

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED  
 Stock Name : CNOUHUA  
 Financial Period End : 30 JUN 2013  
 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUN 2013

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		CURRENT QUARTER	PRECEDING YEAR	CURRENT QUARTER	PRECEDING YEAR
		30-Jun-13	CORRESPONDING QUARTER	30-Jun-13	CORRESPONDING QUARTER
		RMB'000	RMB'000	RM'000	RM'000
Revenue		8,012	39,178	4,129	20,192
Cost of sales		(6,425)	(23,276)	(3,311)	(11,996)
Gross Profit		1,587	15,902	818	8,196
Finance and other income		201	258	104	133
Marketing and distribution		(2,105)	(8,308)	(1,085)	(4,282)
Administrative expenses		(5,115)	(4,951)	(2,636)	(2,552)
Other expense		(168)	(35)	(87)	(18)
(Loss)/profit before tax		(5,600)	2,866	(2,886)	1,477
Income tax expenses	B4	-	(977)	-	(504)
(Loss)/profit net of tax		(5,600)	1,890	(2,886)	974
<b>Other comprehensive Income:</b>					
Foreign currency translation		-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(5,600)</b>	<b>1,890</b>	<b>(2,886)</b>	<b>974</b>
<b>(Loss)/profit attributable to :</b>					
- Owners of the parent		(5,331)	1,783	(2,748)	919
- Non-controlling interests		(269)	107	(139)	55
		<b>(5,600)</b>	<b>1,890</b>	<b>(2,886)</b>	<b>974</b>
<b>Total comprehensive (loss)/income attributable to :</b>					
- Owners of the parent		(5,331)	1,783	(2,748)	919
- Non-controlling interests		(269)	107	(139)	55
		<b>(5,600)</b>	<b>1,890</b>	<b>(2,886)</b>	<b>974</b>
<b>(Loss)/earnings per share from Group's net (loss)/profit attributable to shareholders</b>	B11				
<b>Basic (RMB cents / RM sen)</b>		<b>(0.79)</b>	<b>0.27</b>	<b>(0.41)</b>	<b>0.14</b>
<b>Diluted (RMB cents / RM sen)</b>		<b>(0.79)</b>	<b>0.27</b>	<b>(0.41)</b>	<b>0.14</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 RM0.51539 as at 30 Jun 2013.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED  
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 Quarter : 2  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUN 2013



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
		YEAR TO DATE ENDED 30-Jun-13 RMB'000	YEAR TO DATE ENDED 30-Jun-12 RMB'000	YEAR TO DATE ENDED 30-Jun-13 RM'000	YEAR TO DATE ENDED 30-Jun-12 RM'000
Revenue		25,540	94,291	13,163	48,597
Cost of sales		(18,139)	(52,657)	(9,349)	(27,139)
Gross Profit		7,401	41,634	3,814	21,458
Finance and other income		876	1,340	451	691
Marketing and distribution		(6,519)	(16,493)	(3,360)	(8,500)
Administrative expenses		(11,977)	(12,115)	(6,173)	(6,244)
Other expense		(200)	(52)	(103)	(27)
(Loss)/profit before tax		(10,419)	14,314	(5,370)	7,377
Income tax expenses	B4	-	(4,438)	-	(2,287)
(Loss)/profit net of tax		(10,419)	9,877	(5,370)	5,090
<b>Total comprehensive (loss)/ income for the period</b>		<b>(10,419)</b>	<b>9,877</b>	<b>(5,370)</b>	<b>5,090</b>
<b>(Loss)/profit attributable to :</b>					
- Owners of the parent		(9,915)	9,338	(5,110)	4,813
- Non-controlling interests		(504)	539	(260)	277
<b>Total comprehensive (loss)/ income attributable to :</b>		<b>(10,419)</b>	<b>9,877</b>	<b>(5,370)</b>	<b>5,090</b>
<b>(Loss)/earnings per share from Group's net (loss)/profit attributable to shareholders</b>	B11				
Basic (RMB cents / RM sen)		(1.48)	1.40	(0.76)	0.72
Diluted (RMB cents / RM sen)		(1.48)	1.40	(0.76)	0.72

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 : 30 JUN 2013  
 Quarter : 2  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUN 2013



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUN 2013**

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 30-Jun-13 RMB'000	AS AT 31-Dec-12 RMB'000	AS AT 30-Jun-13 RM'000	AS AT 31-Dec-12 RM'000
<b>ASSETS AND LIABILITIES</b>					
<b>Non-current assets</b>					
Property, plant and equipment		69,081	73,554	35,604	37,909
Biological assets		120,852	115,133	62,286	59,338
Prepayments		7,240	7,344	3,731	3,785
Deferred tax assets		11,742	11,742	6,052	6,052
		<u>208,915</u>	<u>207,773</u>	<u>107,673</u>	<u>107,084</u>
<b>Current assets</b>					
Inventories		79,389	86,935	40,916	44,805
Trade and other receivables		74,198	86,497	38,241	44,580
Short-term investment			100,000		51,539
Cash and cash equivalents		244,977	142,526	126,259	73,456
		<u>398,564</u>	<u>415,958</u>	<u>205,416</u>	<u>214,381</u>
<b>Current liabilities</b>					
Income tax payable		1,090	1,090	562	562
Trade and other payables		10,523	14,610	5,423	7,530
Other liabilities		1,964	2,815	1,012	1,451
		<u>13,577</u>	<u>18,515</u>	<u>6,997</u>	<u>9,542</u>
Net current assets		<u>384,987</u>	<u>397,443</u>	<u>198,418</u>	<u>204,838</u>
<b>Non-current liability</b>					
Deferred tax liabilities		15,299	15,299	7,885	7,885
<b>Net assets</b>		<u>578,603</u>	<u>589,917</u>	<u>298,206</u>	<u>304,037</u>
<b>EQUITY</b>					
Share capital		205,838	205,838	106,087	106,087
Other reserve		30,531	30,531	15,735	15,735
Retained earnings		319,030	329,840	164,425	169,996
Non-controlling interests		23,204	23,708	11,959	12,219
Total equity		<u>578,603</u>	<u>589,917</u>	<u>298,206</u>	<u>304,037</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)		0.87	0.88	0.45	0.46

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 RM0.51539 as at 30 Jun 2013.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED

Stock Name : CNOUHUA

Financial Period Ended : 30 JUN 2013

Quarter : 2

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUN 2013

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	Other capital reserves RMB'000	Retained Earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	
<i>(IN RMB)</i>							
At 1 January 2013	205,838	29,508	1,023	329,840	566,209	23,708	589,917
<b>(Loss)/profit and other comprehensive(loss)/profit for the year</b>	-	-	-	(9,915)	(9,915)	(504)	(10,419)
Income tax settlement adjustment for 2012				(895)	(895)		(895)
At 30 June 2013	205,838	29,508	1,023	319,030	555,399	23,204	578,603
<i>(IN RM)</i>							
At 1 January 2013	106,087	15,208	527	169,996	291,818	12,219	304,037
<b>(Loss)/profit and other comprehensive(loss)/profit for the year</b>	-	-	-	(5,110)	(5,110)	(260)	(5,370)
Income tax settlement adjustment for 2012				(461)	(461)		(461)
At 30 June 2013	106,087	15,208	527	164,425	286,247	11,959	298,206

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 : 30 JUN 2013  
 Quarter : 2  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUN 2013



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
<b>Profit for the period</b>	-	-	-	-	9,338	9,338	9,877
Dividend recovered from last year	-	-	-	-	55	55	55
Income tax settlement adjustment for 2011	-	-	-	(4,387)	(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	106,087	15,208	-	527	170,084	291,907	304,090
<b>Profit for the period</b>	-	-	-	-	4,813	4,813	5,091
Dividend recovered from last year	-	-	-	-	28	28	28
Income tax settlement adjustment for 2011	-	-	-	(2,261)	(2,261)	(2,261)	(2,261)
At 30 June 2012	106,087	15,208	-	527	172,664	294,487	306,948

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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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 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUN 2013

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	CURRENT YEAR TO DATE 30-Jun-13 RMB'000	PRECEDING CORRESPONDING YEAR TO DATE 30-Jun-12 RMB'000	CURRENT YEAR TO DATE 30-Jun-13 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30-Jun-12 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	(10,419)	14,314	(5,370)	7,377
Adjustments for :-				
Amortisation of prepayments	104	104	54	54
Depreciation of property, plant and equipment	5,351	5,872	2,758	3,026
Depreciation of biological assets	1,046	1,002	539	516
Interest income	(897)	(1,298)	(462)	(669)
<b>Operating profit before working capital changes</b>	<b>(4,815)</b>	<b>19,994</b>	<b>(2,482)</b>	<b>10,306</b>
<i>Decrease/(increase) in:</i>				
Inventories	7,546	6,872	3,889	3,542
Trade and other receivables	12,299	66,601	6,339	34,325
<i>(Decrease)/increase in:</i>				
Trade and other payables	(4,087)	6,324	(2,106)	3,259
Other liabilities	(851)	(97)	(439)	(50)
<b>Cash flows generated from/(used in) operations</b>	<b>10,092</b>	<b>99,694</b>	<b>5,201</b>	<b>51,382</b>
Income tax paid	(895)	(10,743)	(461)	(5,537)
Interest income received	897	1,298	462	669
<b>Net cash flows generated from/(used in) operating activities</b>	<b>10,094</b>	<b>90,249</b>	<b>5,202</b>	<b>46,514</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(877)	-	(452)	-
Loan repaid from Third Party		50,000	-	25,770
Short-term investment recovered	100,000		51,539	
Purchase of biological assets	(6,766)	(7,051)	(3,487)	(3,634)
<b>Net cash flow generated from/(used in) investing activities</b>	<b>92,357</b>	<b>42,949</b>	<b>47,600</b>	<b>22,135</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid to shareholders	-	-	-	-
Dividends paid to non controlling-interests	-	-	-	-
Dividend recovered	-	55	-	28
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>28</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>102,451</b>	<b>133,253</b>	<b>52,802</b>	<b>68,678</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>142,526</b>	<b>110,323</b>	<b>73,456</b>	<b>56,858</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>244,977</b>	<b>243,576</b>	<b>126,259</b>	<b>125,537</b>
<b>Cash and cash equivalents at the end of the period comprise the followings:</b>				
Cash on hand and at banks	244,977	243,576	126,259	125,537
	<b>244,977</b>	<b>243,576</b>	<b>126,259</b>	<b>125,537</b>

(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 2012)

**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 RM0.51539 as at 30 Jun 2013

## **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 June 2013 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 2012 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 2013

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. Usually the first and fourth quarters of the year are 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. Due to the current unfavourable global and domestic market conditions, the sales did not pick up during the above mentioned period and the fluctuation is not obviously manifested.

### **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 2013.

### **4. Changes in estimates**

There were no material changes in estimates for the financial half year ended 30 June 2013.

### **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 2013.

### **6. Dividends Payable**

The Board of directors does not recommend any interim dividend for the current quarter ended 30 June 2013.

## 7. Segment Information

### a) Operating segments

	White Wine RMB'000	Red Wine RMB'000	Total RMB'000
<b><u>6 months ended 30 June 2013</u></b>			
<b>Revenue</b>			
Sales to external customers	4,439	21,101	25,540
<b>Results</b>			
Segment gross profit	1,237	6,164	7,401
Unallocated expenses, net			(18,717)
Interest income			897
Interest expense			-
Loss before tax			(10,419)
Income tax expense			
Net loss			(10,419)
<b><u>6 months ended 30 June 2012</u></b>			
<b>Revenue</b>			
Sales to external customers	14,764	79,527	94,291
<b>Results</b>			
Segment gross profit	6,439	35,195	41,634
Unallocated expenses, net			(28,618)
Interest income			1,298
Interest expense			-
Profit before tax			14,314
Income tax expense			(4,438)
Net profit			9,877

### Other segment information

	International Label RMB'000	Own Label RMB'000	Total RMB'000
<b><u>6 months ended 30 June 2013</u></b>			
<b>Revenue</b>			
Sales to external customers	7,101	18,439	25,540
<b><u>6 months ended 30 June 2012</u></b>			
<b>Revenue</b>			
Sales to external customers	25,964	68,327	94,291

### 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 2013.

## 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 2013.

## 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 2013.

## 13. Retained Earnings

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

	As at 31 Dec 2012		As at 30 Jun 2013	
	RMB'000	RM'000	RMB'000	RM'000
Realised retained profits:	333,400	171,831	322,590	166,260
Unrealised retained profits:	(3,560)	(1,835)	(3,560)	(1,835)
	-----	-----	-----	-----
Total group retained profits:	329,840	169,996	319,030	164,425
	=====	=====	=====	=====

## 14. Recurring related party transactions

For the financial half year ended 30 June 2013, the Group rented office and factory premises from a director-related company, Yantai Ouhua Winery Co., Ltd, with rental expense amounting to RMB 378,000.

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

### 1. Review of the performance of the Group

For the financial half year ended 30 June 2013 ("6M2013"), the Group revenue decreased by RMB68.75 million or 72.91% to RMB25.54 million, from RMB94.29 million in the previous corresponding period ended 30 June 2012 ("6M2012"). Profit before tax decreased by RMB24.73 million or 172.82% from RMB14.31 million in 6M2012 to RMB-10.42 million in 6M2013. Meanwhile, the Group profit after tax decreased by RMB20.3 million or 205.47% from RMB9.88 million in 6M2012 to RMB-10.42 million in 6M2013.

For the current quarter, the Group recorded a revenue decrease of RMB9.52 million from RMB17.53 million to RMB8.01 million and an increase in loss net of tax of RMB0.78 million from RMB4.82 million to RMB5.6 million, both from the immediate preceding quarter ended 31 March 2013.

The decrease of sales as compared with the corresponding period in 2012 is mainly due to the downward trends of the whole winery market in PRC, which lead to the sales decrease of the grape wine.

### 2. Prospects

Due to the current challenging global and domestic market conditions, coupled with various unfavourable measures introduced by the Chinese government to curb drink driving, promote frugal spending lifestyle and substantial reduction on its entertainment budget expenses, the consumption of the grape wine has been seriously affected and consequently led to a huge decrease in sales of the winery industry throughout the country. We envisaged that the downward trend is likely to continue in the near future.

Facing with the unavoidable sluggish external market environment, the Group is remained steadfast and adopting conservative approach in our overall strategy. We reduce our winery production in line with the current poor market demand and at the same time we continue with the necessary on-going promotion campaigns with our distributors to at least maintain our market share whilst waiting for the favourable turn of the winery market.

### 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	-	-	-	-

### 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 2013.

## 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 2013.

## 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 FazendaOhua specialty stores	35,788	35,788	By 2 Nov 2012		0
Enhance the quality of and Control over our material supplies	7,952	7,952	By 2 Nov 2012		0
Expansion of our production Capacity and range of wines	11,930	11,930	By 2 Nov 2012		0
Enhance R&D capabilities	3,977	3,977	By 2 Nov 2012		0
Working capital	9,544	12,993	By 2 Nov 2012	(3,449)	(36)
Estimated listing expenses	10,339	6,890	By 2 Nov 2012	3,449	33
<b>Total</b>	<b>79,530</b>	<b>79,530</b>			

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 in any legal proceedings which may materially affect the financial position of our Group, and our Directors are not aware of any legal 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. (Loss)/Earnings per share

(Loss)/Earnings per share for 30 June 2013 and 30 June 2012 were computed by dividing the (loss)/profit net of tax and minority interests of the respective financial period by the weighted average number of ordinary shares of 668,000,000 each respectively. There was no potential dilutive instrument as at 30 June 2013.

## **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 2012 were not subject to any audit qualification.