

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 30 SEPTEMBER 2010
 Quarter : 3

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT QUARTER 30-Sep-10 RMB'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-09 RMB'000	CURRENT QUARTER 30-Sep-10 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-09 RM'000
Revenue		85,633	66,772	39,520	30,815
Cost of sales		-37,875	-31,385	-17,479	-14,484
Gross Profit		47,758	35,387	22,040	16,331
Other income		1,808	4,450	834	2,054
Marketing and distribution		-13,681	-7,257	-6,314	-3,349
Administrative expenses		-4,721	-2,883	-2,179	-1,331
Interest expense		0	-33	0	-15
Other expense		-254	-659	-117	-304
Profit before taxation		30,911	29,004	14,265	13,385
Income tax expenses	B5	-3,898	-4,552	-1,799	-2,101
Profit after taxation		27,013	24,452	12,466	11,285
Other comprehensive Income: Foreign currency translation		0	0	0	0
Total comprehensive income for the period		27,013	24,452	12,466	11,285
Profit attributable to :					
- Owners of the parent		25,648	23,133	11,837	10,676
- Non-controlling interests		1,364	1,319	630	608
		27,013	24,452	12,466	11,285
Earnings per share attributable to owners of the parent :	B12				
Basic (sen in RMB / RM)		3.84	4.63	1.77	2.14
Diluted (sen in RMB / RM)		3.84	4.63	1.77	2.14

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

Note:

The presentation currency of this unaudited interim financial statement is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") shown is for reference only and is based on the exchange rate of RMB1 to RM0.4615 as at 30 September 2010

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED CURRENT YEAR TO DATE 30-Sep-10 RMB'000	UNAUDITED PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-09 RMB'000	UNAUDITED CURRENT YEAR TO DATE 30-Sep-10 RM'000	UNAUDITED PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-09 RM'000
Revenue		314,903	243,984	145,328	112,598
Cost of sales		-132,477	-111,595	-61,138	-51,501
Gross Profit		182,426	132,389	84,190	61,098
Other income		2,098	4,450	968	2,054
Marketing and distribution		-38,873	-20,010	-17,940	-9,235
Administrative expenses		-14,337	-8,653	-6,616	-3,993
Interest expense		-3,039	-112	-1,402	-52
Other expense		-3,224	-3,090	-1,488	-1,426
Profit before taxation		125,052	104,974	57,712	48,445
Income tax expenses	B5	-20,008	-17,891	-9,234	-8,257
Profit after taxation		105,044	87,083	48,478	40,189
Other comprehensive income:					
Foreign currency translation		-19	0	-9	0
Total comprehensive income for the period		105,025	87,083	48,469	40,189
Profit attributable to :					
- Owners of the parent		99,253	82,349	45,805	38,004
- Non-controlling interests		5,771	4,734	2,664	2,185
		105,025	87,083	48,469	40,189
Earnings per share attributable to owners of the parent :	B12				
Basic (sen in RMB / RM)		14.86	16.47	6.86	7.60
Diluted (sen in RMB / RM)		14.86	16.47	6.86	7.60

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	Share Capital		Attributable to Equity Holders of The Group				Total Equity RMB'000
	RMB'000	RMB'000	Reserve funds RMB'000	Foreign currency translation reserves RMB'000	Equity contributions RMB'000	Retained Earnings RMB'000	
At 1 January 2010	-	29,249	19,920	80	2,570	210,414	249,724
Issued from notes conversion	29,249	-	-	-	-	-	29,249
Transfer from reserve	-	-	-	-	-	20,263	20,263
Profit for the period	-	-	-	-	-	99,253	99,253
Other comprehensive loss	-	-	-	(19)	-	19	5,771
Total comprehensive income for the period	29,249	-	19,920	61	2,570	329,949	22,511
Appropriation to statutory reserve fund	-	-	2,116	-	-	(2,116)	-
At 30 September 2010	29,249	22,036	22,036	61	2,570	327,853	404,260
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	-	9,193	9,193	37	1,186	97,106	115,248
Issued from notes conversion	13,498	-	-	-	-	-	13,498
Transfer from reserve	-	-	-	-	-	9,351	9,351
Profit for the period	-	-	-	-	-	45,805	2,864
Other comprehensive loss	-	-	-	(9)	-	9	-
Total comprehensive income for the period	13,498	-	9,193	28	1,186	152,272	10,389
Appropriation to statutory reserve fund	-	-	977	-	-	(977)	-
At 30 September 2010	13,498	10,170	10,170	28	1,186	151,295	186,566

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	CURRENT PERIOD	CURRENT PERIOD
	30-Sep-10	30-Sep-10
	RMB'000	RM'000
Net cash from operating activities	98,074	45,261
Net cash used in investing activities	(8,504)	(3,925)
Net cash used in financing activities	3,935	1,816
Net increase in cash and cash equivalents	<u>93,504</u>	<u>43,152</u>
Effects of exchange rate changes		-
Cash and cash equivalents at beginning of period	45,567	21,029
Cash and cash equivalents at end of period	<u>139,071</u>	<u>64,181</u>

Cash and cash equivalents at the end of the period comprise the followings:

Cash on hand and at banks	105	48
Interest bearing cash at banks	138,966	64,133
	<u>139,071</u>	<u>64,181</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 30-Sep-10 RMB'000	AS AT 31-Dec-09 RMB'000	AS AT 30-Sep-10 RM'000	AS AT 31-Dec-09 RM'000
ASSETS AND LIABILITIES					
<i>Non-current assets</i>					
Property, plant and equipment		20,377	40,456	9,404	18,670
Biological assets		114,904	88,069	53,028	40,644
Prepayments		5,673	7,968	2,618	3,677
Deferred tax assets		6,010	4,899	2,774	2,261
		<u>146,964</u>	<u>141,392</u>	<u>67,824</u>	<u>65,252</u>
<i>Current assets</i>					
Inventories		84,611	44,788	39,048	20,670
Trade and other receivables		102,758	84,411	47,423	38,956
Prepayments		3,549	1,393	1,638	643
Cash and cash equivalents		139,071	45,567	64,181	21,029
		<u>329,989</u>	<u>176,159</u>	<u>152,290</u>	<u>81,297</u>
<i>Current liabilities</i>					
Income tax payable		10,505	7,015	4,848	3,237
Trade and other payables		43,733	21,230	20,183	9,798
Other liabilities		3,311	3,311	1,528	1,528
Convertible notes		0	14,818	0	6,839
Derivative financial instruments		0	10,496	0	4,844
		<u>57,550</u>	<u>56,870</u>	<u>26,559</u>	<u>26,246</u>
Net current assets		<u>272,439</u>	<u>119,289</u>	<u>125,731</u>	<u>55,052</u>
<i>Non-current liability</i>					
Deferred tax liabilities		15,143	10,957	6,988	5,057
Net assets		<u>404,260</u>	<u>249,724</u>	<u>186,566</u>	<u>115,248</u>
EQUITY					
Share capital	A5	29,249	0	13,498	0
Reserve		352,500	232,984	162,679	107,522
Non-controlling interests		22,511	16,740	10,389	7,726
Total equity		<u>404,260</u>	<u>249,724</u>	<u>186,566</u>	<u>115,248</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)		0.61	0.50	0.28	0.23

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

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