable:

Other closing accounts receivable that is individually significant and provisions for bad debts individually.

Applicable Inapplicable

In the group, other accounts receivable that provisions for bad debts by aging analysis:

Applicable Inapplicable

Unit: RMB Yuan

Aging	Period-end			Period-begin		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Proportion		Amount	Proportion	
Within 1 year						
Including:						
within 6 months	18,429,663.00	87.21%	18,429,663.00	4,387,567.89	81.72%	43,875.68
6 months to 1 year	1,602,260.59	7.58%	1,602,260.59	243,321.49	4.53%	12,166.07
Subtotal of within 1 year	20,031,923.59	94.79%	20,031,923.59	4,630,889.38	86.25%	56,041.75
1 year to 2 years	592,326.00	2.8%	592,326.00	235,809.90	4.4%	23,580.99
2 years to 3 years	500,000.00	2.37%	500,000.00	0.00	0%	0.00
More than 3 years	7,905.48	0.04%	7,905.48	502,000.00	9.35%	502,000.00
3 year to 4 years						
4 years to 5 years						
Over 5 years						
Total	21,132,155.07	--	581,622.74	5,368,699.28	--	581,622.74

In the group, other accounts receivable that provisions for bad debts by balance percentage:

Applicable Inapplicable

In the group, other accounts receivable that provisions for bad debts by other methods:

Applicable Inapplicable

Other closing individually insignificant but provisions for bad debts individually accounts receivable:

Applicable Inapplicable

## (2) Information of other accounts receivable reversed or recovered in the reporting period

Unit: RMB Yuan

Other accounts receivable	Reason for reversed or recovered	Basis for determination of bad debts provision	Accrued amount before reversal or recovery	Amount of reversed or recovered
Minfa Securities Co., Ltd.	Receipt of settlement account of bankruptcy	The enterprise entered into bankruptcy and settlement procedure	9,384,502.02	3,095,341.32
Total	--	--	9,384,502.02	--

Withdrawal of closing individually significant or insignificant but provisions for bad debts individually accounts receivable:

Content	Book balance	Provision for bad debts	Withdrawal percentage	Reason
Total			--	--

Notes of individually insignificant but was of big risk after grouped by credit risk other accounts receivable:

## (3) Information of other accounts receivable written off in the reporting period

Unit: RMB Yuan

Name of company	Nature of other accounts receivable	Write off date	Write off amount	Write off reason	Whether arising from related party transactions or not
Total	--	--	0.00	--	--

Notes of written-off of other accounts receivable:

## (4) Other accounts receivable is due from shareholders with more than 5% (including 5%) of the voting shares of the Company

Applicable Inapplicable

Unit name	The final number		The beginning of the period number	
	Book balance	Provision for bad debt amount	Book balance	Provision for bad debt amount

Gujing Group	6,098.49	0.00	0.00	0.00
Total	6,098.49	0.00	0.00	0.00

**(5) Nature or details of other significant accounts receivable**

Unit: RMB Yuan

Name of entity	Amount	Nature or details of the amount	Proportion of the total (%)
Total	0.00	--	0%

Notes:

**(6) Information of top five other accounts receivable**

Unit: RMB Yuan

Name of entity	Relationship with the Company	Amount	Aging	Proportion of the total (%)
Hengxin Securities	Not related relationship	29,502,438.53	Over 3 years	40.84%
Jianqiao Securities	Not related relationship	12,223,000.00	Over 3 years	16.92%
Minfa Securities	Not related relationship	9,384,502.02	Over 3 years	12.99%
CYTS. Anhui Co., Ltd.	Not related relationship	1,500,000.00	Within 6 months	2.08%
Shanghai Hongbang Culture Communication Co., Ltd.	Not related relationship	1,480,000.00	Within 6 months	2.05%
Total	--	54,089,940.55	--	40.84%

**(7) Information of the amounts due from related parties**

Unit: RMB Yuan

Name of entity	Relationship with the Company	Amount	Proportion
Total	--	0.00	0%

**(8) Information of other accounts receivable that terminated recognition**

Unit: RMB Yuan

Item	Amount of termination	Gains or loses related to the termination of recognition
Total	0.00	0.00

**(9) If securitization is carried out on other accounts receivable as the underlying assets, please list amount of assets and liabilities arising from further involvement**

Unit: RMB Yuan

Item	Closing balance
Assets:	
Subtotal of assets	0.00
Liabilities:	
Subtotal of liabilities	0.00

**8. Prepayment**

**(1) List by aging analysis:**

Unit: RMB Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	205,901,580.10	99.93%	233,258,065.73	100%
1 year to 2 years	122,172.24	0.06%	4,645.00	0%
2 years to 3 years	12,060.00	0.01%	0.00	0%
Over 3 years	0.00	0%	0.00	0%
Total	206,035,812.34	--	233,262,710.73	--

Notes of aging of prepayment:

**(2) Information of the top 5 prepayment**

Unit: RMB Yuan

Name of entity	Relationship with the	Amount	Aging	Reason for unsettled
----------------	-----------------------	--------	-------	----------------------

	Company			
Anhui Zhenda Investment Co., Ltd.	Non-related relationship	111,865,500	31 Dec. 2012	Advance for advertising expense in the second half of 2012
CCTV	Non-related relationship	23,861,553.00	31 Dec. 2012	Advance for advertising expense in the second half of 2012
Shenzhou TV Co., Ltd.	Non-related relationship	9,639,711.00	31 Dec. 2012	Advance for advertising expense in the second half of 2012
Beijing Jinqiao Jiaren Media TV Ads Co., Ltd.	Non-related relationship	6,502,502.00	31 Dec. 2012	Advance for advertising expense in the second half of 2012
Partner Media Comm	Non-related relationship	4,900,000.00	31 Dec. 2012	Advance for advertising expense in the second half of 2012
			31 Dec. 2012	
Total	--	156,769,266	--	--

Notes of important companies of prepayment:

### (3) Information about amount due from shareholders with more than 5% (including 5%) of the voting shares of the Company in prepayment

Applicable Inapplicable

### (4) Notes of prepayment

## 9. Inventory

### (1) Category

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment of inventories	Book value	Book balance	Impairment of inventories	Book value
Raw materials	59,086,567.57	3,021,570.96	56,064,996.61	80,384,897.21	3,021,570.96	77,363,326.25
Construction contract assets	448,095,283.42	0.00	448,095,283.42	407,663,001.44	0.00	407,663,001.44



Inventory goods	33,662,946.33	1,760,585.85	31,902,360.48	94,891,327.59	1,760,585.85	93,130,741.74
Turnover material						
Consumable biological assets						
Total	540,844,797.32	4,782,156.81	536,062,640.51	582,939,226.24	4,782,156.81	578,157,069.43

**(2) Impairment of inventories**

Unit: RMB Yuan

Category	Opening book balance	Increase	Decrease		Closing book balance
			Reversal	Written off	
Raw materials	3,021,570.96	0.00	0.00	0.00	3,021,570.96
Construction contract assets	0.00	0.00	0.00	0.00	0.00
Inventory goods	1,760,585.85	0.00	0.00	0.00	1,760,585.85
Turnover material					
Consumable biological assets					
Total	4,782,156.81	0.00	0.00	0.00	4,782,156.81

**(3) Details of provision for falling price of inventories**

Item	Basis on provision for falling price of inventories	Reasons for reversal	Proportion of reversal of provision for impairment of inventories to closing balance
Raw materials	According to the inventory lower of cost and net realizable value measurement		
Inventory goods	According to the inventory lower of cost and net realizable value measurement		
Construction contract assets			
Turnover material			
Consumable biological assets			

--	--	--	--

Notes of inventory:

## 10. Other current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Naught	0.00	0.00
Total		

Notes of other current assets:

Naught

## 11. Available-for-sale financial assets

### (1) Information of available-for-sale financial assets

Unit: RMB Yuan

Item	Closing fair value	Opening fair value
Available-for-sale bonds		
Available-for-sale equity instruments		
Others		0.00
Total		

In the reporting period, the Company reclassified the held-to-maturity investment into available-for-sale financial assets, a total of RMB\*\* was reclassified, which takes \*% of total matured investment before reclassification.

Notes of available-for-sale financial assets

### (2) Long-term liability investment of available-for-sale financial assets

Unit: RMB Yuan

Item	Category	Balance	Initial investment cost	Matured date	Opening balance	Interest in the reporting period	Accrued accounts receivable or received interest	Closing balance
Total	--	--		--				

Notes of long-term liability investment of available-for-sale financial assets:

**12. Held-to-maturity investment****(1) Information**

Unit: RMB Yuan

Item	Closing book balance	Opening book balance
Total		

Notes of held-to-maturity investment:

**(2) Information of held-to-maturity investment sold in the reporting period but was not matured**

Unit: RMB Yuan

Item	Amount	Percentage of the investment amount before sales
Total	0.00	--

Notes of undue held-to-maturity investment sold in the reporting period:

**13. Long-term accounts receivable**

Unit: RMB Yuan

Category	Closing balance	Opening balance
Financing leases		
Including: unrealized financing gains		
Installment sales		
Installment offering service		
Others		
Total		

**14. Investment to joint ventures and associated enterprises**

Unit: RMB Yuan

Name of investee	Nature of enterprises	Registration place	Legal representative	Nature of business	Registered capital	Currency	Percentage of holding shares	Voting percentage of the	Total closing assets	Total closing liabilities	Net closing assets	Total operation revenue	Net profit of the reporting

							of the Compan y	Compan y in investee				of the reportin g period	g period
I. Joint ventures													
II. Associated enterprises													

Notes if significant differences exist between the important accounting policies and accounting estimations of joint ventures, associated enterprises and the Company:

**15. Long-term equity investment**

**(1) List of long-term equity investment**

Unit: RMB Yuan

Investee	Accounting method	Initial investment cost	Opening balance	Increase/decrease	Closing balance	Share holding percentage in investee	Voting percentage in investee	Explanation for indifferences between the share holding percentage and voting percentage in investee	Impairment provision	Withdrawn impairment provision in the reporting period	Cash bonus in the reporting period
Total	--	0.00	0.00	0.00	0.00	--	--	--	0.00	0.00	0.00

**(2) Information of the limitation on the capability to transfer capital to investee**

Unit: RMB Yuan

Item that with limitation on the capability to transfer capital to investee	Reason for limitation	Investment losses unrecognized in current period

Notes of long-term equity investment:

**16. Investment property****(1) Investment property calculated by cost**

√Applicable □Inapplicable

Unit: RMB Yuan

Item	Opening book balance	Increase in the reporting period	Decrease in the reporting period	Closing book balance
I. Total original book value	61,126,470.85	220,000.00	0.00	61,346,470.85
1. Houses & buildings	58,481,878.85	220,000.00	0.00	58,701,878.85
2. Land use right	2,644,592.00	0.00	0.00	2,644,592.00
II. Accumulated depreciation and accumulated amortization	28,568,060.59	631,826.06	0.00	29,199,886.65
1. Houses & buildings	28,327,867.04	600,818.78	0.00	28,928,685.82
2. Land use right	240,193.55	31,007.28	0.00	271,200.83
III. Total net book value of investment property	32,558,410.26	0.00	0.00	32,146,584.20
1. Houses & buildings	30,154,011.81			29,773,193.03
2. Land use right	2,404,398.45			2,373,391.17
IV. Accumulated provision for impairment of investment property	0.00	0.00	0.00	0.00
1. Houses & buildings	0.00	0.00	0.00	0.00
2. Land use right	0.00	0.00	0.00	0.00

V. Total book value of investment property	32,558,410.26	0.00	0.00	32,146,584.20
1. Houses & buildings	30,154,011.81			29,773,193.03
2. Land use right	2,404,398.45			2,373,391.17

Unit: RMB Yuan

	The reporting period
Depreciation and amortization of the reporting period	631,826.06
Withdrawal amount for impairment of investment property in the reporting period	0.00

**(2) Investment property calculated by fair value**

□Applicable √Inapplicable

Notes of investment property that altered calculated mode and failed to accomplish certification of property, and notes of reason that the fail accomplish and estimated accomplish date:

Item	Original book value	Accrued depreciation	Impairment provision	Book value
Building for wine filling and packing workshop (third floor)	22,618,411.84	12,419,366.50	0	10,199,045.34
Office building for filling and packing workshop (second floor)	6,458,600.00	3,308,418.18	0	3,150,181.82
Filling and packing workshop	8,268,007.88	3,044,336.24	0	5,223,671.64
Packing complex building project (including packing workshop No. 7)	6,110,867.18	3,579,440.76	0	2,531,426.42
New established workshop in fodder plant (workshop No. 1)	4,263,000.01	299,982.24	0	3,963,017.77
New established workshop in fodder plant (workshop No. 2)	<u>5,920,833.34</u>	<u>419,975.15</u>	<u>0</u>	5,500,858.19
Total	<u>53,639,720.25</u>	<u>23,071,519.07</u>	<u>0.00</u>	<u>30,568,201.18</u>

**17. Fixed assets****(1) Information**

Unit: RMB Yuan

Item	Opening book balance	Increase in the reporting period	Decrease in the reporting period	Closing book balance
I. Total original book value	859,712,029.43	61,565,366.13	11,948,662.21	909,328,733.35
Including: Property and	530,798,978.04	46,373,810.07	7,840,018.98	569,332,769.13

building					
Machineries	215,588,523.65		6,930,719.29	1,583,264.51	220,935,978.43
Vehicles	34,483,720.04		5,416,391.06	1,658,682.72	38,241,428.38
Official equipments and other equipment	78,840,807.70		2,844,445.71	866,696.00	80,818,557.41
--	Opening book balance	Increase in current period	Withdrawal in current period	Decrease in current period	Closing book balance
II. Accumulated depreciation	489,981,848.17	0.00	26,345,893.97	10,138,708.13	506,189,034.01
Including: Property and building	283,687,804.12		9,009,456.17	6,611,199.20	286,086,061.09
Machineries	143,531,259.64		7,390,471.89	1,238,502.64	149,683,228.89
Vehicles	14,289,697.93		6,120,084.20	1,634,159.09	18,775,623.04
Official equipments and other equipment	48,473,086.48		3,825,881.71	654,847.20	51,644,120.99
--	Opening book balance		--		Closing book balance
III. The net book value of fixed assets	369,730,181.26		--		403,139,699.34
Including: Property and building	247,111,173.92		--		283,246,708.04
Machineries	72,057,264.01		--		71,252,749.54
Vehicles	20,194,022.11		--		19,465,805.34
Official equipments and other equipment	30,367,721.22		--		29,174,436.42
IV. Total impairment provision	6,951,990.42		--		6,951,990.42
Including: Property and building	4,264,099.10		--		4,264,099.10
Machineries	2,020,210.96		--		2,020,210.96
Vehicles	0.00		--		0.00
Official equipments and other equipment	667,680.36		--		667,680.36
V. Total book value of fixed assets	362,778,190.84		--		396,187,708.92
Including: Property and building	242,847,074.82		--		278,982,608.94



Machineries	70,037,053.05	--	69,232,538.58
Vehicles	20,194,022.11	--	19,465,805.34
Other equipment	29,700,040.86	--	28,506,756.06

Depreciation amount of this reporting period was of RMB26,345,893.97, RMB54,084,266.32 was transferred into fixed assets from construction project in the reporting period.

## (2) Temporary idle fixed assets

Unit: RMB Yuan

Item	Original book value	Accrued depreciation	Impairment provision	Net book value	Remark
House and buildings	15,646,500.09	11,190,960.05	4,264,099.10	191,440.94	
Machinery equipments	12,113,215.87	9,978,244.36	2,020,210.96	114,760.55	
Vehicles	2,641,888.65	1,942,360.02	667,680.36	31,848.27	
Electronic equipments and other	30,401,604.61	23,111,564.43	6,951,990.42	338,049.76	

## (3) Fixed assets leased in from financing lease

Applicable Inapplicable

## (4) Fixed assets leased out from operation lease

Applicable Inapplicable

Unit: RMB Yuan

Category	Closing book value
House and buildings	0.00
Machinery equipments	1,362,823.79
Vehicles	0.00
Electronic equipments and other	182,223.57

## (5) Information of hold-for-sale fixed assets at period-end

Unit: RMB Yuan

Item	Book value	Fair value	Estimated disposal cost	Estimated settle date

**(6) Information of fixed assets failed to accomplish certification of property**

Item	Reason	Estimated accomplish date
Boiler workshop	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012
Steam turbine workshop	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012
Workshop of 35KV power transformation	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012
Steal structure platform of Precision Team in west district	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012
Steel web of finished wine warehouse in west district	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012
Packing materials warehouse in west district	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012
Newly increased finished wine warehouse in west district	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012
Production workshop and subsidiary facilities	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012
Office buildings, dormitory buildings and subsidiary facilities	The asset has been arising for a long term, of complicated processing procedure and involved with comparatively many government departments.	31 Dec. 2012

Notes of fixed assets:

There exists no fixed assets used for mortgage guarantee.

**18. Construction in progress****(1)**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Reform project of brewing technique on highly qualified base liquid	10,554,824.37	0.00	10,554,824.37	7,117,925.85	0.00	7,117,925.85
Hook store, filling and packing center of base liquid and construction project of supplemental facilities	122,313,781.82	0.00	122,313,781.82	40,493,357.07	0.00	40,493,357.07
Removal and R&D project of base liquid	81,491,082.74	0.00	81,491,082.74	84,455,897.59	0.00	84,455,897.59
Operation network of Gujing	1,495,160.00	0.00	1,495,160.00	915,000.00	0.00	915,000.00
Technology renovation project-workshop	1,659,105.40	0.00	1,659,105.40	24,920.00	0.00	24,920.00
Deep processing comprehensive building	10,049,854.95	0.00	10,049,854.95	10,000.00	0.00	10,000.00
Reform of museum	160,000.00	0.00	160,000.00	0.00	0.00	0.00
<b>Total</b>	<b>227,723,809.28</b>	<b>0.00</b>	<b>227,723,809.28</b>	<b>133,017,100.51</b>	<b>0.00</b>	<b>133,017,100.51</b>

**(2) Significant changes in construction in progress**

Unit: RMB Yuan

Name of project	Budget	Opening balance	Increase	Transferred to fixed assets	Other decrease	Project input percentage of budget	Project process	Capitalization of interest	Including: capitalization of interest this period	Capitalization of interest rate (%)	Source of funding	Closing balance
Reform project of brewing technique on highly qualified base liquid	135,000,000.00	7,117,925.85	3,436,898.52	0.00	0.00	7.82%	7.02	0.00	0.00	0%	Financing capital and self finance	10,554,824.37
Hook store, filling and packing center of base liquid and construction project of supplemental facilities	686,000,000.00	40,493,357.07	81,820,424.75	0.00	0.00	17.83%	15.62	0.00	0.00	0%	Financing capital and self finance	122,313,781.82
Removal and R&D project of base liquid	372,340,000.00	84,455,897.59	51,119,451.47	54,084,266.32	0.00	21.89%	49.68	0.00	0.00	0%	Self finance	81,491,082.74

Operation network of Gujing	3,050,000.00	915,000.00	580,160.00	0.00	0.00	49.02%	58.50	0.00	0.00	0%	Self finance	1,495,160.00
Technology renovation project-works hop	9,940,000.00	24,920.00	1,634,185.40	0.00	0.00	16.69%	20.00	0.00	0.00	0%	Self finance	1,659,105.40
Deep processing comprehensive building	19,800,000.00	10,000.00	10,039,854.95	0.00	0.00	50.76%	55.00	0.00	0.00	0%	Self finance	10,049,854.95
Reform of museum	800,000.00	0.00	160,000.00	0.00	0.00	20%	24.20	0.00	0.00	0%		160,000.00
<b>Total</b>	<b>1,226,930,000.00</b>	<b>133,017,100.51</b>	<b>148,790,975.09</b>	<b>54,084,266.32</b>	<b>0.00</b>	<b>--</b>	<b>--</b>	<b>0.00</b>	<b>0.00</b>	<b>--</b>	<b>--</b>	<b>227,723,809.28</b>

Notes of significant changes in construction in progress:

**(3) Impairment provision of construction in progress**

Unit: RMB Yuan

Item	Opening amount	Increase in the reporting period	Decrease in the reporting period	Closing balance	Reason for withdrawal
Total	0.00	0.00	0.00	0.00	--

**(4) Information of procedures of significant construction in progress**

Item	Project process	Note

**(5) Notes of construction in progress****19. Engineering materials**

Unit: RMB Yuan

Item	Opening balance	Increase in the reporting period	Decrease in the reporting period	Closing balance
Total				3,635,801.34

Notes of engineering materials:

**20. Clearance of fixed assets**

Unit: RMB Yuan

Item	Opening book value	Closing book value	Reason for transferring to clearance
Total			--

Notes of clearance process of fixed assets with a clearance term of over 1 year since the transfer into fixed assets:

**21. Productive biological assets****(1) Calculated by cost**Applicable Inapplicable**(2) Calculated by fair value**Applicable Inapplicable**22. Oil and gas assets**

Unit: RMB Yuan

Item	Opening book balance	Increase	Decrease	Closing book balance
I. Total original book value				
1. Property rights of proved mining area				
2. Property rights of unproved mining area				
3. Well and relevant facilities				
II. Total accumulated depreciation				
1. Property rights of proved mining area				
2. Well and relevant facilities a				
III. Total accumulated oil and gas assets depreciation				
1. Property rights of proved mining area				
2. Property rights of unproved mining area				
3. Well and relevant facilities				
IV. Total book value of oil and gas assets				
1. Property rights of proved mining area				
2. Property rights of unproved mining area				
3. Well and relevant facilities				

Notes of oil and gas assets:

## 23. Intangible assets

### (1) Information

Unit: RMB Yuan

Item	Opening balance	Increase in the reporting period	Decrease in the reporting period	Closing balance
I. Total original book value	311,997,360.74	80,456,060.00	0.00	392,453,420.74
Land use right	270,793,360.80	80,456,060.00		351,249,420.80
Patent	38,150,000.00			38,150,000.00
Software	3,053,999.94		0.00	3,053,999.94
II. Total accrued amortization	63,403,128.70	3,582,744.39	0.00	66,985,873.09
Land use right	24,582,620.60	3,374,904.39		27,957,524.99
Patent	37,910,000.00	54,640.00		37,964,640.00
Software	910,508.10	153,200.00	0.00	1,063,708.10
III. Total net book value of intangible assets	248,594,232.04	0.00	0.00	325,467,547.65
Land use right	246,210,740.20			323,291,895.81

Patent	240,000.00			185,360.00
Software	2,143,491.84			1,990,291.84
IV. Total impairment provision	0.00	0.00	0.00	0.00
Land use right	0.00			
Patent	0.00			
Software	0.00	0.00	0.00	0.00
Total book value of intangible assets	248,594,232.04	0.00	0.00	325,467,547.65
Land use right	246,210,740.20			323,291,895.81
Patent	240,000.00			185,360.00
Software	2,143,491.84			1,990,291.84

Amortization was of RMB3,582,744.3 in the reporting period.

## (2) Company development expense

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease		Closing balance
			Recognized into current gains/losses	Recognized as intangible assets	
Total	0.00	0.00	0.00	0.00	0.00

Development expense percentage of total expenditure of R&D projects in the reporting period.

Percentage intangible assets arising from inner R&D of the Company of closing book value of intangible assets.

Notes of R&D projects of the Company, those that includes individual value of more than RMB 1 million and recognized with a basis of assessed value, please disclose name of evaluation authority and method of evaluation:

## (3) Information of intangible assets that failed to accomplish certification of property

## 24. Goodwill

Unit: RMB Yuan

Name of investee or event that generated goodwill	Opening balance	Increase in the reporting period	Decrease in the reporting period	Closing balance	Impairment provision at period-end
Total	0.00	0.00	0.00	0.00	0.00

Notes of test method of goodwill impairment and impairment withdrawal method:

## 25. Long-term amortization expense

Unit: RMB Yuan

Item	Opening balance	Increase	Amortization balance	Other decrease	Closing balance	Reason for other decrease
Decoration of Breweries Industrial Park	743,422.33	0.00	371,711.16	0.00	371,711.17	
Overhaul of	141,965.72	0.00	70,982.86	0.00	70,982.86	



extract filtering wine pot project						
Celebrity's House	3,650,877.17	0.00	495,664.64	0.00	3,155,212.53	
House lease in Zhengzhou	3,063,200.32	0.00	875,200.09	0.00	2,188,000.23	
Fitment project of experience club in Zhengzhou	2,079,000.00	0.00	686,228.61	0.00	1,392,771.39	
<b>Total</b>	<b>9,678,465.54</b>	<b>0.00</b>	<b>2,499,787.36</b>	<b>0.00</b>	<b>7,178,678.18</b>	<b>--</b>

Notes of long-term amortization expense:

## 26. Deferred tax assets and liabilities

### (1) Deferred tax assets and liabilities are not listed as the net value after offset

√Applicable □Inapplicable

Deferred tax assets and liabilities that already recognized

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deferred income tax assets:		
Provision for assets impairment	16,188,440.42	16,188,440.42
Formation expenses		
Deductible losses	118,096.95	118,096.95
	4,612,070.74	4,871,534.33
<b>Subtotal</b>	<b>20,918,608.11</b>	<b>21,178,071.70</b>
Deferred income tax liabilities:		
Estimated value of trading financial instruments, derivative financial instruments	0.00	0.00
Fair value changes on available-for-sale financial assets that recognized into capital reserves	0.00	0.00
<b>Subtotal</b>	<b>0.00</b>	<b>0.00</b>

List of unrecognized deferred income tax assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deductible temporary		
Deductible losses		
<b>Total</b>		

Deductible losses of unrecognized deferred income tax assets will due in the following years

Unit: RMB Yuan

Year	Closing balance	Opening balance	Remark
2012	0.00	0.00	
2013	0.00	0.00	
2014	0.00	0.00	
2015	0.00	0.00	
2016	0.00	0.00	
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>--</b>

List of taxable differences and deductible differences items

Unit: RMB Yuan

Item	Temporary differences amount	
	As at period-end	As at period-begin
Taxable differences items		
Bad debt provision	53,019,614.42	53,019,614.42
Provision for falling price of inventory	4,782,156.81	4,782,156.81
Impairment provision for fixed assets	6,951,990.42	6,951,990.42
Unrealized internal trading interest	622,901.90	622,901.90
Deferred income	11,513,759.67	12,551,614.04
Withdrawal expense	6,311,621.33	6,311,621.33
Subtotal	83,202,044.55	84,239,898.92
Deductible differences item		
Deductible losses	512,867.42	512,867.42
Subtotal	512,867.42	512,867.42

**(2) Deferred income tax assets and liabilities are listed as the net value after offset**

□Applicable √Inapplicable

Notes of deferred income tax assets and liabilities

**27. List of provision for assets impairment**

Unit: RMB Yuan

Item	Opening book balance	Increase	Decrease		Closing book balance
			Reversal	Written off	
I. Provision for bad debt	53,019,614.42	0.00	0.00	0.00	53,019,614.42
II. Provision for inventory falling price	4,782,156.81	0.00	0.00	0.00	4,782,156.81
III. Impairment provision of available-for-sale financial assets					
IV. Impairment provision of held-to-maturity investment					
V. Impairment provision of long-term equity investment		0.00			0.00
VI. Impairment provision of investment property	0.00	0.00			0.00
VII. Impairment provision of fixed assets	6,951,990.42	0.00	0.00	0.00	6,951,990.42
VIII. Impairment provision of engineering materials					
IX. Impairment provision of construction in progress	0.00	0.00			0.00
X. Impairment provision of productive biological assets					
Including: mature productive biological assets					
XI. Impairment provision of oil gas assets					
XII. Impairment provision of intangible assets	0.00	0.00			0.00
XIII. Impairment provision of goodwill					0.00
XIV. Others					
Total	64,753,761.65	0.00	0.00	0.00	64,753,761.65

Notes of the list of assets impairment:

## 28. Other non-current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Total		

Notes of other non-current assets

## 29. Short-term loan

### (1)Category

Unit: RMB Yuan

Category	Closing balance	Opening balance
Pledge loan		
Mortgage loan		
Guarantee loan		
Credit loan		
Total		

Notes:

### (2)List of unsettled mature short-term loan

Unit: RMB Yuan

Name of creditor	Amount of loan	Rate of loan	Usage	Reason for unsettlement	Estimated settle date
Total	0.00	--	--	--	--

RMB000 was paid back after the Balance Sheet Date.

Notes of short-term loan, for those gaining extended term, notes term of extension and new mature date:

## 30. Trading financial liabilities

Unit: RMB Yuan

Item	Closing fair value	Opening fair value
Public trading bonds		
Financial liabilities designed to recognized with a basis on fair value and with its changes recognized into current gains and losses		
Derivative financial liabilities		
Other financial liabilities		
Total		

Notes:

**31. Notes payable**

Unit: RMB Yuan

Category	Closing balance	Opening balance
Trade acceptance		
Bank acceptance	10,000,000.00	
Total	10,000,000.00	

RMB000 will be due in next fiscal period.

Notes of notes payable:

**32. Accounts payable****(1)**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Within 1 year	146,731,783.40	214,665,021.65
Over 1 year	5,451,301.76	5,158,834.80
Total	152,183,085.16	219,823,856.45

**(2) The accounts payable to shareholders with more than 5% (including 5%) of the voting shares of the Company**Applicable Inapplicable

Notes of the accounts payable aging over one year:

Name of entity	Owing amount	Age	Reason for unsetting	Amount pay back after Balance Sheet Date
Ningbo Tianan (Group) Co., Ltd	1,479,096.00	1 year to 2 years	Final payment of equipments	0.00
Jiangsu Liyang Buliding and Installation Engineering Co., Ltd.	490,485.32	Over 3 yeasers	Quality guarantee money for decoration	0.00
SHANGHAI TIMES PRINTING CO., LTD.	474,696.76	Over 3 years	Suspend of business	0.00
Chengdu Wanji Power Equipment Manufacture Co., Ltd.	362,600.00	1 year to 2 years	Final payment of equipments	0.00
Anhui Onesky Electrical Technology Co., Ltd.	293,120.00	1 year to 2 years	Final payment of equipments	0.00
Total	3,099,998.08			0.00

**33. Advance from customers****(1)**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Within 1 year	79,287,178.27	128,698,731.68
Over 1 year	3,112,688.34	6,898,456.20
Total	82,399,866.61	135,597,187.88

**(2) Advanced from customers from shareholders with more than 5% (including 5%) of the voting shares of the Company**

□Applicable √Inapplicable

Notes of significant advance from customers aging over one year:

Item	Amount received in advance	Aging	Reason for transfer
Anhui Meigao Chemical Co., Ltd.	85,615.85	1 year to 2 years	Final payment
Yongchen Shenhua Lida Trade Co., Ltd.	79,857.23	1 year to 2 years	Final payment
Guzhen County Guzhen Fengze Wine and Tobacco Operation Department	69,996.65	1 year to 2 years	Final payment
Laishui County Qingyun Tobacco Industry Wholesale Department	63,561.25	1 year to 2 years	Final payment
Taiyuan Tianchuang Yizu Trade Co., Ltd.	62,229.09	1 year to 2 years	Final payment
Total	361,260.07		

**34. Payroll payable**

Unit: RMB Yuan

Item	Opening book balance	Increase	Decrease	Closing book balance
I. Salary, bonus, allowance, subsidy	145,431,983.11	107,851,250.51	160,377,571.16	92,905,662.46
II. Employee welfare	0.00	3,659,344.85	3,659,344.85	0.00
III. Social insurance	10,208,973.40	50,980,557.16	56,867,297.39	4,322,233.17
Including:				
①Medical insurance premiums	2,436,498.16	12,443,851.60	14,798,241.29	82,108.47
②Basic pension benefits	6,447,583.35	27,408,261.54	29,941,054.75	3,914,790.14
③Unemployment insurance	638,916.29	5,993,070.28	6,529,269.73	102,716.84
④Work-related injury insurance	374,575.79	4,584,724.21	4,782,878.31	176,421.69
⑤Maternity insurance	311,399.81	550,649.53	815,853.31	46,196.03
IV. Housing fund	25,044,636.37	33,031,632.82	37,161,088.26	20,915,180.93
V. Redemption for terminations of labor contract	0.00	0.00	0.00	0.00
VI. Others	12,076,484.39	4,156,092.82	3,040,185.58	13,192,391.63
Labour union budget and other	12,076,484.39	4,156,092.82	3,040,185.58	13,192,391.63
Total	192,762,077.27	199,678,878.16	261,105,487.24	131,335,468.19

RMB 0.00 is the amounts in arrears in the payroll payable.

The labor union budget and employee education budget is RMB13,192,391., and the non-monetary benefits are RMB 0.00, as well as the compensation for terminating the labor contract is RMB 0.00.

The estimated distribution date and amount as well as other arrangements for payroll payable:

**35. Taxes payable**

Unit: RMB Yuan

Item	Closing balance	Opening balance
VAT	109,589,173.01	145,921,550.30

Consumption tax	138,464,380.99	195,847,812.80
Business tax	689,115.92	733,221.63
Corporate income tax	242,936,162.77	267,060,470.99
Personal income tax	1,680,886.81	4,739,780.86
Urban maintenance and construction tax	19,372,600.16	25,868,592.02
Stamp tax	478,837.90	1,777,727.97
Education surtax	8,203,776.99	25,773,125.40
Other	635,813.85	3,357,229.46
Total	522,050,748.40	671,079,511.43

Notes of taxes payable: for the taxable income of branch companies and factories approved to be inter-adjusted by their local tax authorities, the Company shall specified their calculation procedure:

### 36. Interest payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Interest payable on long-term borrowings that interest was paid by stages and principle was repay upon due		
Interest of corporate bond		
Interest payable on short-term borrowings		
Total		

Notes:

### 37. Dividends payable

Unit: RMB Yuan

Name of company	Closing balance	Opening balance	Reason for unsettlement over 1 year
Total			--

Notes:

### 38. Other accounts payable

(1)

Unit: RMB Yuan

Item	Closing balance	Opening balance
Withing 1 year	257,395,861.91	186,943,937.99
Over 1 year	33,520,640.14	61,946,080.79
Total	290,916,502.05	248,890,018.78

(2) Other accounts payable from shareholders with more than 5% (including 5%) of the voting shares of the Company

Applicable Inapplicable

Unit: RMB Yuan

Name of entity	Closing balance	Epening balance
Gujing Group	0.00	180,311.93
Total	0.00	180,311.93

**(3) Notes of the other large amount accounts payable aging over 1 year**

Item	Owing amount	Aging	Reason for unsettlement
Guangxi Construction Engineering Group No. 1 Installation Co., Ltd	2,265,300.00	3 years to 3 years	The project hasn't been qualified after acceptance inspection
Shanghai Sage Software Co., Ltd.	524,204.00	2 years to 3 years	Guarantee money
Fujian Lucky Horse Group Co., Ltd.	400,000.00	2 years to 3 years	Guarantee money
Shenzhen Suomeite Technology Co., Ltd.	300,000.00	1 years to 2 years	Guarantee money
Yongcheng Qianjing Trade Co., Ltd.	260,000.00	1 years to 2 years	Guarantee money
Total	3,749,504.00		

**(4) Notes of other accounts payable with significant amount**

Item	Owing amount	Content
Henan Guangyu Construction Group Co., Ltd.	2,600,000.00	Contact money
Jieshou Xinghua Construction Engineering Co., Ltd.	2,306,000.00	Contact money
Zhejiang Zhegong Trade Co., Ltd.	2,276,642.00	Guarantee money
Huanan Jingdingcheng Trade Co., Ltd.	2,103,440.00	Guarantee money
Suzhou Pingjiang District Xinli Wine Industry Center	1,554,916.00	Guarantee money
Total	10,840,998.00	

**39. Estimated liabilities**

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
External offering guarantee				
Unsettled lawsuit				
Product quality guarantee				
Responsibility of reorganization				
Dismissal welfare				
Contract in losses waited for execution				
Other				
Total				

Notes:

**40. Non-current liabilities due within 1 year****(1)**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Long-term loan due within 1 year		
Bonds payable due within 1 year		
Long-term accounts payable due within 1 year		
Total		

**(2) Long-term loan due within 1 year**

Long-term loan due within 1 year

Unit: RMB Yuan

Item	Closing balance	Opening balance
Pledge loan		
Mortgage loan		
Guarantee loan		
Credit loan		
Total		

RMB000 of long-term loan due within 1 year was of mature loan with extended term.

Top five long-term loan due within 1 year

Unit: RMB Yuan

Creditor	Starting date	Ending date	Currency	Rate (%)	Closing balance		Opening balance	
					Foreign currency balance	RMB balance	Foreign currency balance	RMB balance
Total	--	--	--	--	--		--	

Mature loan of long-term loan due within 1 year:

Unit: RMB Yuan

Creditor	Amount of loan	Overdue date	Annual rate (%)	Usage	Reason for unsettlement	Estimated settle date
Total		--	--	--	--	--

RMB000 was paid back after Balance Sheet Date:

Notes of long-term borrowings due within 1 year:

**(3) Bonds payable due within 1 year**

Unit: RMB Yuan

Name	Par value	Issuance date	Term	Issuing amount	Opening interest payable	Accrued interest in current period	Interest paid in the reporting period	Closing interest payable	Closing balance

Notes:

**(4) Long-term accounts payable due within 1 year**

Unit: RMB Yuan

Creditor	Term	Initial amount	Rate (%)	Accrued interest	Closing balance	Conditions

Notes:



**41. Other current liabilities**

Unit: RMB Yuan

Item	Closing book balance	Opening book balance
Energy-saving and reform project of coal-fired industry boiler and glass furnace	215,354.38	430,708.75
Bozhou city logistics center project	30,000.00	60,000.00
Special account for prevention and cure of waste water directed by municipal finance	325,000.00	650,000.00
Financial subsidy for energy-saving project	185,000.00	370,000.00
Financial subsidy for technology innovation	262,500.00	525,000.00
Discount on technology reform of deposit in budget directed by municipal finance	20,000.00	40,000.00
<b>Total</b>	<b>1,037,854.38</b>	<b>2,075,708.75</b>

Notes:

**42. Long-term loan****(1)Category of long-term loan**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Pledge loan		
Mortgage loan		
Guarantee loan		
Credit loan		
<b>Total</b>		

Notes:

**(2)The top five long-term loans**

Unit: RMB Yuan

Creditor	Starting date	Ending date	Currency	Rate (%)	Closing balance		Opening balance	
					Foreign currency amount	RMB amount	Foreign currency amount	RMB amount
<b>Total</b>	--	--	--	--	--		--	

Notes of long-term loan: for the long-term loans arising from mature loans with extended term, the Company shall explain the conditions of extension, principal, interest, expected repayment arrangement:

**43. Bonds payable**

Unit: RMB Yuan

Name	Par value	Issuance date	Term	Issuing amount	Opening interest payable	Closing interest payable	Interest paid in the reporting period	Closing interest payable	Closing balance

--	--	--	--	--	--	--	--	--	--

Notes of bonds payable, including the conditions and date of conversion of the convertible corporate bonds:

#### 44. Long-term payable

##### (1) The top five long-term payable

Unit: RMB Yuan

Company	Term	Initial amount	Rate (%)	Accrued interest	Closing balance	Conditions of loan

##### (2) List of the financing lease payable under the long-term loan

Unit: RMB Yuan

Company	Closing balance		Opening balance	
	Foreign currency	RMB	Foreign currency	RMB
Total				

RMB\*\* was guarantee for the Company's financing lease provided by the independent third party.

Notes of the long-term payable:

#### 45. Specific payables

Unit: Yuan

Item	Opening amount	Increment in current period	Decrement in current period	Closing amount	Remark
Total					--

#### 46. Other non-current liabilities

Unit: Yuan

Item	Closing balance	Opening balance
Government grant related to assets	10,475,905.29	10,475,905.29
Total	10,475,905.29	10,475,905.29

Explanation for other non-current liabilities: government grant related to assets and closing amount in report period:

Item	Opening balance	Increment in current period	Amortization in current period	Decrement in current period	Closing balance
Energy-saving and reform project of coal-fired industry boiler and glass furnace	1,052,155.08	0.00	0.00	0.00	1,052,155.08
Haozhou logistics center project	420,000.00	0.00	0.00	0.00	420,000.00

Special account for prevention and cure of waste water directed by municipal finance	1,950,000.21	0.00	0.00	0.00	1,950,000.21
Financial allowance of energy conservation projects		3,299,166.67	0.00	0.00	3,299,166.67
Financial allowance of technical transformation		3,631,250.00	0.00	0.00	3,631,250.00
Direct financial discount of deposit technical transformation in budget		123,333.33	0.00	0.00	<u>123,333.33</u>
Total	10,475,905.29	0.00	0.00	0.00	<u>10,475,905.29</u>

**47. Share capital**

Unit: Yuan

Item	Opening amount	Increase/decrease (+, -)					Closing amount
		Issuance of new shares	Bonus shares	Capitalization of capital reserve	Others	Subtotal	
	251,800,000.00			251,800,000.00		251,800,000.00	503,600,000.00

Explanation for changes of share capital: any capital increase or reduction in report period should reveal name of accounting firm for capital verification and reference number of capital verification report; for company limited by shares that is founded within 3 years, it just needs net asset explanations for years before setting up; capital verification of changing limited liability company to joint stock company.

**48. Treasury stock**

Explanation for treasury stock  
None

**49. Specific reserves**

Explanation for specific reserves  
None

**50. Capital reserve**

Unit: Yuan

Categories	Opening amount	Increment in current period	Decrement in current period	Closing amount
Share premium	1,514,352,456.05	0.00	251,800,000.00	1,262,552,456.05
Other capital reserves	32,386,037.14	0.00	0.00	32,386,037.14
Total				
Share premium	1,546,738,493.19	0.00	251,800,000.00	1,294,938,493.19

**Explanations for capital reserve****51. Surplus reserves**

Unit: Yuan

Items	Closing amount	Increment in current period	Decrement in current period	Opening amount
-------	----------------	-----------------------------	-----------------------------	----------------

Legal surplus reserves	147,070,297.60	0.00	0.00	147,070,297.60
Free surplus reserves				
Reserve fund				
Enterprise expansion fund				
Others				
Total	147,070,297.60	0.00	0.00	147,070,297.60

Explanations for surplus reserves used into equity, covering the deficit, and distributing dividends.

## 52 General risk preparations

Explanation for general risk preparation:

None

## 53. Undistributed profit

Unit: Yuan

Item	Amount	Proportion
Balance at the end of the year of 2011 (Before adjustment)	815,506,493.66	--
Total adjustment for the balance at the beginning of the year of 2012	0.00	--
Balance at the beginning of the year of 2012 (After adjustment)	815,506,493.66	--
Add: Current distributable net profits for owners of parent company	413,724,138.05	--
Less: Appropriation of statutory surplus reserves	0.00	
Appropriation of discretionary surplus reserve	0.00	
Appropriation of normal risk provision	0.00	
Ordinary shares dividend payables	113,310,000.00	
Ordinary shares dividend capitalized to share capital	0.00	
Undistributed profits as at 30 June 2012	1,115,920,631.71	--

Details of adjusting beginning retained undistributed profits:

- 1) Adjustments in Accounting Standards for Business Enterprises and related provision would influence beginning retained undistributed profits of 0.00 Yuan.
- 2) Changes in accounting policies would influence beginning retained undistributed profits of 0.00 Yuan.
- 3) Corrections of important accounting errors would influence beginning retained undistributed profits of 0.00 Yuan.
- 4) Changes in combination range of same control would influence beginning retained undistributed profits of 0.00 Yuan.
- 5) Other total adjustments would influence beginning retained undistributed profits of 0.00 Yuan.

Explanations for undistributed profits: for companies which initially publicly issue securities, if accumulated profits are determined to share by new and old shareholders before issuing, it should be explained clearly. If accumulated profits are determined to share by old shareholders before issuing, audited profits owned by old shareholders in dividends payable should be explained clearly.

**54. Operating Revenues and Operating Costs****(1) Operating Revenues**

Unit: Yuan

Item	Amount of this period	Amount of last period
Main Operating revenues	2,198,669,591.12	1,564,181,223.58
Other Operating revenues	29,139,611.57	19,116,446.24
Operating costs	573,199,355.13	405,155,605.30

**(2) Main business (classified by industries)**

√ Applicable, □ Not applicable

Name of products	Amount of this period		Amount of last period	
	Operating revenue	Operating revenue	Operating revenue	Operating cost
Distilled spirit	2,153,757,133.65	530,668,071.69	1,515,785,982.31	358,960,409.73
Hotel services	35,947,124.71	22,448,505.99	32,246,050.22	19,670,090.63
Others	8,965,332.76	6,633,722.01	16,149,191.05	11,596,369.02
Total	2,198,669,591.12	559,750,299.69	1,564,181,223.58	390,226,869.38

**(3) Main business (classified by products)**

√ Applicable, □ Not applicable

Unit: Yuan

Name of products	Amount of this period		Amount of last period	
	Operating revenue	Operating revenue	Operating revenue	Operating cost
High grade liquor	1,254,438,442.99	227,288,814.90	949,592,182.00	184,233,510.00
Mid-range wine	849,549,642.90	276,677,853.96	549,859,900.00	166,100,600.00
Cheap wine	49,769,047.76	26,701,402.83	16,333,900.00	8,626,300.00
others	44,912,457.47	29,082,228.00	48,395,241.27	31,266,459.65
合计	2,198,669,591.12	559,750,299.69	1,564,181,223.58	390,226,869.38

**(4) Main business (classified by districts)**

√ Applicable, □ Not applicable

Unit: Yuan

Name of districts	Amount of this period		Amount of last period	
	Operating revenue	Operating revenue	Operating revenue	Operating revenue
North China	319,507,955.35	77,167,778.51	299,410,492.72	71,858,518.25
Central China	1,691,838,902.10	433,685,905.35	1,136,839,486.73	287,664,852.54
South China	187,212,938.97	48,858,747.33	127,931,244.13	30,703,498.59
International	109,794.70	37,868.50	0.00	0.00
Total	2,198,669,591.12	559,750,299.69	1,564,181,223.58	390,226,869.38

**(5) Business Income of Top Five Customers of Company**

Unit: Yuan

Item	Overall business income	Proportion in overall business income of company (%)
The first	168,322,037.78	7.56%

The second	131,418,232.48	5.9%
The third	77,252,748.38	3.47%
The fourth	77,055,093.16	3.46%
The fifth	67,262,845.30	3.02%
Total	521,310,957.10	23.4%

Explanations for business income

### 55. Contract projects income

Applicable,  Not applicable

Explanation for contract projects income:

### 56. Business tax and surtax

Unit: Yuan

Item	Amount of this period	Amount of last period	Payment standards
Consumption tax	281,948,973.70	195,602,195.05	
Business tax	3,613,623.20	2,110,970.16	
Urban construction tax	38,978,297.01	20,820,284.86	
Education surcharge	38,978,297.01	20,820,284.86	
Resource tax			
Flood protection fee	328,093.83	120,337.28	
Total	363,847,284.75	239,474,072.21	--

Explanation for business tax and surtax:

### 57. Variable income of fair values

Unit: Yuan

Sources of variable income of fair values	Amount of this period	Amount of last period
Transaction monetary assets		
Including: variable income of fair values produced by derivative financial instruments		
Transaction financial liabilities		
Investment real estate measured by fair values		
Others		
Total		

Explanations for variable income of fair values

### 58. Investment incomes

#### (1) Investment income details

Unit: Yuan

Item	Amount of this period	Amount of last period
Long-term equity investment incomes		

accounted by cost method		
Long-term equity investment incomes accounted by equity method		
Investment incomes produced in long-term equity investment		
Investment income in holding transaction financial assets		
Investment income in held-to-maturity investment		
Investment income in financial assets available for sale		
Investment income in disposing transaction financial assets		
Investment income in held-to-maturity investment		
Investment income in financial assets available for sale		
Others		
Total		

**(2) Long-term equity investment income assessed by cost method**

Unit: Yuan

Investee entities	Amount of this period	Amount of last period	Reasons for the change of increase/decrease
Total			--

**(3) Long-term equity investment income accounted by equity method**

Unit: Yuan

Investee entities	Amount of this period	Amount of last period	Reasons for the change of increase/decrease
Total			--

Explanations for investment income: if investment income is limited, it should be explained. If it does not exist any investment income, it should be explained as well:

**59. Asset impairment loss**

Unit: Yuan

Item	Amount of this period	Amount of last period
1. Loss on bad debts	0.00	475,424.46
2. Loss on obsolete stocks	0.00	0.00
3. Loss from financial asset devaluation available for sale		
4. Loss from held-to-maturity investment devaluation		

5. Long-term equity investment devaluation		
6. Loss on investment real estate devaluation		
7. Loss on fixed assets devaluation	0.00	0.00
8. Loss on project goods and material devaluation		
9. Loss of devaluation on projects under construction		
10. Loss on capitalized biological assets devaluation		
11. Loss on oil gas assets devaluation		
12. Loss on intangible assets devaluation		
13. Loss on goodwill impairments		
14. Others		
Total		475,424.46

**60. Non-Operating revenue****(1)**

Unit: Yuan

Item	Amount of this period	Amount of last period
Gains from disposal of non-current assets	342,179.94	986,738.50
Including: Gains from disposal of fixed assets	342,179.94	704,354.36
Gains from disposal of intangible assets		
Gains from debt restructuring		
Gains from exchange of non-monetary assets		
Donations		
Government subsidies	200,000.00	0.00
Gains from penalties	2,855,826.04	2,979,764.58
Sale of waste	3,029,376.80	1,169,204.80
Accrued expenses non-payable	71,494.75	0.00
Others	2,092,195.01	781,081.85
Total	8,591,072.54	5,916,789.73

**(2) Details of government subsidiaries**

Unit: Yuan

Item	Amount of this period	Amount of last period	Remark
Subsidy income	200,000.00	0.00	
Total	200,000.00	0.00	--

Explanations for business income

**61. Non-Operating revenue**

Unit: Yuan

Item	Amount of this period	Amount of last period
Loss on disposal of non-current assets	303,137.32	122,757.19



Including: Loss on disposal of fixed assets	303,137.32	122,757.19
Loss on disposal of intangible assets	303,137.32	122,757.19
Loss on debts restructuring		
Loss on exchange of non-monetary assets		
Donations		
Compensation expenses	300,000.00	
Others	603,874.23	163,431.17
Total	1,207,011.55	286,188.36

Explanations for non-Operating revenue

## 62. Income tax expenses

Unit: Yuan

Item	Amount of this period	Amount of last period
Current income tax in accordance with tax law and related provisions	141,815,064.98	105,889,060.04
Adjustment of deferred income tax	259,463.59	502,861.21
Total	142,074,528.57	106,391,921.25

## 63. Calculation for Basic EPS and Diluted EPS

Profit of this period	Amount of this period		Amount of last period	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Net profits attributable to ordinary shareholders	0.82	0.82	1.23	1.23
Net profits attributable to ordinary shareholders that have deducted extraordinary profits or losses.	0.81	0.81	1.21	1.21

Basic Earnings Per Share =  $P_0 \div S$

$S = S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k$

Including:  $P_0$  : is the net profits attributable to ordinary shareholders or net profits attributable to ordinary shareholders that have deducted extraordinary profits or losses;  $S$  : is weighted average number of ordinary shares outstanding during the period;  $S_0$  : is the total number of ordinary shares outstanding at the beginning of the period;  $S_1$  : is incremental ordinary shares issued as a result of the conversion of surplus to ordinary shares or distribution of shares dividend;  $S_i$  : is incremental ordinary shares issued as a result of the conversion of a debt instrument to ordinary shares or issued new shares;  $S_j$  : Decrement shares that are the number of ordinary shares bought back, etc;  $S_k$  : is the number of shrink stocks during the reporting period;  $M_0$  : is the number of month during the reporting period;  $M_i$  : is the accumulative months that is from the next month of incremental shares to the month of end of reporting period;  $M_j$  : is the accumulative months that is from the next month of decrement shares to the month of end of reporting period.

Diluted Earnings Per Share =  $P_1 / (S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k + \text{weighted average number of increased ordinary shares from Options and warrants, Share options, Convertible debenture, etc})$

Including:  $P_1$  : is the net profits attributable to ordinary shareholders or net profits attributable to ordinary shareholders that have deducted extraordinary profits or losses, and need to consider the effects of all dilutive potential ordinary shares, as well as adjusted according to <Enterprise Accounting Standard> and

relevant policies.

#### 64. Other comprehensive income

Unit: Yuan

Item	Amount of this period	Amount of last period
1. Gains (loss) from financial assets available for sale		
Deduct: income tax effects of financial assets available for sale		
Net amount of current gains and losses from previous comprehensive income		
Sub-total	0.00	0.00
2. Shares in other comprehensive income in invested company according to equity method		
Deduct: income tax effects of shares in other comprehensive income in invested company according to equity method		
Net amount of current gains and losses from previous comprehensive income		
Sub-total	0.00	0.00
3. Gains (losses) from cash flow hedging tools		
Deduct: income tax effects in cash flow hedging tools		
Net amount of current gains and losses from previous comprehensive income		
Adjustment of initial confirmed amount in arbitrage project		
Sub-total	0.00	0.00
4. Foreign currency translation differences		
Deduct: net amount of disposal of foreign current gains and losses		
Sub-total		
5. Others		
Deduct: income tax effects in other comprehensive income		
Net amount of current gains and losses from previous comprehensive income		
Sub-total	0.00	0.00
Total		

Explanations for other comprehensive income

#### 65. Notes to cash flow statement

##### (1) Cash received related to other operating activities

Unit: Yuan

Item	Amount
Security deposit	96,255,254.81
Government subsidiaries	200,000.00

Interest income	27,610,437.31
Others	16,891,291.24
Total	140,956,983.36

Explanations for cash received related to other operating activities

**(2) Cash paid related to other operating activities**

Unit: Yuan

Item	Amount
Cash paid in selling expenses and administrative expenses	189,452,890.42
Security deposit	6,355,035.42
Others	10,484,273.09
Total	206,292,198.93

Explanations for cash paid related to other operating activities

**(3) Cash received related to other investment activities**

Unit: Yuan

Item	Amount
Total	

Explanations for cash received related to other investment activities

**(4) Cash paid related to other investment activities**

Unit: Yuan

Item	Amount
Total	

Explanations for cash paid related to other investment activities

**(5) Cash received related to other financial activities**

Unit: Yuan

Item	Amount
Total	

Explanations for cash received related to other financial activities

**(6) Cash received related to other financial activities**

Unit: Yuan

Item	Amount
Total	

Explanations for cash received related to other financial activities

**66. Supplemental information for cash flow statement**

**(1) Supplemental information for cash flow statement**

Unit: Yuan

Item	Amount of this period	Amount of last period

1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	413,724,138.05	287,947,478.86
Add: Provision for impairment of assets		475,424.46
Depreciation of fixed assets, of oil-gas assets, of productive biological assets	26,977,720.03	26,374,377.97
Amortization of intangible assets	3,582,744.39	2,311,246.20
Amortization of long-term deferred expense	2,499,787.36	442,694.08
Losses on disposal of property, plant and equipment, intangible assets and other long-term assets (gains: negative)	-39,042.62	74,861.78
Loss on retirement of fixed assets (gains: negative)	0.00	0.00
Financial cost (gains: negative)	0.00	0.00
Investment loss (gains: negative)	0.00	0.00
Decrease in deferred income tax assets (gains: negative)	0.00	0.00
Increase in deferred income tax liabilities (decrease: negative)	259,463.59	502,861.21
Decrease in inventory (gains: negative)	0.00	0.00
Decrease in accounts receivable from operating activities (gains: negative)	42,094,428.92	-28,976,495.12
Increase in payables from operating activities (decrease: negative)	-61,706,305.54	-324,079,257.94
Other	-279,458,807.46	230,012,730.08
Net cash flows generated from operating activities	0.00	0.00
II. Investing and financing activities that do not involving cash receipts and payment:	147,934,126.72	195,085,921.58
Conversion of debt into capital	--	--
Convertible bond due within one year	0.00	0.00
Fixed assets financed by finance leases	0.00	0.00
III. Net increase in cash and cash equivalents	0.00	0.00
Closing balance of cash	--	--
Less: Opening balance of cash	1,824,743,757.27	663,079,295.66
Closing balance of cash equivalents	2,082,032,491.33	643,231,404.42
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-257,288,734.06	19,847,891.24

**(2) Relevant information gained during the report or through disposal of the subsidiary and other business units**

Unit: Yuan

Item	Amount of this period	Amount of last period
1. Relevant information gained during the report or through disposal of the subsidiary and other	--	--

business units		
I. Price gained from subsidiary and other business units	0.00	0.00
II. Cash or cash equivalents gained from subsidiary and other business units	0.00	0.00
Less: cash and cash equivalents possessed by subsidiary and other business units	0.00	0.00
III. Net cash gained from subsidiary and other business units		
IV. Net assets gained from subsidiary	0.00	0.00
current assets	0.00	0.00
non-current assets	0.00	0.00
current liabilities	0.00	0.00
non-current liabilities	0.00	0.00
2. Disposal of relevant information in subsidiary and other business units	--	--
I. Disposal of price in subsidiary and other business units	0.00	0.00
II. Disposal of cash and cash equivalents in subsidiary and other business units	0.00	0.00
Less: cash and cash equivalents in possessed by subsidiary and other business units	0.00	0.00
III. Disposal of cash net amount of subsidiary and other business units		
IV. Disposal of net assets of subsidiary	0.00	0.00
Current assets	0.00	0.00
Non-current assets	0.00	0.00
Current liabilities	0.00	0.00
Non-current liabilities	0.00	0.00

**(3) Cash and cash equivalents**

Unit: Yuan

Item	Closing amount	Opening amount
I. Cash	1,824,743,757.27	2,082,032,491.33
Including: Cash on hand	114,599.85	101,826.09
Bank deposit on demand	1,824,629,157.42	2,081,911,723.03
Other monetary funds on demand		18,942.21
Central bank deposit on demand		
Deposits in other banks		
Call loans from other banks		
II. Cash equivalent		
Including: Bond investment due in three months	0.00	0.00
III. Closing balance of cash and cash equivalents	1,824,743,757.27	2,082,032,491.33

Supplementary documents for cash flow statement

**67. Notes on projects on statement of change in equity**

Introduction on "other" item names when regulating the year end balance of last year and amount

adjustment, and retroactive adjustment incorporated and produced by the enterprise under the same control:

**(VIII). Accounting treatment of asset securitization business**

**1. Introduction on main transaction arrangement of asset securitization and clauses of accounting treatment and bankruptcy remoteness**

**2. The Company does not have the control power, but of which in principle the company bears the risk with special purpose.**

Unit: Yuan

Name	Terminal general assets	Terminal total liabilities	Terminal net assets	Operating revenue in current period	Net profits in current period	Remarks

**(IX). Related party and related Transaction**

**1. Information related to parent company of the Company**

Unit: Yuan

Name of parent company	Relationship	Type	Registration place	Legal representative	Business scope	Name of parent company	Currency	Proportion of share held by parent company against the Company (%)	Proportion of voting rights owned by parent company against the Company (%)	The ultimate controller of the Company	Organization code
Gujing Group	Controlling shareholder	State-owned enterprises	Anhui Haozhou	Yu Lin	Beverage, Construction materials, and plastic products manufacture	3,533,800,000.00		53.893%	53.893%	Anhui Province, Haozhou City government	151947437

Explanations for details of the Company's parent company

Name	Type	Business Type	Registration of place	Legal representative	Business scope	Registered capital	Currency	Proportion of holding shares (%)	Proportion of voting rights (%)	Organization code
Haozhou Gujing	Holding	Limited	Bozhou, Anhui		Business	8,486.00		100%	100%	

Sales Co., Ltd	subsidiary	company			trading					
Hefei Gujing Trade Co., Ltd	Holding subsidiary	Limited company	Bozhou, Anhui		Business trading	1,000.00		100%	100%	
Haozhou Gujing Transportation Co., Ltd	Holding subsidiary	Limited company	Bozhou, Anhui		Transportation	695.00		100%	100%	
Haozhou Gujing Glass Co., Ltd	Holding subsidiary	Limited company	Bozhou, Anhui		Manufacture	8,666.00		100%	100%	
Haozhou Gujing Waste Reclamation Co., Ltd	Holding subsidiary	Limited company	Bozhou, Anhui		Recycled	100.00		100%	100%	
Anhui Jinyunlai Culture & Media Co.,Ltd.	Holding subsidiary	Limited company	Bozhou, Anhui		Ads marketing	200.00		100%	100%	
Haozhou Gujing Packaging Co., Ltd	Holding subsidiary	Limited company	Bozhou, Anhui		Manufacture	3,000.00		100%	100%	

**2. Information on subsidiaries of the Company**

Unit: Yuan

**3. Information on co-operated or joint operated of the Company**

Unit: Yuan

Item	Business Type	Registration place	Legal representative	Business scope	Registered capital	Currency	Proportion of holding shares (%)	Proportion of voting rights (%)	Final total assets	Final total liability	Final net assets	Business income for current period	Net income for current period	Relationship	Organization code
1. co-operated	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2. joint operated	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



**4. Information on other related parties**

Unit: Yuan

Name of other related parties	Relationship with the Company	Organization code
Anhui Ruifuxiang Food Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	77908892-2
Anhui Ruijing Trade Travel (Group) Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	14912443-1
Haozhou Hotel Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	554599270
Anhui East Tai Ji Tourism Development Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	771139617
Haozhou Gujing Hotel Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	151940032
Anhui Gujing Real Estates Group Co., Ltd.	Affiliated enterprise of controlling shareholder and actual controller	697383485
East Ruijing Enterprise Investment Development Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	768363191
Anhui Hengxin Pawn Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	752994458
Haozhou Ruineng Thermoelectricity Co., Ltd	Affiliated enterprise of controlling shareholder and actual controller	560699980

Explanations for other related parties

**5. Related transactions****(1) Goods purchased and service received**

Name of company	Content of related transaction	Pricing principle of related parties	Amount of this period		Amount of last period	
			Amount	Proportion in transactions of the same kind	Amount	Proportion in transactions of the same kind
Anhui Ruifuxiang Food Co., Ltd	Purchase of alcohol	Market price	45,514,889.88	99.39%	32,034,447.04	100%
Haozhou Hotel Co., Ltd	Food and accommodation services	Market price	280,000.00	0.61%	0.00	0%

Sales of goods and rendering of service

Name of company	Content of related transaction	Pricing principle of related parties	Amount of this period		Amount of last period	
			Amount	Proportion in transactions of the same kind	Amount	Proportion in transactions of the same kind
Gujing Group	Sales of small sized materials	Market price	6,098.49	0.28%	5,814.89	0.02%
Gujing Group	Providing catering services	Market price	107,678.00	4.86%	0.00	0%
Anhui Ruifuxiang Food Co., Ltd	Sale of white spirit	Market price	76,950.00	3.48%	0.00	0%
Haozhou Hotel Co., Ltd	Sale of white spirit	Market price	35,815.00	1.62%	0.00	0%
Anhui Gujing Real Estate Group Co., Ltd	Sale of white spirit	Market price	45,000.00	2.03%	226,923.06	0.7%
Haozhou Ruineng Thermoelectricity Co., Ltd	Sale of white spirit	of	27,720.00	1.25%	0.00	0%

**(2) Related deposit/contract**

Deposit/contract table of company

Unit: Yuan

Name of consignor/contractee	Name of Consignee/contractor	Consigned/contracted assets	Involved amount for Consigned/contracted assets	Consigned/contracted category	Start date of consignment/contract	End date of consignment/contract	Pricing evidence for deposit/contract profits	deposit/contract profits confirmed during the report period	Impacts on company by consignment and contract profits

Consignment/contract table of company

Information on Related deposit/contract

Unit: Yuan

Name of consignor/contractee	Name of Consignee/contractor	Consigning/contracted assets	Involved amount for	Consigned/contracted category	Start date of consignment	End date of consignment/contract	Pricing evidence for deposit/contract profits	deposit/contract profits confirmed	Impacts on company by

Lease	or		Consigned/contracted assets		Contract		Contract income	during the report period	Contract income

**(3) Related leasing**

Details of leasing

Name of lessor	Name of lessee	Category of leased assets	Information on leased assets	Leased assets involving amount	Start date of lease	End date of lease	Pricing evidence of lease income	The lease income confirmed in the report period	Impacts on company by lease income
Gujing Group	The Company	Houses and buildings			2010-6-1	2020-5-31	Market price	900,000.00	
Gujing Group	Gujing Inn	Houses and buildings			2010-6-1	2020-5-31	Market price	250,000.00	

Details of renting

Name of lessor	Name of lessee	Category of leased assets	Information on leased assets	Leased assets involving amount	Start date of lease	End date of lease	Pricing evidence of lease rent	The lease rent confirmed in the report period	Impacts on company by lease income

**(4) Details of related party guarantee**

Unit: Yuan

Guarantor	Secured party	Guarantee amount	Starting date	Ending date	Execution accomplished or not

Explanations for related party guarantee

**(5) Inter-bank lending capital by related party**

Unit: Yuan

Related party	Inter-bank lending amount	Start date	end date	Notes
inter-bank borrowing transaction				
inter-bank lending transaction				

**(6) Details of asset deal and debt restructuring of related party**

Unit: Yuan

Related party	Transaction type by related party	Transaction content by related party	Pricing type and decision procedure for related party transaction	Amount for current period		Amount for last period	
				Amount	Occupancy of proportion amount of similar transaction (%)	Amount	Occupancy of proportion amount of similar transaction (%)

**(7) Other related transactions****6. Receivables from and payables to related parties****Receivables from related parties**

Item	Name	Closing amount	Opening amount
Accounts receivable	Gujing Group	13,725.06	38,485.49
Accounts receivable	Anhui Ruifuxiang Food Co., Ltd	0.00	2,000.00
Accounts receivable	East Ruijing Enterprise Investment Development Co., Ltd	0.00	5,704.00
Other accounts receivable	Gujing Group	6,098.49	0.00

**Payables to related parties**

Item	Name	Closing amount	Opening amount
------	------	----------------	----------------

Accounts payable	Anhui Ruijing Trade (Group) Co., Ltd	12,825.37	105,999.42
Accounts payable	Gujing Group	0.00	180,311.93
Accounts payable	Anhui Ruifuxiang Food Co., Ltd	2,000.00	200.00
Accounts payable	Haozhou Hotel Co., Ltd	0.00	10,360.00
Accounts payable	Anhui East Tai Ji Tourism Development Co., Ltd	3,000.00	8,000.00
Accounts receivable in advance	Anhui East Tai Ji Tourism Development Co., Ltd	0.00	10,000.00

**(X) Share-based payment****1. General circumstances for share-based payment**

Unit: Yuan

Total amount for all equity instruments awarded in this period by the company	
Total amount for all equity instruments executed in this period by the company	
Total amount for all equity instruments expired in this period by the company	
Scope of executive price and remaining period of contract for exterior share option issued by the company at end of term	
Scope of executive price and remaining period of contract for other equity instruments issued by the company at end of term	

**2. Introduction on equity-settled share-based payment**

Unit: Yuan

Determining method of fair value of equity instrument on date of grant	
Determining method of best estimation for the quantity of executive equity instruments	
Causes for large differences of estimation between the current period and last period	
Accumulated amount by equity-settled share-based payment among the capital reserve	
Total expenses determined through equity-settled	

share-based payment	
---------------------	--

Introduction on equity-settled share-based payment

### 3. Introduction on cash-settled share-based payment

Unit: Yuan

Determining method for fair value of liabilities determined by company-bore, share or other equity instrument-based calculation.	
Accumulative liability amount produced by cash-settled share-based payment among liabilities	
Total expenses determined through cash-settled share-based payment	

Introduction on cash-settled share-based payment

### 4. Service based on share-based payment

Unit: Yuan

Total amount for staff service exchanged based on share-based payment	
Total amount for other service exchanged based on share-based payment	

### 5. Amendment and termination of share-based payment

#### (XI). Contingencies

##### 1. Contingent liability and financial impacts caused by pending action or arbitration

Up to 30 June 2012, there is no contingency event that needs to be disclosed.

##### 2. Contingent liability and financial impacts caused by provision of guarantee for other units

Other liabilities or accounting influences:

#### (XII). Commitment events

##### 1. Significant commitment events

As to 30 Jun. 2012, there are no significant commitment events of the group.

##### 2. Performance of commitment in earlier stage

None.

#### (XIII). Events after balance-sheet-date

##### 1. Important events after the balance sheet date

Unit: Yuan

Item	Content	Influence number of financial status and business achievements	reasons not being able to estimate the influence number

--	--	--	--

## 2. Introduction on future distribution of profits of balance sheet

Unit: Yuan

Profits and dividends about to be distributed	
Profits and dividends released upon approval and consideration	

## 3. Explanation for future items of other balance sheet

Until November 8, 2011, with agreement from shareholders of the Company's subsidiary- Hefei Trade Co., Ltd, Hefei Trade was to establish liquidation group for cancellation. Cancellation of tax registration was completed on December 16, 2011. As at the reporting date, cancellation of Hefei Trade has been completed.

As at the reporting date, there's no other significant event after the balance sheet date except the abovementioned event.

## (XIV) Explanation for other important events

### 1. Exchange of non-monetary assets

None.

### 2. Debt restructuring

None.

### 3. Enterprise incorporation

None.

### 4. Lease

None.

### 5. Convertible Financial instruments into shares at end of term released externally

None.

### 6. Major content and significant changes on annuity schedule

None.

### 7. Other important items needed to be disclosed

None.

## (XV) Explanation on major projects of financial statement in parent company

### 1. Accounts receivable

(1) Accounts receivable

Unit: Yuan

Category	Closing balance	Opening balance
----------	-----------------	-----------------

	Book balance		Bad debt reserves		Book balance		Bad debt reserves	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Debts receivable for significant amount and accounting and drawing for provision of bad debts of single item	0.00	0%	0.00	0%	0.00	0%	0.00	0%
Debts receivable accounting and drawing for provision of bad debts in the combination								
Combination for related party	6,666,328.76	100%	603,616.83	9.05%	2,461,104.32	100%	603,616.83	24.53%
Combination by account receivable age	0.00	0%	0.00	0%	0.00	0%	0.00	0%
Sub-total for combination	6,666,328.76	--	603,616.83	--	2,461,104.32	--	603,616.83	--
Debts receivable for insignificant amount and accounting and drawing for provision of bad debts of single item	6,666,328.76	100%	603,616.83	9.05%	2,461,104.32	100%	603,616.83	24.53%
In total	0.00	0%	0.00	0%	0.00	0%	0.00	0%

Explanations for amount receivable:

Accounts receivable with insignificant amount but being individually withdrawn bad debt provision

Applicable,  Not applicable

In combination, accounts receivable for bad debts by aging method:

Applicable,  Not applicable

Unit: Yuan

Aging	Opening amount			Opening balance		
	Book balance		Bad debt	Book balance		Bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year						
Including:	--	--	--	--	--	--
within 6	0.00	0%	0.00	1,873,333.32	76.12	18,733.33



months					%	
6 months to 1 year	6,080,557.76	91.21%	85,166.67	0.00	0%	0.00
Sub-total: within 1 year	6,080,557.76	91.21%	85,166.67	1,873,333.32	76.12%	18,733.33
1-2 years	0.00	0%	0.00	0.00	0%	0.00
2-3 years	134,641.68	2.02%	67,320.84	5,775.00	0.23%	2,887.50
Over 3 years	451,129.32	6.77%	451,129.32	581,996.00	23.65%	581,996.00
3-4 years						
4-5 years						
Over 5 years						
Total	6,666,328.76	--	603,616.83	2,461,104.32	--	603,616.83

In combination, accounts receivable for bad debts by balance proportion:

Applicable,  Not applicable

In combination, accounts receivable for bad debts by other methods:

Applicable,  Not applicable

Accounts receivable for bad debts with not large amount but being individually withdrawn bad debt provision

Applicable,  Not applicable

## (2) The receivables transferred back or taken back during the report period

Unit: Yuan

Content for receivables	Reasons for transferring back or taking back receivables	Evidence of determining the original provision for bad debts	Accumulate the amount for accounted and drew provisions for bad debts prior to transferring back or taking back receivables	Amount transferred back or taken back
Total	--	--		--

Accounting and drawing of provisions for bad debts of receivables with significant or insignificant amount for single item separately undertaken impairment test at end of term:

Content for receivables	Book balance	Book balance	Accounting and drawing proportion (%)	Reasons

Total			--	--

Introductions on receivables with insignificant amount on single item but whose combination with large risk upon combination by credit risks.

### (3) The receivables of actual offset in the report period

Unit: Yuan

Name of company	Nature of receivables	Date of offset	Amount of offset	Reasons of offset	Generated by related transactions?
Total	--	--	0.00	--	--

### (4) Shareholder units holding 5% (including 5%) or above of voting stock of the receivables in the report period

Applicable, Not applicable

### (5) Nature or content of other receivables with larger amount

None.

### (6) The top 5 units of amount regarding receivables

Item	Relationship with the Company	Amount	Period	Occupancy rate of the total amount of receivables (%)
Gujing Glass Co., Ltd	Subsidiary	6,080,557.76	1 年以内	91.21%
Huaiyuan Changxianfeng	Non-related party	490,545.00	2-3 年	7.36%
Anhui Sanbao Feed Co., Ltd	Non-related party	95,226.00	3 年以上	1.43%
Total	--	6,666,328.76	--	100%

### (7) Receivables for related party

Unit: Yuan

Name of units	Relationship with the company	Amount	Occupancy rate of the total amount of receivables (%)
In total	--		

**(8) Transferred amount receivable not in accordance with determination conditions is 0.00 Yuan.**

**(9) In case of asset securitization based on the subject matter of receivables, relevant transaction arrangement must be simply introduced.**

None.

## 2. Other receivables

(1) Other receivables

Unit: Yuan

Categories	Opening amount				Opening balance			
	Book balance		Bad debt		Book balance		Bad debt	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Debts receivable for significant amount and accounting and drawing for provision of bad debts of single item	51,109,940.55	18.5%	51,109,940.55	100%	54,205,281.87	17.22%	51,109,940.55	94.29%
Debts receivable accounting and drawing for provision of bad debts in the combination								
Ageing portfolio	225,216,064.88	81.5%	27,726.20	0%	260,568,323.84	82.78%	27,726.20	0.01%
Sub-total for combination	225,216,064.88	81.5%	27,726.20		260,568,323.84	82.78%	27,726.20	0.01%
Debts receivable for insignificant amount and accounting and drawing for provision of bad debts of single item	0.00	0%	0.00		0.00	0%	0.00	0%
Total	276,326,005.43	--	51,137,666.75	--	314,773,605.71	--	51,137,666.75	--

Explanations for accounts receivable:

Accounts receivable for bad debts but being individually withdrawn bad debt provision

Applicable, Not applicable

In combination, accounts receivable of bad debts by aging analysis methods

Applicable, Not applicable

Unit: Yuan

Age	Opening amount			Opening balance		
	Book balance		Bad debt	Book balance		Bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year						
Including:	--	--	--	--	--	--
within 6 months	224,799,708.48	99.82%	9,467.46	260,330,354.49	99.91%	9,741.97
6 months to 1 year	360,030.40	0.16%	10,826.14	152,254.05	0.06%	7,612.70
Subtotal: within 1 year	225,159,738.88	99.98%	20,293.60	260,482,608.54	99.97%	17,354.67
1-2 years	54,326.00	0.02%	5,432.60	83,715.30	0.03%	8,371.53
2-3 years	0.00	0%	0.00	0.00	0%	0.00
Over 3 years	2,000.00	0%	2,000.00	2,000.00	0%	2,000.00
3-4 years						
4-5 years						
Over 5 years						
Total	225,216,064.88	--	27,726.20	260,568,323.84	--	27,726.20

In combination, accounts receivable for bad debts by balance proportion:

Applicable, Not applicable

In combination, accounts receivable for bad debts by other methods:

Applicable, Not applicable

Accounts receivable for bad debts with not large amount but being individually withdrawn bad debt provision

Applicable, Not applicable

## (2) The receivables transferred back or taken back during the report period

Unit: Yuan

Content for receivables	Reasons for transferring back or taking back receivables	Evidence of determining the original provision for bad debts	Accumulate the amount for accounted and drew provisions for bad debts prior to transferring back or taking back	Amount transferred back or taken back

			receivables	
Minfa Securities	Receive bankruptcy liquidation expenses	Bankruptcy liquidation procedures	9,384,502.02	3,095,341.32
Total	--	--	9,384,502.02	--

Accounting and drawing of provisions for bad debts of receivables with significant or insignificant amount for single item separately undertaken impairment test at end of term:

Content for receivables	Book balance	Book balance	Accounting and drawing proportion (%)	Reasons
Total			--	--

Introductions on receivables with insignificant amount on single item but whose combination with large risk upon combination by credit risks.

### (3) The receivables of actual offset in the report period

Unit: Yuan

Name of company	Nature of receivables	Date of offset	Amount of offset	Reasons of offset	Generated by related transactions?
In total	--	--	0.00	--	--

Introduction on offset for receivables

Receivables without offset in the report period of the company

### (4) Shareholder units holding 5% (including 5%) or above of voting stock of the receivables in the report period

√ Applicable, □ Not applicable

Unit name	The final number		The beginning of the period number	
	Book balance	Provision for bad debt amount	Book balance	Provision for bad debt amount
Gujing Group	6,098.49	0.00	0.00	0.00
Total	6,098.49	0.00	0.00	0.00

### (5) Nature or content of other receivables with larger amount

None.

**(6) Top 5 entities on accounts receivable**

Unit: Yuan

Name	Relationship with the Company	Amount	Period	Occupancy rate of the total amount of receivables (%)
Shanghai Jinhao	The Company's subsidiary	171,500,000.00	Borrow money	62.06%
Jinyunlai	The Company's subsidiary	35,115,331.00	Payment of ads in advance	12.71%
Hengxin Securities	Non-related party	29,502,438.53	Security deposit of national debt	10.68%
Jianqiao Securities	Non-related party	12,223,000.00	Security deposit of national debt	4.42%
Minfa Securities	Non-related party	9,384,502.02	Security deposit of national debt	3.4%
Total	--	257,725,271.55	--	93.27%

**(7) Details of amount receivable from related parties**

Unit: Yuan

Name	Relationship with the company	Amount	Occupancy rate of the total amount of receivables (%)
Total	--		

**(8) Transferred amount for the receivables non-conforming to the final terms****(9) In case of asset securitization based on the subject matter of receivables, relevant transaction arrangement must be simply introduced.**

None.

**3. Long-term equity investment**

Unit: Yuan

Investee	accounting method	Initial investment cost	Opening balance	Increasing or decreasing	Closing balance	Shareholding proportion	Voting power proportion	Reasons for nonconformity	Depreciation reserves	Accounting and drawing	Cash dividends for this

				ng amount		on for investee (%)	on for investee (%)	mity between Shareho lding proporti on and Voting power proporti on		deprecia tion reserves for this period	period
Gujing Sales	Cost method	84,864,49 7.89	84,864,49 7.89	0.00	84,864,4 97.89	100%	100%		0.00	0.00	0.00
Gujing Motor Transportation	Cost method	6,875,743 .00	6,875,743 .00	0.00	6,875,74 3.00	100%	100%		0.00	0.00	0.00
Gujing Glass	Cost method	85,793,66 6.00	65,795,66 6.00	19,998,0 00.00	85,793,6 66.00	100%	100%		0.00	0.00	0.00
Hefei Trading	Cost method	9,900,000 .00	9,900,000 .00	0.00	9,900,00 0.00	100%	100%		0.00	0.00	0.00
Shangha i Jinhao	Cost method	49,906,85 4.63	49,906,85 4.63	0.00	49,906,8 54.63	100%	100%		0.00	0.00	0.00
Gujing Inn	Cost method	648,646.8 0	648,646.8 0	0.00	648,646. 80	100%	100%		0.00	0.00	0.00
Gujing Packagi ng	Cost method	30,000,00 0.00	30,000,00 0.00	0.00	30,000,0 00.00	100%	100%		0.00	0.00	0.00
Total	--	267,989,4 08.32	247,991,4 08.32	19,998,0 00.00	267,989, 408.32	--	--	--	0.00	0.00	0.00

Explanations for long-term equity investment

#### 4. Operating revenue and cost

##### (1) Operating revenue

Unit: Yuan

Item	Amount of this period	Amount of last period
Main Operating revenue	1,350,821,123.47	909,857,567.78
Other Operating revenue	23,170,239.16	16,339,919.26
Operating cost	552,748,073.80	393,587,049.61
Total	821,243,288.83	532,610,437.43

##### (2) Main business(classified by industries)

Applicable,  Not applicable

**(3) Main business(classified by products)**

Applicable,  Not applicable

Unit: Yuan

Name of products	Amount of this period		Amount of last period	
	Operating revenue	Operating cost	Operating revenue	Operating cost
White spirit	1,350,821,123.47	529,460,583.06	909,857,567.78	377,328,510.59
Total	1,350,821,123.47	529,460,583.06	909,857,567.78	377,328,510.59

**(4) Main business (classified by districts)**

Applicable,  Not applicable

**(5) Details of Operating revenue from top five clients:**

Unit: Yuan

Name of customer	Overall business income	Proportion in overall business income of company (%)
No.1	1,341,913,469.45	97.67%
No.2	965,563.76	0.07%
No.3	149,384.62	0.01%
No.4	65,769.24	0%
No.5	38,461.52	0%
Total	1,343,132,648.59	97.75%

Business income in the reporting period has increased by 48.35% compared to last year, mainly due to increase of sales and prices.

**5. Investment income**

**(1) Details of investment income**

Unit: Yuan

Item	Amount of this period	Amount of last period
Long-term equity investment income assessed by	0.00	0.00



cost method		
Long-term equity investment income assessed by equity method	0.00	0.00
Investment income from long-term equity investment disposal	0.00	299,516.89
Investment income during holding trading financial assets	0.00	0.00
Investment income for holding investment to expiration date	0.00	0.00
Investment income during holding available-for-sale financial assets	0.00	0.00
Investment income from trading financial assets disposal	0.00	0.00
Investment income for holding investment to expiration date	0.00	0.00
Investment income from available-for-sale financial assets etc.	0.00	0.00
Others	0.00	0.00
In total		299,516.89

**(2) Long-term equity investment income measured by cost method**

Unit: Yuan

Investee	Amount of this period	Amount of last period	Reasons for the change of increase/decrease
Total	0.00	0.00	--

**(3) Long-term equity investment income measured by equity method**

Unit: Yuan

Investee	Amount of this period	Amount of last period	Reasons for the change of increase/decrease
Total	0.00	0.00	--

Explanations for investment income:

**6. Supplemental information for cash flow statement**

Unit: Yuan

Item	Amount of this period	Amount of last period
I. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	86,054,518.24	103,385,979.87
Add: Provision for impairment of assets		115,880.47
Depreciation of fixed assets, of oil-gas assets, of productive biological assets	14,095,109.87	11,280,687.88
Amortization of intangible assets	1,956,249.75	651,701.76
Amortization of long-term deferred expense	938,358.66	442,694.08
Losses on disposal of property, plant and equipment, intangible assets and other long-term assets (gains: negative)	0.00	0.00
Loss on retirement of fixed assets (gains: negative)	0.00	0.00
Financial cost (gains: negative)	0.00	0.00
Investment loss (gains: negative)	0.00	0.00
Decrease in deferred income tax assets (gains: negative)	0.00	-299,516.89
Increase in deferred income tax liabilities (decrease: negative)	224,750.00	-28,970.12
Decrease in inventory (gains: negative)	0.00	0.00
Decrease in accounts receivable from operating activities (gains: negative)	52,535,836.11	-20,559,558.30
Increase in payables from operating activities (decrease: negative)	-34,328,188.74	-282,223,313.87
Other	-6,056,875.37	456,437,762.72
Net cash flows generated from operating activities		
II. Investing and financing activities that do not involving cash receipts and payment:	115,419,758.52	269,203,347.60
Conversion of debt into capital	--	--
Convertible bond due within one year	0.00	0.00
Fixed assets financed by finance leases	0.00	0.00
III. Net increase in cash and cash equivalents	0.00	0.00
Closing balance of cash	--	--
Less: Opening balance of cash	1,588,912,478.60	590,395,007.96
Closing balance of cash equivalents	1,885,937,555.53	480,737,398.56

Add: Closing balance of cash equivalents	0.00	0.00
Less: Opening balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	-297,025,076.93	109,657,609.40

## 7. Assets and liabilities from counter purchasing in assessed value

Unit: Yuan

Name of assets and liabilities in assessed value	Assessed value	Original book value
Assets		
Liabilities		

## (XVI) Supplemental information

### 1. Return on equity (ROE) and earnings per share (EPS)

Unit: Yuan

Profit as of reporting period	Weighted average ROE (%)	EPS(Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	14.21%	0.82	0.82
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	14.02%	0.81	0.81

### 2. Abnormalities in main items in financial statements of the Company and reasons thereof

- (1) Notes receivable at the period-end were up by 27.50% as compared with the opening amount, which was mainly due to increase of income in the reporting period and notes receivable were adopted more often for settlement;
- (2) Accounts receivable at the period-end were up by 27.68% as compared with the opening amount, which was mainly due to reflow of corporate sales income;
- (3) Interests receivable at the period-end were up by 93.01% as compared with the opening amount, which was mainly due to interests of fixed deposits;

- (4) Other amounts receivable at the period-end were up by 160.71% as compared with the opening amount, which was mainly due to advertising expenses in advance;
- (5) Project under construction at the period-end were up by 71.20% as compared with the opening amount, which was mainly due to Construction costs of application projects and self-invested projects in the reporting period;
- (6) Intangible assets at the period-end were up by 30.92% as compared with the opening amount, which was mainly due to increase of land for application projects and self-invested projects;
- (7) Long-term deferred expenses at the period-end were down by 25.83% as compared with the opening amount, which was mainly due to amortization for the reporting period;
- (8) Notes payable: at the period-end were up by 10,000,000.00 Yuan, which was mainly due to improving whole income and issuing bank acceptance bill.
- (9) Accounts payable at the period-end were down by 30.77% as compared with the opening amount, which was mainly due to payment of materials in the reporting period;
- (10) Accounts received in advance at the period-end were down by 39.23% as compared with the opening amount, which was mainly due to expansion of sales in the reporting period
- (11) Other payables at the period-end were up by 16.89% as compared with the opening amount, which was mainly due to increase of security deposit of controlled prices and projects under construction
- (12) Capital reserves at the period-end were down by 16.28% as compared with the opening amount, which was mainly due to capital reserve into equity in the reporting period.
- (13) Operating revenue in the reporting period was up by 40.71% year on year, which was mainly due to increase of the distilled spirit sales volume;
- (14) Operating cost in the reporting period was up by 41.48% year on year, which was mainly due to the sales increase in the reporting period;
- (15) Business taxes and surcharges in the reporting period were up by 51.94% year on year, which was mainly due to the sales, value-added tax and consumption tax increase in the reporting period;
- (16) Selling expenses in the reporting period were up by 78.43% year on year, which was mainly due to a higher input for advertising and market expansion in the reporting period;
- (17) Administrative expenses in the reporting period were down by 2.869 times year on year, which was mainly due to increase of interest income from term deposits and structural deposits, as well as services fees charged on notes in the reporting period;
- (18) Income tax expenses in the reporting period were up by 33.54% year on year, which was mainly due to increase of the total profit for the reporting period.
- (19) Net operating cash flow: reporting period year-on-year reduction of 24.17%, mainly clearing way to increase pay taxes, annual payment due.

**9. Documents Available for Reference**

<b>Documents Available for Reference</b>

**Chairman of Board of Directors**

**Approval date:**

