



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
		RMB'000	RMB'000	RM'000	RM'000
Revenue		86,965	84,911	40,679	39,718
Cost of sales		(41,680)	(34,982)	(19,496)	(16,363)
Gross Profit		45,285	49,929	21,183	23,355
Finance and other income		4,830	152	2,259	71
Marketing and distribution		(13,747)	(8,912)	(6,430)	(4,168)
Administrative expenses		(8,052)	(3,014)	(3,766)	(1,410)
Interest expense		-	(1,520)	-	(711)
Other expense		(158)	(1,485)	(74)	(695)
Profit before tax		28,158	35,150	13,172	16,442
Income tax expenses	B4	(6,562)	(5,492)	(3,070)	(2,569)
Profit net of tax		21,596	29,658	10,102	13,873
Other comprehensive Income:					
Foreign currency translation		(809)	16	(378)	7
Total comprehensive income for the period		20,787	29,674	9,724	13,880
Profit attributable to :					
- Owners of the parent		20,515	27,876	9,596	13,040
- Non-controlling interests		1,081	1,782	506	833
		21,596	29,658	10,102	13,873
Total comprehensive income attributable to :					
- Owners of the parent		19,706	27,892	9,218	13,047
- Non-controlling interests		1,081	1,782	506	833
		20,787	29,674	9,724	13,880
Earnings per share from Group's net profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		3.07	5.58	1.44	2.61
Diluted (RMB cents / RM sen)		3.07	5.16	1.44	2.41

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 RM0.46776 at 30 JUNE 2011

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 30 JUNE 2011
 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
		YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE
		ENDED	ENDED	ENDED	ENDED
		30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
		RMB'000	RMB'000	RM'000	RM'000
Revenue		245,483	229,270	114,827	107,243
Cost of sales		(114,918)	(94,602)	(53,754)	(44,251)
Gross Profit		130,565	134,668	61,073	62,992
Finance and other income		5,438	290	2,544	136
Marketing and distribution		(29,633)	(25,192)	(13,861)	(11,784)
Administrative expenses		(14,086)	(9,616)	(6,589)	(4,498)
Interest expense		-	(3,039)	-	(1,422)
Other expense		(277)	(2,970)	(130)	(1,389)
Profit before tax		92,007	94,141	43,037	44,035
Income tax expenses	B4	(26,513)	(16,110)	(12,401)	(7,535)
Profit net of tax		65,494	78,031	30,636	36,500
Other comprehensive Income:					
Foreign currency translation		(2,184)	(19)	(1,022)	(9)
Total comprehensive income for the period		63,310	78,012	29,614	36,491
Profit attributable to :					
- Owners of the parent		62,020	73,624	29,011	34,438
- Non-controlling interests		3,474	4,407	1,625	2,062
		65,494	78,031	30,636	36,500
Total comprehensive income attributable to :					
- Owners of the parent		59,836	73,605	27,989	34,429
- Non-controlling interests		3,474	4,407	1,625	2,062
		63,310	78,012	29,614	36,491
Earnings per share from Group's net profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		9.28	14.72	4.34	6.89
Diluted (RMB cents / RM sen)		9.28	14.28	4.34	6.68

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 RM0.46776 as at 30 JUNE 2011.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 30 JUNE 2011
 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTERLY ENDED 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 30-Jun-11 RMB'000	AS AT 31-Dec-10 RMB'000	AS AT 30-Jun-11 RM'000	AS AT 31-Dec-10 RM'000
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment		32,060	31,976	14,996	14,957
Biological assets		99,729	95,266	46,649	44,562
Prepayments		7,656	7,760	3,581	3,630
Deferred tax assets		6,024	5,649	2,818	2,642
		<u>145,469</u>	<u>140,651</u>	<u>68,044</u>	<u>65,791</u>
Current assets					
Inventories		77,583	66,732	36,290	31,215
Trade and other receivables		139,929	125,136	65,454	58,534
Prepayments		38,712	-	18,108	-
Cash and cash equivalents		294,015	319,607	137,528	149,499
		<u>550,239</u>	<u>511,475</u>	<u>257,380</u>	<u>239,248</u>
Current liabilities					
Income tax payable		13,921	5,130	6,512	2,400
Trade and other payables		78,994	62,861	36,950	29,404
Other liabilities		1,448	5,238	677	2,450
		<u>94,363</u>	<u>73,229</u>	<u>44,139</u>	<u>34,254</u>
Net current assets		<u>455,876</u>	<u>438,246</u>	<u>213,241</u>	<u>204,994</u>
Non-current liability					
Deferred tax liabilities		12,444	12,140	5,821	5,679
Net assets		<u>588,901</u>	<u>566,757</u>	<u>275,464</u>	<u>265,106</u>
EQUITY					
Share capital	A5	205,838	205,838	96,283	96,283
Other reserve		30,531	30,531	14,281	14,281
Retained earnings		333,418	313,169	155,959	146,488
Non-controlling interests		19,114	17,219	8,941	8,054
Total equity		<u>588,901</u>	<u>566,757</u>	<u>275,464</u>	<u>265,106</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)		0.88	0.85	0.41	0.39

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements.)

Note:

The presentation currency of this unaudited and audited 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 RM0.46776 as at 30 JUNE 2011.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period End : 30 JUNE 2011
 Quarter : 2
 HALF YEAR REPORT ON CONSOLIDATED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2011



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of The Group						Total Equity RMB'000
	Share Capital RMB'000	Statutory Reserve funds RMB'000	Foreign currency translation reserves RMB'000	Other capital reserves RMB'000	Retained Earnings RMB'000	Total RMB'000	
(IN RMB)							
At 1 January 2010	-*	19,920	80	2,570	210,414	232,984	249,724
Profit for the period	-	-	-	-	73,624	73,624	78,031
Other comprehensive loss for the period	-	-	(19)	-	-	(19)	(19)
Total comprehensive income for the period	-	19,920	61	2,570	284,038	306,589	327,736
Appropriation to statutory reserve fund	-	2,116	-	-	(2,116)	-	-
At 30 JUNE 2010	-*	22,036	61	2,570	281,922	306,589	327,736
(IN RM)							
At 1 January 2010	-*	9,318	38	1,202	98,423	108,981	116,811
Profit for the period	-	-	-	-	34,438	34,438	36,500
Other comprehensive loss for the period	-	-	(9)	-	-	(9)	(9)
Total comprehensive income for the period	-	9,318	29	1,202	132,861	143,410	153,302
Appropriation to statutory reserve fund	-	990	-	-	(990)	-	-
At 30 JUNE 2010	-*	10,308	29	1,202	131,871	143,410	153,302

* The Company was incorporated with an initial paid-up capital of SGD1 (RMB5) which was subsequently increased to SGD100 (RMB474) via the issuance of shares for SGD99 in cash.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 RM0.46776 as at 30 JUNE 2011.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 30 JUNE 2011
 Quarter : 2

HALF YEAR REPORT ON CONSOLIDATED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of The Group						Total Equity RMB'000
	Share Capital RMB'000	Statutory Reserve funds RMB'000	Foreign currency translation reserves RMB'000	Other capital reserves RMB'000	Retained Earnings RMB'000	Total RMB'000	
<i>(IN RMB)</i>							
At 1 January 2011	205,838	29,508	-	1,023	313,169	549,538	566,757
Profit for the period	-	-	-	-	62,020	62,020	65,494
Other comprehensive loss for the period	-	-	(2,184)	-	-	(2,184)	(2,184)
Total comprehensive income for the period	205,838	29,508	(2,184)	1,023	375,189	609,374	630,067
Dividend paid	-	-	-	-	(39,587)	(39,587)	(41,166)
At 30 JUNE 2011	205,838	29,508	(2,184)	1,023	335,602	569,787	588,901
<i>(IN RM)</i>							
At 1 January 2011	96,283	13,803	-	478	146,488	257,052	265,106
Profit for the period	-	-	-	-	29,011	29,011	30,636
Other comprehensive loss for the period	-	-	(1,022)	-	-	(1,022)	(1,022)
Total comprehensive income for the period	96,283	13,803	(1,022)	478	175,499	285,041	294,720
Dividend paid	-	-	-	-	(18,518)	(18,518)	(19,256)
At 30 JUNE 2011	96,283	13,803	(1,022)	478	156,981	266,523	275,464

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 RM0.46776 as at 30 JUNE 2011.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 30 JUNE 2011
 Quarter : 2
HALF YEAR REPORT ON CONSOLIDATED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2011



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	CURRENT HALF YEAR 30-Jun-11 RMB'000	PRECEDING CORRESPONDING HALF YEAR 30-Jun-10 RMB'000	CURRENT HALF YEAR 30-Jun-11 RM'000	PRECEDING YEAR CORRESPONDING HALF YEAR 30-Jun-10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	92,007	94,141	43,037	44,035
Adjustments for :-				
Amortisation of prepayments	104	104	49	49
Depreciation of property, plant and equipment	4,339	4,244	2,030	1,985
Depreciation of biological assets	885	-	414	-
Fair value gain on derivative financial instrument	-	(162)	-	(76)
Interest income	(692)	(128)	(324)	(60)
Interest expense	-	3,035	-	1,420
Operating profit before working capital changes	96,643	101,234	45,206	47,353
<i>Decrease/(increase) in:</i>				
Inventories	(10,851)	(30,431)	(5,076)	(14,234)
Trade and other receivables	(15,168)	(18,797)	(7,095)	(8,792)
Prepayments	(38,712)	(595)	(18,108)	(278)
<i>Increase/(decrease) in:</i>				
Trade and other payables	2,559	19,005	1,198	8,890
Other liabilities	1,706	385	798	180
Cash flows generated from operations	36,178	70,801	16,923	33,119
Income tax paid	(19,124)	(15,744)	(8,945)	(7,364)
Interest income received	692	128	324	60
Net cash flows generated from operating activities	17,746	55,185	8,302	25,815
CASH FLOW FROM INVESTING ACTIVITY				
Purchase of property, plant and equipment	(4,424)	-	(2,069)	-
Purchase of biological assets	(5,348)	(3,672)	(2,502)	(1,718)
Net cash flow used in investing activity	(9,772)	(3,672)	(4,571)	(1,718)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders	(29,392)	-	(13,748)	-
Dividends paid to non controlling-interests	(1,579)	-	(739)	-
Net cash flows used in financing activities	(30,971)	-	(14,487)	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(22,997)	51,513	(10,756)	24,097
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	319,607	45,567	149,499	21,314
Effect of exchange rate fluctuations on cash on hand and at banks	(2,595)	-	(1,214)	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	294,015	97,080	137,529	45,411
Cash and cash equivalents at the end of the period comprise the followings:				
Cash on hand and at banks	294,015	97,080	137,529	45,411
Short-term deposits	-	-	-	-
	294,015	97,080	137,529	45,411

(The accompanying explanatory notes form an integral part of and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.)

Note:

The functional and 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 RM0.46776 as at 30 JUNE 2011.

A. NOTES TO THE QUARTERLY RESULTS

1. Basis of accounting and changes in accounting policies

a) Basis of accounting

The condensed consolidated financial statements for the financial period ended 30 June 2011 are unaudited and have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements.

The condensed consolidated financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this financial report.

b) Changes in accounting policies

At the date of this report, the Group has adopted certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods after 1 January 2011.

The directors do not anticipate that the adoption of the new standards (including consequential amendments) and interpretations will result in any material impact to the financial statements.

2. Seasonality or cyclical nature of operation

The business of the Group is generally affected by seasonal factors, with the first and fourth quarters of the year being the best quarters for wine industry in the People's Republic of China ("PRC"). Consumers tend to purchase and drink more wines during the festive periods of Christmas, New Year and the Lunar New Year.

3. Unusual items due to nature, size or incidence

There were no unusual items due to nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial half year ended 30 June 2011.

4. Changes in estimates

There were no material changes in estimates for the financial half year ended 30 June 2011.

5. Changes in share capital and debts

There were no issuances, cancellations, resale and repayments of debt and equity securities for the financial half year ended 30 June 2011.

6. Dividends

On 17 March 2011, the Company paid an interim tax-exempt dividend of RM0.02 per ordinary share of the Company amounting to RM13,360,000 in respect of financial year ended 31 December 2010.

On 3 June 2011, the Company proposed a final tax-exempt dividend of 0.72 sen per ordinary share for the 668,000,000 fully paid up ordinary shares of the Company amounting to RM4,809,600 in respect of financial year ended 31 December 2010.

On 28 June 2011, according to the resolution of Annual General Meeting, the final tax-exempt dividend of 0.72 sen per ordinary share was approved. The declared dividend amounting to RM4,809,600 is reflected in the financial statements of the Group for the period ended 30 June 2011.

7. Segment Information

a) Operating segments

<u>6 months ended 30 June 2011</u>	White Wine RMB'000	Red Wine RMB'000	Total RMB'000
Revenue			
Sales to external customers	35,835	209,648	245,483
Results			
Segment gross profit	19,205	111,360	130,565
Unallocated expenses, net			(39,250)
Interest income			692
Interest expense			-
Profit before tax			92,007
Income tax expense			(26,513)
Net profit			65,494
<u>6 months ended 30 June 2010</u>	White Wine RMB'000	Red Wine RMB'000	Total RMB'000
Revenue			
Sales to external customers	30,043	199,227	229,270
Results			
Segment gross profit	17,195	117,473	134,668
Unallocated expenses, net			(37,616)
Interest income			128
Interest expense			(3,039)
Profit before tax			94,141
Income tax expense			(16,110)
Net profit			78,031

7. Segment Information (cont'd)

Other segment information

	International Label RMB'000	Own Label RMB'000	Total RMB'000
<u>6 months ended 30 June 2011</u>			
Revenue			
Sales to external customers	83,354	162,130	245,483
<u>6 months ended 30 June 2010</u>			
Revenue			
Sales to external customers	55,834	173,436	229,270

b) Geographical segments

As the business of the Group is engaged entirely in the PRC, no reporting by geographical location of operation is presented.

8. Subsequent events

There were no material events subsequent to the end of the financial period under review that have not been reflected in this half year report as at the date of this report.

9. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial half year ended 30 June 2011.

10. Contingent liabilities or assets

No material contingent liabilities and assets, which upon becoming enforceable may have a material effect on the financial position of the Group since the last annual statement of financial position date.

11. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment during the financial half year ended 30 June 2011.

12. Capital commitments

There are no material commitments for capital expenditure, which upon becoming enforceable, may have a material effect on the financial position of the Group for the financial half year ended 30 June 2011.

13. Retained Earnings

The breakdown of retained profits of the Group as at the respective reporting dates is as follows:

	As at 31 Dec 2010		As at 30 June 2011	
	RMB'000	RM'000	RMB'000	RM'000
Realised retained profits:	321,802	150,526	339,625	158,862
Unrealised retained profits:	(8,633)	(4,038)	(6,207)	(2,903)
	-----	-----	-----	-----
Total group retained profits:	313,169	146,488	333,418	155,959
	=====	=====	=====	=====

14. Recurring related party transactions

For the financial half year ended 30 June 2011, the Group rented office and factory premises from a director-related company, Yantai Ouhua Winery Co., Ltd, with rental expense amounting to RMB873,000.

B. INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD UNDER LISTING REQUIREMENTS

1. Review of the performance of the Group

For the financial half-year performance ended 30 June 2011, the Group recorded revenue of RMB245.5 million, representing a 7% increase from RMB229.3 million and profit before tax (PBT) of RMB92 million, a decrease of 2% from RMB94.1 million, both from the corresponding results as at 30 June 2010. Meanwhile, the Group registered a profit after tax (PAT) of RMB65.5 million, representing a decrease of 16% from RMB78 million, compared to the corresponding results as at 30 June 2010.

The above revenue growth is very much in tandem with the sector growth for wine business in the Peoples' Republic of China. The second quarter is usually regarded as off peak season for wine business. However, the distribution and marketing expenses are incurred evenly during the year. The increase in administrative expenses is due to the unsettled IPO expenses. Therefore, the PBT's movement is in a reverse direction against the revenue growth. Meanwhile, the corporate income tax rate is higher for current half year (details are stated in B4). As a result, the Group's profit after tax decreased.

For the current quarter, the Group recorded revenue of RMB87 million, representing a 2% increase from RMB85 million of corresponding quarter in 2010 and profit after tax of RMB21.6 million, a decrease of RMB8.1 million from RMB29.7 million of corresponding quarter in 2010.

The decrease of profit after tax is mainly because of the increase of marketing and distribution expenses due to the opening of outlets in Fujian province and other market supporting expenses. Meanwhile, a further tax on top of the Goods and Services Tax of over RMB7 million was imposed on the Group by the Chinese authorities. This tax commenced in 2011.

For the current quarter, the Group recorded a revenue decrease of RMB71.5 million from RMB158.5 million to RMB87 million and a decrease in net of tax profit of RMB22.3 million from RMB43.9 million to RMB21.6 million, both from the immediate preceding quarter ended 31 March 2011.

Save for any unforeseen circumstances and changes in the market forces, we are cautiously optimistic to perform better in the future.

2. Prospects

The Group has intensified efforts in branding and market expansion via specialty stores and point-of-sale collaboration with distributions and retail outlets. We expect the specialty stores and point-of-sale to continue to penetrate further into our existing markets as well as enter into new geographical regions and contribute positively in 2011.

During the second quarter, in order to enhance our market in Fujian province, we invested in more than 240 outlets in Fujian. Also, we have started expanding our production capacity in June 2011 by constructing new 2000-ton stainless steel fermentation tanks and storage space of over 4000 square meters.

Meanwhile, we plan to directly import wine from Europe. Our wine portfolio is sourced from France, Spain and Italy to increase the range and competitiveness of our product.

Our Board is cautiously optimistic about the prospects of our Group barring any unforeseen circumstances and changes in the market forces, as well as the outlook of the Peoples' Republic of China wine industry in the remaining period to the end of the financial year.

3. Profit forecast and guarantee

No profit forecast or guarantee were previously announced and disclosed by the Group in a public document.

4. Income tax charge

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
PRC income tax	6,562	3,070	26,513	12,401

The PRC Corporate Income Tax (CIT) rate of our only subsidiary Yantai Fazenda Ouhua Winery Co., Ltd for the half year ended 30 June 2011 and for the previous financial year 31 December 2010 was 25%. Our subsidiary enjoyed its last (fifth) year with 50% reduction for CIT rate at 12.5% up to 31 December 2010 under Regular Tax Reduction and Exemption Treatment.

The higher effective tax rate of the Group for the half year ended 30 June 2011 is mainly attributed to the 10% Withholding Tax on unremitted earnings of subsidiary and on dividend income from subsidiary.

5. Sales of unquoted investments and/or properties

There are no sales of unquoted investments and/or properties of the Group in the current quarter and financial half year ended 30 June 2011.

6. Purchase or disposal of quoted securities

No purchase or disposal of quoted securities by the Group in the financial half year ended 30 June 2011.

7. Status of corporate proposals and utilisation of proceeds

The Public Issue was to raise gross proceeds of RM79.53 million, which shall accrue to us and we intend to utilise the proceeds raised in the following manner: -

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe	Deviation	
				RM'000	%
Expansion of our market presence and distribution network, in particular Fazenda Ohua specialty stores	35,788	35,788	By 2 Nov 2012	-	0
Enhance the quality of and Control over our material supplies	7,952	-	By 2 Nov 2012	7,952	100
Expansion of our production Capacity and range of wines	11,930	2,064	By 2 Nov 2012	9,866	83
Enhance R&D capabilities	3,977	-	By 2 Nov 2012	3,977	100
Working capital	9,544	12,993	By 2 Nov 2012	(3,449)	(36)
Estimated listing expenses	<u>10,339</u>	<u>6,890</u>	By 2 Nov 2012	3,449	33
Total	<u>79,530</u>	<u>57,735</u>			

The listed expenses incurred was RM6.89 million. The excess of RM3.449 million as compared to the estimated listing expenses of RM10.339 was utilised for working capital purposes.

8. Group borrowings and debts securities

Our Group has no borrowings and debts securities as at the reporting date of the half year under review.

9. Off-balance sheet financial instruments risks

As at the date of this report, we do not have nor are we using any off-balance sheet financial instruments.

10. Changes in material litigation

As at the date of this report, our Group is not engaged whether as plaintiff or defendant in any legal action, proceedings, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of our Group, and our Directors do not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

11. Earnings per share

Earnings per share for 30 June 2011 and 30 June 2010 were computed by dividing the profit net of tax and minority interests for the respective financial period by the weighted average number of ordinary shares of 668,000,000 and 500,000,000 respectively.

The diluted earnings per share for 30 June 2010 were computed by dividing, the profit net of tax and minority interests after adjusting for interest expense, by the weighted average number of ordinary shares of 668,000,000 and 537,000,000 respectively. There was no potential dilutive instrument as at 30 June 2011.

12. Audit report of the Group's preceding annual and immediate financial statements

Our Group's audited financial statements for the financial year ended 31 December 2010 were not subject to any audit qualification.