

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period End : 31 December 2011
 Quarter : 4



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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
		31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
		RMB'000	RMB'000	RM'000	RM'000
Revenue		77,231	133,443	38,831	67,093
Cost of sales		(38,766)	(58,739)	(19,491)	(29,533)
Gross Profit		38,465	74,704	19,340	37,560
Finance and other income		(3,458)	3,117	(1,739)	1,567
Marketing and distribution		(42,194)	(26,248)	(21,215)	(13,197)
Administrative expenses		(3,387)	(7,050)	(1,703)	(3,545)
Interest expense		-	(5,870)	-	(2,951)
Other expense		(2,622)	(14,050)	(1,318)	(7,064)
Profit before tax		(13,196)	24,603	(6,635)	12,370
Income tax expenses	B4	(825)	(8,479)	(415)	(4,263)
Profit net of tax		(14,021)	16,124	(7,050)	8,107
Other comprehensive Income:					
Foreign currency translation		2,501	(2,610)	1,257	(1,312)
Total comprehensive income for the period		(11,520)	13,514	(5,793)	6,794
Profit attributable to :					
- Owners of the parent		(13,582)	14,577	(6,829)	7,329
- Non-controlling interests		(439)	1,547	(221)	778
		(14,021)	16,124	(7,050)	8,107
Total comprehensive income attributable to :					
- Owners of the parent		(11,081)	11,967	(5,572)	6,017
- Non-controlling interests		(439)	1,547	(221)	778
		(11,520)	13,514	(5,793)	6,795
Earnings per share from Group's net profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		(2.03)	2.34	(1.02)	1.18
Diluted (RMB cents / RM sen)		(2.03)	2.34	(1.02)	1.18

(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 RM0.50279 at 31 December 2011

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
		YEAR TO DATE ENDED 31-Dec-11 RMB'000	YEAR TO DATE ENDED 31-Dec-10 RMB'000	YEAR TO DATE ENDED 31-Dec-11 RM'000	YEAR TO DATE ENDED 31-Dec-10 RM'000
Revenue		394,168	448,346	198,184	225,424
Cost of sales		(189,231)	(191,216)	(95,143)	(96,141)
Gross Profit		204,937	257,130	103,040	129,282
Finance and other income		2,264	5,215	1,139	2,622
Marketing and distribution		(92,328)	(65,121)	(46,422)	(32,742)
Administrative expenses		(20,669)	(21,387)	(10,392)	(10,753)
Interest expense		-	(8,909)	-	(4,479)
Other expense		(3,246)	(17,274)	(1,632)	(8,685)
Profit before tax		90,958	149,654	45,733	75,246
Income tax expenses	B4	(31,022)	(28,487)	(15,598)	(14,323)
Profit net of tax		59,936	121,167	30,134	60,923
Other comprehensive Income:					
Foreign currency translation			(2,629)	-	(1,322)
Total comprehensive income for the period		59,936	118,538	30,134	59,601
Profit attributable to :					
- Owners of the parent		56,428	113,849	28,371	57,242
- Non-controlling interests		3,508	7,318	1,764	3,679
		59,936	121,167	30,135	60,922
Total comprehensive income attributable to :					
- Owners of the parent		56,428	111,220	28,371	55,920
- Non-controlling interests		3,508	7,318	1,764	3,679
		59,936	118,538	30,135	59,600
Earnings per share from Group's net profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		8.45	21.32	4.25	10.72
Diluted (RMB cents / RM sen)		8.45	21.32	4.25	10.72

(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.)

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Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 31 December 2011
 Quarter : 4



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 31-Dec-11 RMB'000	AS AT 31-Dec-10 RMB'000	AS AT 31-Dec-11 RM'000	AS AT 31-Dec-10 RM'000
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment		81,596	31,976	41,025	16,077
Biological assets		106,547	95,266	53,571	47,899
Prepayments		7,552	7,760	3,797	3,902
Deferred tax assets		10,646	5,649	5,353	2,840
		<u>206,341</u>	<u>140,651</u>	<u>103,746</u>	<u>70,718</u>
Current assets					
Inventories		83,497	66,730	41,981	33,551
Trade and other receivables	A5	228,797	125,275	115,037	62,987
Cash and cash equivalents		110,323	319,607	55,469	160,695
		<u>422,617</u>	<u>511,612</u>	<u>212,487</u>	<u>257,233</u>
Current liabilities					
Income tax payable		3,381	5,130	1,700	2,579
Trade and other payables		15,399	62,998	7,742	31,675
Other liabilities		4,925	5,238	2,476	2,634
		<u>23,705</u>	<u>73,366</u>	<u>11,918</u>	<u>36,888</u>
Net current assets		<u>398,912</u>	<u>438,246</u>	<u>200,569</u>	<u>220,345</u>
Non-current liability					
Deferred tax liabilities		15,234	12,140	7,660	6,103
Net assets		<u>590,019</u>	<u>566,757</u>	<u>296,655</u>	<u>284,960</u>
EQUITY					
Share capital	A6	205,838	205,838	103,493	103,493
Other reserve		30,531	30,531	15,351	15,351
Retained earnings		330,011	313,169	165,926	157,458
Non-controlling interests		23,639	17,219	11,885	8,658
Total equity		<u>590,019</u>	<u>566,757</u>	<u>296,655</u>	<u>284,960</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)		0.88	0.85	0.44	0.43

(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 RM0.50279 as at 31 DECEMBER 2011.



Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 31 December 2011
 Quarter : 4

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	
<i>(IN RMB)</i>						
At 1 January 2011	205,838	29,508	-	1,023	313,169	549,538
Profit for the period	-	-	-	-	56,428	56,428
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive income for the period	205,838	29,508	-	1,023	369,597	605,966
Dividend paid	-	-	-	-	(39,586)	(39,586)
Dividend recovered from last year	-	-	-	-	4,491	4,491
At 31 DECEMBER 2011	205,838	29,508	-	1,023	330,011	566,380
<i>(IN RM)</i>						
At 1 January 2011	103,493	14,836	-	515	157,458	276,302
Profit for the period	-	-	-	-	28,371	28,371
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive income for the period	103,493	14,836	-	515	185,829	304,673
Dividend paid	-	-	-	-	(19,903)	(19,903)
Dividend recovered from last year	-	-	-	-	2,257	2,257
At 31 DECEMBER 2011	103,493	14,836	-	515	165,926	284,770

(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 RM0.50279 as at 31 DECEMBER 2011.



Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHU
 Financial Period End : 31 December 2011
 Quarter : 4
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year	-	-	(2,756)	127	113,849	113,849	121,167
Total comprehensive income for the year	-	-	(2,756)	127	113,849	(2,629)	(2,629)
Effect of change in functional currency			2,676		(2,676)	-	-
Conversion of convertible loan	41,174			(1,674)	1,674	41,174	41,174
Issue of share upon listing	168,571					168,571	168,571
Share issue expenses	(3,907)					(3,907)	(3,907)
Capital reserve resulted from capital injection							
Dividend declared		9,588			(10,092)	(504)	(7,344)
Appropriation to statutory reserve fund							505
At 31 DECEMBER 2010	205,838	29,508	-	1,023	313,169	549,538	566,757
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(IN RM)							
At 1 January 2010	-*	10,016	40	1,292	105,794	117,142	125,559
Profit for the year	-	-	(1,386)	64	57,242	57,242	60,921
Total comprehensive income for the year	-	-	(1,386)	64	57,242	(1,322)	(1,322)
Effect of change in functional currency			1,346		(1,346)	55,920	59,599
Conversion of convertible loan	20,702			(842)	842	20,702	20,702
Issue of share upon listing	84,756					84,756	84,756
Share issue expenses	(1,965)					(1,965)	(1,965)
Capital reserve resulted from capital injection							
Dividend declared		4,821			(5,074)	(253)	(3,692)
Appropriation to statutory reserve fund							254
At 31 DECEMBER 2010	103,493	14,837	0	514	157,458	276,302	284,960

* 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 RM0.50279 as at 31 DECEMBER 2011.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 31 December 2011
 Quarter : 4



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	CURRENT YEAR TO DATE 31-Dec-11 RMB'000	PRECEDING CORRESPONDING YEAR TO DATE 31-Dec-10 RMB'000	CURRENT YEAR TO DATE 31-Dec-11 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31-Dec-10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	90,958	149,654	45,733	75,246
Adjustments for :-				
Amortisation of prepayments	208	208	105	105
Depreciation of property, plant and equipment	8,523	8,459	4,284	4,253
Depreciation of biological assets	1,770	1,687	890	848
Gain arising from initial recognition of harvested grapes		(4,767)		(2,397)
Interest expense		8,909		4,479
Interest income	(1,259)	(428)	(633)	(215)
Fair value loss/(gain) on derivative financial instrument		5,218		2,623
Operating profit before working capital changes	100,200	168,940	50,379	84,942
Decrease/(increase) in:				
Inventories	(16,765)	(17,157)	(8,429)	(8,626)
Trade and other receivables	(53,661)	(40,843)	(26,980)	(20,535)
Prepayments	-	1,373	-	690
Increase/(decrease) in:				
Trade and other payables	(50,462)	36,348	(25,372)	18,275
Other liabilities	(313)	1,927	(157)	968
Cash flows generated from operations	(21,001)	150,588	(10,559)	75,714
Income tax paid	(31,674)	(24,520)	(15,925)	(12,328)
Interest income received	1,259	428	633	214
Net cash flows generated from operating activities	(51,416)	126,496	(25,851)	63,600
CASH FLOW FROM INVESTING ACTIVITY				
Purchase of property, plant and equipment	(58,143)	(9)	(29,234)	(5)
Loan to Third Party	(50,000)		(25,140)	
Purchase of biological assets	(13,051)	(8,885)	(6,561)	(4,467)
Net cash flow used in investing activity	(121,194)	(8,894)	(60,935)	(4,472)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders	(39,586)	(7,344)	(19,903)	(3,692)
Dividends paid to non controlling-interests	(1,579)	-	(794)	-
Dividend recovered	4,491		2,257	
Capital reserve from capital injection		3		2
Proceeds from issuance of shares		164,664		82,791
Net cash flows used in financing activities	(36,674)	157,323	(18,440)	79,101
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(209,284)	274,925	(105,226)	138,229
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	319,607	45,567	160,695	22,911
Effect of exchange rate fluctuations on cash on hand and at banks	-	(885)	0	(445)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	110,323	319,607	55,469	160,695
Cash and cash equivalents at the end of the period comprise the followings:				
Cash on hand and at banks	110,323	297,062	55,469	149,360
Short-term deposits	-	22,545	-	11,335
	110,323	319,607	55,469	160,695

(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 RM0.50279 as at 31 DECEMBER 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 31 December 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. Usually the first and fourth quarters of the year are the best quarters for wine industry in the People's Republic of China ("PRC"). (Please refer to 'Review of the performance of the Group' at B1.) 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 fourth quarter ended 31 December 2011.

4. Changes in estimates

There were no material changes in estimates for the financial fourth quarter ended 31 December 2011.

5. Trade and other receivables

Trade and other receivables include RMB50 million loan which will be repaid by 27th March 2012.

6. Changes in share capital and debts

There were no issuances, cancellations, resale and repayments of debt and equity securities for the financial fourth quarter ended 31 December 2011.

7. Dividends Payable

The Board of directors does not recommend any interim dividend for the current quarter ended 31 December 2011.

8. Segment Information

a) Operating segments

	White Wine	Red Wine	Total
<u>12 months ended 31 December 2011</u>	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	73,888	320,280	394,168
Results			
Segment gross profit	38,331	166,606	204,937
Unallocated expenses, net			(115,238)
Interest income			1,259
Interest expense			-
Profit before tax			90,958
Income tax expense			(31,022)
Net profit			59,936
	White Wine	Red Wine	Total
<u>12 months ended 31 December 2010</u>	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	63,747	384,598	448,346
Results			
Segment gross profit	36,433	220,697	257,130
Unallocated expenses, net			(98,995)
Interest income			428
Interest expense			(8,909)
Profit before tax			149,654
Income tax expense			(28,487)
Net profit			121,167

Other segment information

	International Label	Own Label	Total
<u>12 months ended 31 December 2011</u>	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	142,722	251,446	394,168
	International Label	Own Label	Total
<u>12 months ended 31 December 2010</u>	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	110,593	337,753	448,346

b) Geographical segments

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

9. Subsequent events

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

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial fourth quarter ended 31 December 2011.

11. 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.

12. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment during the financial fourth quarter ended 31 December 2011.

13. 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 fourth quarter ended 31 December 2011.

14. 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 31 Dec 2011	
	RMB'000	RM'000	RMB'000	RM'000
Realised retained profits:	321,802	161,799	334,603	168,235
Unrealised retained profits:	(8,633)	(4,341)	(4,592)	(2,309)
	-----	-----	-----	-----
Total group retained profits:	313,169	157,458	330,011	165,926
	=====	=====	=====	=====



15. Recurring related party transactions

For the financial fourth quarter ended 31 December 2011, the Group rented office and factory premises from a director-related company, Yantai Ouhua Winery Co., Ltd, with rental expense amounting to RMB1,746,000.

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

1. Review of the performance of the Group

For the financial year performance ended 31 December 2011, the Group recorded revenue of RMB394.2 million, representing a 12% decrease from RMB448.3 million and profit before tax (PBT) of RMB90.9 million, a decrease of 39% from RMB149.7 million, both from the corresponding results as at 31 December 2010. Meanwhile, the Group registered a profit after tax (PAT) of RMB59.9 million, representing a decrease of 51% from RMB121.2 million, compared to the corresponding results as at 31 December 2010.

For the current quarter, the Group recorded revenue of RMB77.2 million, representing a 42% decrease from RMB133.4 million of corresponding quarter in 2010 and recorded loss after tax of RMB13.2 million due to the fact that all unamortised marketing expenses amounting to 17million were recorded to marketing expenses directly during the fourth quarter.

The decrease of sales is due to the increasing 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 fourth quarter (details are stated in B4).

For the current quarter, the Group recorded a revenue increase of RMB5.7 million from RMB71.5 million to RMB77.2 million from the immediate preceding quarter ended 30 September 2011.

2. Prospects

Due to the slowdown of China economic development, the entire consumer market was severely affected. Our performance declined along with the deteriorating environment of local winery industries.

In order to overcome current difficult situation, the Group plan to make efforts in branding and market expansion at the first quarter of 2012. We will set up a new development plan with our agents, which will focus on reinforcing our existing market and exploring new market. We will intensify the marketing of imported wines to sell more international wines in China and increase the sales performance of Ouhua wine as well.

The Board is concerned with the influx of imported wines which would directly affect the sales performance of Ouhua wine. Hence, our efforts must be focused on intensifying the marketing and sales of our imported and Ouhua wines to expand our market share in 2012.

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	-825	-415	31,022	15,598

The PRC Corporate Income Tax (CIT) rate of our only subsidiary Yantai Fazenda Ohua Winery Co., Ltd for the fourth quarter ended 31 December 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 fourth quarter ended 31 December 2011 is mainly attributed to the 10% Withholding Tax on unremitted earnings of subsidiary and on dividend income from subsidiary.

The income tax charge for the fourth quarter is negative due to the tax effect of market supporting expenses adjustment.

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 fourth quarter ended 31 December 2011.

6. Purchase or disposal of quoted securities

No purchase or disposal of quoted securities by the Group in the financial fourth quarter ended 31 December 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	11,930	By 2 Nov 2012	-	0
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>67,601</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 fourth 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 31 December 2011 and 31 December 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 31 December 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.