



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		PRECEDING YEAR	PRECEDING YEAR	PRECEDING YEAR	PRECEDING YEAR
		CURRENT QUARTER	CORRESPONDING QUARTER	CURRENT QUARTER	CORRESPONDING QUARTER
		30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
		RMB'000	RMB'000	RM'000	RM'000
Revenue		2,508	8,012	1,230	3,930
Cost of sales		(2,430)	(6,425)	(1,192)	(3,152)
Gross Profit		78	1,587	38	778
Finance and other income		87	201	43	99
Marketing and distribution		(1,407)	(2,105)	(690)	(1,033)
Administrative expenses		(5,218)	(5,115)	(2,559)	(2,509)
Other expense		(5)	(168)	(2)	(82)
(Loss)/profit before tax		(6,465)	(5,600)	(3,171)	(2,747)
Income tax expenses	B4	-	-	-	-
(Loss)/profit net of tax		(6,465)	(5,600)	(3,171)	(2,747)
Other comprehensive Income:					
Foreign currency translation		-	-	-	-
Total comprehensive (loss)/income for the period		(6,465)	(5,600)	(3,171)	(2,747)
(Loss)/profit attributable to :					
- Owners of the parent		(6,150)	(5,331)	(3,017)	(2,615)
- Non-controlling interests		(315)	(269)	(155)	(132)
		(6,465)	(5,600)	(3,171)	(2,747)
Total comprehensive (loss)/income attributable to :					
- Owners of the parent		(6,150)	(5,331)	(3,017)	(2,615)
- Non-controlling interests		(315)	(269)	(155)	(132)
		(6,465)	(5,600)	(3,171)	(2,747)
(Loss)/earnings per share from Group's net (loss)/profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		(0.92)	(0.79)	(0.45)	(0.39)
Diluted (RMB cents / RM sen)		(0.92)	(0.79)	(0.45)	(0.39)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 RM0.49051 as at 31 Dec 2013.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED  
 Stock Name : CNOUHUA  
 Financial Period Ended : 30 JUNE 2014  
 Quarter : 2  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014



**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-14 RMB'000	YEAR TO DATE ENDED 30-Jun-13 RMB'000	YEAR TO DATE ENDED 30-Jun-14 RM'000	YEAR TO DATE ENDED 30-Jun-13 RM'000
Revenue		5,112	25,540	2,507	12,528
Cost of sales		(5,128)	(18,139)	(2,515)	(8,897)
Gross Profit		(16)	7,401	(8)	3,630
Finance and other income		293	876	144	430
Marketing and distribution		(8,091)	(6,519)	(3,969)	(3,198)
Administrative expenses		(11,115)	(11,977)	(5,452)	(5,875)
Other expense		(9)	(200)	(4)	(98)
(Loss)/profit before tax		(18,938)	(10,419)	(9,289)	(5,111)
Income tax expenses	B4	-	-	-	-
(Loss)/profit net of tax		(18,938)	(10,419)	(9,289)	(5,111)
<b>Total comprehensive (loss)/ income for the period</b>		<b>(18,938)</b>	<b>(10,419)</b>	<b>(9,289)</b>	<b>(5,111)</b>
<b>(Loss)/profit attributable to :</b>					
- Owners of the parent		(18,008)	(9,915)	(8,833)	(4,863)
- Non-controlling interests		(930)	(504)	(456)	(247)
		(18,938)	(10,419)	(9,289)	(5,111)
<b>Total comprehensive (loss)/ income attributable to :</b>					
- Owners of the parent		(18,008)	(9,915)	(8,833)	(4,863)
- Non-controlling interests		(930)	(504)	(456)	(247)
		(18,938)	(10,419)	(9,289)	(5,111)
<b>(Loss)/earnings per share from Group's net (loss)/profit attributable to shareholders</b>	B11				
Basic (RMB cents / RM sen)		(2.70)	(1.48)	(1.32)	(0.73)
Diluted (RMB cents / RM sen)		(2.70)	(1.48)	(1.32)	(0.73)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the financial statements.)

**Note:**

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Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED  
 Stock Name : CNOUHUA  
 Financial Period Ended : 30 JUNE 2014  
 Quarter : 2  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014**

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 30-Jun-14 RMB'000	AS AT 31-Dec-13 RMB'000	AS AT 30-Jun-14 RM'000	AS AT 31-Dec-13 RM'000
<b>ASSETS AND LIABILITIES</b>					
<b>Non-current assets</b>					
Property, plant and equipment		61,450	64,847	30,142	31,808
Biological assets		75,344	71,753	36,957	35,196
Prepayments		7,032	7,136	3,449	3,500
		<u>143,826</u>	<u>143,736</u>	<u>70,548</u>	<u>70,504</u>
<b>Current assets</b>					
Inventories		95,745	80,482	46,964	39,477
Trade and other receivables		59,511	57,921	29,191	28,411
Prepayments		121,697	118,800	59,694	58,273
Cash and cash equivalents		81,870	121,755	40,158	59,723
		<u>358,823</u>	<u>378,958</u>	<u>176,006</u>	<u>185,883</u>
<b>Current liabilities</b>					
Trade and other payables		9,723	9,874	4,769	4,842
Other liabilities		505	1,461	248	717
		<u>10,228</u>	<u>11,335</u>	<u>5,017</u>	<u>5,559</u>
Net current assets		<u>348,595</u>	<u>367,623</u>	<u>170,989</u>	<u>180,324</u>
<b>Non-current liability</b>					
Deferred tax liabilities		15,299	15,299	7,504	7,504
<b>Net assets</b>		<u>477,122</u>	<u>496,060</u>	<u>234,033</u>	<u>243,323</u>
<b>EQUITY</b>					
Share capital		205,838	205,838	100,966	100,966
Other reserve		30,531	30,531	14,976	14,976
Retained earnings		222,624	240,632	109,199	118,032
Non-controlling interests		18,129	19,059	8,892	9,349
Total equity		<u>477,122</u>	<u>496,060</u>	<u>234,033</u>	<u>243,323</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)		0.71	0.74	0.35	0.36

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 RM0.49051 as at 31 Dec 2013.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED  
 Stock Name : CNOUHUA  
 Financial Period Ended : 30 JUNE 2014  
 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Share Capital		Attributable to Equity Holders of The Group				Total Equity
	RMB'000	RMB'000	Reserve funds	Other capital reserves	Retained Earnings	Non-controlling interests	
(IN RMB)							
At 1 January 2014	205,838	29,508	1,023	240,632	477,001	19,059	496,060
(Loss)/profit and other comprehensive(loss)/profit for the year	-	-	-	(18,008)	(18,008)	(930)	(18,938)
At 30 June 2014	205,838	29,508	1,023	222,624	458,993	18,129	477,122
(IN RM)							
At 1 January 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(Loss)/profit and other comprehensive(loss)/profit for the year	100,966	14,474	502	118,032	233,974	9,349	243,322
At 30 June 2014	100,966	14,474	502	(8,833)	225,142	(456)	(9,289)
				109,199	8,892		234,033

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 RM0.49051 as at 31 Dec 2013.

Company Name : CHINA OIHUA WINERY HOLDINGS LIMITED  
 Stock Name : CNOUHUA  
 Financial Period Ended : 30 JUNE 2014  
 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital		Attributable to Equity Holders of The Group				Retained Earnings	Total	Non-controlling interests	Total Equity
	RMB'000	RMB'000	Statutory Reserve funds	Foreign currency translation reserves	Other capital reserves	RMB'000				
(IN RMB)										
At 1 January 2013	205,838	-	29,508	-	1,023	329,840	566,209	23,708	589,917	
Profit for the period	-	-	-	-	-	(9,915)	(9,915)	(504)	(10,419)	
Income tax settlement adjustment for 2012	-	-	-	-	(895)	(895)	(895)	-	(895)	
At 30 June 2013	205,838	-	29,508	-	1,023	319,030	555,399	23,204	578,603	
(IN RM)										
At 1 January 2013	100,966	-	14,474	-	502	161,790	277,732	11,629	289,361	
Profit for the period	-	-	-	-	-	(4,863)	(4,863)	(247)	(5,111)	
Income tax settlement adjustment for 2012	-	-	-	-	(439)	(439)	(439)	-	(439)	
At 30 June 2013	100,966	-	14,474	-	502	156,487	272,430	11,382	283,812	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 RM0.49051 as at 31 Dec 2013.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED  
 Stock Name : CNOUHUA  
 Financial Period Ended : 30 JUNE 2014  
 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	CURRENT YEAR TO DATE 30-Jun-14 RMB'000	PRECEDING CORRESPONDING YEAR TO DATE 30-Jun-13 RMB'000	CURRENT YEAR TO DATE 30-Jun-14 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30-Jun-13 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	(18,938)	(10,419)	(9,289)	(5,111)
Adjustments for :-				
Amortisation of prepayments	104	104	51	51
Depreciation of property, plant and equipment	3,397	5,351	1,666	2,625
Depreciation of biological assets	2,519	1,046	1,236	513
Impairment of biological assets	-	-	-	-
Provision for bad debts	-	-	-	-
Interest income	(177)	(897)	(87)	(440)
<b>Operating profit before working capital changes</b>	<b>(13,095)</b>	<b>(4,815)</b>	<b>(6,423)</b>	<b>(2,361)</b>
<i>Decrease/(increase) in:</i>				
Inventories	(15,263)	7,546	(7,487)	3,701
Trade and other receivables	(4,487)	12,299	(2,201)	6,032
<i>(Decrease)/increase in:</i>				
Trade and other payables	(151)	(4,087)	(74)	(2,005)
Other liabilities	(956)	(851)	(469)	(417)
<b>Cash flows generated from/(used in) operations</b>	<b>(33,952)</b>	<b>10,092</b>	<b>(16,654)</b>	<b>4,950</b>
Income tax paid	-	(895)	-	(439)
Interest income received	177	897	87	440
<b>Net cash flows generated from/(used in) operating activities</b>	<b>(33,775)</b>	<b>10,094</b>	<b>(16,567)</b>	<b>4,951</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	-	(877)	-	(430)
Loan repaid from Third Party	-	-	-	-
Short-term investment recovered	-	100,000	-	49,051
Purchase of biological assets	(6,110)	(6,766)	(2,997)	(3,319)
<b>Net cash flow generated from/(used in) investing activities</b>	<b>(6,110)</b>	<b>92,357</b>	<b>(2,997)</b>	<b>45,302</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid to shareholders	-	-	-	-
Dividends paid to non controlling-interests	-	-	-	-
Dividend recovered	-	-	-	-
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(39,885)</b>	<b>102,451</b>	<b>(19,564)</b>	<b>50,253</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>121,755</b>	<b>142,526</b>	<b>59,722</b>	<b>69,910</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>81,870</b>	<b>244,977</b>	<b>40,158</b>	<b>120,164</b>
<b>Cash and cash equivalents at the end of the period comprise the followings:</b>				
Cash on hand and at banks	81,870	244,977	40,158	120,164
	<b>81,870</b>	<b>244,977</b>	<b>40,158</b>	<b>120,164</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 2013)

**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 RM0.49051 as at 31 Dec 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 30 June 2014 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 2013 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 2014

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"). 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 2014.

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

There were no material changes in estimates for the financial half year ended 30 June 2014.

### **5. Prepayments in Current assets**

The prepayments in current assets include RMB118.80 million, which is two payments for acquisition by Yantai Fazenda Ouhua Winery Co., Ltd, of all that land and buildings located at No. 3, Wolong North Road, Yantai City that has been used for a total cash consideration of RMB132million.

### **6. 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 2014.

## 7. Dividends Payable

The Board of directors does not recommend any interim dividend for the current quarter ended 30 June 2014.

## 8. Segment Information

### a) Operating segments

<u>6 months ended 30 June 2014</u>	White Wine RMB'000	Red Wine RMB'000	Total RMB'000
<b>Revenue</b>			
Sales to external customers	1,055	4,057	5,112
<b>Results</b>			
Segment gross profit	(6)	(10)	(16)
Unallocated expenses, net			(19,099)
Interest income			177
Interest expense			-
Loss before tax			(18,938)
Income tax expense			-
Net loss			(18,938)
	White Wine RMB'000	Red Wine RMB'000	Total RMB'000
<u>6 months ended 30 June 2013</u>			
<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)

### Other segment information

<u>6 months ended 30 June 2014</u>	International Label RMB'000	Own Label RMB'000	Total RMB'000
<b>Revenue</b>			
Sales to external customers	1,445	3,667	5,112
	International Label RMB'000	Own Label RMB'000	Total RMB'000
<u>6 months ended 30 June 2013</u>			
<b>Revenue</b>			
Sales to external customers	7,101	18,439	25,540



**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 2014.

**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 2014.

**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 2014.

**13. Retained Earnings**

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

	As at 31 Dec 2013		As at 30 June 2014	
	RMB'000	RM'000	RMB'000	RM'000
Realised retained profits:	244,192	119,778	226,184	110,945
Unrealised retained profits:	(3,560)	(1,746)	(3,560)	(1,746)
	-----	-----	-----	-----
Total group retained profits:	240,632	118,032	222,624	109,199
	=====	=====	=====	=====

#### 14. Recurring related party transactions

For the financial half year ended 30 June 2014, 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 REQUIRMENTS

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

For the financial half year ended 30 June 2014 ("6M2014"), the Group revenue decreased by RMB20.43 million or 79.99% to RMB5.11 million, from RMB25.54 million in the previous corresponding period ended 30 June 2013 ("6M2013"). Loss before (net of) tax increased by RMB8.52 million from RMB10.42 million in 6M2013 to RMB18.94 million in 6M2014.

For the current quarter, the Group recorded a revenue decrease of RMB0.09 million from RMB2.60 million to RMB2.51 million and a decrease in loss net of tax of RMB6 million from RMB12.47 million to RMB6.47 million, both from the immediate preceding quarter ended 31 March 2014.

The decrease of sales as compared with the corresponding period in 2013 is mainly due to the continuous downward trends of the whole winery market in PRC, which lead to the further sales decrease of the grape wine. The increase of loss net of tax is mainly due to the revenue decrease.

#### 2. Prospects

Through deep researching and analyzing of the current wine market, the management of the Group reached a view that due to the slowdown of the whole business and economic market development, coupled with various 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. The decrease has been going on along with these unfavourable measures' continuous executing. We envisaged that there are no obvious signs of recovery in the near future.

Facing with the winery market environment with no obvious signs of improvements in China, the Group will continue remaining steadfast and adopting conservative approach in our overall strategy. We will reduce our winery production storage to decrease the operating risk.

#### 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 2014.

## 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 2014.

## 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	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	<u>10,339</u>	<u>6,890</u>	By 2 Nov 2012	3,449	33
<b>Total</b>	<b><u>79,530</u></b>	<b><u>79,530</u></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 2014 and 30 June 2013 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 2014.

#### **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 2013 were subject to qualified opinion.