

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period End : 30 JUNE 2012
 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		CURRENT QUARTER 30-Jun-12	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-11	CURRENT QUARTER 30-Jun-12	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-11
		RMB'000	RMB'000	RM'000	RM'000
Revenue		39,178	86,965	19,799	43,948
Cost of sales		(23,276)	(41,680)	(11,763)	(21,063)
Gross Profit		15,902	45,285	8,036	22,885
Finance and other income		258	4,830	130	2,441
Marketing and distribution		(8,308)	(13,747)	(4,198)	(6,947)
Administrative expenses		(4,951)	(8,052)	(2,502)	(4,069)
Interest expense					
Other expense		(35)	(158)	(18)	(80)
Profit before tax		2,866	28,158	1,449	14,230
Income tax expenses	B4	(977)	(6,562)	(494)	(3,316)
Profit net of tax		1,890	21,596	955	10,914
Other comprehensive Income:					
Foreign currency translation			(809)		(409)
Total comprehensive income for the period		1,890	20,787	955	10,505
Profit attributable to :					
- Owners of the parent		1,783	20,515	901	10,367
- Non-controlling interests		107	1,081	54	546
		1,890	21,596	955	10,914
Total comprehensive income attributable to :					
- Owners of the parent		1,783	19,706	901	9,958
- Non-controlling interests		107	1,081	54	546
		1,890	20,787	955	10,505
Earnings per share from Group's net profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		0.27	3.07	0.14	1.55
Diluted (RMB cents / RM sen)		0.27	3.07	0.14	1.55

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 RM0.50535 at 30 JUNE 2012.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR TO DATE ENDED 30-Jun-12 RMB'000	PRECEDING YEAR YEAR TO DATE ENDED 30-Jun-11 RMB'000	CURRENT YEAR TO DATE ENDED 30-Jun-12 RM'000	PRECEDING YEAR YEAR TO DATE ENDED 30-Jun-11 RM'000
Revenue		94,291	245,483	47,650	124,055
Cost of sales		(52,657)	(114,918)	(26,610)	(58,074)
Gross Profit		41,634	130,565	21,040	65,981
Finance and other income		1,340	5,438	677	2,748
Marketing and distribution		(16,493)	(29,633)	(8,335)	(14,975)
Administrative expenses		(12,115)	(14,086)	(6,122)	(7,118)
Interest expense					
Other expense		(52)	(277)	(26)	(140)
Profit before tax		14,314	92,007	7,234	46,497
Income tax expenses	B4	(4,438)	(26,513)	(2,243)	(13,399)
Profit net of tax		9,877	65,494	4,990	33,097
Other comprehensive Income:					
Foreign currency translation			(2,184)		(1,104)
Total comprehensive income for the period		9,877	63,310	4,990	31,994
Profit attributable to :					
- Owners of the parent		9,338	62,020	4,718	31,342
- Non-controlling interests		539	3,474	272	1,756
		9,877	65,494	4,990	33,097
Total comprehensive income attributable to :					
- Owners of the parent		9,338	59,836	4,718	30,238
- Non-controlling interests		539	3,474	272	1,756
		9,877	63,310	4,990	31,994
Earnings per share from Group's net profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		1.40	9.28	0.71	4.69
Diluted (RMB cents / RM sen)		1.40	9.28	0.71	4.69

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.)

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Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
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 Financial Period Ended : 30 JUNE 2012
 Quarter : 2
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 30-Jun-12 RMB'000	AS AT 31-Dec-11 RMB'000	AS AT 30-Jun-12 RM'000	AS AT 31-Dec-11 RM'000
ASSETS AND LIABILITIES					
<i>Non-current assets</i>					
Property, plant and equipment		72,466	81,596	36,621	41,235
Biological assets		112,596	106,547	56,900	53,844
Prepayments		7,448	7,552	3,764	3,816
Deferred tax assets		10,646	10,646	5,380	5,380
		<u>203,156</u>	<u>206,341</u>	<u>102,665</u>	<u>104,274</u>
<i>Current assets</i>					
Inventories		76,625	83,497	38,723	42,195
Trade and other receivables	A5	115,455	228,797	58,345	115,623
Cash and cash equivalents		243,576	110,323	123,091	55,752
		<u>435,657</u>	<u>422,617</u>	<u>220,159</u>	<u>213,570</u>
<i>Current liabilities</i>					
Income tax payable		951	3,381	481	1,709
Trade and other payables		21,723	15,399	10,978	7,782
Other liabilities		4,828	4,925	2,440	2,489
		<u>27,501</u>	<u>23,705</u>	<u>13,898</u>	<u>11,979</u>
Net current assets		<u>408,156</u>	<u>398,912</u>	<u>206,261</u>	<u>201,590</u>
<i>Non-current liability</i>					
Deferred tax liabilities		15,748	15,234	7,958	7,699
Net assets		<u>595,564</u>	<u>590,019</u>	<u>300,968</u>	<u>298,166</u>
EQUITY					
Share capital	A6	205,838	205,838	104,020	104,020
Other reserve		30,531	30,531	15,429	15,429
Retained earnings		335,017	330,011	169,301	166,771
Non-controlling interests		24,178	23,639	12,218	11,946
Total equity		<u>595,564</u>	<u>590,019</u>	<u>300,968</u>	<u>298,166</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)		0.89	0.88	0.45	0.45

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 RM0.50535 as at 30 JUNE 2012.



Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
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 Financial Period Ended : 30 JUNE 2012
 Quarter : 2

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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 2012	205,838	29,508		1,023	330,011	566,380	590,019
Profit for the period					9,338	9,338	9,877
Other comprehensive loss for the period							
Total comprehensive income for the period				1,023	339,349	575,718	599,896
Dividend paid							
Dividend recovered from last year					55	55	55
Income tax settlement adjustment for 2011					(4,387)	(4,387)	(4,387)
At 30 JUNE 2012	205,838	29,508		1,023	335,017	571,386	595,564
<i>(IN RM)</i>							
At 1 January 2012	104,020	14,912		517	166,771	286,220	298,166
Profit for the period					4,719	4,719	4,991
Other comprehensive loss for the period							
Total comprehensive income for the period				517	171,490	290,939	303,157
Dividend recovered from last year					28	28	28
Income tax settlement adjustment for 2011					(2,217)	(2,217)	(2,217)
At 30 JUNE 2012	104,020	14,912		517	169,301	288,749	300,968

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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	
(IN RMB)						
At 1 January 2011	205,838	29,508		1,023	313,169	566,757
Profit for the year					62,020	65,494
Other comprehensive loss for the year			(2,184)		(2,184)	(2,184)
Total comprehensive income for the year			(2,184)		375,189	630,067
Capital reserve resulted from capital injection				1,023		
Dividend declared					(39,587)	(41,166)
Appropriation to statutory reserve fund						
Dividend recovered from last year						
At 30 JUNE 2011	205,838	29,508	(2,184)	1,023	335,602	588,901
(IN RM)						
At 1 January 2011	104,020	14,912		517	158,260	286,411
Profit for the year					31,342	33,097
Other comprehensive loss for the year			(1,064)		(1,064)	(1,064)
Total comprehensive income for the year			(1,064)		31,342	32,034
Dividend declared					(20,005)	(20,803)
At 30 JUNE 2011	104,020	14,912	(1,064)	517	169,596	297,641

* 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 2011 and the accompanying explanatory notes attached to the financial statements.)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	CURRENT YEAR TO DATE 30-Jun-12 RMB'000	PRECEDING CORRESPONDING YEAR TO DATE 30-Jun-11 RMB'000	CURRENT YEAR TO DATE 30-Jun-12 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30-Jun-11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	14,314	92,007	7,234	46,496
Adjustments for :-				
Amortisation of prepayments	104	104	53	53
Depreciation of property, plant and equipment	5,872	4,339	2,967	2,193
Depreciation of biological assets	1,002	885	506	447
Interest income	(1,298)	(692)	(656)	(350)
Operating profit before working capital changes	19,994	96,643	10,104	48,839
<i>Decrease/(increase) in:</i>				
Inventories	6,872	(10,851)	3,473	(5,483)
Trade and other receivables	66,601	(15,168)	33,657	(7,665)
Prepayments		(38,712)		(19,564)
<i>Increase/(decrease) in:</i>				
Trade and other payables	6,324	2,559	3,196	1,293
Other liabilities	(97)	1,706	(49)	862
Cash flows generated from operations	99,694	36,178	50,380	18,281
Income tax paid	(10,743)	(19,124)	(5,429)	(9,664)
Interest income received	1,298	692	656	350
Net cash flows generated from operating activities	90,249	17,746	45,607	8,967
CASH FLOW FROM INVESTING ACTIVITY				
Purchase of property, plant and equipment		(4,424)		(2,236)
Loan repaid from Third Party	50,000	(5,348)	25,268	(2,703)
Purchase of biological assets	(7,051)		(3,563)	-
Net cash flow used in investing activity	42,949	(9,772)	21,704	(4,938)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders		(29,392)		(14,854)
Dividends paid to non controlling-interests		(1,579)		(798)
Dividend recovered	55		28	
Net cash flows used in financing activities	55	(30,971)	28	(15,651)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	133,253	(22,997)	67,339	(11,622)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	110,323	319,607	55,752	161,513
Effect of exchange rate fluctuations on cash on hand and at banks		(2,595)		(1,311)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	243,576	294,015	123,091	148,580
Cash and cash equivalents at the end of the period comprise the followings:				
Cash on hand and at banks	243,576	294,015	123,091	148,580
Short-term deposits				
	243,576	294,015	123,091	148,580

(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 2011.)

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