



ANHUI GUJING DISTILLERY COMPANY LIMITED

THE 2015 ANNUAL REPORT

Announcement No. 2016-007

April 2016



Section I Important Statements

The Board of Directors, Supervisory Committee, directors, supervisors and senior management of Anhui Gujing Distillery Company Limited (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this Report is factual, accurate and complete, and shall be jointly and severally liable for any false information, misleading statements or material omissions carried in this Report.

All directors attended the board meeting for the review of this Report.

The Board has considered and approved the following preliminary plan for profit distribution: Based on the total shares of the Company on 31 December 2015, a cash dividend of RMB2.00 (tax inclusive) per 10 shares will be distributed to all shareholders of the Company. No bonus shares will be granted, nor will any capital reserves be converted into share capital.

Liang Jinhui, company principal, Ye Changqing, chief of the accounting work, and Zhu Jiafeng, chief of the accounting organ (chief of accounting), hereby confirm that the Financial Report carried in this Report is factual, accurate and complete.

The future plans and some other forward-looking statements mentioned in this Report shall not be considered as virtual promises of the Company to investors. Therefore, investors are kindly reminded to pay attention to possible investment risks.

Contents

Section I Important Statements	2
Section II Corporate Profile and Financial Results	5
Section III Business Profile	9
Section IV Management Discussion and Analysis.....	10
Section V Significant Events	30
Section VI Share Changes and Information about Shareholders.....	36
Section VII Preference Shares.....	42
Section VIII Directors, Supervisors, Senior Management and Employees	43
Section IX Corporate Governance	50
Section X Financial Report	57
Section XI Documents Available for Reference	152

Definitions

Term	Definition
Company, the Company, Gu Jing	Anhui Gujing Distillery Company Limited
Group, the Group	Anhui Gujing Distillery Company Limited (consolidated)
Gujing Group	Anhui Gujing Group Co., Ltd.

Section II Corporate Profile and Financial Results

I Corporate information

Stock name	Gujing Distillery, Gujing Distillery B
Stock code	000596, 200596
Stock exchange	Shenzhen Stock Exchange
Company name in Chinese	安徽古井贡酒股份有限公司
Abbr. of the Company name in Chinese	古井
Company name in English (if any)	ANHUI GUJING DISTILLERY COMPANY LIMITED
Abbr. of the Company name in English (if any)	GU JING
Legal representative	Liang Jinhui
Registered address	Gujing Town, Bozhou City, Anhui Province, P.R.China
Zip code	236820
Office address	Gujing Town, Bozhou City, Anhui Province, P.R.China
Zip code	236820
Company website	http://www.gujing.com
Email	gjzqb@gujing.com.cn

II Contact information

	Company Secretary	Representative for Securities Affairs
Name	Ye Changqing	Ma Junwei
Address	Gujing Town, Bozhou City, Anhui Province, P.R.China	Gujing Town, Bozhou City, Anhui Province, P.R.China
Tel.	(0558) 5712231	(0558)5710057
Fax	(0558)5317706	(0558)5317706
E-mail	ycq@gujing.com.cn	gjzqb@gujing.com.cn

III Information disclosure and place where this Report is kept

Newspapers designated by the Company for information disclosure	China Securities Journal, Securities Times, Ta Kung Pao (HK)
Website designated by the China Securities	http://www.cninfo.com.cn

Regulatory Commission (CSRC) for the publication of this Report	
Place where this Report is kept	Company Secretary Office

IV Company registration and alteration

Organization code	15194000-8
Changes in main business activities since the Company was listed (if any)	No changes
Changes of the controlling shareholder (if any)	No changes

V Other information

The CPAs firm hired by the Company

Name	Ruihua Certified Public Accountants LLP
Office address	5-11 F, West Tower, China Overseas Property Plaza, Building No. 7, Courtyard No. 8, Xi Binhe Road, Yong Ding Men, Dong Cheng District, Beijing, China
Accountants writing signatures	Lin Wanqiang, yangganlin

Sponsor engaged by the Company to continuously perform its supervisory function during the Reporting Period

Applicable Not applicable

Financial advisor engaged by the Company to continuously perform its supervisory function during the Reporting Period

Applicable Not applicable

VI Accounting and financial results

Whether the Company performed any retroactive adjustments to or restatement of its accounting data due to changes of accounting policies or correction of accounting errors

Yes No

	2015	2014	+/-%	2013
Operating revenues (RMB)	5,253,411,479.40	4,650,855,881.72	12.96%	4,580,575,654.71
Net profit attributable to shareholders of the Company (RMB)	715,578,369.68	597,041,887.34	19.85%	622,004,915.79
Net profit attributable to shareholders of the Company after exceptional profit and loss (RMB)	682,760,794.86	568,353,541.08	20.13%	593,950,787.12
Net operating cash flow (RMB)	790,109,535.01	387,494,289.89	103.90%	638,255,355.31
Basic earnings per share (RMB/share)	1.42	1.19	19.33%	1.24

Diluted earnings per share (RMB/share)	1.42	1.19	19.33%	1.24
Weighted average return on equity (%)	15.91%	15.05%	0.86%	17.47%
	31 December 2015	31 December 2014	+/-%	31 December 2013
Total assets (RMB)	7,183,147,641.13	6,413,518,166.03	12.00%	5,816,934,562.27
Net assets attributable to shareholders of the Company (RMB)	4,833,721,630.08	4,181,050,977.96	15.61%	3,742,756,257.05

VII Differences in accounting data under domestic and overseas accounting standards

1. Differences in the net profit and the net assets disclosed in the financial reports prepared under international and Chinese accounting standards

Applicable Not applicable

No such differences for the Reporting Period.

2. Differences in the net profit and the net assets disclosed in the financial reports prepared under overseas and Chinese accounting standards

Applicable Not applicable

No such differences for the Reporting Period.

VIII Financial results by quarter

Unit: RMB

	1Q	2Q	3Q	4Q
Operating revenues	1,667,266,446.81	1,045,776,382.11	1,301,371,823.31	1,238,996,827.17
Net profit attributable to shareholders of the Company	302,810,177.34	77,694,626.83	120,106,124.85	214,967,440.66
Net profit attributable to shareholders of the Company after exceptional profit and loss	297,882,968.56	70,375,635.65	103,842,076.48	210,660,114.17
Net operating cash flow	308,110,106.39	28,107,551.44	331,313,368.07	122,578,509.11

Whether there are any material differences between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports

Yes No

IX Exceptional profit/loss

Applicable Not applicable

Unit: RMB

Item	2015	2014	2013	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	-990,695.19	-2,134,348.70	-1,394,990.98	
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	19,931,320.03	6,045,394.97	6,438,091.17	
Profit/loss on fair value changes of transactional financial assets and liabilities & investment profit on disposal of transactional financial assets and liabilities as well as financial assets available for sale, except for effectively hedging business related to normal business operations of the Company	7,842,274.38	17,233,109.00	10,050,415.19	
Impairment provision reversal for accounts receivable on which the impairment test is carried out separately	0.00	382,500.00	0.00	
Non-operating income and expense other than the above	16,973,709.12	16,729,758.11	22,311,989.53	
Less: Corporate income tax	10,939,033.52	9,568,067.12	9,351,376.24	
Total	32,817,574.82	28,688,346.26	28,054,128.67	--

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable Not applicable

No such cases in the Reporting Period.

Section III Business Profile

I Main business scope in the Reporting Period

We are mainly engaged in the production and sale of distilled spirits and packaging materials, as well as deep processing and hi-tech development of agricultural and sideline products. The “Original Chinese Spirits of Gu Jing” are our main product.

After nearly four years of adjustment, China’s distilled spirits industry has entered a new normal state characteristic of medium-and-slow-speed development. The period of high-speed growth has passed for the industry and its development has shifted from a sharp decline to the relatively steady state at present.

In 2015, the value of our “Gujing Distillery” brand exceeded RMB37.555 billion, putting it on the Top 500 Asian Brands, the Hurun Top 200 Brands 2015 and the BrandZ Top 100 Chinese Brands in Value.

II Significant changes in the main assets

1. Significant changes in the main assets

Not applicable

2. Main assets overseas

Applicable Not applicable

III Core competitiveness analysis

No significant changes occurred to our core competitiveness during the Reporting Period.

Section IV Management Discussion and Analysis

I Overview

In the Reporting Period, China's economy encountered various hits and challenges, building up the downward pressure on it. Still in a "hibernation period" before recovery, China's distilled spirits industry saw increasing competition. Despite the complicated internal and external environments, the Company, upon the common efforts of the Board and all the staff, upheld its corporate values of "Be Honest, Make Good Wine, Make Ourselves Better and Make the World Better", overcame difficulties and forged ahead. As a result, all of our objectives set for the year 2015 were successfully fulfilled.

For the year 2015, the Company achieved operating revenues of RMB5.253 billion, up 12.96% from last year; total profit of RMB966 million, representing a year-on-year growth of 21.36%; net profit of RMB716 million, rising 19.85% from last year; an EPS of RMB1.42/share, up 19.33% from last year; and net operating cash flow of RMB790million, soaring 103.90% from the year earlier.

(I) The Company innovated patterns, and expanded new markets

1) The Company positively explored new marketing patterns, and started the 5.0 era of Gujing distilled spirits. In the Reporting Period, the Company promoted customized businesses such as Wuji Cellar, Wuji Exchange Shop, Healthy Wine in Jar, and Health-care Wine. The Company started the Gujing 5.0 era, constructed an integrated operation pattern of front-end customer introduction, middle-end experience, and trail-end settlement, and provided consumers with sustainable purchasing and consuming experience.

2) The Company formed a complete network internally and externally, and sustainably improved brand power. Gujing always took brand building as the priority for all marketing efforts. As for external network, the Company continued to help the World Expo entered into Milan, and promoted Chinese distilled spirits into the world again. As for internal network, the Company held 5.19 Cellar Open Ceremony, enabled 9.9 Wine God Square (also as the Autumn Brew Ceremony), held the Gujing Distillery · Original Chinese Spirits Hefu High-speed Rail Starting Ceremony, successfully registered Vintage Liquor, and continuously improved the brand image of Gujing Distillery, winning a brand value of RMB37.555 billion.

3) The Company deeply carried forward marketing construction, and planned national strategic layout. In 2015, the Company continued to expand Anhui market, started in Henan market; strengthened business promotion through breakthroughs in clients, products, and organizations, and obtained stage effects. At the same time, marketing efforts in strategic nodes such as Beijing, Shanghai and Shenzhen were rapidly advanced.

4) The Company optimized product system, and adjusted marketing competition strategy. In the Reporting Period, the Company optimized the Original Chinese Spirits series according to market demand; accomplished product upgrade for the Original Chinese Spirits series in Anhui province, and sustainably impelled the three-link project and channel-sinking process.

(II) The Company innovated quality management pattern, and stably improved the quality of distilled spirits

1) The Company innovated quality management, and strengthened quality management and control. The Company introduced automatic production technology of distilled spirits, transformed toward new industrial trends of automation and intelligence. The 135 Refine Quality management pattern, which was the independently innovated quality management pattern with unique Gujing feature, won the high appraisal of National Quality Management Benchmarking by the Ministry of Industry and Information Technology.

2) The Company increased on science and technology innovation, and made multiple breakthroughs for scientific research achievements. 2 achievements won as one of the Ten Excellent Scientific and Technological Achievements in Chinese Distilled Spirits Science and Technology Convention, 1 achievement won the Second Prize among Science and Technology Progress Prizes

issued by China Alcoholic Drinks Association, 1 achievement won the Third Prize among Science and Technology Progress Prizes in Anhui province, 1 achievement won the award for Significant and Rational Advice and Technology Improvement Result in Anhui Province, and 1 scientific achievement won as one of the Ten Technology Innovation Achievements in Anhui Staff.

(III) The Company optimized organizations and structures, and improved skills of the management staff

1) The Company effectively conducted the activity of Post Measurement. The Company perfected human resources management mechanism, further optimized the Company's originations and structures, position systems, and successfully conducted career path construction.

2) The Company conducted talent team construction. The Company targeted to carry out the cultivation and training for core marketing talents, core technological talents, and core management talents, and obtained good training effects.

(IV) The Company strengthened company culture construction, and improved brand image

With the guidance of the Company's core values of "Be Honest, Make Good Wine, Make Ourselves Better and Make the World Better", the Company's atmosphere and ecology became more healthy and positive. The results of "new environment, new atmosphere, new motion, and new performance" gradually showed up, creating a good internal environment of "fair people and fair works, justice and fairness, as well as fair atmosphere". The Company supervised and urged every employee to become the executor and transmitter of Gujing's contribution culture.

(V) In the Reporting Period, there were still shortcomings as below of the Company.

1) The transformation of the Company has not been accomplished, the pressure of regional competitions still kept pushing, and the Company needed more guarantee resources;

2) Internal labor cost sustainably rose up, and employee needs became more diversified.

II Analysis of main business

1. Overview

See "I. Overview" in "Management Discussion and Analysis".

2. Revenues and costs

(1) Breakdown of operating revenues

Unit: RMB

	2015		2014		+/-%
	Amount	As a percentage of operating revenues (%)	Amount	As a percentage of operating revenues (%)	
Operating revenues	5,253,411,479.40	100.00%	4,650,855,881.72	100.00%	12.96%
By business segment					
Manufacturing	5,253,411,479.40	100.00%	4,650,855,881.72	100.00%	12.96%
By product					
Distilled spirits	5,118,622,287.57	97.44%	4,525,663,475.64	97.31%	13.10%
Hotel services	83,118,805.82	1.58%	76,460,229.81	1.64%	8.71%

Other	51,670,386.01	0.98%	48,732,176.27	1.05%	6.03%
By geographical segment					
North China	297,439,265.75	5.66%	375,113,132.66	8.06%	-20.71%
Central China	4,435,362,515.78	84.43%	3,632,413,502.07	78.10%	22.11%
South China	518,051,081.70	9.86%	641,172,562.92	13.79%	-19.20%
Overseas	2,558,616.17	0.05%	2,156,684.07	0.05%	18.64%

(2) Business segments, products or geographical segments contributing over 10% of the operating revenues or profit

Applicable Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	Operating revenue: YoY +/-%	Operating cost: YoY +/-%	Gross profit margin: YoY +/-%
By business segment						
Manufacturing	5,253,411,479.40	1,509,536,099.28	71.27%	12.96%	3.46%	2.64%
By product						
Distilled spirits	5,118,622,287.57	1,456,785,874.42	71.54%	13.10%	5.98%	1.91%
Hotel services	83,118,805.82	34,151,473.72	58.91%	8.71%	-17.32%	12.93%
Other	51,670,386.01	18,598,751.14	64.01%	6.03%	-56.92%	52.60%
By geographical segment						
North China	297,439,265.75	116,582,792.92	60.80%	-20.71%	-22.76%	1.04%
Central China	4,435,362,515.78	1,223,283,285.57	72.42%	22.11%	11.47%	2.63%
South China	518,051,081.70	168,847,248.71	67.41%	-19.20%	-19.65%	0.18%
Overseas	2,558,616.17	822,772.08	67.84%	18.64%	49.82%	-6.70%

Main business data of the prior year restated according to the changed statistical caliber for the Reporting Period

Applicable Not applicable

(3) Whether revenue from physical sales is higher than service revenue

Yes No

Business segment	Item	Unit	2015	2014	+/-%
Distilled spirits brewage	Sales volume	Ton	71,829.51	66,608.13	7.84%
	Output volume	Ton	77,105.07	65,680.19	17.39%
	Inventory	Ton	8,262.69	2,987.13	176.61%

Reason for any over 30% YoY movements in the data above

Applicable Not applicable

Mainly due to an increase in our orders, the closing inventory stood at 8,262.69 tons, representing a year-on-year surge of 176.61%.

(4) Execution progress of major signed sales contracts in the Reporting Period

Applicable Not applicable

(5) Breakdown of operating costs

By business segment

Unit: RMB

Business segment	Item	2015		2014		+/-%
		Amount	As a percentage of operating costs (%)	Amount	As a percentage of operating costs (%)	
Food manufacturing	Direct materials	1,084,012,660.40	73.29%	1,041,435,552.23	73.01%	0.28%
Food manufacturing	Direct labor cost	164,561,013.89	11.13%	147,507,978.36	10.34%	0.78%
Food manufacturing	Manufacturing expenses	127,413,435.90	8.61%	101,989,180.53	7.15%	1.46%
Food manufacturing	Fuels	80,798,764.23	5.46%	83,662,436.07	5.87%	-0.40%

By product

Unit: RMB

Product	2015		2014		+/-%
	Amount	As a percentage of operating costs (%)	Amount	As a percentage of operating costs (%)	
Distilled spirits	1,456,785,874.42	96.51%	1,374,595,147.19	94.21%	5.98%
Hotel services	34,151,473.72	2.26%	41,303,525.82	2.83%	-17.32%
Other	18,598,751.14	1.23%	43,174,240.23	2.96%	-56.92%

(6) Changes in the scope of the consolidated financial statements for the Reporting Period

Yes No

In order to make full use of our environmental protection facilities, technology and talents, we decided, upon deliberation, to incorporate Anhui Yuanqing Environmental Protection Co., Ltd. with a registered capital of RMB16 million. We held 100% equity interests of the new subsidiary, which was included in the scope of our consolidated financial statements for the year 2015.

(7) Major changes in the business, products or services in the Reporting Period

Applicable Not applicable

(8) Main customers and suppliers

Main customers

Total sales to top five customers (RMB)	1,079,135,971.01
Total sales to top five customers as a percentage of the total sales for the Reporting Period (%)	20.54%

Information about top five customers

No.	Customer	Sales amount (RMB)	As a percentage of the total sales for the Reporting Period (%)
1	Distributor A	531,197,951.92	10.11%
2	Distributor B	165,056,283.86	3.14%
3	Distributor C	148,418,510.37	2.83%
4	Distributor D	144,039,703.63	2.74%
5	Distributor E	90,423,521.23	1.72%
Total	--	1,079,135,971.01	20.54%

Other information about the main customers

Applicable Not applicable

Main suppliers

Total purchases from top five suppliers (RMB)	416,084,731.49
Total purchases from top five suppliers as a percentage of the total purchases for the Reporting Period (%)	30.53%

Information about top five suppliers

No.	Supplier	Purchase amount (RMB)	As a percentage of the total purchases for the Reporting Period (%)
1	Supplier A	209,135,946.13	15.34%
2	Supplier B	60,749,348.79	4.46%
3	Supplier C	51,130,858.45	3.75%
4	Supplier D	48,763,195.22	3.58%
5	Supplier E	46,305,382.90	3.40%
Total	--	416,084,731.49	30.53%

Other information about the main suppliers

Applicable Not applicable

3. Expense

Unit: RMB

	2015	2014	+/-%	Reason for any significant change
Selling expenses	1,557,800,618.96	1,304,206,036.06	19.44%	
Administrative expenses	543,822,606.51	579,424,693.56	-6.14%	
Financial costs	-20,334,406.40	-37,751,610.36	46.14%	The earnings cycles of bank financial products changed.

4. R&D input

√ Applicable □ Not applicable

We carried out R&D projects in the current year to study and develop new products, improve the quality of our products, study the intelligent brewage technique and new brewage technique.

Our achievements in R&D: 2 achievements won as one of the Ten Excellent Scientific and Technological Achievements in Chinese Distilled Spirits Science and Technology Convention, 1 achievement won the Second Prize among Science and Technology Progress Prizes issued by China Alcoholic Drinks Association, 1 achievement won the Third Prize among Science and Technology Progress Prizes in Anhui province

Information about R&D input

	2015	2014	+/-%
Number of R&D personnel	506	423	19.62%
R&D personnel as a percentage in the total employees	8.65%	7.12%	1.53%
R&D input (RMB)	162,495,000.00	152,790,000.00	6.35%
R&D input as a percentage in operating revenues	3.09%	3.29%	-0.20%
Capitalized R&D input (RMB)	0.00	0.00	0.00%
Capitalized R&D input as a percentage in the total R&D input	0.00%	0.00%	0.00%

Reasons for any significant YoY change in the percentage of the R&D input in the operating revenues

□ Applicable √ Not applicable

Reason for any sharp variation in the percentage of the capitalized R&D input and rationale

□ Applicable √ Not applicable

5. Cash flow

Unit: RMB

Item	2015	2014	+/-%
Subtotal of operating cash inflow	6,505,710,652.03	5,470,924,405.02	18.91%
Subtotal of operating cash	5,715,601,117.02	5,083,430,115.13	12.44%

outflow			
Net operating cash flow	790,109,535.01	387,494,289.89	103.90%
Subtotal of investment cash inflow	2,279,338,189.57	2,383,026,644.60	-4.35%
Subtotal of investment cash outflow	2,610,714,434.30	3,218,831,202.66	-18.89%
Net investment cash flow	-331,376,244.73	-835,804,558.06	60.35%
Subtotal of financing cash outflow	100,720,000.00	176,260,000.00	-42.86%
Net financing cash flow	-100,720,000.00	-176,260,000.00	42.86%
Net increase in cash and cash equivalents	358,013,290.28	-624,570,268.17	157.32%

Explanation of why the data above varied significantly

Applicable Not applicable

1. Mainly due to an increase in our orders, the net operating cash flow for the Reporting Period was RMB790,109,535.01, representing a surge of 103.90% from the year earlier.
2. Mainly because the payment for construction decreased as the industrial park was almost completed, the net investment cash flow for the Reporting Period was RMB-331,376,244.73 up 60.35% from last year.
3. Mainly due to a decrease in the distributed cash dividends, the net financing cash flow for the Reporting Period was RMB-100,720,000.00, rising 42.86% on a year-on-year basis.
4. Mainly due to an increase in the order proceeds, the net increase in cash and cash equivalents for the Reporting Period was RMB358,013,290.28, soaring 157.32% from last year.

Reason for any big difference between the net operating cash flow and the net profit for the Reporting Period

Applicable Not applicable

III Analysis of non-core business

Applicable Not applicable

IV Analysis of assets and liabilities

1. Significant changes in the asset composition

Unit: RMB

	31 December 2015		31 December 2014		Change in percentage (%)	Reason for any significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Monetary funds	1,087,319,158.77	15.14%	718,460,442.79	11.20%	3.94%	

Accounts receivable	4,948,074.84	0.07%	4,337,953.26	0.07%	0.00%
Inventories	1,396,712,050.87	19.44%	1,227,182,774.09	19.13%	0.31%
Investment property	9,715,451.89	0.14%	32,074,356.24	0.50%	-0.36%
Fixed assets	1,691,028,804.32	23.54%	1,724,134,467.11	26.88%	-3.34%
Construction in progress	62,562,971.78	0.87%	61,637,510.96	0.96%	-0.09%

2. Assets and liabilities measured at fair value

√ Applicable □ Not applicable

Unit: RMB

Item	Opening balance	Profit/loss on fair value changes in the Reporting Period	Cumulative fair value changes charged to equity	Impairment provided in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Closing balance
Financial assets							
1. Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period (excluding derivative financial assets)	303,919.60	42,203.41	0.00	0.00	2,706,702.10	10,530,672.80	322,223.28
2. Available-for-sale financial assets	65,332,932.00	0.00	50,416,376.59	0.00	98,131,881.88	0.00	213,881,190.47
Subtotal of financial assets	65,636,851.60	42,203.41	50,416,376.59	0.00	100,838,583.98	10,530,672.80	214,203,413.75
Total of the above	65,636,851.60	42,203.41	50,416,376.59	0.00	100,838,583.98	10,530,672.80	214,203,413.75
Financial liabilities	0.00	0.00	0.00		0.00	0.00	0.00

Significant changes in the measurement attributes of the main assets in the Reporting Period

□ Yes √ No

V Investments made

1. Total investments made

Applicable Not applicable

2. Significant equity investments made in the Reporting Period

Applicable Not applicable

3. Significant non-equity investments ongoing in the Reporting Period

Applicable Not applicable

4. Financial investments

(1) Securities investments

Applicable Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Opening book value	Gain/losses on fair value changes in the Reporting Period	Cumulative fair value changes charged to equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/losses in the Reporting Period	Closing book value	Accounting title	Source of funds
Domestic/overseas stock	601988	ZGYH	29,532,821.53	Fair value method	39,944,580.00	0.00	-1,406,097.39	3,506,768.39	0.00	0.00	42,045,251.00	Available-for-sale financial asset	Own funds
Domestic/overseas stock	000001	PAYH	20,571,856.79	Fair value method	25,388,352.00	0.00	-2,265,025.89	3,491,116.69	0.00	0.00	26,614,442.80	Available-for-sale financial asset	Own funds
Domestic/overseas stock	600373	ZWCM	91,133,996.80	Fair value method	0.00	0.00	54,087,499.87	91,133,996.80	0.00	0.00	145,221,496.67	Available-for-sale financial asset	Own funds
Total			141,238,675.12	--	65,332,932.00	0.00	50,416,376.59	98,131,881.88	0.00	0.00	220,055,562.60	--	213,881,190.47

Disclosure date of the announcement about the board's consent for the securities investment

Disclosure date of the announcement about the general meeting's consent for the securities investment (if any)

(2) Investment in financial derivatives

√ Applicable □ Not applicable

Unit: RMB'0,000

Operating party	Relation	Related-party transaction or not	Type of derivative investment	Initial investment amount	Commence ment date	Terminat ion date	Investm ent amount at the beginnin g of the period	Pursd in the Reporti ng Period	Sold in the Reporti ng Period	Amount provided for impairm ent (if any)	Investm ent amount at the end of the period	Ratio of investm ent amount at the end of the period to the Compan y's net asset at the end of the period (%)	Actual gain/lo sses for the period
Reverse repurch ase of national debt	N/A	No	Reverse repurch ase of national debt	0	6 Jan. 2015	16 Dec. 2015	18,071.22		18,262.48		0.00	0.00%	191.26
Total				0	--	--	18,071.22		18,262.48		0.00	0.00%	191.26
Source of derivatives investment funds				All from the Company's own funds									
Lawsuit (if applicable)				No lawsuits									
Disclosure date of the announcement about the board's				30 Aug. 2013									

consent for the derivative investment (if any)	
Disclosure date of the announcement about the general meeting's consent for the derivative investment (if any)	
Risk analysis and risk control measures for positions held in derivatives in the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	The Company had controlled the relevant risks strictly according to the Derivatives Investment Management System.
Changes in market price or fair value of derivatives invested in the Reporting Period (specific methods used and relevant assumption and parameter settings shall be disclosed for analysis of fair value of derivatives)	Naught
Significant changes in the Company's accounting policies and specific accounting principles for derivatives in the Reporting Period as compared to the prior period	Naught
Special opinions expressed by independent directors concerning the Company's derivatives investment and risk control	Based on the sustainable development of the main business and the sufficient free idle money, the Company increased the profits through investing in the reasonable financial derivative instruments, which was in favor of improving the service efficiency of the idle funds; in order to reduce the investment risks of the financial derivative instruments, the Company had set up corresponding supervision mechanism for the financial derivative instrument business and formulated reasonable accounting policy as well as specific principles of financial accounting; the derivative Investment business developed separately took national debts as mortgage object, which was met with the cautious and steady risks management principle and the interest of the Company and shareholders. Therefore, agreed the Company to develop the derivative Investment business of reverse repurchase of national debt not more than the limit of RMB0.3 billion.

5. Use of funds raised

Applicable Not applicable

(1) Overview of the use of raised funds

Applicable Not applicable

Unit: RMB'0,000

Raised years	Raised methods	Total amount of the raise funds	Total amount of the used raise funds of the Reporting Period	Total amount of the accumulative used raise funds	Total amount of the raise funds which changed the usage during the Reporting Period	Total amount of the accumulative raise funds which changed the usage	Proportion of the total amount of the accumulative raise funds which changed the usage	Total amount of the raise funds had not been used	Usage and whereabouts of the raise funds had not been used	Amount of the raise funds which left unused over 2 years
2011	Private offering	122,749.95	2,856.64	107,012.74	0	0	0.00%	7,006.93	Deposited in the special account for raised proceeds	0
Total	--	122,749.95	2,856.64	107,012.74	0	0	0.00%	7,006.93	--	0

Overview of the use of raised funds

The usage of the raise funds of the Company executed steadily as planned without any change.

(2) Projects invested with raised funds as promised

√ Applicable □ Not applicable

Unit: RMB'0,000

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 Period	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
Commitment investment projects										
Technological Transform on the Brewage of High-quality Base Wine	No	13,500	12,194.42	477.74	12,247.9	100.44%	30 Apr. 2014	Couldn't be individually measured	Yes	No
Construction of Base Wine Blending & Filling Centre and Ancillary Facilities	No	68,600	65,921.06	2,239.9	59,643.42	90.48%	30 Apr. 2014	Couldn't be individually measured	Yes	No

Construction of Marketing Network	No	27,500	27,500	139	18,096.36	65.80%	30 Apr. 2014	Couldn't be individually measured	Yes	No
Construction of Brand Promotion	No	17,000	17,000	0	17,025.06	100.15%	31 Dec. 2012	Couldn't be individually measured	Yes	No
Subtotal of promised investment projects	--	126,600	122,615.48	2,856.64	107,012.74	--	--		--	--
Investments of over-raised capital										
N/A										
Total	--	126,600	122,615.48	2,856.64	107,012.74	--	--		--	--
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	Naught									
Amount, usage and usage progress of over-raised capital	Not applicable									
Change of the implementation location of any raised funds investment project	Not applicable									
Adjustment of the implementation method of any raised funds investment project	Not applicable									
Advanced input and exchange of any raised funds investment project	Applicable									
	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 th Session of the 6 th 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 January 2012.
Idle raised capital for temporarily supplementing working capital	Not applicable
Outstanding raised funds in project implementation and reasons	Applicable 1. The Company strictly carried out the purchase system and the project bidding way, which better controlled the project construction and purchase cost and under the premise of guaranteeing the project quality with the principles of practicing strict economy, the Company further strengthened the project expenses control, supervisor and management in the process of the execution which reduced the total cost of the investment project of the raised funds. 2. The surplus reason of the marketing network construction project was due to the rather big changes of the liquor market environment and the third party logistics system gradually becoming more and more mature and at the same time, the Company would no more execute the center project of Hefei Logistics for reducing the fixed operating cost of the Company, which caused the capital surplus of the project.
Usage and whereabouts of unused raised capital	Deposited in the special account for raised proceeds.
Problems found in the usage and disclosure affairs of raised capital and other situations	N/A

(3) Change of projects invested with raised funds

Applicable Not applicable

No such cases in the Reporting Period.

VI Sale of major assets and equity interests

1. Sale of major assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of major equity interests

□ Applicable √ Not applicable

VII Main controlled and joint stock companies

√ Applicable □ Not applicable

Main subsidiaries and joint stock companies with an over 10% influence on the Company's net profits

Unit: RMB

Company name	Relationship with the Company	Main business scope	Registered capital	Total assets	Net assets	Operating revenues	Operating profits	Net profits
Bozhou Gujing Sales Co., Ltd	Subsidiary	Wholesales of distilled spirit, construction materials, feeds and assistant materials	84,864,497.89	1,494,601,431.83	155,661,630.62	5,113,240,885.14	662,143,680.79	483,232,704.55
Bozhou Gujing Glass Co., Ltd	Subsidiary	Manufacture and sale of glass products	86,660,268.98	194,396,540.66	157,218,771.73	208,446,436.73	37,460,100.94	28,229,912.84
Bozhou Gujing Waste Reclamation Co., Ltd	Subsidiary	Collect and sale of recycled glass bottle, glass, wastebasket	1,000,000.00	1,829,671.38	1,404,806.20	12,404,132.88	151,718.37	136,074.09
Anhui Jinyunlai Culture & Media Co., Ltd.	Subsidiary	Production, 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	73,327,063.32	2,966,248.30	370,990,579.32	6,487,924.48	4,712,523.95
Bozhou Gujing Packing Co., Ltd.	Subsidiary	Administrative license items: Naught; General	30,000,000.00	31,405,113.57	31,128,392.43	4,036,747.86	592,510.36	445,261.86

		operating items: providing packing for Gujing Brand, serials wine, fruit and vegetable wine, health wine of Gujing Brand							
Bozhou Gujing Transportation Co., Ltd	Subsidiary	Transportation, sales and repair service	6,945,195.64	3,587,200.60	2,475,117.02	0.00	0.00	0.00	0.00
Shanghai Gujing Jinhao Hotel Management Co., Ltd.	Subsidiary	Hotel management (Except for catering management and hotel operation); self-owned housing rental; establish branch. (If the enterprise operation involves the administrative licensing, it shall operate based on the license).	54,000,000.00	223,789,626.33	101,542,679.29	76,758,815.82	10,060,938.23	7,526,499.96	
Bozhou Gujing Hotel Co., Ltd.	Subsidiary	Accommodation and parking services; lunch processing, sales of alcohol and tobacco and sales of daily commodity	628,000.00	1,516,297.89	631,477.80	6,359,990.00	663,325.23	574,173.56	

Anhui Swisse Will Science & Technology Co., Ltd.	Subsidiary	Research and promotion of the engineering and technology; information System planning and design; computer software and hardware, network communication system design, development and sales; enterprise management consulting and services. (If the enterprise operation involves the administrative licensing or qualification, it shall operate based on the license or qualification)	50,000,000.00	62,424,784.49	51,153,420.94	9,168,068.19	5,275,143.78	5,008,722.78
Anhui Subway Cordial Wine Co., Ltd.	Subsidiary	Production and sales of other liquor (compound wine)	30,000,000.00	31,403,553.42	27,939,973.86	1,438,397.73	-2,063,076.14	-2,060,026.14
Anhui Yuanqing Environmental Protection Co., Ltd.	Subsidiary	Production, release, design and acting of the domestic advertising;	16,000,000.00	16,000,000.00	16,000,000.00	0.00	0.00	0.00

	meeting etiquette service and craft gift sales						
--	---	--	--	--	--	--	--

Subsidiaries obtained or disposed in the Reporting Period

Applicable Not applicable

Subsidiary name	How subsidiary was obtained or disposed in the Reporting Period	Impact on overall operation and results
Anhui Yuanqing Environmental Protection Co., Ltd.	Set up	

Information about the main controlled and joint stock companies

Notes: see the “IX Equities in the subsidiaries of Section X”.

VIII Structured bodies controlled by the Company

Applicable Not applicable

IX Outlook for the future development of the Company

(I) Industrial development prospect of the company

In recent two years, with slowdown of economic growth of China, Chinese economy has entered a new normal. And supply-side reform enables motive force for economic transformation and upgrade to accumulate and break through. Accordingly, liquor sector of China has entered a new normal for development at medium and low speed, high-speed growth period of the sector has gone, and the sector is in an adjustment and restructuring period. Structural division has appeared, and it takes time for the sector to walk out of the winter all-roundly. The following features are mainly manifested in liquor sector in 2016:

1) Consumption structure is being adjusted and competition on mid-end market is keener

With continuous in-depth adjustment of the sector, consumption has returned to be rational, price for products has gradually returned to a reasonable level, and mass consumption has become a main force of consumer products. With rise of mass consumption, demands for medium-and-low-end liquors will keep an inflexible growth, and competition on medium-end market will be keener.

2) The industry has entered a new normal and integration has become a trend

With change of macro-economic situation and in-depth adjustment of the sector, growth speed of liquor sector will slow down, competition will be further keener, and it will enter a struggling and crawling development stage. The sector will start entering an all-round competition era in terms of brand influence, product quality, marketing level and innovation capability, competition in the sector will be keener and integration in the sector will be accelerated.

3) New and old channels will be integrated and marketing will be innovated constantly

With rapid development of the internet, Internet Plus has become a general trend, and new sales modes and emerging channels represented by B2B, B2C and O2O have been maturing and growing constantly. Internet renovation for traditional channels has been speeding up, liquor enterprises have been transforming and reforming gradually, integrating with the internet, marketing has been innovated constantly, and delicacy management for corporate marketing has been implemented.

4) Personalized products in terms of tailoring and crowd funding embrace large-scale development

Liquor will return to its original consumption nature, a consumer sovereignty era will come, consumer demands will be manifested in diversification, differentiation, personality and experiencing, liquor enterprises will speed up expansion of their business of tailored liquors, and market of tailored liquors will be a fighting place for manufacturers. With increase of online crowd funding projects of

liquors on mainstream websites such as Taobao and JD, crowd funding for liquors has been developing rapidly, and more and more internet crowd funding products will be launched in the future.

5) Healthy liquors build new consumption habit

With upgrade of consumption, age structure and consumption habit of consumers are changing, they pay more attention to wine drinking in a healthy and civilized way. To meet demands of consumers, liquor enterprises have been developing healthy liquors and building new habits for liquor consumption.

(II) Development strategy of the company

1) Stick to developing in optimization, speed up the process of adjustment, upgrade, renovation and transformation, adjust structure of products, improve their quality, enhance human resource development and management, improve the pressure transmission mechanism, intensify assessment execution, improve quality of personnel, optimize the talent structure and build a corporate team for harmonious and win-win development.

2) Stick to implementing all-round innovation strategy, improve self-reliant innovation capability, combine technical, managerial, institutional and concept innovations, speed up corporate informatization construction, achieve optimized configuration of resources and information sharing and give to full play of coordination effect.

3) Stick to implementing brand promotion, enhance brand building, improve brand image all-roundly and endeavor to become the best liquor enterprise in China.

4) Become an enterprise with social responsibility, venture to shoulder the responsibility for stockholders, customers, partners, the society and the environment, and build a harmonious enterprise actively.

(III) Operating revenue plan of the company in 2016

Efforts will be made in achieving growth of operating revenue of the company in 2016 on the basis of maintaining the figure in 2015.

(IV) Operating risk of the company

1) Macro-economy has entered a new normal, economic development has slowed down, liquor sector is facing continuous adjustment, and quite a few uncertain and unfavorable factors exist on the market.

2) Structure of products is being upgraded and adjusted, consumption is being developed in a diversified way, consumption has returned to be rational, mass consumption has become a main trend, and competition of medium and low grade liquors has been keener.

3) Reform of marketing channels, transformation of consumption groups and consumption structure and impact of the internet on traditional marketing channels.

4) Unfavorable impact of fake and inferior products and right-infringing products and false propaganda.

(V) Operating measures

In 2016, facing the industrial development situation, combining strategic development target of the company and its operating plan in 2016, the company will set liquor, its main line, as the core, and carry out 5+5 Strategies all-roundly, namely operate with five-star standard centering round Strategy 5.0 and advance to the strategic target of the company steadily following the spirits of the 18th National People's Congress of CCP and the third, fourth and fifth plenary sessions of the 18th National People's Congress of CCP.

1) Marketing

Further improve brand building, innovate marketing modes, optimize brand structure, explore brand internationalization road and promote global transmission of liquor culture actively. Follow 5+5 Strategies of the company, set Strategy 5.0 as an approach, intensify implementation of Three Links and build a model market with solid strength, physical entities and actual efficiency. Explore small enterprise assessment mode actually, arouse initiative of individuals and make innovations of modes according to actual market situation

2) Production operation

Enhance cost control in production process, push forward internal marketing operation of the company and further accelerate automation, informatization and intelligence process. And explore green brewing and smart manufacture in accordance with 5+5 Strategies of the company supported with Strategy 5.0.

3) Quality management

Ensure quality of products, following high levels of relevant standards, inspection of products and scientific and research technologies. Stick to bottom line of food safety standard without wavering, enhance research and development strength and improve traditional production techniques constantly. Further implement 125 Lean Quality management mode and improve quality of products continuously following 5+5 Strategies of the company.

4) Corporate cultural construction

In 2016, the company will continue carrying out its core values of “Behaving decently, brewing good wines, cultivating moral character of employees and benefiting the society”, and implementing cultural construction in place. Combine the spirit of “Being Strict and Practical in Three Aspects” and cultural construction of the company so as to propel cultural construction of the enterprise steadily.

The year of 2016 is the starting year of the 13th Five-year Plan of the country, a critical year for its deepening reform comprehensively, and a critical year for Gujing Group to seize opportunities and push its operating performance to a higher level. The board of directors of the company will lead the whole staff to brave difficulties, unit with utmost sincerity, venture to shoulder responsibilities and endeavor to achieve its established operating objective.

X Visits paid to the Company for purposes of research, communication, interview, etc.

1. In the Reporting Period

Applicable Not applicable

Date of visit	Way of visit	Type of visitor	Index to main inquiry information
11 Nov. 2015	Field research	Institution	See the record chart of the investor relation activities disclosed on the irm.cninfo.com.cn of SZSE on 11 November 2015
Times of visit			1
Number of visiting institutions			38
Number of visiting individuals			0
Number of other visitors			0
Significant undisclosed information disclosed, revealed or leaked			否

Section V Significant Events

I Profit distribution and converting capital reserves into share capital for common shareholders

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy, for common shareholders in the Reporting Period

Applicable Not applicable

The Company's plans (preplans) for distributing common stock dividend and turning capital reserve into share capital for the recent three years (including the reporting year):

1. 2013 profits distribution proposal of the Company: distributed the cash of RMB3.5 (tax included) for every 10 shares without any converting capital reserve into share capital;
2. 2014 profits distribution proposal of the Company: distributed the cash of RMB2 (tax included) for every 10 shares without any converting capital reserve into share capital;
3. 2015 profits distribution proposal of the Company: distributed the cash of RMB1 (tax included) for every 10 shares without converting capital reserve into share capital

Cash dividend distribution of the Company to common shareholders over the past three years (including the Reporting Period)

Unit: RMB

Year	Cash dividends (tax included)	Net profits attributable to common shareholders of the Company in the consolidated statements for the year	Proportion in net profits attributable to common shareholders of the Company in the consolidated statements for the year (%)	Cash dividends in other forms	Ratio of cash dividends in other forms
2015	50,360,000.00	715,578,369.68	7.04%	0.00	0.00%
2014	100,720,000.00	597,041,887.34	16.87%	0.00	0.00%
2013	176,260,000.00	622,004,915.79	28.34%	0.00	0.00%

The Company made profits in the Reporting Period and the profits distributable to common shareholders of the Company was positive, but it did not put forward a preliminary plan for cash dividend distribution to its common shareholders

Applicable Not applicable

II Preliminary plan for profit distribution and converting capital reserves into share capital for the Reporting Period

Applicable Not applicable

Bonus shares for every 10 shares (share)

0

Dividend for every 10 shares (RMB) (tax included)	1.00
Additional shares converted from capital reserves for every 10 shares (share)	0
Total shares as the basis for the preliminary plan for profit distribution (share)	503,600,000
Total cash dividends (RMB) (tax included)	50,360,000.00
Distributable profits (RMB)	2,587,051,422.29
Percentage of cash dividends in the total distributed profits	100.00%
Cash dividend policy	

Other

Details about the preliminary plan for profit distribution and converting capital reserves into share capital

The Company planned to based on the total shares at the year-end of 503,600,000 shares to distribute the dividends with a cash of RMB1(tax included) to the whole shareholders for each 10 shares which was of RMB50,360,000.00 and the retained profits of RMB2,536,691,422.29 would all transfer to the next year.

III Fulfillment of commitments

1. Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management staff or other related parties fulfilled in the Reporting Period or ongoing at the period-end

Applicable Not applicable

No such cases in the Reporting Period.

2. Where there had been an earnings forecast for an asset or project and the Reporting Period was still within the forecast period, explain why the forecast has been reached for the Reporting Period.

Applicable Not applicable

IV Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes

Applicable Not applicable

No such cases in the Reporting Period.

V Explanations given by the Board of Directors, the Supervisory Committee and the independent directors (if any) regarding the "auditor's non-standard report" issued by the CPAs firm for the Reporting Period

Applicable Not applicable

VI YoY changes in accounting policies, estimations and methods Applicable Not applicable

No such cases in the Reporting Period.

VII Retroactive restatement due to correction of material accounting errors in the Reporting Period Applicable Not applicable

No such cases in the Reporting Period.

VIII YoY changes in the scope of the consolidated financial statements Applicable Not applicable

For fully exerting the effectiveness of the current environmental protection facilities resources, technologies resources and the talents resources, after the research, the Company decided to set up Anhui Yuanqing Environmental Protection Co., Ltd. with the registered capital of RMB16 million. The Company held 100% controll right of which and included which into the scope of the 2015 consolidated financial statement.

IX Engagement and disengagement of CPAs firm

CPAs firm at present

Name of the domestic CPAs firm	Ruihua CPAs (LLP)
The Company's payment for the domestic CPAs firm (RMB'0,000)	110
Consecutive years of the audit service provided by the domestic CPAs firm	3
Names of the certified public accountants from the domestic CPAs firm	Lin Wanqiang, yangganlin

Reengage the CPAs firm at current period or not?

 Yes No

CPAs firm, financial advisor or sponsor engaged for internal control audit

 Applicable Not applicable

In 2015, the Company engaged the Ruihua CPAs (LLP) as the internal control audit CPAs of the Company.

X Possibility of listing suspension or termination after disclosure of this Report Applicable Not applicable**XI Bankruptcy and reorganization** Applicable Not applicable

No such cases in the Reporting Period.

XII Significant litigations and arbitrations

Applicable Not applicable

No such cases in the Reporting Period.

XIII Punishments and rectifications

Applicable Not applicable

No such cases in the Reporting Period.

XIV Credit conditions of the Company as well as its controlling shareholder and actual controller

Applicable Not applicable

XV Implementation of any equity incentive plan, employee stock ownership plan or other incentive measures for employees

Applicable Not applicable

No such cases in the Reporting Period.

XVI Significant related-party transactions

1. Related-party transactions relevant to routine operation

Applicable Not applicable

No such cases in the Reporting Period.

2. Related-party transactions regarding purchase or sales of assets or equity interests

Applicable Not applicable

No such cases in the Reporting Period.

3. Related-party transitions regarding joint investments

Applicable Not applicable

No such cases in the Reporting Period.

4. Credits and liabilities with related parties

Applicable Not applicable

No such cases in the Reporting Period.

5. Other significant related-party transactions

Applicable Not applicable

No such cases in the Reporting Period.

XVII Significant contracts and execution

1. Entrustment, contracting and leasing

(1) Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leasing

Applicable Not applicable

No such cases in the Reporting Period.

2. Significant guarantees

Applicable Not applicable

No such cases in the Reporting Period.

3. Entrusted cash management

(1) Entrusted asset management

Applicable Not applicable

No such cases in the Reporting Period.

(2) Entrusted loans

Applicable Not applicable

No such cases in the Reporting Period.

4. Other significant contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVIII Other significant events

Applicable Not applicable

No such cases in the Reporting Period.

XIX Significant events of subsidiaries

Applicable Not applicable

XX Social responsibilities

Applicable Not applicable

As for the social responsibilities executed by the Company in the Reporting Period, please refer to the Report of the Social Responsibilities disclosed on www.cninfo.com.cn on 26 April 2016.

Whether the Company or any of its subsidiaries is a heavily polluting business identified by the environmental protection authorities of China

Yes No Not applicable

XXI Corporate bonds

Corporate bonds publicly offered and listed on the stock exchange, which were undue before the approval date of this Report or were due but could not be redeemed in full

No

Section VI Share Changes and Information about Shareholders

I. Share changes

1. Share changes

Unit: share

	Before		Increase/decrease (+/-)					After	
	Number	Percentage	New issues	Bonus shares	Increase from capital reserves	Other	Subtotal	Number	Percentage
I. Restricted shares	900	0.00%						900	0.00%
3 Shares held by other domestic investors	900	0.00%						900	0.00%
Among which: Shares held by domestic corporations	900	0.00%						900	0.00%
II. Non-restricted shares	503,599,100	100.00%						503,599,100	100.00%
1 RMB common shares	383,599,100	76.17%						383,599,100	76.17%
2 Domestically listed foreign shares	120,000,000	23.83%						120,000,000	23.83%
III. Total shares	503,600,000	100.00%						503,600,000	100.00%

Reasons for the share changes

 Applicable Not applicable

Approval of share changes

 Applicable Not applicable

Transfer of share ownership

 Applicable Not applicable

Effects of share changes on the basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes over the prior year and the prior period

 Applicable Not applicable

Other contents that the Company considers necessary or is required by the securities regulatory authorities to disclose

 Applicable Not applicable

2. Changes in restricted shares

 Applicable Not applicable

II Issuance and listing of securities

1. Securities (excluding preference shares) issued in the Reporting Period

Applicable Not applicable

2. Changes in total shares of the Company and the shareholder structure, as well as the asset and liability structures

Applicable Not applicable

3. Existing staff-held shares

Applicable Not applicable

III Shareholders and actual controller

1. Total number of shareholders and their shareholdings

Unit: share

Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Increase/decrease during the Reporting Period	Number of restricted shares held	Number of non-restricted shares held	Pledged or frozen shares	
							Status of shares	Number of shares
ANHUI GUJING GROUP COMPANY LIMITED	State-owned corporation	53.89%	271,404,022	50,000		271,404,022	Pledged	114,000,000
UBS (LUXEMBOURG)	Foreign corporation	2.43%	12,233,480	2,769,182		12,233,480		

S.A.								
GAOLING FUND,L.P.	Foreign corporation	2.21%	11,110,642	7,324,208		11,110,642		
NORGES BANK	Foreign corporation	1.99%	10,002,859	4,282,547		10,002,859		
CHINA SECURITIES FINANCE CORPORATION LIMITED	State-owned corporation	1.88%	9,447,999	9,447,999		9,447,999		
GREENWOODS CHINA ALPHA MASTER FUND	Foreign corporation	1.71%	8,627,598	-759,375		8,627,598		
CENTRAL HUIJIN INVESTMENT CO., LTD.	State-owned corporation	1.30%	6,543,600	6,543,600		6,543,600		
CHINA INTL CAPITAL CORP HONG KONG SECURITIES LTD	Foreign corporation	1.12%	5,647,960	5,452,360		5,647,960		
BANK OF CHINA LIMITED — FULLGOAL REFORM POWER HYBRID SECURITIES INVESTMENT FUNDS	Other	0.85%	4,300,021	4,300,021		4,300,021		
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned corporation	0.77%	3,852,802	-75,442		3,852,802		
Strategic investor or general corporation becoming a top ten shareholder due to placing of new shares (if any) (Notes 3)					Inapplicable			
Explanation on associated relationship or persons acting in concert among the					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			

above-mentioned shareholders: 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.

Shares held by the top ten non-restricted share holders

Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares	
		Type	Number
ANHUI GUJING GROUP COMPANY LIMITED	271,404,022	RMB ordinary share	271,404,022
UBS (LUXEMBOURG) S.A.	12,233,480	Domestically listed foreign share	12,233,480
GAOLING FUND,L.P.	11,110,642	Domestically listed foreign share	11,110,642
NORGES BANK	10,002,859	Domestically listed foreign share	10,002,859
CHINA SECURITIES FINANCE CORPORATION LIMITED	9,447,999	RMB ordinary share	9,447,999
GREENWOODS CHINA ALPHA MASTER FUND	8,627,598	Domestically listed foreign share	8,627,598
CENTRAL HUIJIN INVESTMENT CO., LTD.	6,543,600	RMB ordinary share	6,543,600
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	5,647,960	Domestically listed foreign share	5,647,960
BANK OF CHINA LIMITED—FULLGOAL REFORM POWER HYBRID SECURITIES INVESTMENT FUNDS	4,300,021	RMB ordinary share	4,300,021
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	3,852,802	Domestically listed foreign share	3,852,802

Explanation on associated Among the shareholders above, no affiliated relationship exists between the Company's controlling

relationship or/and persons acting in concert among the top ten tradable shareholders and between the top ten tradable shareholders and the top ten shareholders	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.
Explanation on the top 10 shareholders participating in the margin trading business (if any) (see note 4)	The first majority shareholder of the Company—Gujing Group—started to conduct “refinancing securities lending” from November 2014, which ceased at the beginning of April 2015. Up to 31 December 2015, the lent shares have been all returned.

Did any top 10 common shareholders or the top 10 common shareholders not subject to trading moratorium of the Company carry out an agreed buy-back in the Reporting Period?

Yes No

The top 10 common shareholders or the top 10 common shareholders not subject to trading moratorium of the Company had not carried out any agreed buy-back in the Reporting Period.

2. Information about the controlling shareholder

Nature of the controlling shareholder: Local state-owned holding

Type of the controlling shareholder: Corporation

Name of controlling shareholder	Legal representative / company principal	Date of establishment	Credibility code	Main business scope
ANHUI GUJING GROUP COMPANY LIMITED	Liang Jinhui	16 Jan. 1995	151947437	Making beverage, construction materials and plastic products
Shares held by the controlling shareholder in other listed companies by holding or shareholding during the reporting period	Naught			

Change of the controlling shareholder during the Reporting Period

Applicable Not applicable

There was no any change of the controlling shareholder of the Company in the Reporting Period.

3. Information about the actual controller

Nature of the actual controller: Local management organization for state-owned assets

Type of the actual controller: Corporation

Name of actual controller	Legal representative / company	Date of establishment	Organization code	Business scope

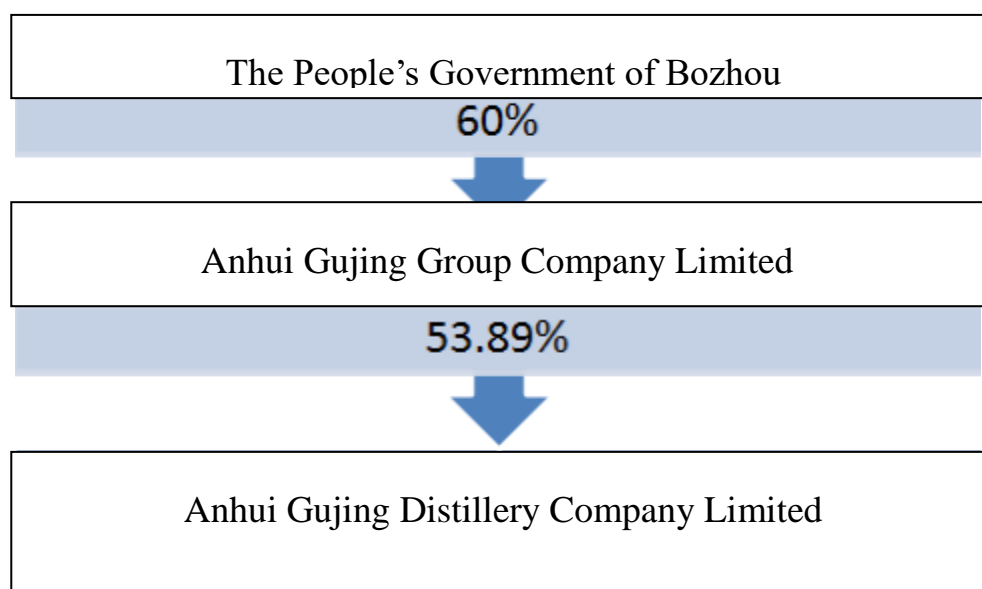
	principal			
The People's Government of Bozhou	Not applicable		Not applicable	Not applicable
Shares held by the controlling shareholder in other listed companies by holding or shareholding during the Reporting Period	Not applicable			

Change of the actual controller during the Reporting Period

Applicable Not applicable

There was no any change of the actual controller of the Company in the Reporting Period.

Ownership and control relations between the actual controller and the Company



The actual controller controls the Company via trust or other ways of asset management

Applicable Not applicable

4. Other corporate shareholders with a shareholding percentage above 10%

Applicable Not applicable

5. Limits on the Company's shares held by its controlling shareholder, actual controller, reorganizer and other commitment subjects

Applicable Not applicable

Section VII Preference Shares

Applicable Not applicable

No preference shares in the Reporting Period.

Section VIII Directors, Supervisors, Senior Management and Employees

I Changes in shareholdings of directors, supervisors and senior management

Name	Office title	Incumbent/former	Gender	Age	Starting date of tenure	Ending date of tenure	Opening shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Closing shareholding (share)
Liang Jinhui	Chairman of the Board	Current	Male	51	2014-06-20	2017-06-19					
Zhou Qingwu	Director, GM	Current	Male	42	2014-06-20	2017-06-19					
Ye Changqing	Director, Deputy General Manager, Secretary of the Board, Chief Accountant	Current	Male	42	2014-06-20	2017-06-19					
Wang Feng	Director	Current	Male	51	2014-06-20	2017-06-19					
Yang Xiaofan	Director	Current	Male	48	2014-06-20	2017-06-19					
Yan Lijun	Director, GM	Current	Male	45	2014-06-20	2017-06-19					
Wang Ruihua	Independent director	Current	Male	54	2014-06-20	2017-06-19					
Wang Gao	Independent director	Current	Male	51	2014-06-20	2017-06-19					
Song Shuyu	Independent director	Current	Male	54	2014-11-17	2017-06-19					
Xu Peng	Chairman of the Supervisory Committee	Current	Male	46	2014-06-20	2017-06-19					
Niu	Supervisor	Current	Male	45	2014-06-20	2017-06-19					

Haiting									
Fu Qiangxin	Supervisor	Current	Male	46	2014-06-20	2017-06-19			
Hu Wenchao	Supervisor	Current	Male	50	2014-06-20	2017-06-19			
Lu Duicang	Supervisor	Current	Male	36	2014-06-20	2017-06-19			
Zhai Liangdong	General Manager Assistant	Current	Male	45	2014-06-20	2017-06-19	1,200		1,200
Zhang Lihong	General Manager Assistant	Current	Male	47	2014-06-20	2017-06-19			
Total	--	--	--	--	--	--	1,200		1,200

II Particulars about changes of Directors, Supervisors and Senior Executives

N/A

III Resumes of important personnel

Main working experience of current directors, supervisors and senior management staff

(I) Mr. Liang Jinhui, 51 year-old, is Political Engineer who has educational experience of graduate student, incumbent Director and president of the Company and Gujing Group, secretary of the party committee. He ever took the post of MD of Sales Company, GM, Deputy GM, GM, Supervisor of Third Supervisory Committee and Director of the Fourth, Fifth and Sixth Board of Directors

(II) Mr. Zhou Qingwu, 42 year-old, is Economist who has educational experience of graduate student. At present, he is Director and General Manager of the Company, Vice Secretary of CPC of Gujing Group. He had ever acted as Chairman and General Manager of Bozhou Gujing Packing Material Co., Ltd.; Director of the 5th and 6th Board of Directors and Vice General Manager.

(III) Mr. Ye Changqing, 42 year-old, holder of master degree and International Certified Internal Auditor. Incumbent Director, Chief Accountant and acting Secretary of Board of Directors of the company; had ever acted Chief Auditor of Audit Department, Vice Manager of Audit Department and Vice Supervisor and Supervisor of Auditing & Supervision Department; and Supervisor of the Fourth Supervisory Committee; Director and Secretary of the 5th and 6th Board of Directors, Chief Accountant.

(IV) Mr. Wang Feng, 51 year-old, is Senior Economic Engineer who is postgraduate degree holder, incumbent Director, Deputy Secretary of CPC of Gujing Group and Secretary of Discipline Inspection Commission. He had ever acted as Director, Secretary of the board, Vice General Manager, and General Manager of the Second Board of Directors; Director and Chairman of the Third Board of Directors, and Director as well as Chairman of the Fourth Board of Directors; Director of the 5th and 6th Board of Directors.

(V) Mr. Yang Xiaofan, 48 year-old, holder of master degree. At present, he is Director and Vice President of Gujing Group. Vice President and General Manager of Anhui Gujing Real Estates Group Co., Ltd., Director and Assistant Chairman, Vice President of Gujing Group; Director of the 5th and 6th Board of Directors.

(VI) Yan Lijun, male, 45 year-old, bachelor degree with Senior Taster. Now he is Director, Assistant of GM of the Company, GM of Bozhou Gujin Sale Co., Ltd. He once worked as salesman of Sale Company, District Manager, Director of Market Research, Vice Manager of Planning Department, Director of Hefei Strategic Operations Center and GM of the Company

(VII) Mr. Wang Ruihua, 54 year-old, doctor degree in accounting, Not Practicing Certified Public Accountant. Accounting Professor of School of Business of Central University of Finance and Economics, tutor of PHD student, Independent Director of ZHONG KE SAN HUAN, DATANG TELECOM TECHNOLOGY CO., LTD. and Sinolink Securities Co Ltd.

(VIII) Wang Gao, Male, 51 years old, Doctor of Sociology, Professor of Marketing in China Europe International Business School. Academic Director of Chief Marketing Officer (CMO) Project, Co-Director of Chinese Enterprise Globalization Research Center. He once worked as Associate Professor, Deputy Dean of Department of Marketing in School of Economics and Management, Tsinghua University, deputy director of China's Retail Research Center Academic Director of Harvard - central Europe - tsinghua university senior managers (SEPC) project. Strategic Analysis Manager of Minute Maid Branch of Coca-Cola Company and senior counselor of The Information Resources Co., Ltd. (IRI).

(IX) Song Shuyu, male, 54 years old, who has educational experience of graduate student. Senior Engineer, Master of Chinese wine. Now, he is Deputy Secretary General of China Alcoholic Drinks Association, Secretary-general of Liquor Branch Association, Secretary General of Market Professional Committee, Secretary General of White Wine Club Technical Committee, specialist who enjoy the special allowance of the state council. He also is member of Chinese liquor standardization technical committee, Deputy Secretary General of strong-flavor, Feng-flavour, soybean-flavor and rice flavour Liquor Technical Committee of Chinese Liquor Standardization Technical Committee, Chairman of Committee of Te-flavour Chinese spirits and Laobaigan-flavour Chinese spirits standardization technical committee.

(X) Mr. Xu Peng, 46 year-old, has educational experience of undergraduate college. He is incumbent Chief Supervisor of the Company. And he had ever acted as Deputy Director and Director of Finance Second Office of Finance Department of the Company, Manager of Finance Department of Anhui Laobada Co., Ltd., and Vice Manager and Manager of Finance Department of the Company, Deputy General Manager and Chief Supervisor of Market Supervision Department of Bozhou Gujing Sales Company.

(XI) Mr. Niu Haiting, 45 year-old, has educational experience of undergraduate college. He is incumbent Supervisor of the Company, Director of Gujing Group, Hefei Office, Secretary-general of Anhui Wine Industry Association, Member of Party Committee, Chairman of the Labor Union and member of Commission for Disciplinary Inspection. He had ever acted as Personnel Administrator, Vice Chief Supervisor of Human Resource Department of Anhui Gujing Group, Director of the Office Party and Chief Inspector of Safety Management Center, Chairman of The Labor Union.

(XII) Mr. Fu Qiangxin, 46 year-old, bachelor degree, accountant, incumbent Supervisor and Vice Secretary of Discipline Inspection Commission of Audit. He ever took posts of accountant of Bozhou Gujing Hotel, Manager of Finance of Bozhou Gujing Integrated Services Company and Bozhou Gujing Import and Export Trade Company, clerk of Planning and Finance Department of Gujing Group, Chief Inspector of Internal Audit Center.

(XIII) Mr. Hu Wenchao, is 50 year-old, Registered Senior Human Resource Specialist who has educational experience of undergraduate college, National Trainer Grade 2 and one of Administrators recommended by China Human Resource Development Association. Now he is incumbent Supervisor of the Company, Chief of HR Center of Anhui Gujing Group Co., Ltd. He had ever acted as Labor Allocation Clerk and Deputy GM of Personnel Department, Vice Manager of HR Department of Anhui Gujing Group Co., Ltd., Vice Manager of HR Department of Anhui Gujing Distillery Company Limited.

(XIV) Mr. Lu Duicang, 36 year-old, has educational experience of undergraduate college, Senior Accountant. Now, he is incumbent Supervisor of the Company and GM of Hui Xin Finance. He had ever acted as Accountant, Vice Director and Director of Finance Department First Center of the Company, Factory Manager of Liquor Filling Branch Factory and Manager of Finished Products Department, Director of Finance Management Center of Gujing Group.

(XV) Mr. Zhai Liangdong, Male, 45-year-old, achieved the Master degree. He is now acting as General Manager Assistant of the Company, Chairman of the Board of Bozhou Ruineng Heat and Power Co., Ltd. He once acted as clerk of Labor Union Office of Gujing Group; clerk, Secretary, Deputy Director, Director of Gujing Group Office; Director of corporate office and Chief Inspector of Administrative Center.

(XVI) Mr. Zhang Lihong, Male, 47-year-old, economic engineering, achieved the Bachelor degree. He is now acting as General

Manager Assistant of the Company, Chief of HR Center. He once acted as clerk of Bozhou Gujing Sales Co., Ltd., Secretary of Corporate Operation Department, Secretary of Market Development Department, Vice General Manager of Bozhou Gujing Sales Co., Ltd., Director of Comprehensive Office, and Chief Inspector of Comprehensive Service Center, Director of Human Resource Center of the Company.

Post-holding in shareholder units

√Applicable □ Not applicable

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?
Liang Jinhui	Anhui Gujing Group Co., Ltd.	Chairman of the Board of Directors, Chairman of Party Committee	2014-05-01		Yes
Wang Feng	Anhui Gujing Group Co., Ltd.	Deputy Chairman of Party Committee, Chairman of Discipline Inspection Committee	2010-08-01		Yes
Yang Xiaofan	Anhui Gujing Group Co., Ltd.	Vice President	2009-11-01		Yes
Zhou Qingwu	Anhui Gujing Group Co., Ltd.	Deputy Chairman of Party Committee	2009-11-01		No
Niu Haiting	Anhui Gujing Group Co., Ltd.	Director of Anhui Hefei Office	2015-10-16		Yes
Fu Qiangxin	Anhui Gujing Group Co., Ltd.	Chief Inspector of Financial Management Center	2014-07-01		Yes
Hu Wenchao	Anhui Gujing Group Co., Ltd.	Chief of HR Center	2012-06-01		Yes

Notes to post-holding in shareholder units	The above-mentioned personnel, though they take posts in shareholders' entities, comply with the relevant employment requirements of Company Law, Securities Law and never were disciplined by CSRC, other relevant departments and the Stock Exchange.
--	---

Post-holding in other units

Applicable Not applicable

Name of the person holding any post in any shareholder unit	Name of other unit	Position in other unit	Beginning date of office term	Ending date of office term	Receives payment from the shareholder unit?
Lu Duicang	Anhui Huixin Finance Investment Group Co., Ltd.	GM	2014-07-01		Yes

Notes to post-holding in other units	Anhui Huixin Finance Investment Group Co., Ltd. is the wholly own subsidiary of Anhui Gujing Group Co., Ltd.
--------------------------------------	--

Particulars about the Company's current directors, supervisors and senior executives 'punishments from Securities Regulatory Institution of recent three years in Reporting Period

Applicable Not applicable

IV Remuneration for directors, supervisors and senior management

Decision-making procedure, determining basis and actual payment for the remuneration of directors, supervisors and senior management

Decision-making procedure, determination basis and actual remuneration payment 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.

(II) 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.

(III) 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.

Remuneration of the directors, supervisors and senior management of the Company during the reporting period is as follow:

Unit: RMB'0,000

Name	Position	Gender	Age	Current/former	Total remuneration gained from the Company	Whether gained remuneration from the related parties of the Company

Liang Jinhui	Chairman of the Board	Male	51	Current		Yes
Zhou Qingwu	Director, GM	Male	42	Current	98.62	No
Ye Changqing	Director, Deputy General Manager, Secretary of the Board, Chief Accountant	Male	42	Current	90.46	No
Wang Feng	Director	Male	51	Current		Yes
Yang Xiaofan	Director	Male	48	Current		Yes
Yan Lijun	Director, GM	Male	45	Current	101.22	No
Wang Ruihua	Independent director	Male	54	Current	7.5	No
Wang Gao	Independent director	Male	51	Current	7.5	No
Song Shuyu	Independent director	Male	54	Current	7.5	No
Xu Peng	Chairman of the Supervisory Committee	Male	46	Current	82.61	No
Niu Haiting	Supervisor	Male	45	Current		Yes
Fu Qiangxin	Supervisor	Male	46	Current		Yes
Hu Wenchao	Supervisor	Male	50	Current		Yes
Lu Duicang	Supervisor	Male	36	Current		Yes
Zhai Liangdong	General Manager Assistant	Male	45	Current	82.61	Yes
Zhang Lihong	General Manager Assistant	Male	47	Current	82.61	No
Total	--	--	--	--	560.63	--

Situations of equity incentives awarded to the directors, supervisors and senior management of the Company during the Reporting Period

Applicable Not applicable

V About employees

1. Number of employee, professional structure and education

Amount of the incumbent employees of the Company

5,141

Amount of the incumbent employees of the main subsidiaries	707
Total amount of the incumbent employees	5,848
Total number of employees accepted salaries(person)	5,848
Number of retirees whose retirement pension shall be borne by the Company and the main subsidiaries	693
Professional structure	
Category	Number
Production personnel	4,436
Sales personnel	550
Technicians	279
Financial personnel	103
Administrative personnel	480
Total	5,848
Education	
Category	Number
High school or below	4,516
Junior college	722
Bachelor	586
Master or above	24
Total	5,848

2. Remuneration policy

The remuneration policy was conducted strictly in line with the related law and regulations of the state, and the plan of operation performance and profits of the Company and the relevant remuneration policy management.

3. Employee training plans

Employee training is significant in the Human resource management. The Company always pay high attention to the employee training and development, the Company sets up effective training plan combining with the current situation of the Company, annual plan, nature of the post and the demand of employee learning, which includes new employee induction training, on-job training, front-line employee operating skills training, management improvement training and part-time study. Continuously improve the whole quality of the employees, realized a win-win situation and progress between the Company and the employees.

4. Particulars about labor outsourcing

Applicable Not applicable

Section IX Corporate Governance

I Basic details of 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.

In the reporting period, 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.

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.

After the reporting period, the Company will continuously optimize and perfect the corporate governance of listed companies, further improve the standard operation of the Company.

Whether it exists any difference between the corporate governance and the Company Law and relevant rules of CSRC or not?

Yes No

There is no difference between the corporate governance and the Company Law and relevant rules of CSRC.

II Particulars about the Company’s separation from the controlling shareholder in respect of business, personnel, assets, organization and financial affairs

The company and the controlling shareholder, Anhui Gujing Group Co., Ltd., realized five independences in terms of business, personnel, assets, organizations and financial affairs, with separate independent calculation, independent and complete business, independent operation ability, and independent responsibilities and risks. Majority shareholders cannot surpass the shareholders’ general meeting to directly or indirectly interfere with the company’s decisions and legal production and operation activities, and there is no same trade competition state of the same products between the company and majority shareholders.

III Horizontal competition

Applicable Not applicable

IV Particulars about the annual shareholders' general meeting and special shareholders' general meetings held during the reporting period

1. Particulars about the shareholders' general meeting in reporting period

Session	Type	Proportion of investors' participation	Convening date	Disclosure date	Index to the disclosed
The Annual Shareholders' General Meeting of 2014	The Annual Shareholders' General Meeting	4.35%	2015-05-26	2015-05-27	On the cninfo website Announcement on Resolutions Passed on the 2014 Annual Shareholders' General Meeting

2. Special Shareholders' General Meeting applied by the preferred stockholder with restitution of voting right

Applicable Not applicable

V Performance of the Independent Directors

1. Particulars about the independent directors attending the board sessions and the shareholders' general meetings

1. Particulars about the independent directors attending the board sessions						
Independent director	Sessions required to attend during the reporting period	Attendance in person	Attendance by way of telecommunication	Entrusted presence (times)	Absence rate	Non-attendance in person for two consecutive times
Wang Ruihua	3	0	3	0	0	No
Wang Gao	3	0	3	0	0	No
Song Shuyu	3	0	3	0	0	No
General meetings sat in on by independent directors		1				

Note to non-attendance in person for two consecutive times

2. Particulars about independent directors proposing objection on relevant events

Whether independent directors propose objection on relevant events or not?

Yes No

During the reporting period, no independent directors proposed any objection on relevant events of the Company.

3. Other explanations about the duty performance of independent directors

whether advices to the Company from independent directors were adopted or not

Yes No

Explanation on the advices of independent directors for the Company being adopted or not adopted

VI Performance of the Special Committees under the Board during the reporting period

1. Duty performance of the Strategy Committee

The Strategy Committee is under the leadership of the Board of Directors. In the reporting period, in strict compliance with the Specific Implementation Rules for the Strategy Committee, the Strategy Committee conscientiously performed its duties, making a lot of constructive suggestions for the efficient execution of the Company's strategy.

2. Duty performance of the Audit Committee

In the reporting period, five members of the Audit Committee diligently and responsibly performed their duties as stipulated in the relevant rules of the Company:

(1) It reviewed the periodical reports of the Company in 2015.

(2) Upon discussion with Ruihua Certified Public Accountants for the 2015 annual audit, it determined the schedule for the financial report and internal control audit for 2015.

(3) It communicated in advance with the CPAs firm and independent directors before the CPAs firm came to the Company and started the 2015 annual audit.

(3) It reviewed the short form of the preliminary financial statements prepared by the financial department of the Company for the first time before the annual auditor came to the Company and made some helpful suggestions.

(5) After the annual auditor came to the Company and started the audit, it communicated with the registered accountants on the problems found in the audit and the submission time of the audit report.

(6) After the annual auditor issued the preliminary audit opinion, it reviewed the 2015 annual financial statements again and made the final resolution.

3. Duty performance of the Nomination Committee

In the reporting period, in strict compliance with the Specific Implementation Rules of the Nomination Committee, the Nomination Committee vigorously worked on various tasks, which ensured that the senior management staffs of the Company were hired in compliance with laws and regulations.

(1) In the reporting period, the senior management staff hired by the Company satisfied the requirements of the Company Law and other relevant laws and regulations. They were qualified as senior management staff. They were not in such a case where the Company Law should forbid them from being senior management staff. Nor they were forbidden by CSRC from entering the securities market.

(2) In the reporting period, the senior management staff of the Company were nominated and hired in line with the Company Law and the Company's Articles of Association. The hired personnel have never been punished by CSRC, other relevant authorities or stock exchanges.

4. Duty performance of Remuneration and Appraisal Committee

(1) The Remuneration and Appraisal Committee affiliated to the Board of Directors, according to relevant regulations of Implementation Rules of Remuneration and Appraisal Committee successfully completed the annual performance appraisal to directors, supervisors and senior executives in line with standards and procedures of performance appraisal during the reporting period.

(2) Through the deliberation and assessment of the committee, the consistent opinion was that the general remuneration level complied with development of the Company; the remuneration level of directors, supervisors and senior executives accurately reflected the overall performance situation of the Company and individual work performance, which complied with the remuneration management system; the remuneration plan and procedure of issuing remuneration were in accordance with the laws and did not violate relevant national laws and regulations.

VII Performance of the Supervisory Committee

During the reporting period, the Supervisory Committee found whether there was risk in the Company in the supervisory activity

Yes No

The Supervisory Committee has no objection on the supervised events during the reporting period.

VIII Performance Evaluation and Incentive Mechanism for Senior Management Staff

The Company has set up a Performance Appraisal and Incentive Mechanism for Senior Executives, which links remuneration of senior executives with the Company's performance, the decision-making management adopts the assessment and incentive measures by linking the annual remuneration with the Company's economic indexes & management achievement. To promote the standard, healthy and orderly development of the company and keep the stability of the senior executives, the company annually sets up the assessment index for them and signs a written responsibility of business target at the year-begin, then decides their remuneration and the rewards & punishment at the year-end according to their personal work performance and completion of the Company's operating target.

IX Internal Control

1. Particulars about significant defects found in the internal control during reporting period

Yes No

2. Self-appraisal report on internal control

Disclosure date of the Self-appraisal Report on Internal Control	2016-04-26
Disclosure index of the Self-appraisal Report on Internal Control	Cninfo website (www.cninfo.com.cn) "Anhui Gujing Distillery Company Limited 2015 Annual Self-assessment Report of Internal Control"
The proportion of total assets included in evaluation scope entities in the Company's total assets of the consolidated financial statements	99.82%
The proportion of operation revenue	99.90%

<p>included in evaluation scope entities in the Company's operation revenue of the consolidated financial statements</p>		
Defect judging standards		
Category	Section XI. Financial Report	Non-Financial Report
<p>Qualitative criteria</p>	<p>Critical defect: Separate defect or other defects that result in failure in preventing, finding out and correcting major wrong reporting in financial report in time. The following circumstances are deemed as critical defects: (1) Ineffective in controlling the environment; (2) Malpractice of directors, supervisors and senior management officers; (3) According to external auditing, there's major wrong reporting in current financial report, which fails to be found by the company in its operating process; (4) Major defects found and reported to the top management fail to be corrected within a reasonable period of time; (5) The supervision of audit committee of the company and its internal audit department for internal control is ineffective; (6) Other defects that may affect correct judgment of users of statements. Major defect: Separate defect or other defects that result in failure in preventing, finding out and correcting wrong reporting in financial report in time, which shall be noted by the top management despite of not attaining or exceeding critical level. Minor defect: Other internal control defects not constituting critical or major defects.</p>	<p>Any of the following circumstances shall be deemed as a critical defect, and other circumstances shall be deemed as major or minor defects according to their degree of impact.</p> <p>(1) Violate national laws, regulations or standardized documents;</p> <p>(2) Major decision making procedure is not scientific;</p> <p>(3) Lack of systems results in systematic failure;</p> <p>(4) Critical or major defects fail to be rectified;</p> <p>(5) Other circumstances that have major impact on the company.</p>
<p>Quantitative criteria</p>	<p>Critical defect:</p> <p>(1) Wrong reporting $\geq 0.5\%$ of total operating revenue;</p> <p>(2) Wrong reporting $\geq 5\%$ of total profit;</p> <p>(3) Wrong reporting $\geq 0.5\%$ of total assets;</p> <p>(4) Wrong reporting $\geq 0.5\%$ of total owner's equity.</p> <p>Major defect:</p> <p>(1) Wrong reporting $\geq 0.2\%$ but $< 0.5\%$ of</p>	<p>Critical defect: The defect with direct property loss amounting to over RMB10 million, has great negative impact on the company and is disclosed in public in the form of announcement.</p> <p>Major defect: The defect with direct property loss amounting to RMB 1 million to RMB10 million (included), or is penalized by governmental authority</p>

	<p>total operating revenue;</p> <p>(2) Wrong reporting $\geq 2\%$ but $< 5\%$ of total profit;</p> <p>(3) Wrong reporting $\geq 0.2\%$ but $< 0.5\%$ of total assets;</p> <p>(4) Wrong reporting $\geq 0.2\%$ but $< 0.5\%$ of total owner's equity.</p> <p>Minor defect:</p> <p>(1) Wrong reporting $< 0.2\%$ of total operating revenue;</p> <p>(2) Wrong reporting $< 2\%$ of total profit;</p> <p>(3) Wrong reporting $< 0.2\%$ of total assets;</p> <p>(4) Wrong reporting $< 0.2\%$ of total owner's equity.</p>	<p>of the country but has not resulted in negative impact on the company.</p> <p>Minor defect: The defect with direct property loss no more than RMB 1 million (included), or is penalized by governmental authority of the provincial-level or below but has not resulted in negative impact on the company.</p>
Number of significant defects of financial report (Piece)		0
Number of significant defects of non-financial report (Piece)		0
Number of important defects of financial report (Piece)		0
Number of important defects of non-financial report (Piece)		0

X Audit report on internal control

Applicable Not applicable

Audit opinion paragraphs in the Audit Report on Internal Control

Particulars about Audit Report on Internal Control	Disclosure
Disclosure date of the Audit Report on Internal Control	2016-04-26
Disclosure index of the Audit Report on Internal Control	Cninfo website (www.cninfo.com.cn) "Audit Report of Internal Control"
Type of Audit Report on Internal Control	Unqualified auditor's report
Whether there is significant defect in non-financial report	No

Whether the CPAs firm issues an Audit Report on Internal Control with non-standard opinion or not?

Yes No

Whether the Audit Report on Internal Control from the CPAs firm is in consistent with the Self-appraisal Report from the Board or not?

Yes No

Section X Financial Report

I Audit Report

Type of audit opinion	Standard unqualified audit opinion
Date of signing audit report	25 April 2016
Name of audit institution	Ruihua Certified Public Accountants (Special General Partnership)
Reference number of audit report	Ruihua SZ [2016] No.48390003
Name of CPA	Lin Wanqiang, yangganlin

Audit Report

To the Shareholders of Anhui Gujing Distillery Co., Ltd.:

We have audited the attached financial statements of Anhui Gujing Distillery Co., Ltd. (“Gujing”), which comprise the consolidated and the Company’s balance sheet as at December 31, 2015, the consolidated and the Company’s income statement, the consolidated and the Company’s cash flow statement, the consolidated and the Company’s statement of changes in owners’ equity for the year then ended, and the notes to financial statements.

I. Responsibilities of the management concerning the financial statements

The management of the Company is responsible for the preparation of these financial statements and fair presentation. These responsibilities include: (1) preparing financial statements according to the Accounting Standards for Business Enterprises and make them a fair presentation; and (2) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

II. Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Chinese Certified Public Accountants’ Auditing Standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the consolidation financial statements and fair presentation in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Opinion

In our opinion, the financial statements have been prepared in accordance with the requirements of the Enterprises Accounting Standards promulgated by the People’s Republic of China in all material respects, and present fairly the consolidated operating results of Anhui Gujing Distillery Co., Ltd. and its subsidiaries as at December 31, 2015 and consolidated operating results and cash flow in 2015 as well as the operating results at December 31, 2015 and the operating results & cash flow in 2015 of Anhui Gujing Distillery Co., Ltd..

II Financial statements

Unit of statements in the notes appended to financial report is RMB Yuan

1. Consolidated balance sheet

Prepared by Anhui Gujing Distillery Company Limited

31 December 2015

Unit: RMB

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	1,087,319,158.77	718,460,442.79
Settlement reserves		
Intra-group lendings		
Financial assets measured at fair value of which changes are recorded in	322,223.28	303,919.60

current profits and losses		
Derivative financial assets		
Notes receivable	539,442,903.31	505,893,430.66
Accounts receivable	4,948,074.84	4,337,953.26
Accounts paid in advance	80,373,083.59	35,711,617.98
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable	0.00	4,274,666.66
Dividend receivable		
Other accounts receivable	8,617,955.68	7,967,903.24
Financial assets purchased under agreements to resell		
Inventories	1,396,712,050.87	1,227,182,774.09
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	1,500,970,860.37	1,501,552,476.11
Total current assets	4,618,706,310.71	4,005,685,184.39
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	313,881,190.47	88,332,932.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment		
Investing real estate	9,715,451.89	32,074,356.24
Fixed assets	1,691,028,804.32	1,724,134,467.11
Construction in progress	62,562,971.78	61,637,510.96
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	298,372,239.96	306,488,782.60
R&D expense		
Goodwill		
Long-term deferred expenses	127,815,668.37	131,921,179.23
Deferred income tax assets	61,065,003.63	63,243,753.50
Other non-current assets		
Total of non-current assets	2,564,441,330.42	2,407,832,981.64
Total assets	7,183,147,641.13	6,413,518,166.03
Current liabilities:		
Short-term borrowings		
Borrowings from Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Financial liabilities measured at fair		

value of which changes are recorded in current profits and losses		
Derivative financial liabilities		
Notes payable	93,768,583.00	258,452,214.00
Accounts payable	378,187,452.07	404,634,196.58
Accounts received in advance	608,565,152.50	377,503,471.86
Financial assets sold for repurchase		
Handling charges and commissions payable		
Payroll payable	253,901,700.72	220,198,521.28
Tax payable	358,087,353.80	468,679,523.63
Interest payable		
Dividend payable		
Other accounts payable	452,193,188.94	368,868,463.74
Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities	138,135,604.82	87,704,041.68
Total current liabilities	2,282,839,035.85	2,186,040,432.77
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income	46,123,314.33	40,839,961.86
Deferred income tax liabilities	20,463,660.87	5,586,793.44
Other non-current liabilities		
Total non-current liabilities	66,586,975.20	46,426,755.30
Total liabilities	2,349,426,011.05	2,232,467,188.07
Owners' equity:		
Share capital	503,600,000.00	503,600,000.00
Other equity instruments		
Of which: preferred shares		
Perpetual bonds		
Capital reserves	1,294,938,493.19	1,294,938,493.19
Less: Treasury stock		
Other comprehensive income	54,481,886.51	16,669,604.07
Specific reserves		

Surplus reserves	256,902,260.27	256,902,260.27
Provisions for general risks		
Retained profits	2,723,798,990.11	2,108,940,620.43
Total equity attributable to owners of the Company	4,833,721,630.08	4,181,050,977.96
Minority interests		
Total owners' equity	4,833,721,630.08	4,181,050,977.96
Total liabilities and owners' equity	7,183,147,641.13	6,413,518,166.03

Legal representative: Liang Jinhui

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

Chief of the accounting division: Zhu Jiafeng

2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	548,650,832.84	593,001,536.78
Financial assets measured at fair value of which changes are recorded in current profits and losses	322,223.28	278,509.60
Derivative financial assets		
Notes receivable	288,101,188.68	286,449,264.42
Accounts receivable	4,350,437.24	1,608,829.64
Accounts paid in advance	5,876,678.41	5,506,676.65
Interest receivable		4,274,666.66
Dividend receivable		
Other accounts receivable	107,625,019.85	124,826,309.55
Inventories	1,374,311,894.88	1,197,978,799.15
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	1,500,000,000.00	1,497,612,148.31
Total current assets	3,829,238,275.18	3,711,536,740.76
Non-current assets:		
Available-for-sale financial assets	313,881,190.47	88,332,932.00
Held-to-maturity investments		
Long-term accounts receivable		4,793,366.46
Long-term equity investment	354,089,408.32	338,089,408.32
Investing real estate	9,715,451.89	30,151,635.36
Fixed assets	1,471,584,047.66	1,525,364,298.59
Construction in progress	62,355,022.07	61,531,773.90
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	187,468,810.92	192,318,384.28
R&D expense		

Goodwill		
Long-term deferred expenses	127,815,668.37	131,864,366.43
Deferred income tax assets	42,154,627.44	35,421,614.18
Other non-current assets		
Total of non-current assets	2,569,064,227.14	2,407,867,779.52
Total assets	6,398,302,502.32	6,119,404,520.28
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value of which changes are recorded in current profits and losses		
Derivative financial liabilities		
Notes payable	828,583.00	93,602,214.00
Accounts payable	371,636,772.06	402,837,653.24
Accounts received in advance	659,484,624.07	1,064,055,921.66
Payroll payable	88,513,920.05	79,329,070.21
Tax payable	237,459,964.06	168,778,299.92
Interest payable		
Dividend payable		
Other accounts payable	268,035,753.60	225,495,751.43
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities	61,660,494.13	29,569,559.37
Total current liabilities	1,687,620,110.97	2,063,668,469.83
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income	46,123,314.33	40,839,961.86
Deferred income tax liabilities	20,463,660.87	5,584,087.19
Other non-current liabilities		
Total non-current liabilities	66,586,975.20	46,424,049.05
Total liabilities	1,754,207,086.17	2,110,092,518.88
Owners' equity:		
Share capital	503,600,000.00	503,600,000.00
Other equity instruments		
Of which: preferred shares		
Perpetual bonds		
Capital reserves	1,247,162,107.35	1,247,162,107.35
Less: Treasury stock		
Other comprehensive income	54,481,886.51	16,669,604.07

Specific reserves		
Surplus reserves	251,800,000.00	251,800,000.00
Retained profits	2,587,051,422.29	1,990,080,289.98
Total owners' equity	4,644,095,416.15	4,009,312,001.40
Total liabilities and owners' equity	6,398,302,502.32	6,119,404,520.28

3. Consolidated income statement

Unit: RMB

Item	Closing balance	Opening balance
I. Total operating revenues	5,253,411,479.40	4,650,855,881.72
Including: Sales income	5,253,411,479.40	4,650,855,881.72
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating costs	4,392,354,606.21	3,980,555,815.23
Including: Cost of sales	1,509,536,099.28	1,459,072,913.24
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	790,205,631.87	666,912,988.72
Selling and distribution expenses	1,557,800,618.96	1,304,206,036.06
Administrative expenses	543,822,606.51	579,424,693.56
Financial expenses	-20,334,406.40	-37,751,610.36
Asset impairment loss	11,324,055.99	8,690,794.01
Add: Gain/(loss) from change in fair value ("-" means loss)	42,203.41	121,035.00
Gain/(loss) from investment ("-" means loss)	69,256,030.30	105,142,601.27
Including: share of profits in associates and joint ventures		
Foreign exchange gains ("-" means loss)		
III. Business profit ("-" means loss)	930,355,106.90	775,563,702.76
Add: non-operating income	44,974,004.61	28,566,056.14
Including: Gains on disposal of non-current assets	68,505.82	625,342.92
Less: non-operating expense	9,059,670.65	7,925,251.76
Including: Losses on disposal of non-current assets	1,059,201.01	2,759,691.62
IV. Total profit ("-" means loss)	966,269,440.86	796,204,507.14
Less: Income tax expense	250,691,071.18	199,162,619.80

V. Net profit (“-” means loss)	715,578,369.68	597,041,887.34
Net profit attributable to owners of the Company	715,578,369.68	597,041,887.34
Minority shareholders’ income		
VI. After-tax net amount of other comprehensive incomes	37,812,282.44	17,512,833.57
After-tax net amount of other comprehensive incomes attributable to owners of the Company	37,812,282.44	17,512,833.57
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	37,812,282.44	17,512,833.57
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets	37,812,282.44	17,512,833.57
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII. Total comprehensive incomes	753,390,652.12	614,554,720.91
Attributable to owners of the Company	753,390,652.12	614,554,720.91
Attributable to minority shareholders		
VIII. Earnings per share		
(I) Basic earnings per share	1.42	1.19
(II) Diluted earnings per share	1.42	1.19

Legal representative: Liang Jinhui

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

Chief of the accounting division: Zhu Jiafeng

4. Income statement of the Company

Unit: RMB

Item	2015	2014
I. Total sales	3,007,068,150.18	2,640,452,479.82
Less: cost of sales	1,536,318,251.80	1,476,012,978.04
Business taxes and surcharges	748,278,391.57	631,981,946.23
Distribution expenses	194,497,701.34	128,260,320.96
Administrative expenses	393,964,851.14	385,897,886.00
Financial costs	-19,235,711.99	-31,777,767.71
Impairment loss	8,555,178.79	9,067,474.85
Add: gain/(loss) from change in fair value (“-” means loss)	53,028.41	110,210.00
Gain/(loss) from investment (“-” means loss)	574,517,573.20	572,118,594.50
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	719,260,089.14	613,238,445.95
Add: non-operating income	32,153,857.76	17,634,363.74
Including: Gains on disposal of non-current assets		585,411.86
Less: non-operating expense	6,944,814.78	3,669,574.78
Including: Losses on disposal of non-current assets	494,461.74	1,788,158.02
III. Total profit (“-” means loss)	744,469,132.12	627,203,234.91
Less: Income tax expense	46,777,999.81	50,140,859.93
IV. Net profit (“-” means loss)	697,691,132.31	577,062,374.98
V. After-tax net amount of other comprehensive incomes	37,812,282.44	17,512,833.57
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	37,812,282.44	17,512,833.57
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets	37,812,282.44	17,512,833.57
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		

4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
VI. Total comprehensive incomes	735,503,414.75	594,575,208.55
VII. Earnings per share		
(I) Basic earnings per share	1.39	1.15
(II) Diluted earnings per share	1.39	1.15

5. Consolidated cash flow statement

Unit: RMB

Item	2015	2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	6,316,130,596.88	5,299,356,137.71
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 financial assets measured at fair value of which changes are recorded into current gains and losses		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received	13,999,000.00	107,163.11
Other cash received relating to operating activities	175,581,055.15	171,461,104.20
Subtotal of cash inflows from operating activities	6,505,710,652.03	5,470,924,405.02
Cash paid for goods and services	1,758,283,730.78	1,517,387,902.41
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	1,000,365,212.81	989,911,967.81
Various taxes paid	1,872,063,119.51	1,620,441,094.09
Other cash payment relating to operating activities	1,084,889,053.92	955,689,150.82
Subtotal of cash outflows from operating activities	5,715,601,117.02	5,083,430,115.13
Net cash flows from operating activities	790,109,535.01	387,494,289.89
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	2,205,995,542.82	2,287,057,026.56
Cash received from return on investments	63,870,974.91	92,975,082.74
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	87,371.84	1,144,535.30
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	9,384,300.00	1,850,000.00
Subtotal of cash inflows from investing activities	2,279,338,189.57	2,383,026,644.60
Cash paid to acquire fixed assets, intangible assets and other long-term assets	237,769,057.80	387,438,488.77
Cash paid for investment	2,372,945,376.50	2,831,392,713.89
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	2,610,714,434.30	3,218,831,202.66
Net cash flows from investing activities	-331,376,244.73	-835,804,558.06
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	100,720,000.00	176,260,000.00
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	100,720,000.00	176,260,000.00
Net cash flows from financing activities	-100,720,000.00	-176,260,000.00
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	358,013,290.28	-624,570,268.17
Add: Opening balance of cash and cash equivalents	682,360,442.79	1,306,930,710.96
VI. Closing balance of cash and cash equivalents	1,040,373,733.07	682,360,442.79

6. Cash flow statement of the Company

Unit: RMB

Item	2015	2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	3,095,958,832.08	3,109,799,921.89
Tax refunds received	13,999,000.00	107,163.11
Other cash received relating to operating activities	83,789,843.81	99,709,660.72
Subtotal of cash inflows from operating activities	3,193,747,675.89	3,209,616,745.72
Cash paid for goods and services	1,750,534,302.48	1,657,562,664.94
Cash paid to and for employees	439,242,793.90	444,498,190.80
Various taxes paid	1,069,706,330.70	964,627,298.20
Other cash payment relating to operating activities	58,446,169.89	67,606,275.31
Subtotal of cash outflows from operating activities	3,317,929,596.97	3,134,294,429.25
Net cash flows from operating activities	-124,181,921.08	75,322,316.47
II. Cash flows from investing activities:		
Cash received from retraction of investments	2,152,485,489.19	1,961,242,567.80
Cash received from return on investments	569,743,711.19	557,438,369.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0.00	1,059,792.33
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	9,384,300.00	1,850,000.00
Subtotal of cash inflows from investing activities	2,731,613,500.38	2,521,590,729.24
Cash paid to acquire fixed assets, intangible assets and other long-term assets	219,472,454.26	373,798,440.05

Cash paid for investment	2,323,189,828.98	2,502,613,426.39
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	2,542,662,283.24	2,876,411,866.44
Net cash flows from investing activities	188,951,217.14	-354,821,137.20
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	100,720,000.00	176,260,000.00
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	100,720,000.00	176,260,000.00
Net cash flows from financing activities	-100,720,000.00	-176,260,000.00
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-35,950,703.94	-455,758,820.73
Add: Opening balance of cash and cash equivalents	584,601,536.78	1,040,360,357.51
VI. Closing balance of cash and cash equivalents	548,650,832.84	584,601,536.78

7. Consolidated statement of changes in owners' equity

2015

Unit: RMB

Item	2015												
	Equity attributable to owners of the Company											Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	General risk reserve	Retained profit		
	Preferred shares	Perpetual bonds	Other										
I. Balance at the end of the previous year	503,600,000.00				1,294,938,493.19		16,669,604.07		256,902,260.27		2,108,940,620.43		4,181,050,977.96
Add: change of accounting policy													
Correction of errors in previous periods													
Business mergers under the same control													
Other													
II. Balance at the beginning of the year	503,600,000.00				1,294,938,493.19		16,669,604.07		256,902,260.27		2,108,940,620.43		4,181,050,977.96
III. Increase/ decrease in the period ("-" means decrease)							37,812,282.44				614,858,369.68		652,670,652.12
(I) Total comprehensive incomes							37,812,282.44				715,578,369.68		753,390,652.12
(II) Capital increased and reduced by owners													
1. Common shares increased by shareholders													
2. Capital increased by holders of other equity instruments													
3. Amounts of share-based payments recognized in owners'													

equity								
4. Other								
(III) Profit distribution							-100,720,000.00	-100,720,000.00
1. Appropriations to surplus reserves								
2. Appropriations to general risk provisions								
3. Appropriations to owners (or shareholders)							-100,720,000.00	-100,720,000.00
4. Other								
(IV) Internal carry-forward of owners' equity								
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								
(V) Specific reserve								
1. Withdrawn for the period								
2. Used in the period								
(VI) Other								
IV. Closing balance	503,600,000.00		1,294,938,493.19	54,481,886.51	256,902,260.27		2,723,798,990.11	4,833,721,630.08

2014

Unit: RMB

Item	2014	
	Equity attributable to owners of the Company	Minority Total owners'

	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	General risk reserve	Retained profit	interests	equity
		Preferred shares	Perpetual bonds	Other									
I. Balance at the end of the previous year	503,600,000.00				1,294,938,493.19		-843,229.50		256,902,260.27		1,688,158,733.09		3,742,756,257.05
Add: change of accounting policy													
Correction of errors in previous periods													
Business mergers under the same control													
Other													
II. Balance at the beginning of the year	503,600,000.00				1,294,938,493.19		-843,229.50		256,902,260.27		1,688,158,733.09		3,742,756,257.05
III. Increase/ decrease in the period (“-” means decrease)							17,512,833.57				420,781,887.34		438,294,720.91
(I) Total comprehensive incomes							17,512,833.57				597,041,887.34		614,554,720.91
(II) Capital increased and reduced by owners													
1. Common shares increased by shareholders													
2. Capital increased by holders of other equity instruments													
3. Amounts of share-based payments recognized in owners' equity													
4. Other													
(III) Profit distribution											-176,260,000.00		-176,260,000.00
1. Appropriations													

to surplus reserves													
2. Appropriations to general risk provisions													
3. Appropriations to owners (or shareholders)											-176,260,000.00		-176,260,000.00
4. Other													
(IV) Internal carry-forward of owners' equity													
1. New increase of capital (or share capital) from public reserves													
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Other													
(V) Specific reserve													
1. Withdrawn for the period													
2. Used in the period													
(VI) Other													
IV. Closing balance	503,600,000.00				1,294,938,493.19	16,669,604.07	256,902,260.27	2,108,940,620.43					4,181,050,977.96

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

2015

Unit: RMB

Item	2015										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	Retained profit	Total owners' equity
		Preferred shares	Perpetual bonds	Other							
I. Balance at the end of the previous year	503,600,000.00				1,247,162,107.35		16,669,604.07		251,800,000.00	1,990,080,289.98	4,009,312,001.40
Add: change of accounting policy											
Correction of errors in previous periods											
Other											
II. Balance at the beginning of the year	503,600,000.00				1,247,162,107.35		16,669,604.07		251,800,000.00	1,990,080,289.98	4,009,312,001.40
III. Increase/ decrease in the period (“-” means decrease)							37,812,282.44			596,971,132.31	634,783,414.75
(I) Total comprehensive incomes							37,812,282.44			697,691,132.31	735,503,414.75
(II) Capital increased and reduced by owners											
1. Common shares increased by shareholders											
2. Capital increased by holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity											
4. Other											
(III) Profit distribution										-100,720,000.00	-100,720,000.00
1. Appropriations to surplus reserves											
2. Appropriations to owners (or shareholders)										-100,720,000.00	-100,720,000.00

3. Other											
(IV) Internal carry-forward of owners' equity											
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											
(V) Specific reserve											
1. Withdrawn for the period											
2. Used in the period											
(VI) Other											
IV. Closing balance	503,600,000.00				1,247,162,107.35		54,481,886.51		251,800,000.00	2,587,051,422.29	4,644,095,416.15

2014

Unit: RMB

Item	2014										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	Retained profit	Total owners' equity
		Preferred shares	Perpetual bonds	Other							
I. Balance at the end of the previous year	503,600,000.00				1,247,162,107.35		-843,229.50		251,800,000.00	1,589,277,915.00	3,590,996,792.85
Add: change of accounting policy											
Correction of errors in previous periods											
Other											
II. Balance at the beginning of the year	503,600,000.00				1,247,162,107.35		-843,229.50		251,800,000.00	1,589,277,915.00	3,590,996,792.85

III. Increase/ decrease in the period (“-” means decrease)								17,512,833.57			400,802,374.98	418,315,208.55
(I) Total comprehensive incomes								17,512,833.57			577,062,374.98	594,575,208.55
(II) Capital increased and reduced by owners												
1. Common shares increased by shareholders												
2. Capital increased by holders of other equity instruments												
3. Amounts of share-based payments recognized in owners’ equity												
4. Other												
(III) Profit distribution											-176,260,000.00	-176,260,000.00
1. Appropriations to surplus reserves												
2. Appropriations to owners (or shareholders)											-176,260,000.00	-176,260,000.00
3. Other												
(IV) Internal carry-forward of owners’ equity												
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												

(V) Specific reserve										
1. Withdrawn for the period										
2. Used in the period										
(VI) Other										
IV. Closing balance	503,600,000.00			1,247,162,107.35		16,669,604.07		251,800,000.00	1,990,080,289.98	4,009,312,001.40

Section XI Documents Available for Reference

Note 1: Company Profile

Anhui Gujing Distillery Co., Ltd. (hereafter "the Company" or "Company") was the company limited by shares approved by Administration Bureau of State-owned Property of Anhui province following the approval WanGuoZiGongZi (1996) NO. 053 (皖国资工字(1996)第053号文), Anhui Gujing Group Co., Ltd. as the sole sponsors, established net assets in the assessment of main production operating assets of its core company Anhui Bozhou Gujing distillery 377.1677 million transferred into the 155,000,000 state-owned shares, and the registered location was the Bozhou City of People's Republic of China. The company was registered in the The People's Republic of China on 5 March 1996 and was approved by People's Government of Anhui province following the approval WanZhengMin (1996) NO.42 (皖政秘(1996)42号文). The company convoked the founding meeting on 28 May 1996, and registered on 30 May 1996 by Administration for Industry and Commerce of Anhui province. The registration number of Business License for Enterprise as a Legal Person is: 14897271-1.

The Company has been issued 60,000,000 domestic listed foreign shares (hereafter "B" shares) in June 1996 and 20,000,000 domestic listed CNY ordinary shares (hereafter "A" shares) in September 1996, the par value of ordinary shares is CNY1.00 per share. Both A share and B share are listed in Shenzhen Stock exchange.

The headquarters of the company is located in Gujing town, Bozhou city, Anhui province. The company and the subsidiaries (collectively called "Group") is mainly engaged in liquor production and sales, it belongs to the food manufacturing industry.

The original registered capital was CNY 235 million, the total amount of shares were 235 million, including state-owned shares 155 million and domestic listed foreign shares 60 million, the par value is CNY 1 per share.

On 29 May 2006, the shareholder meeting for the Company's shareholdings reform of A-share market have been discussed and approved the proposal of the shareholdings reform, and that has been implemented in June 2006. After the Company's shareholdings reform implemented, all shares of the Company became floating shares, which including 147,000,000 shares with restrict condition on disposal, represent 62.55% of total share capital, and 88,000,000 shares without restrict condition on disposal, represent 37.45% of total share capital.

On 27 June 2007, the Company issued the <Announcement of release restriction shares by Anhui Gujing Distillery Co., Ltd.>, the 11,750,000 restricted outstanding shares with restrict condition on disposal became non-restricted in stock market, and the conversion date is on 29 June 2007. Hence, outstanding shares with restrict condition on disposal are 135,250,000 shares, representing 57.55% of total share capital, the share without restrict condition on disposal are 99,750,000 shares, representing 42.45% of total share capital.

On 17 July 2008, the Company issued the <Announcement of release restriction shares by Anhui Gujing Distillery Co., Ltd.>, the 11,750,000 restricted outstanding shares with restrict condition on disposal became non-restricted in stock market, and the conversion date is on 18 July 2008. Hence, outstanding shares with restrict condition on disposal are 123,500,000 shares, representing 52.55% of total share capital, the share without restrict condition on disposal are 111,500,000 shares, representing 47.45% of total share capital.

On 24 July 2009, the Company issued the <Announcement of release restriction shares by Anhui Gujing Distillery Co., Ltd.>, the 123,500,000 restricted outstanding shares with restrict condition on disposal became non-restricted in stock market, and the conversion date is on 29 July 2009. Hence, all shares of the Company were became outstanding shares without restrict condition on disposal. According to the approval by China Securities Regulatory Commission (the authorization file No. zhengjianxuke[2011]943), on 15th July 2011, the Company private issued 16,800,000 shares of ordinary share (A shares) to specific investors, the par value in CNY 1 per share, and the offering price is CNY 75 per share, the funds raised amounting to CNY 1,260 million, deduct those sundry issuing charges amounting to CNY 32,500,549.73, the actual funds raised net amounting to CNY 1,227,499,450.27. The above funds have been reviewed by Reanda Certified Public Accountants Co., Ltd., and issued the Capital Verification Report (REANDA YAN ZI[2011]No.1065). After private issued, the share capital was increased to CNY 251.8 million.

According to the resolution of 2011 annual general meeting of stockholders, every 10 shares transferred to increase 10 shares by capital reserves

used the base of the 251.8 million shares on 31 December, 2011, the total amount of increase by transferring were 251.8 million shares and has been implemented in 2012. After increase by transferring the registered capital was increased to CNY 503.6 million.

Up to 31 December 2015, the accumulated total amount of issued capital was 503.6 million shares, see the note 6.24.

The company registered in Gujing town, Bozhou city, Anhui province.

As of the reporting date, cumulative number of shares of the Company was 503.6 million See Note 6.24 for details. The approved business scope of the Company: grain procurement (operation by license), manufacture of distilled spirits, beer, red wine, facilities for wine making, packaging materials, and glass bottles, alcohol, feeds, grease (limited to the by-products from alcohol manufacture), development of high-tech, biotechnology development agricultural and sideline products deep processing, sales of goods from own production.

The parent company of the group and ultimate parent company is the Anhui Gujing Group Co., Ltd.

The financial statement is approved by the resolution of board of directors on 25 April, 2016. According to the articles of association, the financial statements will be submitted to the shareholders meeting for consideration.

The combination scope includes total 11 subsidiaries in 2015, please see the note 8 “The equity in other main entities” for details. The combination scope increase 1 subsidiary than prior year and please see the note 7 “Changes of scope of consolidation financial statements” for details.

Note 2: Basis for preparation of the financial statements

The financial statements of company have been prepared on basis of going concern in conformity with Chinese Accounting Standards for Business Enterprises and the Accounting Systems for Business Enterprises issued by the Ministry of Finance of People's Republic of China (Ministry of Finance issued order No.33, the Ministry of Finance revised order No.76) on 15 February 2006, and revised Accounting Standards (order 41 of the Ministry of Finance) and Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reports (2014 Revision) issued by the China Securities Regulatory Commission (CSRC).

According to the relevant accounting regulations in Chinese Accounting Standards for Business Enterprises, the company has adopted the accrual basis of accounting. Except for certain financial instruments which are measured by at fair value, the Company adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Note 3: Statement of Compliance with Enterprise Accounting Standards

The financial statements of the company are recognized and measured in accordance with the regulations in the Chinese Accounting Standards for Business Enterprises and they give a true and fair view of the financial position, business result and cash flow of the Company as of 31 December 2015. In addition, the financial statements of the company comply, in all material respects, with the revised disclosing requirements for financial statements and the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15—General Provisions on Financial Reports (2014 Revision) issued by China Securities Regulatory Commission (CSRC) in 2014.

Note 4: Important Accounting Principles and Accounting Estimates

The company and subsidiaries are mainly engaged in liquor production and sales. The company formulates the specific accounting policies and accounting estimates for revenue recognition and other transactions and events in accordance with the actual business operation characteristics of

the company and subsidiaries, and provisions of the relevant accounting standard for business enterprises, please see the note 4.23 "Revenue" for details. The description of significant account judgment and estimates made by management please see the note 4.28 "Significant account judgment and estimates".

4.1 Accounting period

The accounting period of the Company is classified as interim period and annual period. Interim period refers to the reporting period shorter than a complete annual period. The accounting period of the Company is the calendar year from 1 January to 31 December.

4.2 Operating cycle

Normal business cycle is realized by the Company in cash or cash equivalents from the purchase of assets for processing until. The company has a 12 -month operating cycle, and its assets and liabilities as liquidity criteria for the classification.

4.3 Monetary Unit

Yuan (CNY) is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose CNY as their functional currency. The Company adopts CNY to prepare its functional statements.

4.4 Business combination

A business combination is a transaction or event that brings together two or more separate entities into one reporting entity. Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

4.4.1 Business combination involving entities under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

For a business combination involving enterprises under common control, the party that, on the combination date, obtains control of another enterprise participating in the combination is the absorbing party, while that other enterprise participating in the combination is a party being absorbed. Combination date is the date on which the absorbing party effectively obtains control of the party being absorbed.

The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to the capital premium (or share premium) in the capital reserve. If the balance of the capital premium (or share premium) is insufficient, any excess is adjusted to retained earnings.

The cost of a combination incurred by the absorbing party includes any costs directly attributable to the combination shall be recognized as an expense through profit or loss for the current period when incurred.

4.4.2 Business combination involving entities not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination.

For a business combination not involving enterprises under common control, the party that, on the acquisition date, obtains control of another enterprise participating in the combination is the acquirer, while that other enterprise participating in the combination is the acquiree. Acquisition

date is the date on which the acquirer effectively obtains control of the acquiree.

For a business combination not involving enterprise under common control, the combination cost including the sum of fair value, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services etc and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The transaction cost arose from issuing of equity securities or liability securities shall be initially recognized as equity securities or liability securities.

The contingent consideration related to the combination shall be booked as combination cost at the fair value at the acquisition date. If, within the 12 months after acquisition, additional information can prove the existence of related information at acquisition date and the contingent consideration need to be adjusted, goodwill can be adjusted.

Combination cost of the acquirer's interest and identifiable net assets of the acquirer acquired through the business combination shall be measured by the fair value at the acquisition date. Where the cost of 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, the difference shall be accounted for according to the following requirements: (i) the acquirer shall reassess the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination; (ii) if after that reassessment, the cost of combination is still less than the acquirer's interest in the fair values of the acquiree's identifiable net assets, the acquirer shall recognize the remaining difference immediately in profit or loss for the current period.

Where the temporary difference obtained by the acquirer was not recognized due to inconformity with the conditions applied for recognition of deferred income tax, if, within the 12 months after acquisition, additional information can prove the existence of related information at acquisition date and the expected economic benefits on the acquisition date arose from deductible temporary difference by the acquiree can be achieved, relevant income tax assets can be recognized, and goodwill offset. If the goodwill is not sufficient, the difference shall be recognized as profit of the current period.

Apart from above, the differences shall be taken into profit or loss of the current period if the recognition of deferred income tax assets is related to the combination.

For a business combination not involving enterprise under common control, which achieved in stages that involves multiple exchange transactions, according to "The notice of the Ministry of Finance on the issuance of Accounting Standards Interpretation No. 5" (CaiKuai [2012] No. 19) and Article 51 of "Accounting Standards for Business Enterprises No.33 - Consolidated Financial Statements" on the "package deal" criterion (see Note 4.5.2), to judge the multiple exchange transactions whether they are the "package deal". If it belong to the "package deal" in reference to the preceding paragraphs of this section and the Notes described in 4.13 "long-term investment" accounting treatment, if it does not belong to the "package deal" to distinguish the individual financial statements and the consolidated financial statements related to the accounting treatment:

In the individual financial statements, the total value of the book value of the acquiree's equity investment before the acquisition date and the cost of new investment at the acquisition date, as the initial cost of the investment, the acquiree's equity investment before the acquisition date involved in other comprehensive income, in the disposal of the investment will be in other comprehensive income associated with the use of infrastructure and the acquiree directly related to the disposal of assets or liabilities of the same accounting treatment (that is, except in accordance with the equity

method of accounting in the defined benefit plan acquiree is remeasured net changes in net assets or liabilities other than in the corresponding share of the lead, and the rest into the current investment income).

In the combination financial statements, the equity interest in the acquiree previously held before the acquisition date re-assessed at the fair value at the acquisition date, with any difference between its fair value and its carrying amount is recorded as investment income. The previously-held equity interest in the acquiree involved in other comprehensive income and other comprehensive income associated with the purchase of the foundation should be used party directly related to the disposal of assets or liabilities of the same accounting treatment (that is, except in accordance with the equity method of accounting in the acquiree is remeasured defined benefit plans other than changes in net liabilities or net assets due to a corresponding share of the rest of the acquisition date into current investment income).

4.5 Preparation of the consolidated financial statements

4.5.1 The scope of consolidation

The scope of consolidation for the consolidated financial statements is determined on the basis of control. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its operating activities. The scope of consolidation includes the Company and all of the subsidiaries. Subsidiary is an enterprise or entity under the control of the Company.

Once the change in the relevant facts and circumstances leading to the definition of the relevant elements involved in the control of the change, the company will be re-evaluated.

4.5.2 Preparation of the consolidated financial statements

The subsidiary of the Company is included in the consolidated financial statements from the date when the control over the net assets and business decisions of the subsidiary is effectively obtained, and excluded from the date when the control ceases.

For a subsidiary disposed of by the Company, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate. For a subsidiary disposed during the period, no adjustment is made to the opening balance of the consolidated financial statements.

For a subsidiary acquired through a business combination not under common control, the operating results and cash flows from the acquisition (the date when the control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriated; no adjustment is made to the opening balance and comparative figures in the consolidated financial statements.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements. The results of operations and cash flow are included in the consolidated balance sheet and the consolidated income statement, respectively, based on their carrying amounts, from the date that common control was established, and the opening balances and the comparative figures of the consolidated financial statements are restated.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Where a subsidiary was acquired during the reporting period through a business combination not under common control, the financial statements was reconciliated on the basis of the fair value of identifiable net assets at the date of acquisition. Intra-Group balances and transactions, and any unrealized profit or loss arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

Minority interest and the portion in the net profit or loss not attributable to the Company are presented separately in the consolidated balance sheet within shareholders'/ owners' equity and net profit. Net profit or loss attributable to minority shareholders in the subsidiaries is presented separately as minority interest in the consolidated income statement below the net profit line item.

When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders'/equity of the subsidiary, the excess is allocated against the minority interests.

When the Company loses control of a subsidiary due to the disposal of a portion of an equity investment or other reasons, the remaining equity investment is re-measured at its fair value at the date when control is lost. The difference between 1) the total amount of consideration received from the transaction that resulted in the loss of control and the fair value of the remaining equity investment and 2) the carrying amounts of the interest in the former subsidiary's net assets immediately before the loss of the control is recognized as investment income for the current period when control is lost. Other comprehensive income related to the former subsidiary's equity investment, using the foundation and the acquiree directly related to the disposal of the same assets or liabilities are accounted when the control is lost (ie, in addition to the former subsidiary is remeasured at the net defined benefit plan or changes in net assets and liabilities resulting from, the rest are transferred to the current investment income). The retained interest is subsequently measured according to the rules stipulated in the - "Chinese Accounting Standards for Business Enterprises No.2 - Long-term equity investment" or "Chinese Accounting Standards for Business Enterprises No.22 - Determination and measurement of financial instruments". See Note 4.13 Long-term equity investments and Note 4.9 Financial instruments for details.

Where loss of control over a subsidiary results from multiple transactions (agreements), assessment shall be made as to whether the multiple agreements shall be viewed as a whole as a single transaction. Multiple agreements giving rise to loss of control over a subsidiary is generally viewed as a whole as a single transaction if the terms, conditions and economic implications of the multiple agreements satisfy one or more of the following conditions: 1) the agreements are entered into simultaneously or taking into account the implication of each other; 2) the business objective cannot be achieved without successful completion of all the agreements; 3) the occurrence of one agreement is dependent on the result of at least another one agreement; and/or 4) any one single agreement is not recognised as economic and the agreements as a whole is economic. Where multiple agreements do not satisfy the conditions of being viewed as a single transaction, each agreement shall be treated and accounted for in accordance with the provisions of disposal of long-term equity investments not resulting loss of control (see Note 4.13.2.4) or loss of control due to disposal of shares or other events (see the previous paragraph). Where multiple agreements satisfy the conditions of being viewed as a single transaction, each agreement shall be treated and accounted for as a transaction which results in loss of control; differences between the consideration for disposals prior to loss of control and the net assets proportionate to the shares disposed prior to loss of control are recognised as other comprehensive income in the consolidated financial statements and transferred to profit or loss at the time of loss of control.

4.6 Joint arrangement

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture, depending of the rights and obligation of the Company in the joint arrangement. A joint operation is a joint arrangement whereby the Company has rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the Company has rights to the net assets of the arrangement.

The Company accounts for joint ventures using the equity method, see Note 4.13.2.2 for details.

The company, a joint operator, recognizes in relation to its interest in a joint operation:(a)its assets, including its share of any assets held jointly;(b)its liabilities, including its share of any liabilities incurred jointly;(c)its revenue from the sale of its share of the output arising from the joint operation;(d)its share of the revenue from the sale of the output by the joint operation; and (e)its expenses, including its share of any expenses incurred jointly.

When the Company enters into a transaction with a joint operation in which it is a joint operator, such as a sale or contribution of assets, the Company, prior to disposal of the assets to a third party by the joint operation, recognizes gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When there is evidence of a reduction in the net realizable value of the assets to be sold or contributed to the joint operation, or of an impairment loss of those assets which is in line with provision stipulated by CAS 8, those losses are recognized fully by the Company. When there is evidence of a reduction in the net realizable value of the assets to be purchased or of an impairment loss of those assets, the Company shall recognize its share of those losses.

4.7 Cash equivalent

Cash and cash equivalents of the Company include cash on hand, ready usable deposits and investments having short holding term (normally will be due within three months from the day of purchase), with strong liquidity and easy to be exchanged into certain amount of cash that can be measured reliably and have low risks of change.

4.8 Foreign exchange

4.8.1 Translation in foreign exchange transactions

Transactions denominated in foreign currencies are translated into the functional currency using the transaction-date spot exchange rates. Where a transaction is conducted purely for the purpose of exchange one currency into another currency, the exchange rate used to translate the foreign currency into the functional currency is the exchange rate that is actually used for the currency exchange.

4.8.2 Translation of monetary foreign currency and non-monetary foreign currency

At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate at the balance sheet date. All the exchange differences thus resulted are taken to profit or loss, except for ①those relating to foreign currency borrowings specifically for construction and acquisition of qualifying assets, which are capitalized in accordance with the principle of capitalization of borrowing costs, ②hedging accounting, the exchange difference related to hedging instruments for the purpose of net oversea operating investment is recorded in the comprehensive income till the date of disposal and recognized in profit or loss of the period; exchange difference from changes of other account balance of foreign currency monetary items, ③available-for-trade is recorded into profit or loss except for amortized cost.

Non-monetary foreign currency items measured at historical cost shall still be translated at the spot exchange rate prevailing on the transaction date, and the amount denominated in the functional currency is not changed. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rate prevailing at the date when the fair values are determined. The exchange difference thus resulted are recognized in profit or loss for the current period or as capital reserve.

4.9 Financial instruments

4.9.1 Determination of financial assets and liabilities' fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length

transaction. For a financial instrument which has an active market, the Company uses quoted price in the active market to establish its fair value. The quoted price in the active market refers to the price that can be regularly obtained from exchange market, agencies, industry associations, pricing authorities; it represents the fair market trading price in the actual transaction.

For a financial instrument which does not have an active market, the Company establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

The Company measures initially and subsequently the fair value of an interest rate swap at the value of a competitor's interest rate swap quoted by a recognised financial institution as at the Company's balance sheet date in accordance with the principle of consistency.

4.9.2 Classification, recognition and measurement of financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. On initial recognition, the Company's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, held-to maturity investments, loans and receivables and available-for-trade financial assets. A financial asset is recognized initially at fair value. In the case of financial assets at fair value through profit or loss, relevant transaction costs are immediately charged to the profit and loss of the current period; transaction costs relating to financial assets of other categories are included in the amount initially recognized.

4.9.2.1 Financial assets at fair value through profit or loss:

Including financial assets held-for-trade and financial assets designated at fair value through profit or loss.

Financial asset held-for-trade is the financial asset that meets one of the following conditions:

- A. the financial asset is acquired for the purpose of selling it in a short term;
- B. the financial asset is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits;
- C. the financial asset is a derivative, except for a derivative that is designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price from an active market) whose fair value cannot be reliably measured. For such kind of financial assets, fair values are adopted for subsequent measurement.

Financial asset is designated on initial recognition as at fair value through profit or loss only when it meets one of the following conditions:

- A. the designation eliminates or significantly reduces the inconsistency in the measurement or recognition of relevant gains or losses that would otherwise arise from measuring the financial instruments on different bases.
- B. a Group of financial instruments is managed and its performance is evaluated on a fair value basis, and is reported to the enterprise's key management personnels. Formal documentation regarding risk management or investment strategy has prepared.

Financial assets at fair value through profit or loss are subsequently measured at the fair value. Any gains or losses arising from changes in the fair value and any dividends or interest income earned on the financial assets are recognized in the profit or loss.

4.9.2.2 Investment held-to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Such kind of financial assets are subsequently measured at amortized cost using the effective

interest method. Gains or losses arising from derecognition, impairment or amortization are recognized in profit or loss for the current period.

Effective interest rate is the rate that exactly discounted estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company shall estimate future cash flow considering all contractual terms of the financial asset or financial liability without considering future credit losses, and also consider all fees paid or received between the parties to the contract giving rise to the financial asset and financial liability that are an integral part of the effective interest rate, transaction costs, and premiums or discounts, etc.

4.9.2.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed determinable payment that are not quoted in an active market. Financial assets classified as loans and receivables by the Company include note receivables, account receivables, interest receivable dividends receivable and other receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss.

4.9.2.4 Financial assets available-for-trade

Financial assets available-for-trade include non-derivative financial assets that are designated on initial recognition as available for trade, and financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivables or investment held-to-maturity.

Financial assets available-for-trade are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income and included in the capital reserve, except that impairment losses and exchange differences related to amortized cost of monetary financial assets denominated in foreign currencies are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss.

Interests obtained and dividends declared by the investee during the period in which the financial assets available-for-trade are held, are recognized in investment gains.

4.9.3 Impairment of financial assets

The Group assesses at the balance sheet date the carrying amount of every financial asset except for the financial assets that measured by the fair value. If there is objective evidence indicating a financial asset may be impaired, a provision is provided for the impairment.

4.9.3.1 Impairment on held-to maturity investment, loans and receivables

The financial assets measured by cost or amortized cost write down their carrying value by the estimated present value of future cash flow. The difference is recorded as impairment loss. If there is objective evidence to indicate the recovery of value of financial assets after impairment, and it is related with subsequent event after recognition of loss, the impairment loss recorded originally can be reversed. The carrying value of financial assets after impairment loss reversed shall not exceed the amortized cost of the financial assets without provisions of impairment loss on the reserving date.

4.9.3.2 Impairment loss on available-for-trade financial assets

Where the fair value of the equity instrument investment drops significantly or not contemporarily according to the integrated relevant factors, an available-for-trade financial asset is impaired.

When an available-for-trade financial asset is impaired, the cumulative loss arising from declining in fair value that had been recognized in capital reserve shall be removed and recognized in profit or loss. The amount of the cumulative loss that is removed shall be difference between the acquisition cost with deduction of recoverable amount less amortized cost, current fair value and any impairment loss on that financial asset previously recognized in profit or loss.

If, after an impairment loss has been recognized, there is objective evidence that the value of the financial asset is recovered, and it is objectively related to an event occurring after the impairment loss was recognized, the initial impairment loss can be reversed and the reserved impairment loss on available-for-trade equity instrument is recorded in the profit or loss, the reserved impairment loss on available-for-trade debt instrument is recorded in the current profit or loss.

The equity instrument where there is no quoted price in an active market, and whose fair value cannot be reliably measured, or impairment loss on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument shall not be reversed.

4.9.4 Recognition and measurement of financial assets transfer

The Group derecognizes a financial asset when one of the following conditions is met:

- a. the rights to receive cash flows from the asset have expired;
- b. the enterprise has transferred its rights to receive cash flows from the asset to a third party under a pass-through arrangement; or
- c. the enterprise has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the enterprise has neither retained all the risks and rewards from the financial asset nor control over the asset, the asset is recognized according to the extent it exists as financial asset, and correspondent liability is recognized. The extent of existence refers the level of risk by the financial asset changes the enterprise is facing.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, (a) the carrying amount of the financial asset transferred; and (b) the sum of the consideration received from the transfer and any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair value of those parts. The difference between (a) the carrying amount allocated to the part derecognized; and (b) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

4.9.5 Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, relevant transaction costs are immediately recognized in profit or loss for the current period, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

4.9.5.1 Financial liabilities measured by the fair value and the changes recorded in profit or loss

The classification by which financial liabilities held-for-trade and financial liabilities designed at the initial recognition to be measured by the fair

value follows the same criteria as the classification by which financial assets held-for-trade and financial assets designed at the initial recognition to be measured by the fair value and their changes are recorded in the current profit or loss.

For the financial liabilities measured by the fair value and changes recorded in the profit or loss, fair values are adopted for subsequent measurement. All the gains or losses on the change of fair value and the expenses on dividends or interests related to these financial liabilities are recognized in profit or loss for the current period.

4.9.5.2 Other financial liabilities

Derivative financial liabilities that linked with equity instruments, which do not have a quoted price in an active market and their fair value cannot be measured reliably, is subsequently measured by cost Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from derecognition or amortization is recognized in profit or loss for the current period.

4.9.6 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged or cancelled or has expired. An agreement between the Company (an existing borrower) and existing lender to replace original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new liability.

When the Company derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

4.9.7 Derivatives and embedded derivatives

Derivative financial instruments include derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are substantially re-measured at fair value. The gain or loss caused by the fair value change of the hedging instrument which the hedging is highly efficiency will be recorded into specific period in accordance with the hedging accounting according the hedging relationship. Except for the hedging above, the resulting gain and loss of other derivatives is recognized in profit or loss.

An embedded derivative is separated from the hybrid instrument, where the hybrid instrument is not designated as a financial asset or financial liability at fair value though profit or loss, and the treated as a standalone derivative if (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; and (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. If the Company is unable to measure the embedded derivative separately either at acquisition or at a subsequent balance sheet date, it designates the entire hybrid instrument as a financial asset or financial liability at fair value through profit or loss.

4.9.8 Offsetting financial assets and financial liabilities

When the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

4.9.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The consideration received from issuing equity instruments, net of transaction costs, are added to shareholders' equity. All types of distribution (excluding stock dividends) made by the Company to holders of equity instruments are deducted from shareholders' equity. The Company does not recognize any changes in the fair value of equity instruments.

4.10 Receivables

The receivables by the Company include account receivables, and other receivables.

4.10.1 Impairment of receivables

Receivables are assessed for impairment on balance sheet dates. An impairment allowance for receivables is recognised if any of the following is present upon assessment:

- a. significant financial difficulty of the issuer or obligor; or
- b. a breach of contract, such as a default or delinquency in interest or principal payments; or
- c. it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- d. other objective evidence indicating impairment.

4.10.2 Impairment allowance for receivables

4.10.2.1 Receivables of individual significance subject to individual assessment and the relevant impairment allowance

Individual receivables equal to or over CNY 2,000,000.00 are classified as receivables of individual significance.

Receivables of individual significance are individually assessed for impairment. Receivables of individual significance assessed as non-impaired upon individual assessment are incorporated into portfolios of financial assets of similar credit risk characteristics for assessment for impairment by portfolio. Receivables of individual significance assessed as impaired upon individual assessment are no longer subject to assessment for impairment by portfolio.

4.10.2.2 Portfolios of receivables of similar credit risk characteristics and the relevant impairment allowance

A. Classification of portfolios

Receivables of individual insignificance and non-impaired receivables of individual significance upon individual assessment are classified into portfolios of financial assets on the basis of similarity and relevance of credit risk characteristics. Credit risk characteristics represent the ability of the issuers or obligors to make payments in accordance with contracts and future cash flows of the relevant assets. Evidence of portfolios :

Portfolio	Criteria
Portfolio by age	Age of receivables
Related party portfolios	Entities within the scope of the consolidation.

B. Impairment allowance for portfolios

Impairment allowance for portfolios is measured with reference to portfolio structure, credit risk characteristics (the ability of the issuers or obligors to make payments in accordance with contracts) of each portfolio, historical experience, current market economic conditions, and recognised impairment in each portfolio.

Measurement method for impairment allowance for portfolios

Portfolio	Measurement method
Portfolio by age	Age analysis method
Related party portfolios	No allowance for bad debt

a. Impairment allowance measured by age analysis

Age group	Proportion to accounts receivable (%)	Proportion to other receivables (%)
Less than 1 year (inclusive, same applies to the following)		
Including: 1 to 6 months	1.00	1.00
7 to 12 months	5.00	5.00
1 to 2 years	10.00	10.00
2 to 3 years	50.00	50.00
Over 3 years	100.00	100.00

4.10.2.3 Receivables of individual insignificance subject to individual assessment

Receivables of individual insignificance are individually assessed for impairment if any of the following is present:

there is disagreement with the issuer or obligor; or are subject to litigation; or it is clearly evidential that the issuer or obligor is very likely not capable of fulfilling its commitments.

When a receivable of individual insignificance is impaired upon individual assessment for impairment, impairment loss is recognised as the excess of its carrying amount over the present value of its future cash flows and an impairment allowance of the same amount is recognised.

4.10.3 Reversal of impairment allowance for receivables

After the impairment is recognised, if events subsequent to the recognition of the impairment are objectively evidential that the impairment no longer exists, the impairment allowance and impairment loss are reversed; however, the reversal shall not cause the carrying amount of the receivable exceeds its carrying amount as at the reversal date as if no impairment allowance was recognised.

4.11 Inventories

4.11.1 Classification of inventory

The Company's inventory mainly includes raw materials, semi-finished product, work-in-progress and finished products.

4.11.2 Costing of inventories

Inventories are initially carried at the actual cost. Cost of inventories includes purchase cost, conversion cost and other cost. Cost of issue is measured using the weighted average method.

4.11.3 Determination of net realisable value of inventories and impairment allowance for inventories

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purpose of holding inventories and effect of post balance sheet events.

At the balance sheet date, inventories are measured at the lower of the cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. The provision for inventories decline in value is determined normally by the difference of the cost of individual item less its realizable value. For large quantity and low value items of inventories,

provision for decline in value is made based on categories of inventories. For items of inventories relating to a product line that are produced and marketed in the same geographical area, have the same or similar end users or purposes, and cannot be practicably evaluated separately from other items in that product line provision for decline in value is determined on an aggregate basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

4.11.4 Physical inventories are managed by the perpetual inventory taking system.

4.11.5 Amortisation of low value consumables and packaging materials

Low value consumables and packaging materials are fully amortised at the time of issuance.

4.12 Held-for-sale assets

A non-current asset is classified as held-for-sale if all of the following conditions are satisfied:

- a. the asset is immediately sellable at its current condition per usual sales term applicable to the type of assets to which it belongs;
- b. the Company's has completed official decision to dispose the asset;
- c. the Company has entered into irrevokable sales contract with the purchaser; and
- d. the sales will be completed within one year.

Amortisation or depreciation of the held-for-sale asset ceases at the time of classification. The asset is measured at the lower of its book value and its classification date fair value minus disposal costs upon classification. Held-for-sale non-current assets include individual assets and disposal groups. If a disposal group satisfy the conditions of the asset group defined by CAS 8 - Asset Impairment and includes goodwill arising from business combination allocated in accordance with CAS 8 or the disposal group is an operation with an asset group, the disposal group include goodwill arising from business combination.

Individual non-current assets held for sale and assets of disposal groups held for sale are collectively presented on the (consolidated) statement of financial position as a line item of current assets. Liabilities of disposal groups held for sale are collectively presented on the (consolidated) statement of financial position as a line item of current liabilities.

A held-for-sale asset or held-for-sale disposal group is reclassified from held-for-sale when the conditions for classification of the asset (disposal group) as held-for-sale are no longer satisfied and is measured at the lower of its classification date book value minus cumulative depreciation, amortisation and impairment as if it has not been reclassified as held-for-sale and it recoverable amount as of the date on which the conditions for classification of the asset (disposal group) as held-for-sale are no longer satisfied.

4.13 Long-term equity investments

Long-term equity investments in this section refers to the long-term investment through which the Company has control, joint control, or material influence on the investee. Long-term equity investments through which the Company does not have control, joint control or material influence on the investee shall be recognised as available-for-sale financial assets or financial assets measured by fair value with changes in fair value recognised in profit or loss. See Note 4.9 for details.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

4.13.1 Determination of Investment cost

Long-term equity investment acquired through business combination under common control are measured at the acquirer's share of the combination date book value of the acquiree's net equity in the ultimate controller's consolidated financial statements. The difference between the initial cost and cash paid, non-monetary assets transferred and liabilities assumed by is adjusted to capital reserves, and to retained earnings if

capital reserves are insufficient. If the consideration is paid by issuing equity instruments, the initial cost is measured at the acquirer's share of the combination date book value of the acquiree's net equity in the ultimate controller's consolidated financial statements, with the face value of the equity instruments issued recognised as share capital and the difference between the initial cost and the face value of the equity instruments issued adjusted to capital reserves, and to retained earnings if capital reserves is insufficient. For business combination involving entities under common control achieved through multiple transactions (acquisition in stages), the multiple agreements are assessed to determine whether they should be viewed as a lump-sum purchase. Where multiple agreements of an acquisition in stages are viewed as a lump-sum purchase, the transactions are viewed as one transaction that acquire the control power. Where multiple agreements of an acquisition fail the conditions of a lump-sum purchase, long-term equity investment acquired through business combination under common control are measured at the acquirer's share of the combination date book value of the acquiree's net equity in the ultimate controller's consolidated financial statements. The difference between the initial cost, and the book value of the long-term equity investment before combination date and considerations paid to acquire new shares on the combination date, is adjusted to capital reserves, and to retained earnings if capital reserves are insufficient.

Long-term equity investment acquired through business combination not under common control is measured at combination cost on the combination date. The combination cost includes assets contributed by the purchaser, liabilities incurred or assumed by, and fair value of the equity instruments issued by the acquirer. For business combination involving entities not under common control achieved through multiple transactions (acquisition in stages), the multiple agreements are assessed to determine whether they should be viewed as a lump-sum purchase. Where multiple agreements of an acquisition in stages are viewed as a lump-sum purchase, the transactions are viewed as one transaction that acquire the control power. Where multiple agreements of an acquisition fail the conditions of a lump-sum purchase, long-term equity investment acquired through business combination not under common control are measured at the sum of the original book value of the equity investment on the investee and the new investment cost, which is regarded as the new initial cost of the long-term investment when transferred to cost method. If the original equity is measured by equity method, not accounting treatment is applied to relevant other comprehensive income temporarily.

Audit, legal services, valuation, and other directly associated administrative expenses incurred by the acquirer are recognised in profit or loss on the transaction dates.

Long-term equity investments acquired not through business combination are measured at cost on initial recognition. Depending on the way of acquisition, the cost of acquisition can be the total cash paid, the fair value of equity instrument issued, the contract price, the fair value or book value of the assets given away in the case of non-monetary asset exchange, or the fair value of the relevant long-term equity investments. The cost of acquisition of a long-term equity investment acquired not through business combination also includes all directly associated expenses, applicable taxes and fees, and other necessary expenses. When the Company increase investment to have material influence or joint control, but not control over the investee, long-term investments are measured at the sum of fair value of initial equity investment and cost of new investment as defined in CAS22-Recognition and Measurement of Financial Assets.

4.13.2 Subsequent measurement and recognition and measurement of gain or loss

Where a long-term equity investment gives the Company either joint control or significant influence over the respective investee, the investment is subsequently measured using the equity method.

Where a long-term equity investment gives the Company control over the respective investee, the investment is subsequently measured at cost.

4.13.2.1 Long-term equity investments measured at cost

A long-term equity investment is measured at cost of investment, excluding declared cash dividends or profit pending distribution included in the consideration paid. Investment income for the relevant period from a long-term equity investment measured at cost is recognised as the Company's share of the cash dividends or profit declared for distribution by the investee.

4.13.2.2 Long-term equity investments measured using the equity method

When the cost of a long-term equity investment measured using the equity method on initial recognition exceeds the Company's share of the fair value of the respective investee's net identifiable assets, no adjustment is made to the cost of the investment for the excess. When the Company's share of the fair value of an investee's net identifiable assets exceeds the cost of the respective long-term equity investment measured using the equity method on initial recognition, adjustment is made to the cost of the investment for the difference and the difference is carried to profit or loss for the period during which the investment is recognised.

Investment income or loss and other comprehensive income for the relevant period from a long-term equity investment measured using the equity method is measured at the Company's share of the net profit or loss and other comprehensive income of the respective investee for the relevant period, and the book value of long-term equity investments is adjusted accordingly. If the investee declares profit distribution or cash dividends, long-term equity investments are reduced by the Company's share of declared profit distribution or cash dividends in the investee. Long-term equity investments will be adjusted and capital reserves are recognised with variations other than net profit or loss, other comprehensive income, and profit distribution. When computing the Company's share of the net profit or loss of the investee for the relevant period, net profit or loss of the investee for the relevant period is adjusted, if necessary, for the fair value of the investee's identifiable assets and identifiable liabilities on acquisition and the Company's accounting policies and accounting period. Investment income and other comprehensive income is recognised accordingly. The computation of the Company's share of the net profit or loss of the investee for the relevant period also eliminates unrealised profit and loss arising from transactions between the Company and the investee (a joint venture or associate, whichever is applicable) and contributing or selling assets to the investee which forms an operation, to the extent of the Company's share calculated by the Company's shareholding in the investee for the relevant period, except for the unrealised loss resulted from impairment of transferred assets. When contributing assets to the joint venture or associate by the Company forms an operation and the investor acquires the long-term equity investment without control, long-term equity investments are measured at fair value of the contributed operations, with the difference between initial investment cost and book value of the contributed operation fully recognised in profit or loss for the period. When selling assets to the joint venture or associate by the Company forms an operation, the difference between considerations received and book value of the operation is fully recognised in profit and loss for the period. When purchasing assets from the joint venture or associate by the Company belongs to an operation, income and losses are fully recognised as specified in CAS20-Business Combination.

When the Company's share of an investee's net loss exceeds the sum of the carrying amount of the respective long-term equity investment measured using the equity method and other investments in the investee, the carrying amount of the long-term equity investment and other investments in the investee is reduced to zero. If the Company is obliged to share loss of the investee after its long-term equity investment and other investments have been reduced to zero, an investment loss and provision is recognised to the extent of the estimated obligation. If the investee reports profit in subsequent periods, the Company only recognises its share of profit after its share of profit equals the share of loss not recognised.

For long-term equity investments in associates and joint ventures which had been held by the Company before its first time adoption of new accounting standards, where the initial investment cost of a long-term equity investment exceeds the Company's share in the investee's net assets at the time of acquisition, the excess is amortised and is recognised in profit or loss on a straight line basis over the original remaining life.

4.13.2.3 Acquisition of minority interests

If minority interests in an investee is acquired by the Company, during the Company's preparation of the consolidated financial statements, the difference between the Company's cumulative share of the investees net assets calculated on the basis of the new shareholding in the investee from the acquisition date (or combination date) and the Company's investment in the investee following the minority interest acquisition is adjusted to capital reserves, and to retained earnings if capital reserves is insufficient.

4.13.2.4 Disposal of long-term equity investments

On the consolidated financial statements, when partly disposal of a long-term equity investment in a subsidiary which does not cause loss of control over the subsidiary, the difference between the consideration for disposal and the net identifiable asset given away proportionate to the disposed shares in the subsidiary is recognised in equity; partly disposal of a long-term equity investment in a subsidiary which cause loss of control over the subsidiary is accounted for in accordance with Note 4.5.2.

The difference between the consideration for disposal of long-term equity investments and the carrying amount of the long-term equity investments disposed is recognised in profit or loss for the period during which the investments are disposed.

When a long-term equity investment measured using the equity method is disposed and the residual equity after disposal is still measured using equity method, the respective cumulative other comprehensive income recognised in equity proportionate to the disposed investment shall adopt the same accounting treatment as the investee disposes relevant assets or liabilities directly. Movement in investee's equity other than changes in net profit or loss, other comprehensive income, and profit distribution is recognised in profit or loss proportionally.

When a long-term equity investment measured using the cost method is disposed and the residual equity after disposal is still measured using cost method, other comprehensive income, which is recognised by equity method or recognition and measurement applicable to financial instruments prior to the Company's acquisition of control over the investee, shall adopt the same accounting treatment as the the investee disposes relevant assets or liabilities directly on the date of loss of control, and profit or loss is recognised proportionally. Movement in investee's equity other than changes in net profit or loss, other comprehensive income, and profit distribution is recognised in profit or loss proportionally.

Where the Company's control over an investee is lost due to partial disposal of investment in the investee and the Company continues to have significant influence over the investee after the partial disposal, the investment is measured by equity method in the Company's separate financial statements; where the Company's control over an investee is lost due to partial disposal of investment in the investee and the Company ceases to have significant influence over the investee after the partial disposal, the investment is measured in accordance with the recognition and measurement principles applicable to financial instruments in the Company's separate financial statements and the difference between the fair value and book value of the remaining investment at the date of loss of control is recognised in profit or loss. Cumulative other comprehensive income relevant to the investment, which is recognised by equity method or recognition and measurement principles applicable to financial instruments prior to the Company's acquisition of control over the investee, shall adopt the same accounting treatment as the the investee disposes relevant assets or liabilities directly on the date of loss of control, The investee's equity movement other than changes in net profit or loss, other

comprehensive income and profit distribution, as a result of accounting by equity method, is recognised in profit or loss when control is lost. Where the remaining investment is measured by equity method, the fore-mentioned other comprehensive income and other equity movement are recognised in profit or loss proportionate to the disposal; Where the remaining investment is measured in accordance with the recognition and measurement principles applicable to financial instruments, the fore-mentioned other comprehensive income and other equity movement are fully recognised in profit or loss.

Where the Company's joint control or significant influence over an investee is lost due to partial disposal of investment in the investee, the remaining investment in the investee is measured in accordance with the recognition and measurement principles applicable to financial instruments, the difference between the fair value and the book value of the remaining investment at the date of loss of joint control or significant influence is recognised in profit or loss. Cumulative other comprehensive income relevant to the investment, which is recognised by equity method or recognition and measurement principles applicable to financial instruments prior to the Company's acquisition of control over the investee, shall adopt the same accounting treatment as the the investee disposes relevant assets or liabilities directly on the date of loss of control, The investee's equity movement other than changes in net profit or loss, other comprehensive income and profit distribution, as a result of accounting by equity method, is recognised in profit or loss when control is lost.

Where the Company's control over an investee is lost through multiple disposals and the multiple disposals can be viewed as a lum-sum transaction, the multiple disposals is accounted for one single transaction which results in the Company's loss of control over the investee. Difference between the consideration received and the book value of the investment disposed at each time of disposal is recognised in other comprehensive income and reclassified in full to profit or loss at the period when control over the investee is lost.

4.14 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. Investment property is initially measured at cost. Subsequent expenditures related to an investment real estate are likely to flow about the economic benefits of the asset and its cost can be measured reliably, is included in the cost of investment real estate. Other subsequent expenditure in the profit or loss when it incurred.

The Group uses the cost model for subsequent measurement of investment property, and in accordance with the depreciation or amortization of buildings or land use rights policy.

Investment property impairment test method and impairment accrual method described in Note 20 "Non-current and non-financial assets impairment".

Occupied real estate for investment property or investment property is transferred to owner-occupied real estate or stock conversion as the recorded value after the conversion, according to the book value before the conversion.

Investment property change into the Owner-occupied real estate, since the change of date for the investment property is transferred to fixed assets or intangible assets. Change the owner-occupied property held to earn rentals or for capital appreciation, since the change of date, the fixed assets or intangible assets to investment property. Conversion occurs when converted to investment property using the cost model, as the book value before the conversion of the recorded value after the conversion; converted to investment property measured at fair value model, the fair value of the conversion date as the recorded value after conversion.

Derecognised when the investment property is disposed of or permanently withdrawn from use and the expected economic benefits can not be obtained from the disposal of investment property. Proceeds on disposal of investment property is sold, transferred, retired or damaged through profit or loss after deducting the book value and related taxes.

4.15 Fixed assets

4.15.1 Definition

Fixed assets refers to the tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management and their useful life is in excess of one fiscal year.

4.15.2 Depreciation of fixed assets

Fixed assets are stated at cost and consider the impact of expected costs of abandoning the initial measurement. From the following month of state of intended use, depreciation method of the straight-line method is used for different categories of fixed assets to take depreciation. The recognition of the classification, useful life and estimated residual rate are as follows:

Category	Expected useful life	Estimated residual value (%)	Depreciation (%)
Houses and building	8.00-35.00	3.00-5.00	2.70-12.10
Machineries	8.00-10.00	3.00-5.00	9.50-12.10
Vehicles	4.00	3.00	24.25
Administrative equipment and others	3.00	3.00	32.33

Expected net residual value of fixed assets is the balance of the Company currently obtained from the disposal of the asset less the estimated costs of disposal amount, assuming the asset is out of useful life and state the expected service life in the end.

4.15.3 Assessment for impairment and impairment allowance

Impairment and provisions of fixed assets are disclosed on Note 4.20 Impairment of non-current and non-financial assets.

4.15.4 Recognition and measurement of fixed assets held under financial lease

A finance lease is a lease that transfers in substance all the risks and rewards incident to ownership of an asset. Title may or may not eventually be transferred.

Fixed assets that are held under finance leases shall be depreciated by applying the same policy as that for the fixed assets owned by the Company. If it can be reasonably determined that the ownership of the leased assets can be obtained at the end of the lease period, the leased assets are depreciated over their useful lives; otherwise, the leased assets are depreciated over the shorter of the lease terms and the useful lives of the leased assets.

4.15.5 Other relevant information

A fixed asset is recognized only when the economic benefits associated with the asset will probably flow to the Company and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meet the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognized. Otherwise, such expenditure shall be recognized in profit or loss in the period in which they are incurred.

The revenue from selling or transferring, or disposing a fixed asset is booked into profit and loss after deduction of carrying value and related tax.

The Company conducts a review of useful life, expected net realizable value and depreciation methods of the fixed asset at least on an annual base. Any change is regarded as change in accounting estimates.

4.16 Construction in progress

The cost of construction in progress is measured at the actual expenditure incurred, including construction expenditure and capitalisation of

borrowing costs and other applicable costs incurred prior to the completion. An item of construction in progress is reclassified to fixed asset upon completion.

See Note 4.20 for details of assessment for impairment of construction in progress and impairment allowance for construction in progress.

4.17 Borrowing costs

Borrowing costs include interests on loans, amortisation of discount or premium, ancillary expenses, and foreign exchange difference on loans denominated in foreign currencies. Borrowing costs directly associated with the acquisition of construction of a qualifying asset are eligible for capitalisation. Capitalisation starts when expenditure on the qualifying asset is incurred, borrowing costs are incurred, or production or construction of the qualifying asset for its intended use or sales is started, whichever is later. Capitalisation stops when the qualifying assets reach the condition of its intended use or sales. All other borrowing costs are recognised in profit or loss for the period during which they are incurred.

When a loan is taken out specifically for the construction of a particular qualifying asset, the interest expense capitalised for a particular period is the residual amount after deducting interest income from unused facilities for the period and/or income from temporary investment of the unused facilities for the period from the interest expense incurred for the period. Borrowing costs on general purpose financing is calculated by multiplying the weighted average of the excess of cumulative capital expenditure over the designated financing facilities with the capitalisation rate of general purpose financing. Capitalisation rate of general purpose financing is calculated as the weighted average of the interest rates of general purpose financing.

Foreign exchange difference on designated financing denominated in foreign currencies incurred during the capitalisation period is wholly capitalised. Foreign exchange difference on general purpose financing denominated in foreign currencies is recognised in profit or loss for the period during which it is incurred.

A qualifying asset is an item of fixed assets, investment property, inventories, etc. which requires substantial period of time for the construction or production for its intended use of sales.

If the construction or production of a qualifying asset stops for a period longer than three months, capitalisation of borrowing costs is suspended until the construction or production is resumed.

4.18 Intangible assets

4.18.1 Intangible asset

An intangible asset is an identifiable non-monetary asset without a physical form which is owned or control by the Company.

Intangible assets are measured at cost on initial recognition. If it is probable that economic benefits associated with expenditure directly associated with an item of intangible assets will flow to the Company and the cost of the expenditure can be reliably measured, the expenditure is measured as part of the intangible asset's initial cost; all other expenditure is recognised in profit or loss for the period during which it is incurred.

Land use rights acquired are generally recognised as intangible assets. In the case of self-constructed building, the costs of acquiring the respective land use right(s) and the costs of building construction are separately recognised and measured as intangible assets and fixed assets respectively. In the case of purchased building, the costs of acquisition are allocated to land use right(s) and building; if the reasonable allocation is impossible, the costs of acquisition as a whole are recognised and measured as fixed assets.

For an item of intangible assets which is with a finite useful life, the residual amount after deducting its estimated residual value and previously recognised impairment from its cost is amortised over its estimated remaining useful life using the straight-line method starting from the month in which it reaches the conditions of its intended use of sales. Intangible assets with infinite useful life are not amortised.

Useful lives of intangible assets are review on each balance-sheet date. If circumstances indicate that there is a change in the useful life of an item of intangible assets with a finite useful life, a change in accounting estimates is carried out. If circumstances indicate that the useful life of an item of intangible assets with infinite useful life becomes finite, the useful life of the intangible asset is estimated and the intangible asset is amortised accordingly.

4.18.2 Research and development expenditure

A research and development project is divided into research stage and development stage.

Expenditure incurred during the research stage is recognised in profit or loss for the period during which it is incurred.

Expenditure incurred during the development stage is recognised as intangible assets if all of the following conditions are satisfied:

- a. it is technically feasible to complete the intangible asset so that it can be used or sold; and
- b. the Company has clear intention to complete the intangible asset and to use it or sell it; and
- c. it is evidential that the intangible asset will generate economic benefits either by selling the intangible asset itself or the goods produced by the intangible asset or by using it internally; and
- d. there are sufficient technical, financial and other resources to complete the intangible asset and the Company is able to use it or sell it, and
- e. expenditure incurred in the development stage of the intangible asset can be reliably measured.

Where a research and development project cannot be separated into the research stage and development stage, all expenditure incurred for the project is recognised in profit or loss for the period during which it is incurred.

4.18.3 Assessment for impairment and impairment allowance

See Note 4.20 for details of assessment for impairment of intangible assets and impairment allowance for intangible assets.

4.19 Deferred charges

An item of deferred charges is an expense incurred which brings economic benefits to the Company for a period exceeding one year starting from transaction date. An item of deferred charges is amortised over its estimated useful life using the straight-line method.

4.20 Impairment of non-current assets

Non-current non-monetary assets, such as fixed assets, construction in progress, intangible assets with finite useful life, investment property measured by cost, and long-term equity investments in subsidiaries, joint ventures and associates, are assessed for impairment on each balance-sheet date. If circumstances on a balance-sheet date indicate that a non-current non-monetary asset is impaired, the recoverable amount of the asset is estimated. The recoverable amounts of goodwill, intangible assets with infinite useful live and intangible assets which have not yet reached the conditions of their intended use or sales are estimated at least once a year regardless of whether there is indication of impairment.

If the carrying amount of a non-current non-monetary asset exceeds its estimated recoverable amount, the excess of the carrying amount over the estimated recoverable amount is recognised as impairment allowance and an impairment loss of the same amount is recognised. The estimated recoverable amount of an asset is the higher of the residual amount after deducting disposal expense of the asset from its fair value and the present value of its future cash flows. Where there is a sales contract for an asset and the contract is entered into for an arm's length transaction, the fair value of the asset is the contract price; where there isn't a sales contract for an asset but there is an active market for it, the fair value of the asset is price offered by the buyer; where there is neither a sales contract nor an active market for an asset, the fair value of the asset is best estimate based on all available information. The disposal cost of an asset includes legal expenses, applicable taxes and fees and transportation costs directly associated with the asset's disposal and all direct costs necessary to bring the asset to its sellable condition. The present value of an asset's future cash flows is calculated by multiplying the cash flows arising from continual use of the asset and its disposal by an appropriate discount rate. Impairment allowance is generally calculated on the basis of individual assets. If it is not possible to estimate the recoverable amount of a individual asset, the recoverable amount of a cash-generating unit to which the asset belongs is estimated. A cash-generating unit is the smallest combination of assets that is capable of cash flow generation.

Goodwill separately presented on the (consolidated) financial statements is allocated to cash-generating units or groups of units that are expected to benefit from the synergy of business combination for impairment testing. Where the recoverable amount a cash-generating unit (or group of units) is lower than its carrying amount, an impairment loss is recognised. The impairment loss is firstly allocated to the goodwill allocated to the unit (or group of units) and then to individual assets pro rata on the basis of the carrying amount of each asset in the unit (or group of unites)

Impairment loss recognised in accordance with this section is irreversible in subsequent periods.

4.21 Employee Benefits

The employee benefits of the company include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits:

Short-term employee benefits includes wages, bonuses, allowances and subsidies, welfare, health insurance , maternity insurance, work injury

insurance, housing funds, labor union funds, employee education funds, non-monetary benefits and etc. Short-term employee benefits are recognised as liabilities and profit or loss account or the costs associated with the asset during the accounting period when employees actually provide services. The non-monetary benefits are measured at fair value.

Post-employment benefits include defined contribution plans and defined benefit plans. Defined contribution plan which includes the basic pension, unemployment insurance and annuities shall be recognised as cost of related assets or profit or loss.

When the Company terminates the labor relationship with employees prior to the employment contracts, or encourages employees to accept voluntary redundancy compensation proposals in this company, a provision shall be recognised for the compensation arising from the termination of employment relationship with employees at the time when the Company can not unilaterally withdraw layoff proposal termination benefits provided due to termination of employment, or the company ensures the costs related to the payment for termination benefits related to the restructuring, which one is early to confirm employee benefits liabilities, and recorded as profit or loss. However, if termination benefits can not be fully paid after twelve months of the reporting date, the liability shall be processed in accordance with other long-term employee benefits.

Retirement plan adopts the same principles as the termination benefits. The salaries and insurance to be paid from the date when employees stop providing services to the date of normal retirement shall be recognised in profit or loss (termination benefits) when satisfying the requirements of a provision.

Other long-term employee benefits provided by the company to employees that is in line with defined contribution plans shall adopt the accounting treatment in accordance with defined contribution plans, otherwise the accounting treatment of defined benefit plans.

4.22 Provisions

A contingent liability is recognised as provision if all or the following conditions are satisfied:

- a. it is a present obligation assumed by the Company; and
- b. it is probable that the fulfillment of the obligation will cause economic benefit flows from the Company; and
- c. the amount of the obligation can be reliably measured.

A provision is measured on a balance-sheet date as the best estimate of the amount that is required for the fulfillment of the present obligation after taking into account of the risks and uncertainty associated with the respective contingent events and the time value of money.

If the amount required for settlement of a provision is wholly or partly reimbursed by a third party, the reimbursement is recognised separately as an asset to the extent of the carrying amount of the provision if it is probable that the reimbursement becomes receivable.

4.23 Revenue

4.23.1 Revenue from sales of goods

Revenue arising from sales of goods are recognised if all of the following conditions are satisfied: significant risks and rewards attached to the ownership of the goods have been transferred to the buyer; and the Company neither retains continual involvement with management generally associated with the ownership of the goods nor exercise effective control over the goods sold; and the amount of revenue can be reliably measured; and it is probable that economic benefits arising from the sales will flow to the Company; and expenses incurred or to be incurred associated with the goods sold can be reliably measured.

Revenue arising from domestic sales of goods is recognized when goods are dispatched and delivered to the buyer, when significant risks and rewards attached to the ownership of the goods sold are passed to the buyer, when neither continual involvement in the rights normally associated with the ownership of the goods sold nor effective control over the goods controls are retained, when revenue arising from the goods sold is reliably measurable, when inflow of future economic benefits is probable, and when cost incurred or to be incurred associated with the goods sold is reliably measurable. Revenue arising from non-domestic sales of goods is recognized when goods are loaded on board and when the export clearance with the custom is completed.

4.23.2 Revenue from rendering of services

When the outcome of service rendered can be reliably estimated, revenue arising from rendering of the service is recognised based on percentage of completion on the respective balance-sheet date. The percentage of completion of service rendered is determined by the proportion that costs incurred to date bear to the estimated total costs.

The outcome of service rendered can be reliably estimated if all of the following conditions are satisfied: a. the amount of revenue can be reliably measured; b. it is probable that associated economic benefits will flow to the Company; c. the percentage of completion of service rendered can be reliably measured; and d. costs incurred to date and to be incurred can be reliably measured.

When the outcome of service rendered cannot be reliably estimated, revenue is recognised to the extent that costs incurred to date and to be incurred are expected to be reimbursed and costs incurred to date are recognised in profit or loss for the periods during which they are incurred. When costs incurred are not expected to be reimbursed, no revenue is recognised.

If a contract entered into by the Company and a counter party involves both sales of goods and rendering of services and revenue arising from goods sold and services rendered can be distinguished, revenue from sales of goods and rendering of services are separately accounted for; if, however, revenue arising from goods sold and services rendered cannot be distinguished or can be distinguished but cannot be separately measured, all revenue is accounted for as revenue arising from sales of goods.

4.23.3 Royalty income

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

4.23.4 Interest income

Interest income is determined by the length of time over which the Company's finance resources are used by other parties using the effective interest rate method.

4.24 Government Grants

A government grant is a transfer of monetary and non-monetary assets from the government to the Company for no consideration, excluding resources transferred to the Company by the government in the capacity of shareholder. Government grants include grants related to assets and grants related to income.

Government grants obtained by the Company which are relevant to construction or acquisition of long-term assets are classified as asset-related government grants; all other government grants are classified as revenue-related government grants. For government grants without specified beneficiary, the Company performs classification in accordance with the following criteria.

- a. Where a grant is obtained for a specified project, the grant is spitted into asset-related and revenue related portions proportionate to the project's investment to expense ratio; the classification is reviewed on each balance sheet date and revised if necessary.
- b. Where a grant is obtained for general purpose, the grant as a whole is classified as a revenue-related government grant.

If a government grant is in the form of monetary assets, it is measured at the amount received or receivable. If a government grant is in the form of non-monetary assets, it is measured by fair value of the assets; if the fair value of the assets granted cannot be reliably measured, the grant is measured by nominal value of the assets and is recognised immediately in profit or loss for the relevant period.

In general, the Company recognises a government grant when it is actually received and measures at the amount actually received. However, a government grant may be recognised as receivable if it is objectively evidential on the reporting date that conditions for the grant receipt are satisfied and that the grant is receivable. A government grant is recognised as receivable if all following conditions are satisfied:

- a. the amount of the grant is expressly stipulated in official publication by the authorised governmental agency or can be reasonably estimated in accordance with fiscal pronouncement issued by the authorised governmental agency and the estimate is not subject to significant uncertainty;
- b. the grant is officially disclosed as part of publicly disclosed fiscal subsidised projects by the local fiscal government bodies in accordance with the Government Information Disclosure Directives and is managed in accordance with the fiscal plan published and the management of the grant if not entity specific, ie. every eligible entity is entitled to apply;

- c. the term for payment is expressly stipulated in the official pronouncement and the payment is backed by fiscal planning so that it is reasonable to expect receipt within the term of the payment; and
- d. other conditions (in applicable) need to be satisfied taking into account the Company's circumstances.

Grants related to assets are recognised as deferred income and amortised over the useful life of the relevant assets using the straight-line method. A grant related to income is recognised as deferred income if it is related to expenses or loss to be incurred in the future and is carried to profit or loss for the period during which the relevant expenses or loss are recognised; it is recognised in profit or loss for the period during which it is received or becomes receivable if it is related to expenses or loss already incurred.

Where a recognised grant becomes repayable, the amount repayable is firstly charged to the remaining deferred income (if any); the remaining amount after charge to deferred income is recognised in profit or loss for the period during which it becomes repayable.

4.25 Deferred tax assets and deferred tax liabilities

4.25.1 Current income tax

The current income tax liability (asset) on a balance-sheet date is measured at the amount of current income tax payable (receivable) computed in accordance with the relevant tax law. Current income tax expense is computed on the basis of taxable profit (loss) which is the amount after the adjustment of the relevant accounting profit (loss) in accordance with the relevant tax law.

4.25.2 Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are recognised on an accrual basis for the temporary difference between the carrying amounts of assets and liabilities and their tax bases and the temporary difference arising from difference in recognition criteria for assets and liabilities between CAS and relevant tax provisions.

No deferred tax liability is recognised for the taxable temporary difference arising from the initial recognition of goodwill and the initial recognition of assets and liabilities acquired or assumed resulting from transactions which are not business combination and which do not have impact on both accounting profit and taxable profit (deductible tax loss) at the time of their occurrence. Similarly, deferred tax liability is not recognised for taxable temporary difference associated with investments in subsidiaries, associates and joint ventures if the Company can control the reverse of the temporary difference and it is probable that the temporary difference is not expected to reverse in the foreseeable future. Except for the circumstances described hereabove, deferred tax liability is recognised for all other taxable temporary difference.

No deferred tax asset is recognised for the deductible temporary difference arising from the initial recognition of assets and liabilities acquired or assumed resulting from transactions which are not business combination and which do not have impact on both accounting profit and taxable profit (deductible tax loss) at the time of their occurrence. Similarly, deferred tax asset is not recognised for deductible temporary difference associated with investments in subsidiaries, associates and joint ventures if the Company can control the reverse of the temporary difference and it is probable that the temporary difference is not expected to reverse in the foreseeable future. Except for the circumstances described hereabove, deferred tax asset is recognised for all other deductible temporary difference to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for deductible tax loss and tax credit carrying forward to the extent that it is probable that taxable profit will be available against which the deductible tax loss and tax credit carrying forward can be utilised.

Deferred tax assets and deferred tax liabilities are measured on a balance-sheet date on the basis of tax rates expected to be applicable in accordance with relevant tax law at the time when the relevant assets are recovered or relevant liabilities settled.

The carrying amount of deferred tax assets is reviewed on each balance-sheet date. If it is probable that insufficient taxable profit is available to utilise the deferred tax assets, the carrying amount of deferred tax assets is reduced. When it is probable that sufficient taxable profit becomes available after the carrying amount of deferred tax assets has been reduced, the reduction is reversed.

4.25.3 Income tax expenses

Income tax expenses include current income tax expenses and deferred income tax expenses.

All current income tax expenses (credit) and deferred income tax expenses (gains) are recognised in profit or loss for the relevant period except for a. current income tax and deferred income tax on transactions and events which are accounted for in other comprehensive income or directly in equity, which are included in other comprehensive income or directly recognised in equity depending on the treatment of its underlying transactions and events, and b. deferred income tax arising from business combination, which is accounted for as an adjustment to the carrying amount of the respective goodwill.

4.25.4 Offsetting of income tax

A current income tax liability and current income tax asset are presented on (consolidated) financial statements after netting only if the Company is permitted by law to settle the asset and liability net in cash and is planning to do so or to simultaneously recover the asset and settle the liability.

A deferred tax asset and deferred tax liability are presented on (consolidated) financial statements after netting only if all of the following conditions are satisfied: the Company is permitted by law to settle the current asset and liability related to an income tax net in cash; and the deferred tax asset and deferred tax liability arising from that income tax is levied by the same tax authority on the same entity or on different entities but the relevant entities are planning to settle the underlying income tax net in cash or simultaneously recover the relevant assets and settle the relevant liabilities during each future period during which significant deferred tax assets and deferred tax liabilities are reversed.

4.26 Lease

A financial lease is a lease which in substance transfers all risks and rewards attached to the ownership of the leased asset to the lessee although the ownership of the leased asset ultimately may or may not be transferred. An operating lease is any lease that does not fall within the meaning of a financial lease.

4.26.1 Operating lease to which the Company is the lessee

Lease payments for a operating lease to which the Company is the lessee is amortised over the lease term using the straight-line method and recognised in the cost of the relevant asset or as expense, whichever is applicable. Initial expenses incurred for activities directly attributable to the lease are recognised in profit or loss for the period during which they are incurred. Contingent rental payments are recognised in profit or loss when they are incurred.

4.26.2 Operating lease to which the Company is the lessor

Rental income from an operating lease to which the Company is the lessor is amortised over the lease term using the straight-line method. Significant initial expenses incurred for activities directly attributable to the lease are capitalised at the time when they are incurred and amortised over the lease term in the same manner as the amortisation of rental income; insignificant expenses initial expenses incurred for activities directly

attributable to the lease are recognised in profit or loss for the period during which they are incurred. Contingent rental income is recognised in profit or loss when it is received or becomes receivable.

4.26.3 Financial lease to which the Company is the lessee

At the commencement of a financial lease to which the Company is the Lessee, the lower of the lease-commencement-date fair value of the leased asset and the present value of the minimum lease payment is recognised as the cost of the leased asset; the minimum lease payment is recognised as a long-term payable; and the excess of the long-term payable over the amount recognised as the cost of the leased asset is recognised as unrecognised lease expenditure. Expenses incurred during the negotiation and signing of the lease contract for activities directly attributable to the lease are recognised as part of the cost of the leased asset. The residual amount after deducting the unrecognised lease expenditure from the long-term payable is divided into non-current liability and non-current liability due within one year depending on maturity and presented on (consolidated) financial statements separately.

The unrecognised lease expenditure is amortised over the lease term using the effective interest rate method and the amortisation is recognised as lease expense in profit or loss for the relevant period. Contingency lease rental is recognised in profit or loss when it is incurred.

4.26.4 Financial lease to which the Company is the lessor

At the commencement of a financial lease to which the Company is the lessor, the sum of the minimum lease rental receivable and the initial expenses incurred for activities directly attributable to the lease is recognised as the initial amount of the respective financial lease rental receivable; unguaranteed residual value is recorded, if any; the excess of the present value of the sum of the minimum lease rental receivable, the initial expenses incurred for activities directly attributable to the lease and the unguaranteed residual value over the sum itself is recognised as unrecognised lease income. The residual amount after deducting the unrecognised lease income from the financial lease rental receivable is divided into non-current receivable and non-current receivable due within one year depending on maturity and presented on (consolidated) financial statements separately.

The unrecognised lease income is amortised over the lease term using the effective interest rate method and the amortisation is recognised as lease income in profit or loss for the relevant period. Contingency lease rental income is recognised in profit or loss when it is received or becomes receivable.

4.27 Changes in major accounting policies and accounting estimates

4.27.1 Change of accounting policies

There is no significant change of accounting policies for the company during the reporting period.

4.27.2 Change of accounting estimates

There is no significant change of accounting estimates for the company during the reporting period.

4.28 Significant account judgment and estimates

During the application of accounting policies, judgements, estimates and presumption need to be made for elements of financial statements which cannot be precisely measured due to inherent uncertainty existing in operation activities. The judgements, estimates and presumption are made on the basis of the Company's past experience and other relevant factors. The exercise of judgements, estimates and presumption has impact on the measurement of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities on the balance-sheet date. However, the

inherent uncertainty of the judgements, estimates and presumption may result in future significant adjustments to be made to the measurement of the affected assets and liabilities.

The judgements, estimates and presumption are reviewed regularly on the basis of going concern. Where a change in accounting estimates is applicable, its impact on financial statements is recognised in the period during which the change occurs if the change has impact on the financial statements for that period only; and in subsequent periods if the change also has impact on the financial statements for subsequent periods.

Significant elements of financial statements and areas that are subject to judgements, estimates and presumption on the balance-sheet date include the following.

4.28.1 Classification of lease

The Company classifies leases as operating lease and financing lease according to the rule stipulated in the Accounting Standard for Business Enterprises No. 21--Leasing. The management shall make analysis and judgment on whether the risks and rewards related to the title of leased assets has been transferred to the leaser, or whether the Company has substantially held the risks and rewards related to the ownership of leased assets.

4.28.2 Recognition of impairment allowance for receivables

In accordance with accounting policies applicable to receivables, loss arising from impairment of receivables is accounted for by allowance.

Impairment of receivables are assessed on the basis of the collectability of receivables and the assessment requires judgements and estimates exercised by the management. Difference between actual results and the estimates will have impact on the carrying amount of receivables and the recognition and reverse of impairment allowance for receivable for the period during which the estimates are changed.

4.28.3 Recognition of impairment allowance for inventories

In accordance with accounting policies applicable to inventories, impairment allowance for inventories is recognised for inventories of which the carrying amount exceeds the net realisable value and inventories which are obsolete or have impaired salability. Loss arising from impairment of inventories is measured on the basis of the salability and net realisable value of the respective inventories. Judgements and estimates regarding impairment allowance for inventories require conclusive evidence obtained by the management and consideration of the purpose of inventory holding, impact of post balance-sheet-date events and other relevant factors. Difference between actual results and the estimates will have impact on the carrying amount of inventories and the recognition and reverse of impairment allowance for inventories for the period during which the estimates are changed.

4.28.4 Fair value of financial instruments

Fair value of financial instruments which are not quoted in an active market are measured by valuation techniques such as the discounted cash flow model, etc. Estimates of future cash flows, credit risks, market movement and relevance and choice of the appropriate discount rates are required for the measurement. Inherent uncertainty is inevitable in making these estimates and the change of estimates will have impact of the fair value of the respective financial instruments.

4.28.5 Impairment of financial assets available-for-sale

Impairment of available-for-sale financial assets and hence recognition of impairment loss recognised in profit or loss general depend on estimates and presumption made by the management. In making the judgements and estimates, the Company assesses the extent and duration that the cost

of an available-for-sale financial asset exceeding its fair value and considers the investee's financial position and short-term prospects, including factors such as industry environment, technology advances, credit rating, default rates, and risks faced by peer entities.

4.28.6 Impairment of non-financial, non-current assets

Non-current assets are assessed for indication of impairment on each balance-sheet date. In addition, intangible assets with infinite useful life are subject to impairment testing on each balance-sheet date and whenever there is evidence indicating impairment; other non-financial non-current assets are subject to impairment testing only if there evidence indicating that the carrying amount becomes non-collectible.

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is higher of the residual amount after deducting necessary expenses for disposal from its fair value and the present value of its future cash flows.

An asset's residual amount after deducting necessary expenses for disposal is determined by reference to the residual amount after deducting the incremental costs to dispose the asset from the selling price provided by contracts for sales of similar assets or the observable market price of similar assets.

When estimating the present value of future cash flows of an asset or cash-generating unit, significant judgements have to be made regarding the production capacity, selling price, relevant operating costs of the asset or cash-generating unit and relevant discount rates for discounting the cash flows. The Company considers all available relevant information when determining the recoverable amount, including estimates regarding future production capacity, selling price and relevant operating costs made on the basis of reasonable and supportive presumption.

Goodwill is assessed for impairment at least annually. The assessment involves estimate of the present value of the future cash flows associated with the assets or groups of assets to which goodwill has been allocated. The estimate takes into account the future cash flows associated with the assets or groups of assets to which goodwill has been allocated and the applicable discount rates for cash flow discounting.

4.28.7 Depreciation and amortization

Investment property, fixed assets and intangible assets are depreciated (amortised) over their useful lives using the straight-line method after taking into account of their residual value. Useful lives of these assets are reviewed regularly for the purpose of determining the depreciation and amortisation recognised for each period. Useful lives are determined on the basis of the Company's past experience on similar assets and expected new technology development. If existing estimates change significantly, adjustment is made to the depreciation and amortisation for future periods.

4.28.8 Deferred tax assets

All unutilised tax loss are recognised as deferred tax assets to the extent it is probable that taxable profit will be available against which the deductible tax loss can be utilised. Significant judgements are required to estimate the timing and amount of future taxable profit and to consider tax planning strategy so as to determine the amount of deferred tax assets to be recognised.

4.27.9 Income tax

During the ongoing operation of the Company, there is uncertainty in the treatment for and amounts of certain transactions for income tax purpose. For example, the deductibility of certain expenses for income tax purpose is subject to the approval by relevant tax authority. If the ultimate outcome of the uncertainty differs from the original estimate, the difference will have impact on the current income tax expenses and deferred income tax expenses for the relevant period.

4.28.10 Accrued liabilities

Provision is recognised for product warranty, onerous contract, buy-back obligation, etc. on the basis of contract terms, current knowledge and past experiences. A provision is recognised when a contingent event has resulted in a present obligation, the fulfillment of the present obligation will result in outflow of economic benefits. The amount recognised is the best estimate of expenses that would be incurred to fulfill the present obligation. The recognition and measurement of provisions significantly depend on judgements of the management. In exercising judgement, the Company assesses risks and uncertainty associated with the contingent events and time value of money, etc.

Note 5: Taxation

5.1 Major taxes and tax rate

Tax	Tax rate (%)
Value added tax	Revenues from sales of products and raw materials at the rate of 6, 17% , and use the balance after deduct the deductible input tax to pay the VAT
Consumption tax	The consumption taxes have been provided at the rate of CNY 1.00 yuan per kg or 1,000 ml follow the quantity, and the consumption tax have been provided at the rate of 20% of the taxable sales.
Business tax	Business tax rate is the 5% of taxable income
Urban maintenance and construction surcharge	Sum of VAT payable, consumption duty payable and business tax payable for the reporting period, and exempt and deductible tax at the rate of 1, 5, 7%.
Education surcharge	Sum of VAT payable, consumption duty payable and business tax payable for the reporting period, and exempt and deductible tax at the rate of 3%.
Local education surcharge	Sum of VAT payable, consumption duty payable and business tax payable for the reporting period, and exempt and deductible tax at the rate of 2%..
Corporate income tax	Income tax is calculated with the ratio of 25%.

Note 6: Notes to significant elements of the financial statements

Unless otherwise stated (incl. notes to significant elements of the financial statements is), the current year is 2015, prior year is 2014 respectively.

6.1 Monetary funds

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
Cash in hand	373,724.24	349,833.07
Bank deposit	1,040,000,008.83	713,744,608.33
Other monetary fund	46,945,425.70	4,366,001.39
Total	1,087,319,158.77	718,460,442.79

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
Including: The total amount of deposit abroad	0.00	0.00

Note: The ownership restrictions on monetary funds which is the deposit of bank acceptance is CNY 46,945,425.70 on 31 Dec 2015.

6.2 Financial assets measured by fair value with changes in fair value recognised in profit or loss

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
Held for trading financial assets	322,223.28	303,919.60
Including: invest in equity instrument	322,223.28	303,919.60
Total	322,223.28	303,919.60

6.3 Notes receivable

6.3.1 Disclosure by classification

Classification	Balance as at 31/12/2015	Balance as at 31/12/2014
Bank acceptance	539,442,903.31	505,893,430.66
Total	539,442,903.31	505,893,430.66

6.3.2 Pledged notes receivable at the end of current year

Item	Amount
Bank acceptance	56,069,046.29
Total	56,069,046.29

6.3.3 Immature notes receivable transferred at the end of current year

Item	Amount derecognised as at 31/12/2015	Amount not derecognised as at 31/12/2015
Bank acceptance	254,038,961.31	0.00
Total	254,038,961.31	0.00

6.4 Accounts receivable

6.4.1 Disclosure by classification

Items	Balance as at 31/12/2015				Book value
	Carrying amount		Allowance for bad debt		
	Amount	% of total	Amount	% of total	
Accounts receivable of individual significance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Accounts receivable portfolio subject to	6,226,590.29	100.00	1,278,515.45	20.53	4,948,074.84

Items	Balance as at 31/12/2015				Book value
	Carrying amount		Allowance for bad debt		
	Amount	% of total	Amount	% of total	
impairment by credit risk:					
Accounts receivable of individually insignificant subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Total	6,226,590.29	100.00	1,278,515.45	20.53	4,948,074.84

(Continued)

Items	Balance as at 31/12/2014				Book value
	Carrying amount		Allowance for bad debt		
	Amount	% of total	Amount	% of total	
Accounts receivable of individual significance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Accounts receivable portfolio subject to impairment by credit risk:	5,393,735.97	100.00	1,055,782.71	19.57	4,337,953.26
Accounts receivable of individually insignificant subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Total	5,393,735.97	100.00	1,055,782.71	19.57	4,337,953.26

Disclosure by age:

Age	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Within 1 year			
Including: within 6 months	4,186,976.99	41,869.77	1.00
7– 12 months	338,796.00	16,939.80	5.00
Within 1 year	4,525,772.99	58,809.57	1.30
1-2 years	24,811.41	2,481.14	10.00
2-3 years	917,562.30	458,781.15	50.00

Age	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Over3years	758,443.59	758,443.59	100.00
Total	6,226,590.29	1,278,515.45	20.53

6.4.2 Recognition, recovery and reversal of allowance for bad debt

The amount of allowance for bad debts recognised during the year is CNY222,732.74.

6.4.3 Accounts receivable written off during the current reporting period.

There has no accounts receivable written off during the current reporting period.

6.4.4 Details of top five accounts receivable

The total amount of top five accounts receivables summarised by debtors as at the end of current year is CNY 3,692,555.89, accounting for 59.30% of the total accounts receivable as at the end of current year, the total corresponding allowance for bad debts is CNY656,790.35.

6.5 Advances to suppliers

6.5.1 Disclosure by age

Age	Balance as at 31/12/2015		Balance as at 31/12/2014	
	Amount	% of total	Amount	% of total
Within 1 year	80,083,715.48	99.64	35,406,358.00	99.14
1 to 2 years	285,694.11	0.36	163,485.98	0.46
2 to 3 years	0.00	0.00	141,774.00	0.40
Over 3 years	3,674.00	0.00	0.00	0.00
Total	80,373,083.59	100.00	35,711,617.98	100.00

6.5.2 Details of top five advance to suppliers

The total amount of top five advance to suppliers as at the end of current year is CNY71,522,656.25, accounting for 88.99% of the total advance to suppliers.

6.6 Interest receivables

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
Interest of structuraldeposit	0.00	4,274,666.66
Total	0.00	4,274,666.66

6.7 Other receivables

6.7.1 Disclosure by classification

Items	Balance as at 31/21/2015		
	Carrying amount	Allowance for bad debt	Book value

	Amount	% of total	Amount	% of total	
Other receivable of individual significance subject to individually assessment for impairment	41,342,938.53	81.90	41,342,938.53	100.0	0.00
Other receivable portfolio subject to impairment by credit risk:	9,134,457.26	18.10	516,501.58	5.65	8,617,955.68
Other receivable of individually insignificance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Total	50,477,395.79	100.00	41,859,440.11	82.93	8,617,955.68

(Continued)

Items	Balance as at 31/21/2014				
	Carrying amount		Allowance for bad debt		Book value
	Amount	% of total	Amount	% of total	
Other receivable of individual significance subject to individually assessment for impairment	50,727,440.55	85.92	50,727,440.55	100.00	0.00
Other receivable portfolio subject to impairment by credit risk:	8,310,068.17	14.08	342,164.93	4.12	7,967,903.24
Other receivable of individually insignificance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Total	59,037,508.72	100.00	51,069,605.48	86.50	7,967,903.24

6.7.1.1 Other receivables of individual significance and subject to individual impairment assessment

Debtor	Balance as at 31/21/2015			
	Carrying amount	Allowance for bad debt	Rate of Allowance (%)	Reason for allowance
Jianqiao Securities	11,840,500.00	11,840,500.00	100.00	Enterprise is in the proceeding of liquidation bankruptcy
Hengxin Securities	29,502,438.53	29,502,438.53	100.00	Enterprise is in the proceeding of liquidation bankruptcy
Total	41,342,938.53	41,342,938.53	100.00	

6.7.1.2 Accounts receivable using the age analysis method for measurement of impairment allowances:

Age	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Within 1 year			
Including: within 6 months	6,326,797.14	63,267.97	1.00
7-12 months	955,701.70	47,785.09	5.00
Subtotal within one year	7,282,498.84	111,053.06	1.52
1-2 years	1,552,504.42	155,250.44	10.00
2-3 years	98,511.84	49,255.92	50.00
Over 3years	200,942.16	200,942.16	100.00
Total	9,134,457.26	516,501.58	5.65

6.7.2 Recognition, recovery and reversal of allowance for bad debt

The amount of allowance for bad debts recognized during the current year is CNY245,494.65.

6.7.3 The situation of other receivable the is written off in current year

The amount of allowance for bad debts written off during the current year is CNY9,455,660.02.

6.7.4 The classification of other receivable

Nature	Balance at 31/12/2015	Balance at 31/12/2014
Investment in securities	41,342,938.53	50,727,440.55
Deposit and guarantee	1,642,346.71	1,786,964.87
Loan for business trip	2,789,864.26	3,772,242.50
Rent and water, electric and gas expense	2,432,526.57	903,964.37
Others	2,269,719.72	1,846,896.43
Total	50,477,395.79	59,037,508.72

6.7.5 Details of top five other receivable:

Debtor	nature	Carrying amount	age	% of total amount	Allowance balance at the year end
The first	Investment in securities	29,502,438.53	Over 3 years	58.45	29,502,438.53
The second	Investment in securities	11,840,500.00	Over 3 years	23.46	11,840,500.00
The third	Prepaid for oil fee	2,054,847.05	Within 6 months	4.07	20,548.47
The forth	Payment of alcoholic drink	789,120.00	Within 6 months	1.56	7,891.20

Debtor	nature	Carrying amount	age	% of total amount	Allowance balance at the year end
The fifth	Loan for salesman	609,048.00	Within 6 months	1.21	6,090.48
Total		44,795,953.58		88.75	41,377,468.68

6.8 Inventories

6.8.1 Disclosure by classification

Items	Balance as at 31/12/2015		
	Carrying amount before impairment allowance	Impairment allowance	Net carrying amount
Raw material	102,293,838.52	6,976,129.27	95,317,709.25
Work in progress	1,130,825,408.23	0.00	1,130,825,408.23
Finished goods	177,900,253.21	7,331,319.82	170,568,933.39
Total	1,411,019,499.96	14,307,449.09	1,396,712,050.87

(Continued)

Items	Balance as at 31/12/2014		
	Carrying amount before impairment allowance	Impairment allowance	Net carrying amount
Raw material	112,077,576.03	8,700,056.13	103,377,519.90
Work in progress	1,061,359,515.77	0.00	1,061,359,515.77
Finished goods	67,034,474.15	4,588,735.73	62,445,738.42
Total	1,240,471,565.95	13,288,791.86	1,227,182,774.09

6.8.2 Impairment allowance for inventories

Items	Balance as at 31/12/2014	Increase in current year		Decrease in current year		Balance as at 31/12/2015
		Accrual	Other	Recovered or Written off	Other	
Raw material	8,700,056.13	5,483,342.42	0.00	7,207,269.28	0.00	6,976,129.27
Self-manufactured semi-finished goods	0.00	0.00	0.00	0.00	0.00	0.00
Finished goods	4,588,735.73	5,207,785.37	0.00	2,465,201.28	0.00	7,331,319.82
Total	13,288,791.86	10,691,127.79	0.00	9,672,470.56	0.00	14,307,449.09

6.8.3 Reason for impairment recognition and reversal or written-off

Items	The basis of recognition of impairment allowance for inventories	The reason of recovering impairment allowance for inventories	The reasons for inventory impairment written-off at current year
Raw material	Market prices decrease, and resulting in raw material's net realizable value lower than cost		Material scrap and application
Finished goods	Market prices decrease, and resulting in Finished goods' net realizable value lower than cost		Scrap of the product

6.9 Other current assets

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
Financial products	1,500,000,000.00	1,320,000,000.00
Repurchase of government pledged bond	0.00	180,712,225.81
Deductible tax	970,860.37	840,250.30
Total	1,500,970,860.37	1,501,552,476.11

6.10 Available-for-sale financial assets

6.10.1 The situation of available-for-sale financial assets

Items	Balance as at 31/12/2015			Balance as at 31/12/2014		
	Carrying amount	Impairment	Net carrying amount	Carrying amount	Impairment	Net carrying amount
Available for sale equity instruments	213,881,190.47	0.00	213,881,190.47	65,332,932.00	0.00	65,332,932.00
Including: measured by fair value	213,881,190.47	0.00	213,881,190.47	65,332,932.00	0.00	65,332,932.00
Measured by cost	0.00	0.00	0.00	0.00	0.00	0.00
Other	100,000,000.00	0.00	100,000,000.00	23,000,000.00	0.00	23,000,000.00
Total	313,881,190.47	0.00	313,881,190.47	88,332,932.00	0.00	88,332,932.00

6.10.2 The available for sale financial asset which is measured by fair value at the year end

Classification of the available for sale financial asset	Equity instrument available for sale	Debt instrument available for sale	Total
The cost of the equity instrument or the amortized cost of the debt instrument	141,238,675.12	0.00	141,238,675.12
Fair value	213,881,190.47	0.00	213,881,190.47

Classification of the available for sale financial asset	Equity instrument available for sale	Debt instrument available for sale	Total
The amount of the fair value change recognized intocomprehensive income	72,642,515.35	0.00	72,642,515.35
Impairment allowance	0.00	0.00	0.00

6.10.3 The measurement of the cost of available for sale financial assets at the end of current year

Investee	Balance as at 31/12/2015				Impairment			
	Balance as at 31/12/2014	Increase in current year	Decrease in current year	Balance as at 31/12/2015	Balance as at 31/12/2014	Increase in current year	Decrease in current year	Balance as at 31/12/2015
Anmian No.11 group trust plan	23,000,000.00	0.00	23,000,000.00	0.00	0.00	0.00	0.00	0.00
Hongtai No.55 assembled funds trust plan	0.00	100,000,000.00	0.00	100,000,000.00	0.00	0.00	0.00	0.00
Total	23,000,000.00	100,000,000.00	23,000,000.00	100,000,000.00	0.00	0.00	0.00	0.00

6.11 Investment property

6.11.1 Investment property measured using the historical cost

Items	Houses and buildings	Land use rights	Total
1. Cost:			
1.1 Balance as at 31/12/2014	74,748,266.02	2,644,592.00	77,392,858.02
1.2 Increased in current year	3,901,940.41	0.00	3,901,940.41
1.3 Decreased in current year	55,501,392.68	0.00	55,501,392.68
1.4 Balance as at 31/12/2015	23,148,813.75	2,644,592.00	25,793,405.75
2. Accumulated Depreciation and accumulated amortization			
2.1Balance as at 31/12/2014	44,927,757.41	390,744.37	45,318,501.78
2.2 Increased in current year	1,575,157.77	103,312.25	1,678,470.02
2.2.1 Accrual or amortization	628,937.37	103,312.25	732,249.62
2.2.2 Others	946,220.40	0.00	946,220.40
2.3 Decreased in current year	30,919,017.94	0.00	30,919,017.94

Items	Houses and buildings	Land use rights	Total
2.4 Balance as at 31/12/2015	15,583,897.24	494,056.62	16,077,953.86
3. Impairment allowance			
3.1 Balance as at 31/12/2014	0.00	0.00	0.00
3.2 Increased in current year	0.00	0.00	0.00
3.3 Decreased in current year	0.00	0.00	0.00
3.4 Balance as at 31/12/2015	0.00	0.00	0.00
4. Carrying amount			
4.1 Carrying amount as at 31/12/2015	7,564,916.51	2,150,535.38	9,715,451.89
4.2 Carrying amount as at 31/12/2014	29,820,508.61	2,253,847.63	32,074,356.24

6.12 Fixed assets

6.12.1 Circumstance of fixed assets

Items	Houses and buildings	Machineries	Vehicles	Office equipment and other	Total
1. Cost:					
1.1 Balance as at 31/12/2014	1,576,781,874.52	736,224,507.49	49,463,729.87	56,353,173.45	2,418,823,285.33
1.2 Increased in current year	118,598,032.49	66,875,357.28	3,888,646.09	6,358,146.30	195,720,182.16
1.2.1 Purchase	0.00	23,843,108.67	3,888,646.09	6,346,180.48	34,077,935.24
1.2.2 Transferred from construction in-progress	63,096,639.81	43,032,248.61	0.00	11,965.82	106,140,854.24
1.2.3 Recovered from rental housing	55,501,392.68	0.00	0.00	0.00	55,501,392.68
1.3 Decreased in current year	34,138,666.09	28,499,565.31	667,877.04	2,502,622.33	65,808,730.77
1.3.1 Disposal or scrap	1,729,551.47	12,020,808.21	667,877.04	2,502,622.33	16,920,859.05
1.3.2 Transfer to construction in-progress for technical improvement	0.00	16,478,757.10	0.00	0.00	16,478,757.10
1.3.3 Rental housing	3,901,940.41	0.00	0.00	0.00	3,901,940.41
1.3.4 Project final accounts adjustment	28,507,174.21	0.00	0.00	0.00	28,507,174.21
1.4 Balance as at 31/12/2015	1,661,241,240.92	774,600,299.46	52,684,498.92	60,208,697.42	2,548,734,736.72
2. Accumulated Depreciation					
2.1 Balance as at 31/12/2014	376,591,354.84	232,008,403.62	35,510,538.63	43,891,172.49	688,001,469.58

Items	Houses and buildings	Machineries	Vehicles	Office equipment and other	Total
2.2 Increased in current year	101,449,657.10	78,139,835.81	7,385,938.98	4,173,251.14	191,148,683.03
2.2.1 Accrual	70,530,639.16	78,139,835.81	7,385,938.98	4,173,251.14	160,229,665.09
2.2.2 Recovered from rental housing	30,919,017.94	0.00	0.00	0.00	30,919,017.94
2.3 Decreased in current year	2,586,922.73	22,018,603.81	640,794.56	2,472,029.36	27,718,350.46
2.3.1 Disposal or scrap	1,640,702.33	10,515,576.25	640,794.56	2,472,029.36	15,269,102.50
2.3.2 Transfer to construction in-progress for technical improvement	0.00	11,503,027.56	0.00	0.00	11,503,027.56
2.3.3 Rental housing	946,220.40	0.00	0.00	0.00	946,220.40
2.4 Balance as at 31/12/2015	475,454,089.21	288,129,635.62	42,255,683.05	45,592,394.27	851,431,802.15
3. Impairment allowance					
3.1 Balance as at 31/12/2014	4,133,377.10	2,553,971.54	0.00	0.00	6,687,348.64
3.2 Increased in current year	0.00	164,700.81	0.00	0.00	164,700.81
3.2.1 Accrual	0.00	164,700.81	0.00	0.00	164,700.81
3.3 Decreased in current year	0.00	577,919.20	0.00	0.00	577,919.20
3.3.1 Disposal or scrap	0.00	577,919.20	0.00	0.00	577,919.20
3.4 Balance as at 31/12/2015	4,133,377.10	2,140,753.15	0.00	0.00	6,274,130.25
4. Carrying amount					
4.1 Carrying amount as at 31/12/2015	1,181,653,774.61	484,329,910.69	10,428,815.87	14,616,303.15	1,691,028,804.32
4.2 Carrying amount as at 31/12/2014	1,196,057,142.58	501,662,132.33	13,953,191.24	12,462,000.96	1,724,134,467.11

6.12.2 Temporarily idle fixed assets

Item	Carrying value	Depreciation	Impairment	Book value	Notes
Houses and buildings	15,719,043.63	11,411,262.48	4,133,377.10	174,404.05	
Machineries	10,820,633.53	8,666,644.69	2,140,753.15	13,235.69	
Total	26,539,677.16	20,077,907.17	6,274,130.25	187,639.74	

6.12.3 Fixed assets with pending ownership registration

Item	Book value	The reason of pending ownership registration
Office building	55,371,763.72	Registration together after the industrial park finished

Item	Book value	The reason of pending ownership registration
Fire station	978,570.51	Registration together after the industrial park finished
No.3 shift work building	5,888,959.60	Registration together after the industrial park finished
No.1 mold culture building	11,073,966.82	Registration together after the industrial park finished
No.2 mold culture building	11,073,966.82	Registration together after the industrial park finished
No.3 mold culture building	11,073,966.82	Registration together after the industrial park finished
No.4 mold culture building	11,803,951.62	Registration together after the industrial park finished
No.5 mold culture building	11,816,197.34	Registration together after the industrial park finished
No.1 distillery workshop	23,105,225.43	Registration together after the industrial park finished
No.2 distillery workshop	23,278,029.02	Registration together after the industrial park finished
No.3 distillery workshop	23,622,439.27	Registration together after the industrial park finished
No.4 distillery workshop	23,586,361.15	Registration together after the industrial park finished
Generator building	329,815.39	Registration together after the industrial park finished
Bran storehouse	30,017,391.42	Registration together after the industrial park finished
Auxiliary workshop office building	981,299.11	Registration together after the industrial park finished
Sewage treatment station	10,197,582.79	Registration together after the industrial park finished
Blending workshop, wine storehouse and stainless steel tank area	19,631,528.76	Registration together after the industrial park finished
No.2 and 3 stainless steel tank area	21,463,492.25	Registration together after the industrial park finished
1-4 floor pottery jars wine library building projects	46,157,034.97	Registration together after the industrial park finished
No.1 distillery filling house	32,922,675.09	Registration together after the industrial park finished
No.2 distillery filling house	39,518,260.69	Registration together after the industrial park finished
No.6 distillery filling house	21,772,619.52	Registration together after the industrial park finished
No.8 distillery filling house	24,654,361.68	Registration together after the industrial park finished
Reception room	24,564,432.04	Registration together after the industrial park finished
Research and integrated management center	27,496,295.08	Registration together after the industrial park finished
Logistics office building, canteen, waste station	4,314,681.18	Registration together after the industrial park finished
Apartment	9,927,102.69	Registration together after the industrial park finished

Item	Book value	The reason of pending ownership registration
Heat power station	34,008,873.42	Registration together after the industrial park finished
No.5 distillery workshop	21,478,502.87	Registration together after the industrial park finished
No.7 distillery workshop	25,147,528.40	Registration together after the industrial park finished
No.3 distillery filling house	42,932,012.58	Registration together after the industrial park finished
Hefei sale and demand center	137,429,204.00	Project has not final settlement of account
Total	787,618,092.05	

6.13 Construction in progress

6.13.1 Details of construction in progress

Items	Balance as at 31/21/2015			Balance as at 31/21/2014		
	Carrying amount before impairment allowance	impairment allowance	Net carrying amount	Carrying amount before impairment allowance	impairment allowance	Net carrying amount
Based liquor relocation of the transformation and facilities projects	32,051.44	0.00	32,051.44	59,085,920.04	0.00	59,085,920.04
Gujing operating network system	3,305,555.56	0.00	3,305,555.56	1,753,888.88	0.00	1,753,888.88
Information integration system	1,186,500.00	0.00	1,186,500.00	0.00	0.00	0.00
Gujing CRM system	769,230.77	0.00	769,230.77	0.00	0.00	0.00
Renovation project of potential safety concerns	47,025,894.49	0.00	47,025,894.49	0.00	0.00	0.00
Wine culture museum remould	2,167,605.55	0.00	2,167,605.55	632,135.92	0.00	632,135.92
Light and shadow show digital demonstration project	3,657,367.52	0.00	3,657,367.52	0.00	0.00	0.00
Automation transformation	965,000.00	0.00	965,000.00	0.00	0.00	0.00
Shanghai experience centre	2,299,961.53	0.00	2,299,961.53	0.00	0.00	0.00
Other	1,153,804.92	0.00	1,153,804.92	165,566.12	0.00	165,566.12
Total	62,562,971.78	0.00	62,562,971.78	61,637,510.96	0.00	61,637,510.96

6.13.2 Movement of significant construction in progress

Items	Budgeted cost	Balance as at 31/12/2014	Increase during the current reporting period	Transferred to fixed assets during the current reporting period	Other decrease during the current reporting period	Balance as at 31/12/2015
			Amount			
Based liquor relocation of the transformation and facilities projects	800,000,000.00	59,085,920.04	20,955,895.38	74,962,803.18	5,046,960.80	32,051.44
Gujing operating network system	8,350,000.00	1,753,888.88	1,743,824.78	0.00	192,158.10	3,305,555.56
Information integration system	6,000,000.00	0.00	1,186,500.00	0.00	0.00	1,186,500.00
Gujing CRM system	8,000,000.00	0.00	769,230.77	0.00	0.00	769,230.77
Renovation project of potential safety concerns	119,667,581.00	0.00	56,647,575.60	6,001,351.16	3,620,329.95	47,025,894.49
Wine culture museum remould	6,900,000.00	632,135.92	2,861,824.29	280,000.00	1,046,354.66	2,167,605.55
Light and shadow show digital demonstration project	5,500,000.00	0.00	3,657,367.52	0.00	0.00	3,657,367.52
Automation transformation	5,880,000.00	0.00	2,556,453.00	1,591,453.00	0.00	965,000.00
Shenzhe experience centre	12,100,000.00	0.00	6,328,360.00	0.00	6,328,360.00	0.00
Shanghai experience centre	16,000,000.00	0.00	2,299,961.53	0.00	0.00	2,299,961.53
Thermal power generator	3,500,000.00	0.00	1,755,042.73	1,755,042.73	0.00	0.00
Glass company and the supplementary equipment renovation project	14,999,000.00	0.00	11,030,508.05	11,030,508.05	0.00	0.00
Glass company automatic mixing system	5,800,000.00	0.00	5,230,912.22	5,230,912.22	0.00	0.00
Other	11,015,382.00	165,566.12	9,636,249.67	5,288,783.90	3,359,226.97	1,153,804.92
Total	1,023,711,963.00	61,637,510.96	126,659,705.54	106,140,854.24	19,593,390.48	62,562,971.78

(Continued)

Items	Weight of cost to date in budgeted cost	Stage of completion	The cumulative amount of interest capitalized	Including: interests capitalised during the current reporting period	Capitalisation rate applicable to the current reporting period %	Source of finance
Based liquor relocation of the transformation and facilities projects	92.62%	100.00%	0.00	0.00	0.00	Owned fund
Gujing operating network system	41.89%	85.00%	0.00	0.00	0.00	Owned fund
Information integration system	19.78%	35.00%	0.00	0.00	0.00	Owned fund
Gujing CRM system	9.62%	5.00%	0.00	0.00	0.00	Owned fund
Renovation project of potential safety concerns	47.34%	95.00%	0.00	0.00	0.00	Owned fund
Wine culture museum remould	50.64%	80.00%	0.00	0.00	0.00	Owned fund
Light and shadow show digital demonstration project	66.50%	80.00%	0.00	0.00	0.00	Owned fund
Automation transformation	43.48%	78.00%	0.00	0.00	0.00	Owned fund
Shenzhe experience centre	98.31%	100.00%	0.00	0.00	0.00	Owned fund
Shanghai experience centre	14.37%	50.00%	0.00	0.00	0.00	Owned fund
Thermal power generator	50.14%	100.00%	0.00	0.00	0.00	Owned fund
Glass company and the supplementary equipment renovation project	73.54%	100.00%	0.00	0.00	0.00	Owned fund
Glass company automatic mixing system	90.19%	100.00%	0.00	0.00	0.00	Owned fund
Other	88.94%	98.00%	0.00	0.00	0.00	Owned fund
Total	-	-	0.00	0.00	0.00	

6.14 Intangible assets

Items	Land rights	Patents	Software	Total
1. Cost:				
1.1 Balance as at 31/12/2014	351,249,420.80	38,150,000.00	4,465,480.74	393,864,901.54
1.2 Increased in current year	0.00	0.00	403,921.94	403,921.94
1.2.1 Purchase	0.00	0.00	403,921.94	403,921.94

Items	Land rights	Patents	Software	Total
1.3 Decreased in current year	0.00	0.00	0.00	0.00
1.4 Balance as at 31/12/2015	351,249,420.80	38,150,000.00	4,869,402.68	394,268,823.48
2. Accumulated amortization				
2.1 Balance as at 31/12/2014	47,205,017.04	38,090,000.00	2,081,101.90	87,376,118.94
2.2 Increased in current year	7,554,369.41	60,000.00	906,095.17	8,520,464.58
2.2.1 Accrual	7,554,369.41	60,000.00	906,095.17	8,520,464.58
2.3 Decreased in current year	0.00	0.00	0.00	0.00
2.4 Balance as at 31/12/2015	54,759,386.45	38,150,000.00	2,987,197.07	95,896,583.52
3. Impairment allowance				
3.1 Balance as at 31/12/2014	0.00	0.00	0.00	0.00
3.2 Increased in current year	0.00	0.00	0.00	0.00
3.3 Decreased in current year	0.00	0.00	0.00	0.00
3.4 Balance as at 31/12/2015	0.00	0.00	0.00	0.00
4. Carrying amount				
4.1 Carrying amount as at 31/12/2015	296,490,034.35	0.00	1,882,205.61	298,372,239.96
4.2 Carrying amount as at 31/12/2014	304,044,403.76	60,000.00	2,384,378.84	306,488,782.60

6.15 Long-term deferred charge

Items	Balance as at 31/12/2014	Increase in current year	Amortisation for the current reporting period	Other decrease in current year	Balance as at 31/12/2015
Mold culture shelf and Mold culture bed	4,441,727.75	0.00	1,523,358.84	0.00	2,918,368.91
Transformation of high - quality base liquor	11,026,663.52	0.00	3,721,401.72	0.00	7,305,261.80
Wine library shelves	0.00	1,690,683.77	281,780.64	0.00	1,408,903.13
Decoration works of exclusive Shop	31,138,198.70	618,565.76	14,530,127.50	0.00	17,226,636.96
Decoration works of Beijing experience center	19,390,786.73	0.00	1,935,357.69	0.00	17,455,429.04
Relocation compensation of Beijing	13,125,000.00	0.00	1,758,500.00	0.00	11,366,500.00

Items	Balance as at 31/12/2014	Increase in current year	Amortisation for the current reporting period	Other decrease in current year	Balance as at 31/12/2015
experience center					
Pottery jars storage	0.00	21,750,395.16	2,533,876.57	0.00	19,216,518.59
Decoration works of spirits culture Museum	74,686.00	1,292,722.34	326,048.66	0.00	1,041,359.68
improvement project of Sewage Treatment Plant	5,450,000.00	0.00	600,000.00	0.00	4,850,000.00
Green cost	37,098,217.07	4,467,660.33	13,862,719.02	0.00	27,703,158.38
Decoration project of Gujing villa	6,174,098.69	0.00	987,238.37	244,911.99	4,941,948.33
Potential safety hazard transformation	0.00	4,533,053.55	925,192.32	0.00	3,607,861.23
Shenzhen experience center	0.00	6,328,360.00	111,023.86	0.00	6,217,336.14
Hangzhou experience center project	56,812.80	0.00	56,812.80	0.00	0.00
Other	3,944,987.97	404,606.48	1,793,208.27	0.00	2,556,386.18
Total	131,921,179.23	41,086,047.39	44,946,646.26	244,911.99	127,815,668.37

6.16 Deferred tax assets and deferred tax liabilities

6.16.1 Details of Rrecognized deferred tax assets

Items	Balance as at 31/12/2015		Balance as at 31/12/2014	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Allowance for bad debt	43,137,779.39	10,784,271.97	52,125,136.19	13,031,224.13
Allowance for inventories impairment	14,307,449.09	3,576,862.28	13,288,791.86	3,322,197.97
Allowance for fixed assets impairment	6,246,132.79	1,561,533.20	6,685,305.34	1,671,326.34
Unrealized internal buying and selling profit	0.00	0.00	965,447.20	241,361.80
Deferred income	46,123,314.33	11,530,828.58	40,839,961.86	10,209,990.47
Accrued expenses	134,446,030.45	33,611,507.60	87,066,783.07	21,766,695.77
Salary deductible in next period	0.00	0.00	52,003,828.06	13,000,957.02
Total	244,260,706.05	61,065,003.63	252,975,253.58	63,243,753.50

6.16.2 Details of Rrecognized deferred tax liabilities

Items	Balance as at 31/12/2015		Balance as at 31/12/2014	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of tradable financial asset	163,238.41	40,809.60	121,035.00	30,258.75
Changes in fair value of available-for-sale financial assets	72,642,515.35	18,160,628.84	22,226,138.76	5,556,534.69
Difference in additional deduction of fixed assets	9,048,889.73	2,262,222.43	0.00	0.00
Total	81,854,643.49	20,463,660.87	22,347,173.76	5,586,793.44

6.16.3 Unrecognized deferred tax assets

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
Deductible temporary difference	28,173.63	2,295.30
Taxable temporary differences	2,059,849.97	1,179,384.41
Total	2,088,023.60	1,181,679.71

6.16.4 The deductible losses of unrecognized deferred tax assets will be expired in the following year

Year	Balance as at 31/12/2015	Balance as at 31/12/2014	Note
Year 2018	0.00	724,118.08	
Year 2019	0.00	455,266.33	
Year 2020	2,059,849.97	0.00	
Total	2,059,849.97	1,179,384.41	

6.17 Notes payable

Type	Balance as at 31/12/2015	Balance as at 31/12/2014
Bankers' acceptance	92,940,000.00	192,850,000.00
Trade acceptance	828,583.00	65,602,214.00
Total	93,768,583.00	258,452,214.00

Note: The unpaid matured notes payable is amount CNY828,583.00 as at year ended and due to the supplier do not make the solution pay on matured note.

6.18 Accounts payable

6.18.1 Detail for accounts payable

Item	Balance as at 31/12/2015	Balance as at 31/12/2014
Within 1 year	299,081,452.13	311,334,691.25

Item	Balance as at 31/12/2015	Balance as at 31/12/2014
Over 1 year	79,105,999.94	93,299,505.33
Total	378,187,452.07	404,634,196.58

6.18.2 The details of significant accounts payable remaining unsettled for more than 1 year

Creditors	Balance as at 31/12/2015	Reason(s) for unsettlement
A company	11,525,200.00	Residual project balance pending settlement
B company	7,544,026.71	Residual project balance pending settlement
C company	4,781,307.05	Residual project balance pending settlement
D company	4,731,649.45	Residual project balance pending settlement
E company	4,062,897.10	Residual project balance pending settlement
Total	32,645,080.31	

6.19 Advances from customers

Item	Balance as at 31/12/2015	Balance as at 31/12/2014
Payment for goods	608,565,152.50	377,503,471.86
Total	608,565,152.50	377,503,471.86

6.20 Employment benefits payable

6.20.1 Disclosure by classification

Items	Balance as at 31/12/2014	Increase during the current year	Decrease during the current year	Balance as at 31/12/2015
1. Short-term employee benefits	219,746,810.75	977,667,222.47	944,037,757.68	253,376,275.54
2. Post-employment benefits	451,710.53	56,865,181.31	56,791,466.66	525,425.18
3. Termination benefits	0.00	0.00	0.00	0.00
4. Other benefits due within one year	0.00	0.00	0.00	0.00
Total	220,198,521.28	1,034,532,403.78	1,000,829,224.34	253,901,700.72

6.20.2 Disclosure by classification of short-term employee benefits

Category	Balance as at 31/12/2014	Increase during the current year	Decrease during the current year	Balance as at 31/12/2015
1. Wages, salaries and subsidies	177,114,565.35	851,846,398.87	826,822,127.28	202,138,836.94
2. Employee welfare	0.00	26,955,175.64	26,955,175.64	0.00

Category	Balance as at 31/12/2014	Increase during the current year	Decrease during the current year	Balance as at 31/12/2015
3. Social insurance:	41,191.24	24,355,063.12	24,359,380.39	36,873.97
Including: Medical insurance	31,975.35	19,903,369.65	19,908,265.05	27,079.95
Employment injury insurance	4,420.00	2,779,903.94	2,779,552.44	4,771.50
Maternity insurance	4,795.89	1,671,789.53	1,671,562.90	5,022.52
4. Housing provident fund	12,228,186.84	54,811,708.10	54,255,117.74	12,784,777.20
5. Labour union fee and employee education fee	30,362,867.32	19,698,876.74	11,645,956.63	38,415,787.43
Total	219,746,810.75	977,667,222.47	944,037,757.68	253,376,275.54

6.20.3 Disclosure by defined contribution plan

Items	Balance as at 31/12/2014	Increase during the current year	Decrease during the current year	Balance as at 31/12/2015
1. Basic pension	425,679.81	52,076,337.34	52,002,570.69	499,446.46
2. Unemployment insurance	26,030.72	4,788,843.97	4,788,895.97	25,978.72
Total	451,710.53	56,865,181.31	56,791,466.66	525,425.18

6.21 Taxes and fees payable

Tax (Fee)	Balance as at 31/12/2015	Balance as at 31/12/2014
VAT	87,099,637.75	103,775,137.73
Consumption tax	137,743,836.68	67,865,349.26
Business tax	1,567,227.74	1,265,824.75
Enterprise income tax	70,375,692.68	267,763,285.42
Personal income tax	2,747,356.67	2,283,345.14
Urban construction and maintenance tax	10,339,184.61	6,287,946.00
Stamp duty	1,096,999.83	3,388,215.38
Education surcharge	10,327,628.89	6,277,797.04
Others	36,789,788.95	9,772,622.91
Total	358,087,353.80	468,679,523.63

6.22 Other payables

Detail for other payable

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
Security deposit	349,397,678.43	272,037,012.38
Business trip borrowing	1,369,843.17	1,372,502.75
Guarantee	42,153,589.56	38,824,726.91
Personal housing provident fund paid by company	12,784,777.20	12,149,262.63
Others	46,487,300.58	44,484,959.07
Total	452,193,188.94	368,868,463.74

6.23 Other current liabilities

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
Accrued expense	138,135,604.82	87,704,041.68
Total	138,135,604.82	87,704,041.68

6.24 Deferred income

Items	Balance as at 31/12/2014	Increase during the current year	Decrease during the current year	Balance as at 31/12/2015	Reasons
Government grants	40,839,961.86	9,384,300.00	4,100,947.53	46,123,314.33	Receive government grants concerning assets
Total	40,839,961.86	9,384,300.00	4,100,947.53	46,123,314.33	—

Involving government grants' project:

Items	Balance as at 31/12/2014	Recognised during current year	Amount recognised as non-operating income	Other movement	Balance as at 31/12/2015	Related to asset or income
Wine production system technical transformation	0.00	500,000.00	57,291.63	0.00	442,708.37	Related to asset
Instrument subsidies	0.00	1,764,000.00	110,250.00	0.00	1,653,750.00	Related to asset
Intelligent solid brewing technology innovation project	0.00	250,000.00	5,208.34	0.00	244,791.66	Related to asset
Anhui province development of direct funds of service industry	0.00	2,000,000.00	34,146.38	0.00	1,965,853.62	Related to asset

Anhui province subsidies of innovative province construction capacity for independent innovation	0.00	4,870,300.00	0.00	0.00	4,870,300.00	Related to asset
Energy efficiency renovation project for coal industrial boiler and glass furnace	624,750.00	0.00	153,000.00	0.00	471,750.00	Related to asset
Bozhou Logistics Center Project	300,000.00	0.00	60,000.00	0.00	240,000.00	Related to asset
Special funds for finance prevention and treatment sewage	650,000.12	0.00	650,000.12	0.00	0.00	Related to asset
Finance subsidy for energy saving projects	2,060,827.48	0.00	531,623.44	0.00	1,529,204.04	Related to asset
Finance subsidy for technical reconstruction	2,552,816.98	0.00	534,221.52	0.00	2,018,595.46	Related to asset
Within financial budget, interest subsidy for deposit technical reconstruction	43,333.41	0.00	39,999.96	0.00	3,333.45	Related to asset
Within financial budget, Enterprise development funds	172,500.00	0.00	30,000.00	0.00	142,500.00	Related to asset
IOT traceability system project	7,425,000.00	0.00	1,113,750.00	0.00	6,311,250.00	Related to asset
Rebate of land	25,313,858.83	0.00	550,206.18	0.00	24,763,652.65	Related to asset
Electric machine improvement for energy saving project	962,500.04	0.00	137,499.96	0.00	825,000.08	Related to asset
Product quality online monitor	734,375.00	0.00	93,750.00	0.00	640,625.00	Related to asset
Total	40,839,961.86	9,384,300.00	4,100,947.53	0.00	46,123,314.33	

6.25 Share capital

Items	Balance as at 31/12/2014	Movements during the current reporting period (+、—)					Balance as at 31/12/2015
		Share issue	Bonus issue	Conversion from reserves	Others	Subtotal	
Total shares	503,600,000.00	0.00	0.00	0.00	0.00	0.00	503,600,000.00

6.26 Capital reserves

Items	Balance as at	Increase during	Decrease during the	Balance as at
-------	---------------	-----------------	---------------------	---------------

	31/12/2014	the current year	current year	31/12/2015
Share premium	1,262,552,456.05	0.00	0.00	1,262,552,456.05
Other capital reserves	32,386,037.14	0.00	0.00	32,386,037.14
Total	1,294,938,493.19	0.00	0.00	1,294,938,493.19

6.27 Other comprehensive income

Items	Balance as at 31/12/2014	Total amount in current year					Balance as at 31/12/2015
		Amount for the year before tax	Less: previously recognized in other comprehensive income transferred into profit or loss	Less: Income tax expense	After tax attributable to the parent company	After tax attributable to minority shareholders	
1. Other comprehensive income that will not be reclassified into income or loss in the future	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Other comprehensive income that will be reclassified into income or loss in the future	16,669,604.07	50,416,376.59	0.00	12,604,094.15	37,812,282.44	0.00	54,481,886.51
Including: fair value change of financial asset available for sale	16,669,604.07	50,416,376.59	0.00	12,604,094.15	37,812,282.44	0.00	54,481,886.51
Total of other comprehensive income	16,669,604.07	50,416,376.59	0.00	12,604,094.15	37,812,282.44	0.00	54,481,886.51

6.28 Surplus reserves

Items	Balance as at 31/12/2014	Increase during the current year	Decrease during the current year	Balance as at 31/12/2015
Statutory surplus reserve	256,902,260.27	0.00	0.00	256,902,260.27
Total	256,902,260.27	0.00	0.00	256,902,260.27

Note: In accordance with the Company Laws and regulations in PRC, statutory surplus reserve is accrued at 10 % of net profit of the Company until accumulated amount of such reserve balance reaches 50% of the Company's registered capital.

After the company draws the statutory surplus reserve, it may, upon a resolution made by the shareholders' meeting or the shareholders' assembly, draw a discretionary surplus reserve from the after-tax profits. Discretionary surplus reserve as approved by the shareholders in our shareholders' meeting can be used to make good previous years' losses or to increase the capital.

6.29 Retained earning

Items	Current year	Prior year
Pre-adjustment balance brought forward	2,108,940,620.43	1,688,158,733.09
Total adjustment to retained earnings b/f (+, -)	0.00	0.00
Retained earnings b/f after adjustment	2,108,940,620.43	1,688,158,733.09
Add: Net profit attributable to shareholders of the parent	715,578,369.68	597,041,887.34
Less: Appropriation to statutory surplus reserve	0.00	0.00
Appropriation to discretionary surplus reserve	0.00	0.00
General reserve	0.00	0.00
Ordinary dividends declared	100,720,000.00	176,260,000.00
Ordinary dividends transformed into capital share	0.00	0.00
Balance carrying forward	2,723,798,990.11	2,108,940,620.43

6.30 Operating revenues and costs

Items	Current year		Prior year	
	Operating revenues	Operating costs	Operating revenues	Operating costs
Principal operating income	5,217,544,152.04	1,479,038,970.28	4,612,235,437.15	1,426,359,089.71
Other operating income	35,867,327.36	30,497,129.00	38,620,444.57	32,713,823.53
Total	5,253,411,479.40	1,509,536,099.28	4,650,855,881.72	1,459,072,913.24

6.31 Business tax and surcharges

Items	Current year	Prior year
Consumption tax	650,932,115.38	554,437,281.01
Business tax	5,550,244.99	4,268,096.77
Urban maintenance and construction tax, Education surcharge	132,834,880.86	107,437,775.94
Other	888,390.64	769,835.00
Total	790,205,631.87	666,912,988.72

Note: The provision standards for taxes and surcharges refer to Note 5 Taxation.

6.32 Sales expenses

Items	Current year	Prior year
Employment benefits	192,032,269.16	102,455,485.58

Items	Current year	Prior year
Travel	72,490,928.96	58,761,813.78
Advertisement	397,458,962.42	439,671,581.42
Transportation charges	26,799,503.76	24,060,769.19
Sales promotion costs	421,404,543.74	289,923,860.69
Sample wine	151,639,742.58	105,417,088.10
Service fee	241,596,791.54	255,026,142.27
Other sales expenses	54,377,876.80	28,889,295.03
Total	1,557,800,618.96	1,304,206,036.06

6.33 General and administrative expenses

Items	Current year	Prior year
Employment benefits	279,870,693.46	314,434,120.98
Office	16,719,397.83	41,139,729.33
Taxes and surcharges	39,314,997.74	32,504,277.38
Maintenance expenses	31,218,976.13	24,260,572.70
Depreciation	48,065,605.86	29,083,486.30
Amortization of intangible assets	8,520,464.58	8,996,822.71
Pollution discharge	14,585,009.71	15,713,644.29
Spillage of material	44,837,410.39	56,062,592.97
Travel expenses	2,216,750.98	3,865,395.06
Water and electricity charges	9,692,830.19	8,600,696.17
Others	48,780,469.64	44,763,355.67
Total	543,822,606.51	579,424,693.56

6.34 Financial costs

Items	Current year	Prior year
Interest expenses	0.00	0.00
Less: Interest income	28,676,438.02	38,165,430.61
Less: Capitalised interest	0.00	0.00

Items	Current year	Prior year
Exchange gain or loss	367,172.57	0.00
Less: Capitalised exchange gain or loss	0.00	0.00
Others	7,974,859.05	413,820.25
Total	-20,334,406.40	-37,751,610.36

6.35 Impairment loss on assets

Items	Current year	Prior year
Allowance for bad debt	468,227.39	-20,962.68
Allowance for inventory impairment	10,691,127.79	8,017,738.58
Allowance for intangible assets impairment	164,700.81	694,018.11
Total	11,324,055.99	8,690,794.01

6.36 Gain from changes in fair value

Source of fair value change	Current year	Prior year
Financial assets measured by fair value with changes in fair value recognised in profit or loss	42,203.41	121,035.00
Including: Derivative financial assets	0.00	0.00
Total	42,203.41	121,035.00

6.37 Investment income

Items	Current year	Prior year
Investment income from financial assets measured by fair value with changes in fair value recognized in profit or loss during the holding period	0.00	0.00
Investment income from disposal of financial assets measured by fair value with changes in fair value recognised in profit or loss	7,800,070.97	1,254,456.02
Investment income from available for sale financial asset during the holding period	61,455,959.33	88,030,527.27
Investment income from disposal of financial assets available for sale	0.00	15,857,617.98
Total	69,256,030.30	105,142,601.27

6.38 Non-operating income

Items	Current year	Prior year	Recognized into current year non-recurring profit and loss
Gain on non-current asset disposals	68,505.82	625,342.92	68,505.82
Including : Gain on fixed asset disposals	68,505.82	625,342.92	68,505.82
Government grants (See details of government grants)	19,931,320.03	6,045,394.97	19,931,320.03
Income from penalties	13,447,521.81	10,695,244.40	13,447,521.81
Sales of wastes	5,824,298.47	7,025,600.00	5,824,298.47
Accounts payable no need to pay back	232,103.59	88,951.50	232,103.59
Others	5,470,254.89	4,085,522.35	5,470,254.89
Total	44,974,004.61	28,566,056.14	44,974,004.61

Details of government grant:

Government assistance	Current year	Prior year	Related to assets or income
Energy-saving subsidies	105,000.00	0.00	Related to income
Science and technology innovation award	258,400.00	617,000.00	Related to income
Standardization of the government reward	120,000.00	0.00	Related to income
Gujing industrial park land use tax, house property tax refund	13,999,000.00	0.00	Related to income
River water pollution prevention and control of special funds	590,000.00	0.00	Related to income
Technology innovation demonstration funds	300,000.00	0.00	Related to income
Trademark reward	100,000.00	100,000.00	Related to income
Business development special funds	64,800.00	0.00	Related to income
Business bureau subsidies	59,000.00	0.00	Related to income
Social security subsidies	208,750.00	0.00	Related to income
Other payments to the state Treasury pay center	25,422.50	222,947.80	Related to income
The provincial government quality funds	0.00	500,000.00	Related to income
Work reward	0.00	140,000.00	Related to income
Assets amortization related government for deferred revenue	4,100,947.53	4,465,447.17	Related to assets
Total	19,931,320.03	6,045,394.97	

6.39 Non-operating expenses

Items	Current year	Prior year	Recognized in current year non-recurring profit and loss
Loss on non-current asset disposals	1,059,201.01	2,759,691.62	1,059,201.01
Within: Loss on fixed asset disposals	1,059,201.01	2,759,691.62	1,059,201.01
Late fee	6,245,908.75	0.00	6,245,908.75
Others	1,754,560.89	5,165,560.14	1,754,560.89
Total	9,059,670.65	7,925,251.76	9,059,670.65

6.40 Income tax expenses

6.40.1 Classification

Items	Current year	Prior year
Current tax calculated in accordance with relevant tax law	246,239,548.03	219,285,294.18
Deferred tax	4,451,523.15	-20,122,674.38
Total	250,691,071.18	199,162,619.80

6.40.2 The adjustment process of accounting profit and income tax expenses

Items	Current year
Profit before tax	966,269,440.86
According to the statutory/applicable tax rate calculation of the income tax expenses	241,567,360.22
Influence of different tax rates of subsidiaries	0.00
The effect of adjustment prior period income tax	1,957,224.17
The influence of the untaxable income	-786,756.35
The influence of the undeduction of costs, expenses and losses	11,739,822.33
The influence of using the preliminary period deductible losses of unconfirmed deferred income tax assets	-295,419.93
The influence of the unconfirmed deferred income tax assets attributable to the deductible temporary difference or deductible losses	515,006.54
Tax rate adjustment to the beginning balance of deferred income tax assets/liabilities	0.00
Income tax credits	-580,000.00
Collectively deductions	-3,426,165.80
Income tax expenses	250,691,071.18

6.41 Other comprehensive income

Please see Note 6.26 for detail.

6.42 Notes to the statement of cash flows

6.42.1 Other cash received relating to operating activities

Items	Current year	Prior year
Guarantee deposit	77,505,284.21	37,008,070.73
Government grants	1,831,372.50	1,579,947.80
Interest income	30,890,237.41	29,206,434.58
Others	29,254,161.03	28,666,651.09
Withdrawn pledged deposit	36,100,000.00	75,000,000.00
Total	175,581,055.15	171,461,104.20

6.42.2 Other cash payments relating to operating activities

Items	Current year	Prior year
Cash paid in sales expenses and general and administrative expense	1,029,809,058.13	914,009,770.42
To issue notes payable and the pledge of deposit or store paper margin	46,945,425.70	36,100,000.00
Others	8,134,570.09	5,579,380.40
Total	1,084,889,053.92	955,689,150.82

6.42.3 Other cash received relating to investing activities

Items	Current year	Prior year
Government grants related to assets	9,384,300.00	1,850,000.00
Total	9,384,300.00	1,850,000.00

6.43 Supplementary information to the statement of cash flows

6.43.1 Reconciliation of cash flows from operating activities to net profit

Items	Current year	Prior year
① Reconciliation of cash flows from operating activities to net profit:		
Net profit	715,578,369.68	597,041,887.34
Add: Loss on asset impairment	-7,804,074.59	3,733,850.18
Depreciation of fixed assets, oil and gas assets, biological assets held for production	160,229,665.09	130,655,842.48
Amortisation of Investment properties	732,249.62	3,113,723.42
Amortisation of intangible assets	8,520,464.58	8,996,822.71

Items	Current year	Prior year
Amortisation of Long-term deferred expenditure	44,946,646.26	28,275,251.66
Loss on non-current assets disposal (gain presented by "-" prefix)	990,695.19	2,134,348.70
Loss on scrap of fixed assets (gain presented by "-" prefix)	0.00	0.00
Loss on fair value changes (gain presented by "-" prefix)	-42,203.41	-121,035.00
Financial costs (gain presented by "-" prefix)	-2,060,867.27	-4,684,329.37
Investment loss (gain presented by "-" prefix)	-69,256,030.30	-105,142,601.27
Decrease of deferred tax assets (increase presented by "-" prefix)	2,178,749.87	-20,152,933.13
Increase of deferred tax liabilities (increase presented by "-" prefix)	2,272,773.28	30,258.75
Decrease of inventories (increase presented by "-" prefix)	-170,547,934.01	-155,210,431.54
Decrease of operating receivables (increase presented by "-" prefix)	-73,439,119.87	-259,515,795.42
Increase of operating payables (decrease presented by "-" prefix)	181,911,098.42	162,804,877.55
Amortization of deferred income	-4,100,947.53	-4,465,447.17
Net cash flows generated from operating activities	790,109,535.01	387,494,289.89
② Significant investing and financing activities involve no cash:		
Debt-to-capital conversion	0.00	0.00
Convertible loan due within one year	0.00	0.00
Fixed assets acquired under financial lease	0.00	0.00
③ Movement of cash and cash equivalents:		
Cash as at 31/12/2015	1,040,373,733.07	682,360,442.79
Less: Cash as at 1/1/2015	682,360,442.79	1,306,930,710.96
Add: Cash equivalents as at 31/12/2015	0.00	0.00
Less: Cash equivalents as at 1/1/2015	0.00	0.00
Net increase of cash and cash equivalents	358,013,290.28	-624,570,268.17

6.43.2 Composition of cash and cash equivalents

Items	Current year	Prior year
① Cash	1,040,373,733.07	682,360,442.79
Including: Cash at hand	373,724.24	349,833.07

Items	Current year	Prior year
Demand bank deposit	1,040,000,008.83	677,644,608.33
Demand other monetary funds	0.00	4,366,001.39
② Cash equivalents	0.00	0.00
Including: Debt instrument matured within three months	0.00	0.00
③ Cash and cash equivalents as at 31/12/2015	1,040,373,733.07	682,360,442.79

6.44 Assets of which using rights are limited

Items	Balance at 31/12/2015	Reasons for limited
Monetary funds	46,945,425.70	Bank acceptance deposit
Notes receivable	56,069,046.29	Deposit as assurance to get bank acceptance
Total	103,014,471.99	

Note 7: Changes of scope of consolidation financial statements**7.1 Other reasons that cause the scope change**

The company has newly set up the subsidiary company Anhui Yuanqing environmental protection Co., Ltd.

Note 8: The equity in other main entities**8.1 The equity in subsidiaries****8.1.1 The construction of the group**

Subsidiaries	Place of operation	Place of registration	Nature of business	Holding proportion %		Acquired method
				Directly	Indirectly	
Bozhou Gujing Sales Co., Ltd. (hereafter Gujing Sales)	Anhui Bozhou	Anhui Bozhou	Commercial trade	100.00		Set up
Bozhou Gujing Transportation Co., Ltd. (hereafter Gujing Transportation)	Anhui Bozhou	Anhui Bozhou	Motor transport	99.00	1.00	Set up
Bozhou Gujing Glass Co., Ltd. (hereafter Gujing Glass)	Anhui Bozhou	Anhui Bozhou	Manufacture	99.00	1.00	Set up
Bozhou Gujing Waste Reclamation Co., Ltd. (hereafter Gujing Waste)	Anhui Bozhou	Anhui Bozhou	Waste recycle		100.00	Set up
Anhui Jinyunlai Culture & Media Co.,Ltd. (hereafter Jinyunlai)	Anhui Hefei	Anhui Hefei	Advertisement marketing		100.00	Set up

Subsidiaries	Place of operation	Place of registration	Nature of business	Holding proportion %		Acquired method
				Directly	Indirectly	
Bozhou Gujing Packaging Co., Ltd. (hereafter Gujing Packaging)	Anhui Bozhou	Anhui Bozhou	Manufacture	100.00		Set up
Anhui Ruisiweier Technology Co., Ltd.	Anhui Bozhou	Anhui Bozhou	Technical research	100.00		Set up
Anhui colorful taste wine co., Ltd.	Anhui Bozhou	Anhui Bozhou	Manufacture	100.00		Set up
Shanghai Gujing Jinhao hotel management company	Shanghai	Shanghai	Hotel manage	100.00		Bussiness Combinations Under the Same control
Bozhou Gujing hotel Co.Ltd	Anhui Bozhou	Anhui Bozhou	Hotel operating	100.00		Bussiness Combinations Under the Same control
Anhui Yuanqing environmental protection Co., Ltd.	Anhui Bozhou	Anhui Bozhou	Sewage treatment	100.00		Set up

Note 9: The risk associated with financial instruments

The main financial instruments of the Company include equity investments, financial products, trust investment, accounts receivable, accounts payable and etc., please see Note 6 for detail of related items. The risk associated with financial instruments, and risk management policies which the company uses to reduce these risks are described below. The management of the Company manages and supervises the risks to ensure that the risks can be controlled within a limited range.

9.1 The targets and policies of risks management

The target of risks management is to obtain the proper balance between the risks and benefits, to reduce the negative impact that is caused by the risk of the Company to the lowest level, and to maximize the benefits of shareholders and other equity investors. Based on the targets of risk management, the basic strategy of the Company's risk management is to identify and analyze the risks which are faced by the Company, establish suitable risk tolerance baseline and proceed the risk management, and supervise a variety of risks timely and reliably, and control the risk within a limited range.

9.1.1 Market Risk

9.1.1.1 Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to exchange rate fluctuations generally. The main business of the company is in the mainland of China and trading with RMB, the market risk is very small

9.1.1.2 Interest rate risk - the risk of changes in cash flow

The operating fund of the company is sufficient and there is no loan in recent years, so that the risk of interest is very small for the company.

9.1.1.3 Other price risk

The financial asset available for sale and financial asset for trading of the company are measured by fair value. So the company bears the risk of the change of security market. To decrease the risk, the company hold a combination of several equities and securities.

9.1.2. Credit Risk

The maxmum risk exposure that could cause the Company's financial losses is associated with the default by the other party of a transation and the

financial guarantee provided by the Company as at 31 December 2015. The detail is listed below:

The carrying value of the Financial assets that is recognized in the consolidated financial statement. For the financial instrument measured by fair value, the carrying value only represents the risk exposure, but the maximum risk exposure will change with the future fair value.

The company only trade with authorized company with high credit record and large scale. According to the policies of the company, the client needs to pay first then receive the goods. Only a few companies are provided with credit. Credit review is performed for customers trading with credit.

The current asset of the company is deposited in the bank with the high credit record. So the credit risk of the current asset is low

9.1.3 Liquidity risk

When managing liquidity risk, the Company maintains and monitors adequate cash and cash equivalents decided by the management in order to meet the needs of operation of the Company, and to reduce the impact of fluctuations in cash flows.

Note 10: Disclosure of the fair value

10.1 The fair value at the end of current year of assets and liabilities which are measured by fair value

Items	The fair value at the end of current year			Total
	The first level measured by fair value	The second level measured by fair value	The third level measured by fair value	
1. Continuous measurement by fair value				
1.1 The financial assets are measured by fair value and the changes are recognized into current profit or loss	322,223.28			322,223.28
1.1.1 Trading financial assets	322,223.28			322,223.28
Equity instruments investment	322,223.28			322,223.28
1.2 Financial asset available for sale	213,881,190.47			213,881,190.47
Equity instruments investment	213,881,190.47			213,881,190.47
Total amount of liabilities continuous measurement by fair value	214,203,413.75			214,203,413.75

10.2 Determined on the basis of continuous first level for fair value measurement of the market of project

The sustaining fair value measurement project is the stock that publicly traded in Shanghai stock exchange or Shenzhen stock exchange, and the price is confirmed based on the stock's closing price on the balance sheet date. If the holdings of shares in a restricted period, in accordance with the securities and futures commission as stated in the KUAIJI ZI [2007] 21 HAO related valuation method to determine the value.

Note 11: Related parties and related party transaction**11.1 Details of the parent**

Parents	Relationship	Nature of business	Registered capital	Shareholding in the Company %	Voting right in the Company %
Gujing Group	Anhui	Controlling shareholders Drink, building materials, manufacture plastic products	1,000,000,000.00	53.89	53.89

Note: The ultimate controller is the government of Bozhou, Anhui province.

11.2 Subsidiaries

See Note 8.1 The equity in subsidiaries for details.

11.3 Details of other related parties

Other related parties	Relationship
Anhui Ruifuxiang Food Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Ruijing catering management Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Ruijing Business Travel (Group) Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Bozhou Guesthouse Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Gujing Real Estate Group Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Orient Ruijing Enterprise Investment Development Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Hengxin Pawn Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Bozhou Ruineng Thermal Power Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Hefei Gujing Holiday Hotel Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Bozhou Furuixiang high protein feed Co. Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Ruijing restaurant management Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Ruixin pawn Co. Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Zhongxin finance lease Co. Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Huixin finance invest group Co.Ltd.	Affiliate of the actual controller and controlling shareholder
Bozhou Anxin Micro Finance Co., Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Gujing Ecological industrial park management Co.Ltd.	Affiliate of the actual controller and controlling shareholder
Dazhongyuan Wine valley culture tourism development Co., Ltd.	Affiliate of the actual controller and controlling shareholder

Other related parties	Relationship
Anhui gujing hotel management Co.,Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Youxin Financing guarantee Co.,Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Aoxin Real estate development Co.,Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Lixin Electronic commerce Co.,Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Xinxin Property management Co.,Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Gujing Huishenglou Catering Co.,Ltd.	Affiliate of the actual controller and controlling shareholder
Bozhou Gujing Junlai Hotel management Co.,Ltd	Affiliate of the actual controller and controlling shareholder
Anhui Gujing Property management Co.,Ltd.	Affiliate of the actual controller and controlling shareholder
Anhui Gujing Real estate development Co.,Ltd.	Affiliate of the actual controller and controlling shareholder

11.4 Transactions with related parties

11.4.1 Transactions through purchase or sell goods and accept or supply services

11.4.1.1 The situation of purchases goods or accepts services

Related parties	Content of transaction	Total amount during current year	Total amount during prior year
Anhui Ruifuxiang Food Co., Ltd	Purchase of material	2,852,022.30	5,228,142.02
Bozhou Guesthouse Co., Ltd.	Accept catering and accommodation service	1,217,174.90	824,672.70
Anhui Ruijing Catering management Co., Ltd	Purchase of goods	0.00	894,456.00
Anhui Ruijing Catering management Co., Ltd	Accept restaurant service	0.00	22,945.00
Hefei Gujing Holiday Hotel	Purchase of goods	3,359,534.47	3,864,897.72
Hefei Gujing Holiday Hotel	Accept restaurant and hotel service	141,502.71	174,385.19
Anhui gujing hotel management Co.,Ltd.	Accept restaurant and hotel service	121,487.00	0.00
Bozhou Gujing Junlai Hotel management Co.,Ltd	Accept restaurant and hotel service	552,171.00	0.00
Anhui Gujing Huishenglou Catering Co.,Ltd.	Accept restaurant and hotel service	4,378,795.00	0.00

Related parties	Content of transaction	Total amount during current year	Total amount during prior year
Total		12,622,687.38	11,009,498.63

11.4.1.2 The situation of sells goods or rendering services

Related parties	Content of transaction	Total amount during current year	Total amount during prior year
Gujing Group	Sales of micro metrail	200,364.98	26,844.05
Gujing Group	Provide catering service	294,505.60	200,741.00
Anhui Ruifuxiang Food Co., Ltd	Sales of distilled spirit	199,461.54	129,538.46
Bozhou Guesthouse Co., Ltd.	Sales of distilled spirit	131,538.47	189,538.45
Bozhou Guesthouse Co., Ltd.	Sales of micro metrail	0.00	520.17
Bozhou Gujing Hotel Co., Ltd.	Sales of distilled spirit	10,153.85	615.38
Anhui Gujing Real Estate Group Co., Ltd.	Sales of distilled spirit	44,692.31	79,384.61
Anhui Gujing Real Estate Group Co., Ltd.	Provide catering service	5,550.00	0.00
Anhui Ruijing catering Co., Ltd.	Sales of distilled spirit	109,786.32	39,538.46
Bozhou Ruineng Thermal Power Co., Ltd.	Sales of distilled spirit	132,923.07	56,692.31
Bozhou Ruineng Thermal Power Co., Ltd.	Provide advertisement service	14,245.28	0.00
Anhui Hengxin Pawn Co., Ltd.	Sales of distilled spirit	4,692.31	2,538.47
Bozhou Anxin Micro fiannce Co., Ltd	Sales of distilled spirit	2,230.77	3,461.54
Anhui Ruijing Business Travel (Group) Co., Ltd	Sales of distilled spirit	1,045,620.52	1,538.46
Hefei Gujing Holiday Hotel Co., Ltd	Sales of distilled spirit	703,846.16	1,411,692.31
Bozhou Ruifuciang high protein feed Co., Ltd	Sales of distilled spirit	15,073.07	11,692.30
Anhui gujing hotel management Co.,Ltd.	Sales of distilled spirit	453,495.71	121,307.69
Anhui Zhongxin finance lease Co. Ltd.	Sales of distilled spirit	1,999.99	1,538.46
Anhui Ruixin pawn Co. Ltd.	Sales of distilled spirit	2,153.85	923.08
Anhui Huixin finance invest group Co.Ltd.	Sales of distilled spirit	17,307.69	2,000.00
Anhui Huixin finance invest group Co.Ltd.	Provide advertisement service	5,566.04	0.00
Anhui Ruifuxiang Food Co., Ltd.	Provide catering service	0.00	6,150.00

Related parties	Content of transaction	Total amount during current year	Total amount during prior year
Bozhou Furuixiang high protein feed Co. Ltd.	Sales of metrail	45,853.01	80,984.62
Anhui Youxin Financing guarantee Co.,Ltd.	Sales of distilled spirit	3,445.57	0.00
Anhui Youxin Financing guarantee Co.,Ltd.	Provide advertisement service	2,830.19	0.00
Dazhongyuan Wine valley culture tourism development Co., Ltd.	Sales of distilled spirit	2,230.77	0.00
Dazhongyuan Wine valley culture tourism development Co., Ltd.	Sales of micro metrail	43,506.53	0.00
Anhui Aoxin Real estate development Co.,Ltd.	Sales of distilled spirit	1,230.76	0.00
Anhui Lixin Electronic commerce Co.,Ltd.	Sales of distilled spirit	1,076.92	0.00
Anhui Xinxin Property management Co.,Ltd.	Sales of distilled spirit	10,615.39	0.00
Anhui Gujing Huishenglou Catering Co.,Ltd.	Sales of distilled spirit	151,598.29	0.00
Bozhou Gujing Junlai Hotel management Co.,Ltd	Sales of distilled spirit	6,153.85	0.00
Anhui Gujing Property management Co.,Ltd.	Sales of distilled spirit	14,538.46	0.00
Anhui Gujing Real estate development Co.,Ltd.	Sales of distilled spirit	180,923.07	0.00
Anhui Gujing Ecological industrial park management Co.Ltd.	Sales of micro metrail	251,503.76	0.00
Total		4,110,714.10	2,367,239.82

11.4.2 Lease between related parties

11.4.2.1 The Company is as the Lessee

leasor	Classification	Lease rental recognized in current year	Lease rental recognized in prior year
Gujing Group	Buildings and constructions	1,800,000.00	1,800,000.00
Gujing Group	Buildings and constructions	500,000.00	500,000.00

11.4.2.2 The Company is as the leasor

Lessee	Classification	Lease rental recognized in current year	Lease rental recognized in prior year
Anhui gujing hotel management Co.,Ltd.	Buildings and constructions	201,055.54	0.00

11.5 The balance of payables and receivables among related parties

11.5.1 Receivables owed by related parties

Related party	Balance as at 31/12/2015	Balance as at 31/12/2014
---------------	--------------------------	--------------------------

Related party	Balance as at 31/12/2015	Balance as at 31/12/2014
Other receivables:		
Dazhongyuan Wine valley culture tourism development Co., Ltd.	6,186.47	0.00
Total	6,186.47	0.00

11.5.2 Payables owed to related parties

Related party	Balance as at 31/12/2015	Balance as at 31/12/2014
Receivable in advance:		
Anhui Ruijing catering management Co., Ltd.	299,280.01	108,000.00
Hefei Gujing Holiday Hotel Co., Ltd.	16,100.00	0.00
Bozhou Guesthouse Co., Ltd.	10,000.00	0.00
Anhui Gujing Real Estate Group Co., Ltd.	5,015.00	0.00
Anhui Lixin Electronic commerce Co.,Ltd.	2,419.20	0.00
Total	332,814.21	108,000.00
Accounts payable		
Anhui Gujing Huishenglou Catering Co.,Ltd.	10,000.00	0.00
Total	10,000.00	0.00
Other payable:		
Anhui Gujing Huishenglou Catering Co.,Ltd.	24,500.00	0.00
Anhui Ruifuxiang Food Co., Ltd.	2,000.00	2,000.00
Hefei Gujing Holiday Hotel Co., Ltd.	24,000.00	0.00
Anhui gujing hotel management Co.,Ltd.	3,600.00	0.00
Anhui Ruijing restaurant management Co., Ltd.	1,200.00	0.00
Anhui Ruijing Business Travel (Group) Co., Ltd	69,568.74	0.00
Bozhou Guesthouse Co., Ltd.	23,400.00	0.00
Total	148,268.74	2,000.00

Note 12: Commitments and contingencies**12.1 Important commitments**

Irrevocable lease contracts under performance and their financial effects as at the end of current year.

Items	Balance as at 31/12/2015	Balance as at 31/12/2014
The minimum lease payments of irrevocable operating lease contracts:		
1st year after the balance sheet date	2,300,000.00	2,300,000.00
2nd year after the balance sheet date	2,300,000.00	2,300,000.00
3rd year after the balance sheet date	2,300,000.00	2,300,000.00
Subsequent years	26,258,333.33	28,558,333.33
Total	33,158,333.33	35,458,333.33

12.2 Contingencies

Due to the infringement of the company's trademark on existence market, the company filed a lawsuit procedure of the behavior of trademark infringement. Because of the individual and the whole amount are small, involving lawsuit is not expected to have a significant impact on the company.

Note 13: Post reporting date events

On 25 March 2016, the Company held 8th meeting of seventh session board of directors which approved profit distribution plan for the year of 2015. The company plan to use the total share of 503,600,000.00 of the company at 31/12/2015 as a base, to distribute 1 RMB (Containing tax) every 10 shares, and as result to distribute RMB 50,360,000.00 to the whole shareholder. The profit distribution plan is pending resolution by the shareholders' meeting.

Note 14: Other signification events

Operation division information

The company donot confirmed the operation division in accordance with the internal organizational structure, management requirements and internal reporting system, so that there has no need to disclose division information report on the basis of the operation division.

Note 15: Notes to the main elements of the separate financial statement of the Company

15.1 Accounts receivable

15.1.1 Disclosure by classification

Items	Balance as at 31/12/2015				Book value
	Carrying amount		Allowance for bad debt		
	Amount	% of total	Amount	% of total	
Accounts receivable of individual significance subject to individually assessment for	0.00	0.00	0.00	0.00	0.00

impairment					
Accounts receivable portfolio subject to impairment by credit risk	4,940,776.33	100.00	590,339.09	11.95	4,350,437.24
Accounts receivable of individually insignificance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Total	4,940,776.33	100.00	590,339.09	11.95	4,350,437.24

(Continued)

Items	Balance as at 31/12/2014				Book value
	Carrying amount		Allowance for bad debt		
	Amount	% of total	Amount	% of total	
Accounts receivable of individual significance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Accounts receivable portfolio subject to impairment by credit risk	2,199,491.74	100.00	590,662.10	26.85	1,608,829.64
Accounts receivable of individually insignificance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Total	2,199,491.74	100.00	590,662.10	26.85	1,608,829.64

15.1.1.1 Accounts receivable using the age analysis method for measurement of allowance for bad debt

Age	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Within 1 year			
Include: within 6 months	256,808.87	2,568.09	1.00
7-12 months	0.00	0.00	0.00
Subtotal within 1 year	256,808.87	2,568.09	1.00
1 to 2 year	0.00	0.00	0.00
2 to 3 year	0.00	0.00	0.00
Over 3 years	587,771.00	587,771.00	100.00

Age	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Total	844,579.87	590,339.09	69.90

15.1.1.2 Accounts receivable using the other method for measurement of allowance for bad debt

Related parties	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Related parties	4,096,196.46	0.00	0.00
Total	4,096,196.46	0.00	0.00

15.1.2 Recognition, recovery and reversal of allowance for bad debt

Reversal of the allowance is RMB 323.01.

15.1.3 Accounts receivable written off during the current year

There is no accounts receivable written off during the current year.

15.1.4 Details of top five accounts receivable

The total amount of top five accounts receivables which are summarised by the balance as at the end of current year is CNY4,940,776.33, accounting for 100% of the total accounts receivable balance as at the end of current year, the total amount of corresponding allowance for bad debts is CNY590,339.09.

15.2 Other receivable

15.2.1 Disclosure by classification

Items	Balance as at 31/21/2015				Book value
	Carrying amount		Allowance for bad debt		
	Amount	% of total	Amount	% of total	
Other receivable of individual significance subject to individually assessment for impairment	41,342,938.53	27.69	41,342,938.53	100.00	0.00
Other receivable portfolio subject to impairment by credit risk	107,957,715.78	72.31	332,695.93	0.31	107,625,019.85
Other receivable of individually insignificance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Total	149,300,654.31	100.00	41,675,634.46	27.91	107,625,019.85

(Continued)

Items	Balance as at 31/21/2014				
	Carrying amount		Allowance for bad debt		Book value
	Amount	% of total	Amount	% of total	
Other receivable of individual significance subject to individually assessment for impairment	50,727,440.55	28.86	50,727,440.55	100.00	0.00
Other receivable portfolio subject to impairment by credit risk	125,054,444.71	71.14	228,135.16	0.18	124,826,309.55
Other receivable of individually insignificance subject to individually assessment for impairment	0.00	0.00	0.00	0.00	0.00
Total	175,781,885.26	100.00	50,955,575.71	28.99	124,826,309.55

15.2.1.1 Other receivable of individual significance subject to individually assessment for impairment

Other receivable	Balance at 31/12/2015			
	Other receivable	Allowance	% of total	Reasons
Jiaoqiao securities	11,840,500.00	11,840,500.00	100.00	Company went through bankrupt
Hengxin securities	29,502,438.53	29,502,438.53	100.00	Company went through bankrupt
Total	41,342,938.53	41,342,938.53	—	—

15.2.1.2 Other receivables using the age analysis method for measurement of allowance for bad debt

Age	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Within 1 year			
Include: within 6 months	718,002.24	7,180.02	1.00
7 to 12 months	800,296.40	40,014.82	5.00
Subtotal within one year	1,518,298.64	47,194.84	3.11
1 to 2 years	738,223.90	73,822.39	10.00
2 to 3 years	29,029.08	14,514.54	50.00
Over 3 years	197,164.16	197,164.16	100.00

Age	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Total	2,482,715.78	332,695.93	13.40

15.2.1.3 Accounts receivable using the other method for measurement of allowance for bad debt

Related parties	Balance as at 31/12/2015		
	Carrying amount	Allowance for bad debt	% of total
Related parties	105,475,000.00	0.00	0.00
Total	105,475,000.00	0.00	0.00

15.2.2 Recognition, recovery and reversal of allowance for bad debt

Recognition of allowance for bad debts is CNY104,560.77 during current year. Recovery and reversal amount during current year is CNY0.00.

15.2.3 Accounts receivable written off during the current year

Accounts receivable written off is CNY9,384,502.02 during the current year.

15.2.4 Classification of other receivable

Nature	Balance at 31/12/2015	Balance at 31/12/2014
Related party balance in consolidation	105,475,000.00	121,205,957.03
Investment in securities	41,342,938.53	50,727,440.55
Deposit and Assurant	1,295,081.09	1,670,464.25
Employee borrowing	209,766.20	284,256.89
Rent, water and gas	327,679.52	903,964.37
Others	650,188.97	989,802.17
Total	149,300,654.31	175,781,885.26

15.2.5 Details of top five other receivable:

Debtor	Nature	Balance as at 31/12/2015	Age	% of total amount	Allowance balance at the year end
The first	Related party balance	105,475,000.00	0-5 years	70.65	0.00
The second	Invest in securities	29,502,438.53	Over 3 years	19.76	29,502,438.53
The third	Invest in securities	11,840,500.00	Over 3 years	7.93	11,840,500.00
The forth	Deposit	689,658.09	1-2 years	0.46	68,965.81

Debtor	Nature	Balance as at 31/12/2015	Age	% of total amount	Allowance balance at the year end
The fift	Deposit	500,000.00	6-12 months	0.33	25,000.00
Total	—	148,007,596.62	—	99.13	41,436,904.34

15.3 Long-term equity investments

15.3.1 Disclosure by classification

Items	Balance as at 31/12/2015			Balance as at 31/12/2014		
	Carrying amount	allowance for bad debts	Net carrying amount	Carrying amount	allowance for bad debts	Net carrying amount
Invest to subsidiaries	354,089,408.32	0.00	354,089,408.32	338,089,408.32	0.00	338,089,408.32
Total	354,089,408.32	0.00	354,089,408.32	338,089,408.32	0.00	338,089,408.32

15.3.2 Details of long-term equity investments

Name	Balance as at 31/12/2014	Increase during current year	Decrease during current year	Balance as at 31/12/2015	Impairment allowance	Carrying amount of impairment allowance as at 31/12/2015
Gujing Sales	84,864,497.89	0.00	0.00	84,864,497.89	0.00	0.00
Gujing Glass	85,793,666.00	0.00	0.00	85,793,666.00	0.00	0.00
Shanghai Gujing Jinhao	49,906,854.63	0.00	0.00	49,906,854.63	0.00	0.00
Gujing Hotel	648,646.80	0.00	0.00	648,646.80	0.00	0.00
Gujing Transportation	6,875,743.00	0.00	0.00	6,875,743.00	0.00	0.00
Gujing Packaging	30,000,000.00	0.00	0.00	30,000,000.00	0.00	0.00
Anhui Ruisiweier	50,000,000.00	0.00	0.00	50,000,000.00	0.00	0.00
Anhui colorful taste Co.Ltd	30,000,000.00	0.00	0.00	30,000,000.00	0.00	0.00
Anhui Yuanqing environmental	0.00	16,000,000.00	0.00	16,000,000.00	0.00	0.00

Name	Balance as at 31/12/2014	Increase during current year	Decrease during current year	Balance as at 31/12/2015	Impairment allowance	Carrying amount of impairment allowance as at 31/12/2015
protection Co., Ltd.						
Total	338,089,408.32	16,000,000.00	0.00	354,089,408.32	0.00	0.00

15.4 Operating revenues and costs

Items	Current year		Prior year	
	Revenue	Costs	Revenue	Costs
Revenue from principal operating activities	2,964,146,832.70	1,505,986,199.51	2,594,480,546.56	1,443,435,704.23
Revenue from other operating activities	42,921,317.48	30,332,052.29	45,971,933.26	32,577,273.81
Total operating revenue	3,007,068,150.18	1,536,318,251.80	2,640,452,479.82	1,476,012,978.04

15.5 Investment income

Items	Current year	Prior year
Investment income from long term equity investment using cost method	505,901,386.51	467,513,453.43
Investment income from disposal of financial assets measured by fair value with changes in fair value recognised in profit or loss	7,160,227.36	1,104,622.26
Investment income from available for sale financial asset during the holding period	61,455,959.33	87,642,900.83
Investment income from disposal of available for sale financial assets	0.00	15,857,617.98
Total	574,517,573.20	572,118,594.50

Note 16: Supplementary information**16.1 Extraordinary gains or losses for current year**

Supplemental information	Total amount	Explanation
Gains or losses arising from disposal of non-current assets	-990,695.19	
Tax repayments or waiving of taxes not officially authorized or not with proper authorization		
Government grants accounted for through profit or loss for the current reporting period (excl.	19,931,320.03	

Supplemental information	Total amount	Explanation
grants directly associated with the Company's operations and subject to national quotas)		
Cost of monetary funds charged on non-financial institutions accounted for through profit or loss for the current reporting period	0.00	
Gains from the investment costs paid less than the acquirer's interest in the fair value of the bargainor's identifiable net assets(During acquire subsidiary、 joint venture and associates)	0.00	
Gains or losses arising from non-monetary assets exchange	0.00	
Gains or losses arising from entrusted assets and investments	0.00	
Impairment allowances arising from force majeure, such as natural disasters	0.00	
Gain or loss arising from debt restructuring	0.00	
Restructuring expenses, such as employee settlement and relocation costs and costs of integration	0.00	
Gains or losses arising from transactions of which the prices are deemed unfair (the difference between the price and the fair value)	0.00	
Net profit or loss of subsidiaries acquired through business combination under common control from the beginning of the current reporting period to the combination dates.	0.00	
Gains or losses arising from contingent events not associated with the Company's operating activities	0.00	
Gains or losses arising from changes in the fair values of financial instruments held for trading (excl. effective hedging instruments associated with the Company's operating activities) or disposal of financial instruments held for trading and available-for-sale financial assets (excl. effective hedging instruments associated with the Company's operating activities)	7,842,274.38	
Recovery of impairment allowance for receivables subject to individual assessment for impairment	0.00	
Gains or losses arising from entrusted borrowings	0.00	
Gains or losses arising from changes in the fair values of investment property measured at fair value	0.00	
Impact of one-off adjustment required by tax laws, accounting standards and relevant regulations on the profit or loss for the current reporting period	0.00	
Revenue arising from entrusted operation	0.00	

Supplemental information	Total amount	Explanation
Other non-operating revenue and non-operating expenses not listed above	16,973,709.12	
Other gains or losses satisfying the definition of extraordinary gains or losses	0.00	
Subtotal	43,756,608.34	
Less: Effect of corporate income tax	10,939,033.52	
Less: Net amount attributable to minority interests (after tax)	0.00	
Total	32,817,574.82	

Note: Extraordinary gains or losses event use "+" express revenue and income, "-" express loss and expenditure.

The Company recognized non-recurring categories of activities in accordance with the Explanatory Announcement regarding Information Disclosure by Publicly Listed Company No. 1 - Non-recurring Profit and Loss (ZhengjianhuiGonggao [2008] No.43).

16.2 Yield Rate of Net Assets and Earnings Per Share

Profits for the reporting period	Weighted average yield rate of net assets%	Earnings Per Share(Yuan per share)	
		Basic EPS	Diluted EPS
Net profits attributable to ordinary shareholders	15.91%	1.42	1.42
Net profits attributable to ordinary shareholders (excl. extraordinary gains or losses)	15.18%	1.36	1.36

Section XI. Documents Available for Reference

1. The accounting statements with personal signatures and seals of Legal Representative, Chief Accountant and the person in charge of the accounting agency (Accountant in charge).
2. The original of the Auditor's Report with the seals of the CPA firm, as well as the signatures and seals of the registered accountants.
3. The originals of all the documents and public notices disclosed on China Securities Journal and Ta Kung Pao by the Company during the reporting period.
4. Other relevant documents.