UNITED FOOD HOLDINGS LIMITED

Financial Statements And Dividend Announcement For The Period Ended 31 March 2019 (The financial year end of the company has been changed from 31 December to 31 March as announced by the company on 23 November 2018)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3, Q4 & Q5), HALF-YEAR AND FULL YEAR RESULTS

The figures presented below have not been audited.

1(a) An income statement and a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2019

		Group					
		3 months ended	3 months ended		15 months ended	12 months ended	
		31 March 2019	31 March 2018	Change	31 March 2019	31 December 2017	Change
	Note	RMB'000	RMB'000	%	RMB'000	RMB'000	%
CONTINUING OPERATIONS							
Revenue	(A)	10,039	2,823	255.6	86,430	34,932	147.4
Cost of sales		(9,500)	(2,631)	261.1	(79,795)	(33,463)	138.5
Gross profit / (loss)	(B)	539	192	180.7	6,635	1,469	351.7
Other income, net	(C)	(15,364)	2	N/M	94,238	10	N/M
Selling and distribution costs		(199)	-	N/M	(251)	-	N/M
Administrative expenses	(D)	(13,050)	(771)	1592.6	(19,827)	(4,157)	377.0
Finance expenses		(201)	-	N/M	(582)	-	N/M
Other expenses, net		(95)		N/M	(95)	-	N/M
Profit/(loss) before tax from continuing operations		(28,370)	(577)	4816.8	80,118	(2,678)	N/M
Income tax expenses		(14)	-	N/M	(927)	(393)	135.9
Profit/(loss) for the period from continuing operations		(28,384)	(577)	4819.2	79,191	(3,071)	N/M
DISCONTINUED OPERATION							
Loss for the period from a discontinued operation		-	(12,870)	N/M	(17,100)	(65,343)	(73.8)
Profit/(loss) for the period		(28,384)	(13,447)	111.1	62,091	(68,414)	N/M
Attributable to :							
Owners of the Company		(27,602)	(13,438)	105.4	62,402	(68,804)	N/M
Non-controlling interest		(782)	(9)	8588.9	(311)	390	(20.3)

Note: For Notes (A) – (D), please refer to Item 8.

Note: N/A - Not applicable
N/M – Not meaningful

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2019

The Group's loss before tax is arrived at after charging:

	Group					
	3 months ended	3 months ended		15 months ended	12 months ended	
	31 March 2019	31 March 2018	Change	31 March 2019	31 December 2017	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit/(loss) for the period	(28,384)	(13,447)	111.1	62,091	(68,414)	N/M
Other comprehensive income/(loss)						
Exchange differences on translation of financial statements of foreign operation	(1,773)	(308)	475.6	(883)	(1,202)	(26.5)
Recycle of foreign currency translation reserves upon disposal of foreign operation	1,857	-	N/M	1,857	-	N/M
Total comprehensive profit/(loss) for the period	(28,300)	(13,755)	105.7	63,065	(69,616)	N/M
Attributable to :						
Owners of the Company	(27,631)	(14,022)	97.1	63,465	(70,080)	N/M
Non-controlling interest	(669)	267	150.6	(400)	464	N/M

The Group's profit before tax is arrived at after charging:

	Group					
	3 months ended	3 months ended		15 months ended	12 months ended	
	31 March 2019	31 March 2018	Change	31 March 2019	31 December 2017	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Depreciation of property, plant and equipment (Note A)						
- Continuing operations	526	-	N/M	1,001	-	N/M
- Discontinuing operations	-	3,334	N/M	4,802	13,332	(64.0)
	526	3,334		5,803	13,332	
Amortisation of land use rights and intangible assets	4,557	1,660	174.5	7,046	6,638	6.1
Gain on disposal of subsidiary	-	-	N/M	27,178	-	N/M
Finance cost	201	-	N/M	582	-	N/M
Fair value changes in contingent consideration	26,951	-	N/M	26,951	-	N/M
Gain from bargain purchase	(42,691)	-	N/M	39,762	-	N/M
Expected credit loss allowance on trade and other receivable	3,092	-	N/M	3,092	-	N/M
Foreign exchange (gain) loss	1,046	(1,115)	N/M	1,046	(1,115)	N/M

(Note A)

In the 4Q2018 announcement, the year-to-date depreciation of property, plant and equipment of RMB 5,277,000 consisted of continuing and discontinuing operations of RMB 475,000 and RMB 4,802,000 respectively.

	3 months ended	3 months ended		15 months ended	12 months ended	
	31 March 2019	31 March 2018	Change	31 March 2019	31 December 2017	Change
Other income, net	RMB'000	RMB'000	%	RMB'000	RMB'000	%
- Gain on bargain purchase	(42,691)	-	N/M	39,762	-	N/M
- Gain on disposal of subsidiaries	-	-	N/M	27,178	-	N/M
- Fair value changes in contingent consideration	26,951	-	N/M	26,951	-	N/M
- Others	376	2	18700.0	347	10	3370.0
	(15,364)	2		94,238	10	

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2019

		Group		Company	
		31/3/2019	31/12/2017	31/3/2019	31/12/2017
	Note	RMB'000	RMB'000	RMB'000	RMB'000
			(Restated)		
ASSETS					
Non-current assets					
Investment in subsidiary		-	-	9	9
Property, plant and equipment	(E)	20,148	3	-	-
Land use rights	(E)	11,010	-	-	-
Intangible asset - patents	(E)	141,687	-	-	-
Goodwill	(F)	12,742	12,742	-	-
		185,587	12,745	9	9
Current assets					
Inventories		1,518	-	-	-
Trade receivables	(G)	14,655	11,695	-	-
Other receivables	(H)	88,121	60,107	15,109	106
Amount due from subsidiaries		-	-	98,809	43,630
Cash and cash equivalents		73,832	62,973	226	1,006
		178,126	134,775	114,144	44,742
Disposal group classfied as held for sale		-	77,850	-	-
		178,126	212,625	114,144	44,742
Total assets		363,713	225,370	114,153	44,751
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital		15,975	15,975	15,975	15,975
Reserves		232,588	169,123	83,362	14,106
Equity attributable to owners of the company		248,563	185,098	99,337	30,081
Non-controlling interest	(I)	30,641	1,278	-	-
		279,204	186,376	99,337	30,081
LIABILITIES					
Current liabilities					
Trade and other payables	(J)	49,879	25,468	898	1,131
Amounts due to subsidiaries		-	-	13,918	13,539
Current tax payable		919	598	-	-
Bank loan		10,000	-	-	-
Contingent considerations	(K)	17,519	-	-	-
		78,317	26,066	14,816	14,670
Disposal group classfied as held for sale		-	12,928	-	-
		78,317	38,994	14,816	14,670
Non-current liabilities					
Deferred tax liabilities		6,192	-	-	-
		6,192	-	-	-
Total equity and liabilities		363,713	225,370	114,153	44,751

Note: For Notes (E) to (K), please refer to Item 8.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/3/2019		As at 31/12/2017	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
10,000	21,940	N/A	321

Amount repayable after one year

As at 31/3/2019		As at 31/12/2017	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
N/A	N/A	N/A	N/A

Details of any collateral

The bank loan of RMB 10 million is secured by a charge on certain land use right and building.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2019

	Group	
	15 months ended 31 March 2019	12 months ended 31 December 2017
	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax		
From continuing operations	80,118	(2,678)
From a discontinued operation	(17,100)	(65,343)
Adjustments for:	-	
Amortisation of land use rights and intangible assets - patents	7,046	6,638
Depreciation of property, plant and equipment	1,001	13,332
Impairment loss on land use rights	-	9,019
Impairment loss on property, plant and equipment	-	11,925
Translation difference	1,046	(1,115)
Gain on disposal of subsidiary	(27,178)	-
Gain from bargain purchase (Note 2)	(39,762)	-
Fair value changes on contingent consideration (Note 1)	(26,951)	-
Finance cost	582	-
Bank interest income	(372)	(10)
Cash flow used in operating activities before working capital changes	(21,570)	(28,232)
Change in inventories	(13)	5,568
Change in trade and other receivables	4,170	28,145
Change in trade and other payables	13,397	1,225
Cash used in operations	(4,016)	6,706
Interest received	-	10
Tax paid	(548)	-
Net cash (used in) / generated from operating activities	(4,564)	6,716
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received for disposal of a subsidiary (Note 2)	35,565	-
Cash received (used) for acquisition of a subsidiary (Note 1)	931	(15,849)
Cash used as deposit for potential acquisition project	(25,000)	
Cash used for property, plant and equipment	(226)	-
Interest received	372	-
Net cash generated from / (used in) investing activities	11,642	(15,849)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of advance to a shareholder	-	(671)
Proceeds from issue of new shares	-	52,925
Finance cost	(582)	-
Net cash (used in) / generated from financing activities	(582)	52,254
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,496	43,121
Exchange differences	(72)	(5)
Cash and cash at the beginning of period	67,408	24,292
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	73,832	67,408

Note1	**Net cash from acquisition**		**FY2019**		**FY2019**
(a)	**Effect of cash flows of the Group**		**RMB'000**		**RMB'000**
					-
	Cash paid during the year				931
	Less: Cash and bank balances in subsidiaries acquired				**931**
	Net cash outflow on acquisition				
(b)	**Net identifiable assets**				
	Patents		148,643		
	Land use rights		11,100		
	Property, plant and equipment ("PPE")		20,920		
	Trade receivables		1,811		
	Prepayment, Deposits & Other receivables		1,233		
	Inventory		1,505		
	Bank balances and cash		931		
	Trade payables		(508)		
	Other Payables & deposits received and accruals		(20,506)		
	Tax receivables		306		
	Borrowings		(10,000)		
	Deferred tax liabilities		(6,440)		148,995
	Less: Non Controlling Interest (NCI)				(29,763)
	Less: Bargain purchase				(39,762)
	Total consideration for the acquisition of subsidiaries				79,470
	Deposit (paid in FY2017)				25,000
	Payable				10,000
	Contingent consideration				44,470
	Total consideration for the acquisition of subsidiaries				79,470
					-
Note2	**Net cash from disposal**		**FY2019**		**FY2019**
	Assets		**RMB'000**		**RMB'000**
	Property, plant and equipment		43,300		
	Land use rights		20,430		
	Inventories		9,685		
	Cash and cash equivalents		4,435		
	Assets classifi ed as disposal group held for sale		77,850		77,850
	Liabilities				
	Trade and other payables		1,371		
	Provision		11,557		
	Liabilities classifi ed as disposal group held for sale		12,928		(12,928)
	Share of loss				(17,100)
	Gain on disposal of subsidiaries				27,178
	Total considerations				75,000
	Consideration received, satisfied in cash (FY2017)				(20,000)
	Consideration receivables				(15,000)
	Consideration received during the year, satisfied in cash (FY2019)				40,000
	Less: Cash and cash equivalents disposed of due to de-consolidation				(4,435)
	Net cash inflow				35,565

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Statutory reserves	Capital redemption reserve	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	15,975	48,729	397,141	(298,067)	(1,093)	19,431	2,982	1,278	186,376
Transactions with the owners recognised directly in equity									
Issue of new shares	-	-	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-	29,763	29,763
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-	29,763	29,763
Total comprehensive income for the period									
Profit/(loss) for the period	-	-	-	62,402	-	-	-	(311)	62,091
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,063	-	-	(89)	974
Total comprehensive profit/(loss) for the period	-	-	-	62,402	1,063	-	-	(400)	63,065
Realisation of foreign currency translation reserv on disposal of foreign operation	-	-	-	1,857	(1,857)	-	-	-	-
Transfer from statutory reserve to retained earn on disposal of foreign operation	-	-	-	19,431	-	(19,431)	-	-	-
Balance at 31 March 2019	15,975	48,729	397,141	(214,377)	(1,887)	-	2,982	30,641	279,204

Group	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Statutory reserves	Capital redemption reserve	Non-contrilling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	11,779	-	397,141	(229,263)	183	19,431	2,982	-	202,253
Transactions with the owners recognised directly in equity									
Issue of new shares	4,196	48,729	-	-	-	-	-	-	52,925
Acquisitions of subsidiaries	-	-	-	-	-	-	-	814	814
Total transactions with the owners recognised directly in equity	4,196	48,729	-	-	-	-	-	814	53,739
Total comprehensive income for the period									
Loss for the period	-	-	-	(68,804)	-	-	-	390	(68,414)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(1,276)	-	-	74	(1,202)
Total comprehensive loss for the period	-	-	-	(68,804)	(1,276)	-	-	464	(69,616)
Balance at 31 December 2017	15,975	48,729	397,141	(298,067)	(1,093)	19,431	2,982	1,278	186,376

Company	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	15,975	48,729	397,141	(431,879)	(2,867)	2,982	30,081
Transactions with the owners recognised directly in equity							
Issue of new shares	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-
Total comprehensive income for the period							
Profit for the period (Note A)	-	-	-	68,557	-	-	68,557
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	699	-	699
Total comprehensive income for the period	-	-	-	68,557	699	-	69,256
Balance at 31 March 2019	15,975	48,729	397,141	(363,322)	(2,168)	2,982	99,337

Note A - The profit for the period was mainly due to the gain on disposal of the Post-Ante Group (Disposal Group).

Company	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	11,779	-	397,141	(427,148)	(1,408)	2,982	(16,654)
Transactions with the owners recognised directly in equity							
Issue of new shares	4,196	48,729	-	-	-	-	52,925
Acquisitions of subsidiaries	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	4,196	48,729	-	-	-	-	52,925
Total comprehensive income for the period							
Loss for the period	-	-	-	(4,731)	-	-	(4,731)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(1,459)	-	(1,459)
Total comprehensive loss for the period	-	-	-	(4,731)	(1,459)	-	(6,190)
Balance at 31 December 2017	15,975	48,729	397,141	(431,879)	(2,867)	2,982	30,081

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no treasury shares and subsidiary holdings. The Company does not have any shares that issued on conversion of any outstanding convertibles as at 31 March 2019 and 31 December 2017.

The acquisition of Hebei XingrunShengwuKejiGufen Co., Ltd. ("HBXR"), Chengde PurunShengwuZhiyao Co., Ltd. ("CDPR") and Benchmark Trade Limited ("Benchmark") (the "Acquisition") was approved by the shareholders at the Special General Meeting ("SGM") held on 20 July 2018, and completed in end September 2018. The balance purchase price of RMB85,000,000 payable to Vendors will be issued three tranches of convertible bond subject to the aggregate net profit after tax of the companies shall not less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively). Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2022.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of ordinary shares (par value of HK$0.10 each)	Number of ordinary shares (par value of HK$0.10 each)
	2019	**2017**
Issued and fully paid:		
As at 1 January	157,901,384	110,080,868
Issuance of new shares	-	47,820,516
As at 31 March / 31 December	157,901,384	157,901,384

The Company did not hold any treasury shares as at 31 March 2019 and 31 December 2017.

The Acquisition was approved by the shareholders at the SGM held on 20 July 2018, and completed in end September 2018. The balance purchase price of RMB85,000,000 payable to Vendors will be issued three tranches of convertible bond subject to the aggregate net profit after tax of the companies shall not less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively). Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2022.

1(d)(iv) A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

N/A

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

N/A

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

N/A

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the new or revised IFRS such as IFRS 9 Financial Instrument and IFRS 15 Revenue from contract with customers that are mandatory for financial year beginning on or after 1 January 2018, and such adoption has no significant impact on the Group's consolidated financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	3 months ended	3 months ended	15 months ended	12 months ended
	31 March 2019	31 March 2018	31 March 2019	31 December 2017
	RMB	RMB	RMB	RMB
PROFIT/(LOSS) PER ORDINARY SHARE				
(i) Based on weighted average number of ordinary shares in issue				
- For profit (loss) for the period	(0.17)	(0.09)	0.40	(0.50)
- For profit (loss) from continuing operations for the period	(0.17)	-	0.50	(0.03)
- For (loss) from discontinued operations for the period	-	(0.09)	(0.10)	(0.47)
(ii) On a fully diluted basis				
- For profit (loss) for the period	(0.17)	(0.09)	0.32	(0.50)
- For profit (loss) from continuing operations for the period	(0.17)	-	0.40	(0.03)
- For (loss) from discontinued operations for the period	-	(0.09)	(0.08)	(0.47)

(i) Profit/(loss) per ordinary share on the existing issued share capital is computed based on the weighted average number of shares in issue during three months ended 31 March 2019 and fifteen months ended 31 March 2019 of 157,901,384 shares (three months ended 31 March 2018 of 157,901,384 and twelve months ended 2017 of 138,342,412 shares).

(ii) There were potential dilutive ordinary shares in existence for the fifteen months ended of 31 March 2019, diluted number of shares of 196,477,691.

(iii) The Acquisition was approved by the shareholders at the SGM held on 20 July 2018, and completed in end September 2018. The balance purchase price of RMB85,000,000 payables to Vendors will be issued three tranches of convertible bond subject to the aggregate net profit after tax of the companies shall not less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively). Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2022.

7. Net asset value (for the issuer and group) per ordinary share based on the total number issued share excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31/3/2019	31/12/2017	31/3/2019	31/12/2017
	RMB	RMB	RMB	RMB
NET ASSETS VALUE PER ORDINARY SHARE				
Net asset backing per ordinary share based on existing				
issued share capital as at the end of the period report on	1.57	1.17	0.63	0.19

The net asset value for the Group and the Company per ordinary share were calculated based on 157,901,384 shares and 157,901,384 shares in issue as at 31 March 2019 and 31 December 2017 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Performance Review

The Acquisition financial performance has been consolidated into the Group since 4Q2018/2019.

(A) Revenue from continuing operations

The Group recorded revenue of RMB10.0 million in the Fifth quarter ended 31 March 2019 ("5Q2018/2019") compared to RMB2.8 million in 1Q2018/2019, representing an increase of 255.6%. The revenue of RMB10.0 million was mainly from the Group's Trading Segment.

The Group recorded revenue of RMB86.4 million in the fifteen months ended 31 March 2019 (FY2019) compared to RMB34.9 million in FY2017, representing an increase of 147.4%. The revenue of RMB86.4 was mainly from the Group's Trading Segment.

The revenue from the newly acquired subsidiaries, CDPR and HBXR/Benchmark was RMB240,000 and RMB2,000 respectively for the year to date period ended 31 March 2019, and representing about 6 months of operations since the acquisition was completed in September 2018. Revenue from CDPR which is in the animal feed/traditional medicine was affected by the African swine fever as a majority of the products were sold to the poultry industry. Revenue from

HBXR/Benchmark which produces and sell L-Ascorbyl Palmitate or anti-oxidant was affected by the lack of supply of natural gas from the local government during the winter period. In addition, some of the essential equipment was under upgrading and affected the production capacity. The equipment upgrading would expect to resume operation in June/July 2019.

Revenue from discontinued operations

The Group's investments in Post-Ante Trading Limited, Globe Bright Limited, Linyi Shengquan Grease Co., Ltd ("SQ Grease") and Linyi Jiang Tian Trading Limited related to the soybean processing, feed production and pig rearing operating segments are classified as assets held for sale at 31 December 2017 as the Group has received approval at the SGM on 29 March 2018 to dispose of the operations. The disposal was completed on 10 May 2018.

Soybean Processing

The Group's Soybean Processing Segment recorded no revenue in FY2019 and FY2017, because this segment was suspended since 5 July 2015.

Feed Production

The Group's Feed Production Segment recorded a RMB0 million in 5Q2018/2019 compared to RMB28.6 million in 1Q2018/2019. The decrease in revenue was due to Post-Ante Trading Limited and its subsidiaries disposal was completed on 10 May 2018.

The Group's Feed Production Segment recorded a RMB36.5 million in FY2019 compared to RMB133.9 million in FY2017.

(B) Gross profit

Gross profit from continuing operations

The Group recorded a gross profit margin of 7.7% for the continuing operations in FY2019 which was mainly contributed by trading segment.

Gross profit from discontinued operations

The Group recorded a gross loss margin of 13.4% for the discontinued operations in FY2019 which was contributed by feed production segment compare to a gross profit margin of 1.1% in FY2017. The increase in gross loss is mainly due to the decrease in selling prices of our animal feed products and the increase in cost of goods sold of those products in FY2019.

(C) Other income

Other income of RMB94.2 million in FY2019 was derived from the acquisition of HBXR, CDPR and Benchmark (the "Acquisition"). The Acquisition was approved by the shareholders at the SGM held on 20 July 2018, and completed in end September 2018. A breakdown of other income is as follows,

Gain on disposal of subsidiary resulted from the disposal of Post-Ante Trading Limited, Globe Bright Limited, Linyi Shengquan Grease Co., Ltd ("SQ Grease") and Linyi Jiang Tian Trading Limited related to the soybean processing, feed production and pig rearing operating segments, which are classified as assets held for sale at 31 December 2017 as the Group has received approval at the SGM on 29 March 2018 to dispose of the operations. The disposal was completed on 10 May 2018.

	15 months ended		12 months ended
	31 March 2019		31 December 2017
	RMB'000		RMB'000
Gain from bargain purchasse	39,762		-
Gain on disposal of subsidiaries	27,178		-
Changes in fair value of contigent consideration	26,951		-
Others	347		10
	94,238		10

(D) Administrative expenses

Administrative expenses increased by RMB12.3m or 1592.6% in 5Q2018/2019 compared to 1Q2018/2019, mainly due to the increase expenses incurred in 5Q2018 with the consolidation of the administrative expenses of newly acquired subsidiaries, CDPR and HBXR/Benchmark after completion of Acquisition at the end of September 2018.

(E) PPE, land use rights, intangible assets-patents

The increase in PPE, land use rights and intangible assets-patents was due to the Acquisition, which was approved by the shareholders at the SGM held on 20 July 2018 and completed in end September 2018. The fair value of the PPE, land use rights, intangible assets-patents from the acquisition was determined by the company's independent professional valuer, Ascent Partners Valuation Service Limited as part of the purchase price allocation exercise.

(F) Goodwill

Goodwill is from the acquisition of Really Time Trading Limited, which is completed in August 2017.

(G) Trade receivables.

Trade receivables is mainly the trade receivable of Really Time Trading Limited.

(H) Other receivables.

Other receivables include refundable deposits paid to the vendors of two potential acquisition projects amounting to RMB25 million (paid in FY2019) and RMB35 million, which will become part of the consideration after the completion of the acquisitions and/or refundable after the cancellation of the acquisitions. The potential acquisition projects have business operations which are similar in scope to the Group. The proceeds from disposal of SQ Grease of RMB15 million is also expected to be received in June 2019.

(I) Non-controlling interest.

Non-controlling interest comprises minority shareholder interests from Really Time Trading Limited, HBXR, CDPR and Benchmark.

(J) Trade and other payables

The increase in trade and other payables was mainly due to the increase in other payables from subsidiaries of the acquisition of HBXR, CDPR, Benchmark. Included in other payable is a cash purchase consideration from acquisition of new subsidiaries of RMB 10 Million which have not yet paid as at 31 March 2019. Trade and other payable as at 31 December 2017 have been restated by combining the amount due to shareholders to trade and other payable due to an error in classifying the amount due to third parties as an amount due to shareholder. No third balance sheet has been prepared as the amount reclassed was significant.

(K) Contingent consideration

Contingent consideration arose from the Acquisition which was completed in September 2018. The contingent consideration comprises the convertible bond to be issued which is contingent on the profit guarantee of the vendors. The contingent consideration is classified as financial liability measured at fair value, changes in fair value is recognized in profit and loss. The change in fair value for the period ended 31 March 2019 is as follows,

	RMB000
Fair value at date of acquisition on 30 September 2018	44,470
Fair value at year end on 31 March 2019	(17,519)
Change in fair value on contingent consideration	26,951

(L) Cash flow statement

Net cash flow of RMB6.5 million was generated in FY2019, in which net cash of RMB29.6 million was used in operating activities, net cash of RMB36.6 million was generated from investing activities, and net cash of RMB0.6 million was used in financing activities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

N/A.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

With the ongoing trade war between China and United States of America (the "Trade War"), the Group expects to be affected by the volatile and changing business landscape arising from the trade developments between the 2 countries.

Trading Segment
The Group expects the trading segment to slow down due to the volatile currency exchange rate of RMB against USD as a result of the Trade War.

Animal feed/traditional medicine and addictives segment

The production of the newly acquired subsidiaries have not been operated in full capacity. The Group is actively sourcing new customers and venturing other means of new income stream for its L-Ascorbyl Palmitate license (HBXR/Benchmark) as well as for CDPR.

The Group will continue to review and manage its investment portfolios, actively explore new business opportunities for growth and expansion so as to maximize shareholders value.

11. Dividend

a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?
No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date Payable

N/A

(d) Books Closure Date

N/A

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared as the Company derived non-cash profit primarily from the gain from the disposal of subsidiaries and from the acquisition. The cash derived from the disposal of Post-Ante Trading Limited and its subsidiaries was used to fund the potential acquisition of new subsidiaries and the Group's general working capital.

13. Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Board of Directors of United Food Holdings Limited hereby confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out under Rule 720(1) of the Listing Manual were procured.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

For the 15 months period ended 31 March 2019	Continuing operations					Discontinued operations				
	Trading	Additive related	Animal feed/ traditional medicine	Others	**Sub-total**	Soybean processing	Feed production	Pig rearing	**Sub-total**	**Consolidated**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**	RMB'000	RMB'000	RMB'000	**RMB'000**	**RMB'000**
Segment revenue										
Net sales to external customers	86,144	2	284	-	**86,430**	-	-	-	**-**	**86,430**
Segment results	4,929	(1,599)	(3,010)	(7,048)	**(6,728)**	(9,762)	(6,921)	(417)	**(17,100)**	**(23,828)**
Bank interest income				372	**372**					**372**
Bank interest cost			(582)		**(582)**					**(582)**
PPA adjustment on dep and amortisation		(5,842)	(993)		**(6,835)**					**(6,835)**
Gain on disposal of subsidiary				27,178	**27,178**					**27,178**
Gain from bargain purchase		25,992	13,770		**39,762**					**39,762**
Fair value changes on contingent consideration		20,758	6,193		**26,951**					**26,951**
Loss before tax					**80,118**				**(17,100)**	**63,018**

For the 12 months period ended 31 December 2017	Continuing operations					Discontinued operations				
	Trading	Additive related	Animal feed/ traditional medicine	Others	**Sub-total**	Soybean processing	Feed production	Pig rearing	**Sub-total**	**Consolidated**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**	RMB'000	RMB'000	RMB'000	**RMB'000**	**RMB'000**
Segment revenue										
Net sales to external customers	34,932	-	-	-	**34,932**	-	133,940	-	**133,940**	**168,872**
Segment results	2,343	-	-	-5,031	**-2,688**	-58,117	-6,058	-1,168	**-65,343**	**-68,031**
Bank interest income					**10**				**-**	**10**
Loss before tax					**-2,678**				**-65,343**	**-68,021**

Geographical information

	Group		
	15 months ended	12 months ended	
Revenues	31 March 2019	31 December 2017	Change
	RMB'000	RMB'000	%
Mainland China	286	-	N/M
Hong Kong	86,144	34,932	146.60
	86,430	34,932	147.42

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Items 8 and 14.

16. Analysis of sales

Analysis of sales	15 months ended 31 March 2019 RMB'000	12 months ended 31 December 2017 RMB'000	Change %
Revenue reported from 1 Jan to 30 Jun	21,794	-	N/M
Operating loss after tax before deducting minority interest reported from 1 Jan to 30 Jun	9,625	(25,640)	N/M
Revenue reported from 1 Jul to 31 Mar (Jul - Dec)	64,636	34,932	85.0
Operating loss after tax before deducting minority interest reported from 1 Jul to 31 Mar (Jul - Dec)	52,466	(42,774)	N/M

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

N/A

18. Aggregate Value Of Interested Person Transactions Entered Into For The Fifteen Months Ended 31 March 2019

Pursuant to Rule 920 of the SGX-ST's Listing Manual, details of the aggregate value of interested person transactions entered into for the fifteen months ended 31 March 2019, were as follows: -

The Company does not have an IPT Mandate.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, the Group would like to confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company

BY ORDER OF THE BOARD
UNITED FOOD HOLDINGS LIMITED

Wu Xiaoran
Director
29 May 2019