UNITED FOOD HOLDINGS LIMITED

联合食品控股有限公司

Company Information

公司简介

April 2017

SGX: AZR

Forward-looking Statements

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Company Background

- United Food Holdings Limited was incorporated in Bermuda in 2000 and listed on the mainboard of the SGX-ST.
- The Group was established in 1993.
- The Group was a prominent producer and supplier of quality breeds of pigs in Mainland China.
- One of the leading suppliers of soybean products in Mainland China.

Corporate Mission

To be a responsible corporate citizen in our area of operations promoting healthy environment practices while delivering premium returns to our shareholders through innovative management practices and stringent quality assurance standards.

Financial Summary (Audited)

	FY2016	FY2015
	RMB'000	RMB'000
Revenue	265,744	2,211,658
Profit/(Loss)	(229,263)	(974,221)
Total Assets	219,462	435,037
Total Liabilities	17,209	3,258
Net Assets	202,253	431,779

FY: Financial year ended 31 December

Re-constitution of Business of United Food (Holdings) Limited

- Price chart
- Share Price as of 2017/4/27: S$0.33



Market Capitalization vs. NAV

(As of 27 April 2017)

- No. of Shares Issued — 132,097,041 shares
- Current Market Cap — S$ 43.59 million
- Current Price/Share — S$ 0.33

vs.

- NAV * — S$ 41.03 million
- NAV/Share ** — S$ 0.31

* (Exchange rate RMB/SGD 0.2029)

**(Audited 2016 Net Assets/current total shares issued)

Current Share Price vs. 52 wks low

- Current Price/Share S$ 0.33

vs.

- 52 wks low S$ 0.025

- Currently trading at 13x historic low

Our Businesses

We have three business segments in Shandong Province, China:

- Soybean Processing
- Production of Animal Feed
- Pig Rearing

Business - Soybean Processing

- As a result of the environmental enforcement action taken by the Chinese government over the polluted coal generated power plant, soy-bean processing was ceased due to government policy
- Such production disruptions had caused serious financial stress to the operations of the Group
- Currently still shutdown due to governmental environmental policies
- Labour liabilities present





Business - Soybean Processing (Cont.)

- May restart the operations of the division when it becomes commercially viable
- Currently actively seeking strategic partners to mitigate further risks
- Exploring possible opportunities to minimize loss and potential liabilities

Business - Production of Animal Feed

- One animal feed plant located at Yishui, Linyi
- Producing feed for pigs, chickens, ducks, rabbits and fish
- Previous maximum annual capacity of 300,000 tones of animal feed





Business – Pig Rearing

- Exploring opportunities on the use of the vacant land

- Currently exploring to acquire a high-premium pork producer by taping on our past pig rearing business experiences and technical know-how









Distribution Network and new trading business

Acquisition of a food products trading business which will utilize the existing distribution network



Strategic Plan

- Expand and focus on the animal feed as core business of the Group
- Establish trading business of food products while utilizing the existing distribution network of the Group
- Upgrade on the technology and know-how of pig rearing business
- Acquire positive gross profit producing projects

Strategic Plan (Cont.)

- Explore opportunities to dispose negative gross profit producing assets
- Reposition and refocus on "Quality" rather than "Quantity" as in the past
- Mitigation of Risks – (i.e. labour risks and environmental risks)

Seeking continued support from shareholders over the strategic plan devised for current year, 2017, and years ahead

- Improvement of value for the best interest of shareholders
- Stabilize strategic plan and seek confidence and support from shareholders

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