



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		CURRENT QUARTER 30-Jun-15 RMB'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-14 RMB'000	CURRENT QUARTER 30-Jun-15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-14 RM'000
Revenue		1,230	2,508	698	1,423
Cost of sales		(1,853)	(2,430)	(1,051)	(1,379)
Gross Profit		(623)	78	(353)	44
Finance and other income		65	87	37	49
Marketing and distribution		(1,368)	(1,407)	(776)	(798)
Administrative expenses		(1,376)	(5,218)	(781)	(2,961)
Other expense		-	(5)	-	(3)
(Loss)/profit before tax		(3,302)	(6,465)	(1,873)	(3,668)
Income tax expenses	B4	-	-	-	-
(Loss)/profit net of tax		(3,302)	(6,465)	(1,873)	(3,668)
Other comprehensive Income:					
Foreign currency translation		-	-	-	-
Total comprehensive (loss)/income for the period		(3,302)	(6,465)	(1,873)	(3,668)
(Loss)/profit attributable to :					
- Owners of the parent		(3,143)	(6,150)	(1,783)	(3,489)
- Non-controlling interests		(159)	(315)	(90)	(179)
		(3,302)	(6,465)	(1,873)	(3,668)
Total comprehensive (loss)/income attributable to :					
- Owners of the parent		(3,143)	(6,150)	(1,783)	(3,489)
- Non-controlling interests		(159)	(315)	(90)	(179)
		(3,302)	(6,465)	(1,873)	(3,668)
(Loss)/earnings per share from Group's net (loss)/profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		(0.47)	(0.92)	(0.27)	(0.52)
Diluted (RMB cents / RM sen)		(0.47)	(0.92)	(0.27)	(0.52)

(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 RM0.56737 as at 31 Dec 2014.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
Stock Name : CNOUHUA
Financial Period Ended : 30 JUNE 2015
Quarter : 2
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR TO DATE	PRECEDING YEAR YEAR TO DATE	CURRENT YEAR TO DATE	PRECEDING YEAR YEAR TO DATE
		ENDED 30-Jun-15	ENDED 30-Jun-14	ENDED 30-Jun-15	ENDED 30-Jun-14
		RMB'000	RMB'000	RM'000	RM'000
Revenue		3,114	5,112	1,767	2,900
Cost of sales		(3,944)	(5,128)	(2,238)	(2,909)
Gross Profit		(830)	(16)	(471)	(9)
Finance and other income		132	293	75	188
Marketing and distribution		(3,502)	(8,091)	(1,987)	(4,591)
Administrative expenses		(3,484)	(11,115)	(1,977)	(6,306)
Other expense		-	(9)	-	(5)
(Loss)/profit before tax		(7,684)	(18,938)	(4,360)	(10,745)
Income tax expenses	B4	-	-	-	-
(Loss)/profit net of tax		(7,684)	(18,938)	(4,360)	(10,745)
Total comprehensive (loss)/ income for the period		(7,684)	(18,938)	(4,360)	(10,745)
(Loss)/profit attributable to :					
- Owners of the parent		(7,308)	(18,008)	(4,146)	(10,217)
- Non-controlling interests		(376)	(930)	(213)	(528)
		(7,684)	(18,938)	(4,360)	(10,745)
Total comprehensive (loss)/ income attributable to :					
- Owners of the parent		(7,308)	(18,008)	(4,146)	(10,217)
- Non-controlling interests		(376)	(930)	(213)	(528)
		(7,684)	(18,938)	(4,360)	(10,745)
(Loss)/earnings per share from Group's net (loss)/profit attributable to shareholders	B11				
Basic (RMB cents / RM sen)		(1.09)	(2.70)	(0.62)	(1.53)
Diluted (RMB cents / RM sen)		(1.09)	(2.70)	(0.62)	(1.53)

(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 RM0.56737 as at 31 Dec 2014.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 30 JUNE 2015
 Quarter : 2
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 30-Jun-15 RMB'000	AS AT 31-Dec-14 RMB'000	AS AT 30-Jun-15 RM'000	AS AT 31-Dec-14 RM'000
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment		49,331	51,465	27,989	29,200
Biological assets		-	-	-	-
Prepayments		-	-	-	-
		<u>49,331</u>	<u>51,465</u>	<u>27,989</u>	<u>29,200</u>
Current assets					
Inventories		65,150	66,060	36,964	37,480
Trade and other receivables		18,837	15,232	10,688	8,642
Prepayments		118,744	120,324	67,373	68,269
Cash and cash equivalents		70,500	77,712	40,000	44,092
		<u>273,231</u>	<u>279,328</u>	<u>155,024</u>	<u>158,483</u>
Current liabilities					
Trade and other payables		9,714	9,679	5,511	5,492
Other liabilities		436	1,018	247	578
		<u>10,150</u>	<u>10,697</u>	<u>5,760</u>	<u>6,070</u>
Net current assets		<u>263,081</u>	<u>268,631</u>	<u>149,264</u>	<u>152,413</u>
Non-current liability					
Deferred tax liabilities		15,299	15,299	8,680	8,680
Net assets		<u>297,113</u>	<u>304,797</u>	<u>168,573</u>	<u>172,932</u>
EQUITY					
Share capital		205,838	205,838	116,786	116,786
Other reserve		30,531	30,531	17,322	17,322
Retained earnings		51,575	58,883	29,262	33,408
Non-controlling interests		9,169	9,545	5,202	5,416
Total equity		<u>297,113</u>	<u>304,797</u>	<u>168,573</u>	<u>172,932</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)		0.44	0.46	0.25	0.25

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 RM0.56737 as at 31 Dec 2014.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED

Stock Name : CNOUHUA

Financial Period Ended : 30 JUNE 2015

Quarter : 2

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 2015	205,838	29,508	1,023	58,883	295,252	9,545	304,797
(Loss)/profit and other comprehensive(loss)/profit for the year	-	-	-	(7,308)	(7,308)	(376)	(7,684)
At 30 June 2015	205,838	29,508	1,023	51,575	287,944	9,169	297,113
<i>(IN RM)</i>							
At 1 January 2015	116,786	16,742	580	33,408	167,517	5,416	172,933
(Loss)/profit and other comprehensive(loss)/profit for the year	-	-	-	(4,146)	(4,146)	(213)	(4,360)
At 30 June 2015	116,786	16,742	580	29,262	163,370	5,202	168,573

(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 RM0.56737 as at 31 Dec 2014.





Company Name : CHINA OURHUA WINERY HOLDINGS LIMITED
Stock Name : CNOUJHUA
Financial Period Ended : 30 JUNE 2015
Quarter : 2
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 2014	205,838	29,508	-	1,023	240,632	477,001	496,060
Profit for the period	-	-	-	-	(18,008)	(18,008)	(18,938)
At 30 June 2014	205,838	29,508	-	1,023	222,624	458,993	477,122
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	116,786	16,742	-	580	136,527	270,636	281,450
Profit for the period	-	-	-	-	(10,217)	(10,217)	(10,745)
At 30 June 2014	116,786	16,742	-	580	126,310	260,419	270,704

(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 RM0.56737 as at 31 Dec 2014.

Company Name : CHINA OUHUA WINERY HOLDINGS LIMITED
 Stock Name : CNOUHUA
 Financial Period Ended : 30 JUNE 2015
 Quarter : 2



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	CURRENT YEAR TO DATE 30-Jun-15 RMB'000	PRECEDING CORRESPONDING YEAR TO DATE 30-Jun-14 RMB'000	CURRENT YEAR TO DATE 30-Jun-15 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 30-Jun-14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	(7,684)	(18,938)	(4,360)	(10,745)
Adjustments for :-				
Depreciation and amortisation expenses	2,134	3,501	1,211	1,986
Impairment loss on PPE	-	-	-	-
Loss on disposal of PPE	-	-	-	-
Depreciation of biological assets	-	2,519	-	1,429
Impairment loss on biological assets	-	-	-	-
Impairment loss on trade receivables	-	-	-	-
Loss on disposal of biological assets	-	-	-	-
Impairment loss on inventories	-	-	-	-
Write-off of prepayments	-	-	-	-
Gains arising from initial recognition of harvested grapes	-	-	-	-
Interest income	(132)	(177)	(75)	(100)
Operating profit before working capital changes	(5,682)	(13,095)	(3,224)	(7,430)
<i>Decrease/(increase) in:</i>				
Inventories	910	(15,263)	516	(8,660)
Trade and other receivables	(2,025)	(4,487)	(1,149)	(2,546)
<i>(Decrease)/increase in:</i>				
Trade and other payables	35	(151)	20	(86)
Other liabilities	(582)	(956)	(330)	(542)
Cash flows generated from/(used in) operations	(7,344)	(33,952)	(4,167)	(19,263)
Income tax paid	-	-	-	-
Interest income received	132	177	75	100
Net cash flows generated from/(used in) operating activities	(7,212)	(33,775)	(4,092)	(19,163)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	-	-	-	-
Loan repaid from Third Party	-	-	-	-
Proceeds from held- to-maturity investment	-	-	-	-
Purchase of biological assets	-	(6,110)	-	(3,467)
Net cash flow generated from/(used in) investing activities	-	(6,110)	-	(3,467)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders	-	-	-	-
Dividends paid to non controlling-interests	-	-	-	-
Dividend recovered	-	-	-	-
Net cash flows used in financing activities	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,212)	(39,885)	(4,092)	(22,630)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	77,712	121,755	44,091	69,080
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	70,500	81,870	40,000	46,451
Cash and cash equivalents at the end of the period comprise the followings:				
Cash on hand and at banks	70,500	81,870	40,000	46,451
	70,500	81,870	40,000	46,451

(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 RM0.56737 as at 31 Dec 2014.

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 half year ended 30 June 2015 are unaudited and have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Behad ("Bursa Securities").

The condensed consolidated financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2014 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 2015.

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 2015.

4. Changes in estimates

There were no material changes in estimates for the financial half year ended 30 June 2015.

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 RMB132 million.

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 2015.

7. Dividends Payable

The Board of directors does not recommend any interim dividend for the current quarter ended 30 June 2015.

8. Segment Information

a) Operating segments

<u>6 months ended 30 June 2015</u>	White Wine RMB'000	Red Wine RMB'000	Total RMB'000
Revenue			
Sales to external customers	448	2,666	3,114
Results			
Segment gross profit	(134)	(696)	(830)
Unallocated expenses, net			(6,986)
Interest income			132
Interest expense			-
Loss before tax			(7,684)
Income tax expense			-
Net loss			(7,684)
	White Wine RMB'000	Red Wine RMB'000	Total RMB'000
<u>6 months ended 30 June 2014</u>			
Revenue			
Sales to external customers	1,055	4,057	5,112
Results			
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)

Other segment information

<u>6 months ended 30 June 2015</u>	International Label RMB'000	Own Label RMB'000	Total RMB'000
Revenue			
Sales to external customers	1,453	1,661	3,114

	International Label	Own Label	Total
<u>6 months ended 30 June 2014</u>	RMB'000	RMB'000	RMB'000
Revenue			
Sales to external customers	1,445	3,667	5,112

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 first 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 half year ended 30 June 2015.

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 second quarter ended 30 June 2015.

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 half year ended 30 June 2015.

14. Retained Earnings

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

	As at 31 Dec 2014		As at 30 June 2015	
	RMB'000	RM'000	RMB'000	RM'000
Realised retained profits:	74,182	42,088	66,874	39,942
Unrealised retained profits:	(15,299)	(8,680)	(15,299)	(8,680)
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Total group retained profits:	58,883 =====	33,408 =====	51,575 =====	29,262 =====
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15. Recurring related party transactions

For the financial half year ended 30 June 2015, 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 2015 ("6M2015"), the Group revenue decreased by RMB2.00 million or 39.14% to RMB3.11 million, from RMB5.11 million in the previous corresponding period ended 30 June 2014 ("6M2014"). Loss before (net of) tax decreased by RMB11.26 million from RMB18.94 million in 6M2014 to RMB7.68 million in 6M2015.

For the current quarter, the Group recorded a revenue decrease of RMB0.65 million from RMB1.88 million to RMB1.23 million and a decrease in loss net of tax of RMB1.08 million from RMB4.38 million to RMB3.30 million, both from the immediate preceding quarter ended 31 March 2015.

The decrease of sales as compared with the corresponding period in 2014 is mainly due to the continuous downward trend of the whole winery market in PRC, which led to the further sales decrease of the grape wine. The decrease of loss net of tax is mainly due to the decrease of the expenses of vineyard.

2. Prospects

China's GDP for 2nd quarter of 2015 expanded by 7% from a year ago (the slowest since 2009) and its economy has shown minimal evidence of an acceleration even after The People's Bank of China ("Central Bank") had cut interest rates three times since November 2014.

The impact of cheap foreign wine flooding the China market and a series of Chinese government policies implemented by the new leadership such as anti-graft and austerity drive among the civil servants inter alia, reduction of entertainment budget expenses continued to affect the competitive wine market badly.

The management had stepped up efforts to maintain the company's corporate brand image and consolidate its wine dealers such as providing support to those performing wine dealers and reducing the number of non-performing ones. Through conducting market research and in-house development, the company is planning to produce cheaper wine but with uncompromised quality to target the current bigger low-to-medium range of Chinese wine market.

Moving forward, the management is cautiously optimistic on the market outlook and remained vigilant on the domestic wine market development. The management will continue its effort to find better ways to enhance the shareholders' value of the company.

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 2015.

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 2015.

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
Total	79,530	79,530			

The listed expenses incurred were RM6.89 million. The excess of RM3.449 million as compared to the estimated listing expenses of RM10.339 million 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 second 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 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 2015 and 30 June 2014 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 2015.

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 2014 were subject to qualified opinion.