

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period End : 30 September 2011
 Quarter : 3



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10
		RMB'000	RMB'000	RM'000	RM'000
Revenue		71,455	85,633	35,680	42,760
Cost of sales		(35,547)	(37,875)	(17,750)	(18,913)
Gross Profit		35,908	47,758	17,930	23,847
Finance and other income		284	1,808	142	903
Marketing and distribution		(20,501)	(13,681)	(10,237)	(6,831)
Administrative expenses		(3,196)	(4,721)	(1,596)	(2,357)
Other expense		(347)	(254)	(173)	(127)
Profit before tax		12,148	30,910	6,066	15,435
Income tax expenses	B4	(3,685)	(3,898)	(1,840)	(1,947)
Profit net of tax		8,463	27,012	4,226	13,488
Other comprehensive Income:					
Foreign currency translation		(317)	-	(158)	-
Total comprehensive income for the period		8,146	27,012	4,068	13,488
Profit attributable to :					
- Owners of the parent		7,991	25,648	3,990	12,807
- Non-controlling interests		472	1,364	236	681
		8,463	27,012	4,226	13,488
Total comprehensive income attributable to :					
- Owners of the parent		7,674	25,648	3,832	12,807
- Non-controlling interests		472	1,364	236	681
		8,146	27,012	4,068	13,488
Earnings per share from Group's net profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		1.20	3.84	0.60	1.92
Diluted (RMB cents / RM sen)		1.20	3.84	0.60	1.92

(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 RM0.49934 at 30 September 2011

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
		YEAR TO DATE ENDED 30-Sep-11 RMB'000	YEAR TO DATE ENDED 30-Sep-10 RMB'000	YEAR TO DATE ENDED 30-Sep-11 RM'000	YEAR TO DATE ENDED 30-Sep-10 RM'000
Revenue		316,938	314,903	158,260	157,244
Cost of sales		(150,465)	(132,477)	(75,133)	(66,151)
Gross Profit		166,473	182,426	83,127	91,093
Finance and other income		5,722	2,098	2,857	1,048
Marketing and distribution		(50,134)	(38,873)	(25,034)	(19,411)
Administrative expenses		(17,282)	(14,337)	(8,630)	(7,159)
Interest expense		-	(3,039)	-	(1,517)
Other expense		(624)	(3,224)	(311)	(1,610)
Profit before tax		104,155	125,051	52,009	62,444
Income tax expenses	B4	(30,197)	(20,008)	(15,079)	(9,991)
Profit net of tax		73,958	105,043	36,930	52,453
Other comprehensive Income:					
Foreign currency translation		(2,501)	(19)	(1,249)	(9)
Total comprehensive income for the period		71,457	105,024	35,681	52,444
Profit attributable to :					
- Owners of the parent		70,011	99,272	34,959	49,571
- Non-controlling interests		3,947	5,771	1,971	2,882
		73,958	105,043	36,930	52,453
Total comprehensive income attributable to :					
- Owners of the parent		67,510	99,253	33,710	49,562
- Non-controlling interests		3,947	5,771	1,971	2,882
		71,457	105,024	35,681	52,444
Earnings per share from Group's net profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		10.48	14.86	5.23	7.42
Diluted (RMB cents / RM sen)		10.48	14.86	5.23	7.42

(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:

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Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
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 Financial Period Ended : 30 September 2011
 Quarter : 3



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 30-Sep-11 RMB'000	AS AT 31-Dec-10 RMB'000	AS AT 30-Sep-11 RM'000	AS AT 31-Dec-10 RM'000
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment		47,811	31,976	23,874	15,967
Biological assets		102,618	95,266	51,241	47,570
Prepayments		7,604	7,760	3,797	3,875
Deferred tax assets		6,211	5,649	3,101	2,821
		<u>164,244</u>	<u>140,651</u>	<u>82,013</u>	<u>70,233</u>
Current assets					
Inventories		87,649	66,732	43,766	33,322
Trade and other receivables		122,075	125,136	60,957	62,485
Prepayments		37,612	-	18,781	-
Cash and cash equivalents		268,626	319,607	134,136	159,593
		<u>515,962</u>	<u>511,475</u>	<u>257,640</u>	<u>255,400</u>
Current liabilities					
Income tax payable		7,991	5,130	3,990	2,562
Trade and other payables		61,186	62,861	30,552	31,389
Other liabilities		1,090	5,238	544	2,616
		<u>70,267</u>	<u>73,229</u>	<u>35,086</u>	<u>36,567</u>
Net current assets		<u>445,695</u>	<u>438,246</u>	<u>222,554</u>	<u>218,833</u>
Non-current liability					
Deferred tax liabilities		12,891	12,140	6,436	6,062
Net assets		<u>597,048</u>	<u>566,757</u>	<u>298,130</u>	<u>283,004</u>
EQUITY					
Share capital	A5	205,838	205,838	102,783	102,783
Other reserve		30,531	30,531	15,246	15,245
Retained earnings		341,092	313,169	170,321	156,378
Non-controlling interests		19,587	17,219	9,780	8,598
Total equity		<u>597,048</u>	<u>566,757</u>	<u>298,130</u>	<u>283,004</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)		0.89	0.85	0.45	0.42

(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 RM0.49934 as at 30 SEPTEMBER 2011.



Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 30 September 2011
 Quarter : 3

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	70,011	70,011	73,958
Other comprehensive loss for the period	-	-	(2,501)	-	-	(2,501)	(2,501)
Total comprehensive income for the period	205,838	29,508	(2,501)	1,023	383,180	617,048	638,214
Dividend paid	-	-	-	-	(39,587)	(39,587)	(41,166)
At 30 SEPTEMBER 2011	205,838	29,508	(2,501)	1,023	343,593	577,461	597,048
<i>(IN RM)</i>							
At 1 January 2011	102,783	14,735	-	511	156,378	274,407	283,005
Profit for the period	-	-	-	-	34,959	34,959	36,930
Other comprehensive loss for the period	-	-	(1,249)	-	-	(1,249)	(1,249)
Total comprehensive income for the period	102,783	14,735	(1,249)	511	191,337	308,117	318,686
Dividend paid	-	-	-	-	(19,767)	(19,767)	(20,556)
At 30 SEPTEMBER 2011	102,783	14,735	(1,249)	511	171,570	288,350	298,130

(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:

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Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	Non-controlling interests RMB'000	
(IN RMB)								
At 1 January 2010	-*	19,920	80	2,570	210,414	232,984	16,740	249,724
Issued from notes conversion	29,249					29,249		29,249
Transfer from reserve					20,263	20,263		20,263
Profit for the period					99,272	99,272	5,771	105,043
Other comprehensive loss for the period			(19)			(19)		(19)
Total comprehensive income for the period					329,949	381,749	22,511	404,260
Appropriation to statutory reserve fund		2,116			(2,116)			
At 30 SEPTEMBER 2010	29,249	22,036	61	2,570	327,833	381,749	22,511	404,260
(IN RM)								
At 1 January 2010	-*	9,947	40	1,283	105,068	116,338	8,359	124,697
Issued from notes conversion	14,605					14,605		14,605
Transfer from reserve					10,118	10,118		10,118
Profit for the period					49,571	49,571	2,882	52,453
Other comprehensive loss for the period			(9)			(9)		(9)
Total comprehensive income for the period					164,757	190,623	11,241	201,864
Appropriation to statutory reserve fund		1,056			(1,056)			
At 30 SEPTEMBER 2010	14,605	11,003	31	1,283	163,701	190,623	11,241	201,864

* 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 RM0.49934 as at 30 SEPTEMBER 2011.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
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 Financial Period Ended : 30 September 2011
 Quarter : 3



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	CURRENT YEAR TO DATE 30-Sep-11 RMB'000	PRECEDING CORRESPONDING YEAR TO DATE 30-Sep-10 RMB'000	CURRENT YEAR TO DATE 30-Sep-11 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30-Sep-10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	104,155	125,051	52,009	62,444
Adjustments for :-				
Amortisation of prepayments	156	996	78	497
Depreciation of property, plant and equipment	6,508	6,125	3,250	3,058
Depreciation of biological assets	1,328	-	663	-
Interest income	(1,008)	(1,808)	(503)	(903)
Operating profit before working capital changes	111,139	130,364	55,497	65,096
<i>Decrease/(increase) in:</i>				
Inventories	(20,917)	(39,822)	(10,445)	(19,885)
Trade and other receivables	3,061	(2,273)	1,528	(1,135)
Prepayments	(38,174)	(2,156)	(19,062)	(1,077)
<i>Increase/(decrease) in:</i>				
Trade and other payables	(4,860)	22,484	(2,427)	11,227
Other liabilities	3,289	4,186	1,642	2,090
Cash flows generated from operations	53,538	112,783	26,733	56,316
Income tax paid	(29,873)	(16,518)	(14,917)	(8,248)
Interest income received	1,008	1,808	503	903
Net cash flows generated from operating activities	24,673	98,073	12,319	48,971
CASH FLOW FROM INVESTING ACTIVITY				
Purchase of property, plant and equipment	(22,343)	-	(11,157)	-
Purchase of biological assets	(8,680)	(8,504)	(4,334)	(4,246)
Net cash flow used in investing activity	(31,023)	(8,504)	(15,491)	(4,246)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders	(39,587)	-	(19,767)	-
Dividends paid to non controlling-interests	(1,579)	-	(788)	-
Proceeds from issuance of shares	-	3,935	-	1,965
Net cash flows used in financing activities	(41,166)	3,935	(20,555)	1,965
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(47,516)	93,504	(23,727)	46,690
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	319,607	45,567	159,593	22,752
Effect of exchange rate fluctuations on cash on hand and at banks	(3,465)	-	(1,730)	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	268,626	139,071	134,136	69,442
Cash and cash equivalents at the end of the period comprise the followings:				
Cash on hand and at banks	268,626	105	134,136	52
Short-term deposits	-	138,966	-	69,390
	268,626	139,071	134,136	69,442

(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 RM0.49934 as at 30 SEPTEMBER 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 September 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 cyclicity 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 third quarter ended 30 September 2011.

4. Changes in estimates

There were no material changes in estimates for the financial third quarter ended 30 September 2011.

5. Changes in share capital and debts

There were no issuances, cancellations, resale and repayments of debt and equity securities for the financial third quarter ended 30 September 2011.

6. Dividends Payable

The Board of directors does not recommend any interim dividend for the current quarter ended 30 September 2011.

7. Segment Information

a) Operating segments

	White Wine	Red Wine	Total
<u>9 months ended 30 September 2011</u>	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	60,755	256,183	316,938
Results			
Segment gross profit	31,912	134,561	166,473
Unallocated expenses, net			(63,326)
Interest income			1,008
Interest expense			-
Profit before tax			104,155
Income tax expense			(30,197)
Net profit			73,958
<u>9 months ended 30 September 2010</u>	White Wine	Red Wine	Total
	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	42,714	272,189	314,903
Results			
Segment gross profit	24,474	157,952	182,426
Unallocated expenses, net			(56,144)
Interest income			1,808
Interest expense			(3,039)
Profit before tax			125,051
Income tax expense			(20,008)
Net profit			105,043

Other segment information

	International Label	Own Label	Total
<u>9 months ended 30 September 2011</u>	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	108,539	208,399	316,938
<u>9 months ended 30 September 2010</u>	International Label	Own Label	Total
	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	77,479	237,424	314,903

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 third quarter 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 third quarter ended 30 September 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 third quarter ended 30 September 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 third quarter ended 30 September 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 September 2011	
	RMB'000	RM'000	RMB'000	RM'000
Realised retained profits:	321,802	160,689	348,263	173,901
Unrealised retained profits:	(8,633)	(4,311)	(7,171)	(3,581)
	-----	-----	-----	-----
Total group retained profits:	313,169	156,378	341,092	170,321
	=====	=====	=====	=====

14. Recurring related party transactions

For the financial third quarter ended 30 September 2011, the Group rented office and factory premises from a director-related company, Yantai Ouhua Winery Co., Ltd, with rental expense amounting to RMB1,309,500.

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

1. Review of the performance of the Group

For the nine months performance ended 30 September 2011, the Group recorded revenue of RMB316.9 million, representing a 1% increase from RMB314.9 million and profit before tax (PBT) of RMB104.2 million, a decrease of 17% from RMB125.1 million, both from the corresponding results as at 30 September 2010. Meanwhile, the Group registered a profit after tax (PAT) of RMB74 million, representing a decrease of 30% from RMB105 million, compared to the corresponding results as at 30 September 2010.

For the current quarter, the Group recorded revenue of RMB71.5 million, representing a 17% decrease from RMB85.6 million of corresponding quarter in 2010 and profit after tax of RMB8.5 million, a decrease of RMB18.5 million from RMB27 million of corresponding quarter in 2010.

The third quarter is usually regarded as off peak season for wine business. However, the decrease of sales is due to the competition from imported wines which has a significant market share in China. Further, the decrease of profit after tax is mainly because of (a) the increase of marketing and distribution expenses due to the opening of outlets in Fujian province and other market supporting expenses; (b) 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; (c) the corporate income tax rate is higher for current third quarter (details are stated in B4).

For the current quarter, the Group recorded a revenue decrease of RMB15.5 million from RMB87 million to RMB71.5 million and a decrease in net of tax profit of RMB13.1 million from RMB21.6 million to RMB8.5 million, both from the immediate preceding quarter ended 30 June 2011.

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 fourth quarter, the 4000 square meters plant and the 3000-ton stainless steel fermentation tanks will be completed. It will greatly enhance the storage capacity of the original wine after completion.

To meet the demand of imported wine in the China market, we intend to import from MOCEN vineyard in Spain five types of their wine into the China market.

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	3,685	3,898	30,197	20,008

The PRC Corporate Income Tax (CIT) rate of our only subsidiary Yantai Fazenda Ohua Winery Co., Ltd for the third quarter ended 30 September 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 third quarter ended 30 September 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 third quarter ended 30 September 2011.

6. Purchase or disposal of quoted securities

No purchase or disposal of quoted securities by the Group in the financial third quarter ended 30 September 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	10,553	By 2 Nov 2012	1,377	12
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>66,224</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 third quarter 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 September 2011 and 30 September 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. There was no potential dilutive instrument as at 30 September 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.