UNITED FOOD HOLDINGS LIMITED

Half-Year / Second Quarter Financial Statements

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

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

CONSOLIDATED INCOME STATMENT
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015

		Group					
CONTINUING OPERATIONS	**Notes**	**3 months ended**			**6 months ended**		
		30/06/15 RMB'000	**30/06/14 RMB'000**	**Change %**	**30/06/15 RMB'000**	**30/06/14 RMB'000**	**Change %**
Revenue	(A)	989,999	1,293,136	(23.44)	2,008,466	2,471,366	(18.73)
Cost of sales	(B)	(1,121,683)	(1,281,103)	(12.44)	(2,130,101)	(2,447,911)	(12.98)
Gross (loss) / profit		(131,684)	12,033	N/M	(121,635)	23,455	N/M
Other income and gains	(C)	2,257	5,520	(59.11)	4,656	8,145	(42.84)
Selling and distribution expenses		(2,990)	(2,708)	10.41	(5,629)	(5,411)	4.03
Administrative expenses	(D)	(8,717)	(6,817)	27.87	(14,532)	(13,100)	10.93
Other expenses, net	(E)	(421,441)	(337)	N/M	(422,141)	(718)	N/M
(Loss) / profit before tax		(562,575)	7,691	N/M	(559,281)	12,371	N/M
Tax	(F)	-	-		-	-	
(Loss) / profit for the period from the continuing operations		(562,575)	7,691	N/M	(559,281)	12,371	N/M
DISCONTINUED OPERATION							
Loss for the period from a discontinued operation		(684)	(2,475)	(72.36)	(1,369)	(10,105)	(86.45)
(Loss) / profit for the period		(563,259)	5,216	N/M	(560,650)	2,266	N/M
Attributable to:							
Owners of the Company		(563,259)	5,216	N/M	(560,650)	2,266	N/M
(LOSS) / EARNINGS PER SHARE							
-Basic		(RMB5.12)	RMB0.05*		(RMB5.09)	RMB0.02*	
-Diluted		N/A	N/A		N/A	N/A	

*Restated

Note: **For Notes (A) to (F), please refer to item 8 for further analysis.**
N/M – Not Meaningful

CONSOLIDATED STATMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015

	Group					
	3 months ended			6 months ended		
	30/06/15 RMB'000	30/06/14 RMB'000	Change %	30/06/15 RMB'000	30/06/14 RMB'000	Change %
(Loss) / profit for the period	(563,259)	5,216	N/M	(560,650)	2,266	N/M
Other comprehensive expense		-			-	
Total comprehensive (expense) / income attributable to owners of the Company	(563,259)	5,216	N/M	(560,650)	2,266	N/M

(Loss) / profit before tax is arrived at after charging the followings:

	Group					
	3 months ended			6 months ended		
	30/06/15 RMB'000	30/06/14 RMB'000	Change %	30/06/15 RMB'000	30/06/14 RMB'000	Change %
Amortization of land use rights	2,124	2,124	-	4,249	4,249	-
Depreciation	13,401	16,687	(19.69)	28,569	36,878	(22.53)
Research and development cost	86	335	(74.33)	421	711	(40.79)
Loss on sales of raw soybeans	231,106	-	N/M	231,106	-	N/M
Impairment for prepayments, deposits and other receivables	189,708	-	N/M	189,708	-	N/M

1(b)(i) A statement of financial positions (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 30 JUNE 2015

		Group		Company	
	Notes	30/06/15 RMB'000	31/12/14 RMB'000	30/06/15 RMB'000	31/12/14 RMB'000
NON-CURRENT ASSETS					
Investment in subsidiaries		-	-	223,738	223,738
Property, plant and equipment		301,464	330,033	-	-
Land use rights		48,233	52,482	-	-
Total non-current assets		349,697	382,515	223,738	223,738
CURRENT ASSETS					
Inventories	(G)	78,601	553,389	-	-
Amounts due from subsidiaries		-	-	528,498	536,667
Prepayments, deposits and other receivables	(H)	43,958	57,116	-	-
Restricted bank deposits	(I)	412,341	388,093	-	-
Cash and bank balances	(I)	3,470	82,330	484	495
Total current assets		538,370	1,080,928	528,982	537,162
CURRENT LIABILITIES					
Trade payables	(J)	1,910	5,028	-	-
Other payables, deposits received and accruals	(K)	41,253	47,687	72	742
Total current liabilities		43,163	52,715	72	742
NET CURRENT ASSETS		495,207	1,028,213	528,910	536,420
Net assets		844,904	1,410,728	752,648	760,158
EQUITY					
Equity attributable to Owners of the Company					
Issued capital		294,465	294,465	294,465	294,465
Reserves		550,439	1,111,089	458,183	460,519
Proposed final dividend		-	5,174	-	5,174
Total equity		844,904	1,410,728	752,648	760,158

Note: For Notes (G) to (K), please refer to item 8 for further analysis.

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

Amount repayable in one year or less, or on demand

As at 30/06/15		As at 31/12/14	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
NIL	NIL	NIL	NIL

Amount repayable after one year

As at 30/06/15		As at 31/12/14	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
NIL	NIL	NIL	NIL

Details of any collateral

N/A

The Audit Committee ("AC") noted that the agreed upon procedures ("AUP") report had stated the following (see the announcement on Update On Independent Review Into The Losses Suffered By The Group released via SGXNET to SGX-ST on 18 September 2015):

a. although Bohai Bank in Jinan City had in their written bank confirmation received by post, confirmed that the Group's bank balance as at 30 June 2015 was RMB 335 million (which was in the form of pledged time deposits), Bohai Bank's confirmation did not indicate whether there were any banking facilities granted to the Group and whether the Group had used any banking facilities by 30 June 2015;

b. on the other hand, Management had advised that the RMB 335 million in time deposits in Bohai Bank had been pledged for banking facilities of an equivalent amount, and such arrangement was made for the Group to apply for letters of credit, when necessary, for the purpose of overseas procurement of soybeans. However, the banking facilities were not utilised as the Group had suspended the importation of soybeans;

c. as a result, during the course of the AUP, there was a proposal to conduct a second visit to Bohai Bank to further seek clarification from Bohai Bank regarding the banking facilities, and also to obtain the bank statements from the bank on the spot, which was not achieved during the first visit to Bohai Bank due to a lack of sufficient authorisation documents required by the bank. However, Management took the view that a second visit to Bohai Bank was not necessary as the banking facilities were not utilised because the Group had suspended the importation of soybeans.

As a result, although Management had advised that the Group's borrowings and debt securities were "NIL" as at 30 June 2015, the AC noted that there has not been sufficient independent verification to confirm that the Group did not utilise the banking facilities (of up to RMB 335 million) granted by Bohai Bank against the RMB 335 million in pledged time deposits at the said bank. The AC will direct the external auditors to pay special attention to this Bohai bank account during the year-end audit.

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

CONSOLIDATED STATEMENT OF CASH FLOWS		Group 3 months ended 30/06/15 RMB'000	30/06/14 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before tax			
From continuing operations		(562,575)	7,691
From a discontinued operation		(684)	(2,475)
Adjustment for:			
Amortization of land use rights		2,124	2,124
Depreciation		13,401	16,687
Impairment for prepayments, deposits and other receivables		189,708	-
Interest income		(2,169)	(4,173)
		(360,195)	19,854
Decrease / (increase) in inventories		383,568	(37,872)
Decrease in biological assets		-	23,758
Decrease in trade receivables		19,738	-
Decrease / (increase) in prepayments, deposits and other receivables		11,604	(16,915)
(Decrease) / increase in trade payables		(884)	2,031
(Decrease) / increase in other payables, deposits received and accruals		(27,107)	10,732
Cash inflow from operation		26,724	1,588
Interest received		2,169	4,173
Net cash inflow from operating activities		28,893	5,761
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash transferred to restricted bank deposits		(335,058)	(298,817)
Cash transferred from restricted bank deposits		300,033	317,434
Purchase of property, plant and equipment		-	(3,193)
Net cash (outflow) / inflow from investing activities		(35,025)	15,424
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(5,174)	-
Net cash outflow from financing activities		(5,174)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		(11,306)	21,185
Cash and cash equivalents at beginning of period		14,776	15,014
CASH AND CASH EQUIVALENTS AT END OF PERIOD		3,470	36,199
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	**(I)**	3,470	36,199

Note: For Note (I), please refer to item 8 for further analysis.

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Issued capital RMB'000	Proposed final dividend RMB'000	Retained profits RMB'000	Statutory reserve RMB'000	Capital redemption reserve RMB'000	Share premium RMB'000	Total RMB'000
Balance as at 1 January 2015	294,465	5,174	578,757	19,431	2,982	509,919	1,410,728
Profit for 1Q15	-	-	2,609	-	-	-	2,609
Balance as at 31 March 2015	294,465	5,174	581,366	19,431	2,982	509,919	1,413,337
Loss for 2Q15	-	-	(563,259)	-	-	-	(563,259)
Dividend paid – 2014 final	-	(5,174)	-	-	-	-	(5,174)
Balance as at 30 June 2015	294,465	-	18,107	19,431	2,982	509,919	844,904

Group	Issued capital RMB'000	Retained profits RMB'000	Statutory reserve RMB'000	Capital redemption reserve RMB'000	Share premium RMB'000	Total RMB'000
Balance as at 1 January 2014	294,465	558,368	19,431	2,982	509,919	1,385,165
Loss for 1Q14	-	(2,950)	-	-	-	(2,950)
Balance as at 31 March 2014	294,465	555,418	19,431	2,982	509,919	1,382,215
Profit for 2Q14	-	5,216	-	-	-	5,216
Balance as at 30 June 2014	294,465	560,634	19,431	2,982	509,919	1,387,431

Company	Issued capital RMB'000	Proposed final dividend RMB'000	Accumulated losses RMB'000	Capital redemption reserve RMB'000	Share premium RMB'000	Total RMB'000
Balance as at 1 January 2015	294,465	5,174	(52,382)	2,982	509,919	760,158
Loss for 1Q15	-	-	(932)	-	-	(932)
Balance as at 31 March 2015	294,465	5,174	(53,314)	2,982	509,919	759,226
Loss for 2Q15	–	-	(1,404)	-	–	(1,404)
Dividend paid – 2014 final	–	(5,174)	-	-	–	(5,174)
Balance as at 30 June 2015	294,465	-	(54,718)	2,982	509,919	752,648

Company	Issued capital RMB'000	Accumulated losses RMB'000	Capital redemption reserve RMB'000	Share premium RMB'000	Total RMB'000
Balance as at 1 January 2014	294,465	(41,383)	2,982	509,919	765,983
Loss for 1Q14	-	(1,252)	-	-	(1,252)
Balance as at 31 March 2014	294,465	(42,635)	2,982	509,919	764,731
Loss for 2Q14	-	(1,218)	-	-	(1,218)
Balance as at 30 June 2014	294,465	(43,853)	2,982	509,919	763,513

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

Following the shareholders' approval obtained at a special general meeting on 22 April 2015, the Company had consolidated its 10 existing issued ordinary shares into 1 ordinary share with effect from 16 June 2015. Accordingly, adjustments had been made to the number of shares.

There were no shares held as treasury shares and the Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 June 2015 and 31 December 2014.

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 preceeding year.

There were *110,080,868 and 1,100,808,740 ordinary shares in issue as at 30 June 2015 and 31 December 2014.

The Company did not hold any treasury shares as at 30 June 2015 and 31 December 2014.

*After the completion of share consolidation on 16 June 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares 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 by the auditors.

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 2014.

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 that are mandatory for financial year beginning on or after 1 January 2015. The adoption of these IFRS 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		6 months ended	
	30/06/15	30/06/14 (Restated)*	30/06/15	30/06/14 (Restated)*
(LOSS) / EARNINGS PER ORDINARY SHARE				
(i) Based on weighted average number of ordinary shares in issue	**(RMB5.12)**	**RMB0.05**	**(RMB5.09)**	**RMB0.02**
(ii) On a fully diluted basis	-	-	-	-

(i) (Loss) / earnings per ordinary share on the existing issued share capital is computed based on the weighted average number of ordinary shares in issue during three months and six months ended 30 June 2015 of *110,080,868 shares (three months and six months ended 30 June 2014: *110,080,868 shares).

*After the completion of share consolidation on 16 June 2015. The Company has consolidated 10 ordinary shares into 1 ordinary share in the capital of the Company and the weighted average number of ordinary shares used for the calculation of earnings per share for the corresponding period in 2014 has been adjusted for the effect of the share consolidation.

(ii) There were no potential dilutive ordinary shares in existence for the three months and six months ended 30 June 2015 and 2014 and accordingly, no diluted earnings per share has been presented.

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

	Group		Company	
	30/06/15	31/12/14 (Restated)*	30/06/15	31/12/14 (Restated)*
NET ASSET VALUE PER ORDINARY SHARE				
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	**RMB7.68**	**RMB12.82**	**RMB6.84**	**RMB6.91**

The net asset value for the Group and the Company per ordinary share were calculated based on *110,080,868 shares in issue as at 30 June 2015 and 31 December 2014 respectively.

*After the completion of share consolidation on 16 June 2015. The Company has consolidated 10 ordinary shares into 1 ordinary share in the capital of the Company and the number of ordinary shares in issue used for the calculation of net asset value per ordinary share for as at 31 December 2014 has been adjusted for the effect of the share consolidation.

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

(A) Revenue and pre-tax loss

1H15 vs 1H14

Group revenue decreased by 18.73% from approximately RMB2.47 billion in 1H14 to approximately RMB2.01 billion in 1H15. The decrease in revenue was due mainly to decreases in both the sales volume and selling price of the Group's soybean products in 1H15 compared to 1H14.

The Group recorded a loss before tax of approximately RMB560.65 million in 1H15 against a profit before tax of approximately RMB2.27 million in 1H14. This was due mainly to (i) a loss of approximately RMB138.76 million from the Group's soybean processing operations in 2Q15; (ii) a loss of approximately RMB231.11 million from sales of raw soybeans in 2Q15 and (iii) an impairment of approximately RMB189.71 million provided for the prepayment and deposits paid to the Group's soybean supplier in 2Q15.

Operational loss of the Group's soybean processing division
The loss from the Group's soybean processing operation was due mainly to a decrease in selling price of the soybean products and an increase in processing costs in 1H15. The decrease in selling price of the Group's soybean products was due mainly to a decrease in demand.

The increase in processing costs was due mainly to a change in the operating environment which was caused by actions taken by the Chinese authorities in China to curb serious industrial pollution in Linyi ("the anti-pollution issue"). The local government in Linyi (where the Group's business operations are based) had ordered more than 50 companies in the region involved in heavy industries and power generation to stop production due to pollution reasons. The Group was not one of those companies directly affected. However, the anti-pollution actions taken had indirectly affected the Group in terms of higher operating expenses due to higher costs of utilities including steam and electricity.

Sale of raw soybeans
5 shipments of raw soybeans were sold at a loss of approximately RMB231.11 million in 2Q15. Due to the uncertainty of the Group's plant production capacity which was impacted by the anti-pollution issue in Linyi, the unexpected delay which arose from the non-operational railway between Qingdao port and Linyi (due to maintenance work) to transport the soybeans and limited storage conditions at the port, the 5 shipments of raw soybeans were sold in order to minimize the loss for the Group.

Impairment on prepayments, deposits and other receivables
Due to the uncertainty of supply of utilities as well as raw material costs which was not commensurate with the soybean product prices, a decision was made to cancel the remaining 11 shipments of soybeans in August 2015. Based on the market future prices of soybean in mid-August 2015, the Group's soybean supplier is expected to suffer a substantial loss in connection with these 11 shipments, and the potential losses would probably exceed the prepayments and deposits made by the Group. The said prepayments and deposits were not expected to be recoverable and therefore, the Group had made a full impairment on the said prepayments and deposits in 2Q15.

In addition, the final quantum of the losses suffered by the Group's soybean supplier from the cancellation of the 11 shipments would actually depend on the price of soybean at the time of the settlement of payment. If the potential loss were to exceed the impairment provided for prepayments and deposits of approximately RMB189.71 million, the Group may be liable to its soybean supplier for the difference. The situation was further worsened by the sudden devaluation of the Renminbi on 11 August 2015 which would add to the size

of the losses as the contracts for the 11 shipments were in USD.

2Q15 vs 1Q15

The Group recorded a decrease of 2.80% in revenue on a quarter-to-quarter basis (2Q15 vs 1Q15, as depicted below).

	Group		
Revenue	**2Q15 RMB'000**	**1Q15 RMB'000**	**Change %**
Pig rearing+	-	-	-
Animal feed*	52,241	52,756	(0.98)
Soybean processing*	937,758	965,711	(2.89)
Total	989,999	1,018,467	(2.80)

+ The Group's pig rearing division had ceased its operations at the end of May 2014
* Revenue from continuing operations

The Group recorded a loss before tax of approximately RMB563.26 million in 2Q15 against a profit before tax of approximately RMB2.61 million in 1Q15.

	Group		
Pre-tax (loss) / profit	**2Q15 RMB'000**	**1Q15 RMB'000**	**Change %**
Pig rearing	(684)	(685)	(0.15)
Animal feed	(2,307)	96	N/M
Soybean processing	(559,581)	2,224	N/M
Total	(562,572)	1,635	N/M
Interest income	2,169	2,317	(6.39)
Unallocated expenses	(2,856)	(1,343)	112.66
(Loss) / profit before tax	(563,259)	2,609	N/M

Soybean Processing

The Group's soybean processing division recorded a decrease of 2.89% in revenue from approximately RMB965.71 million in 1Q15 to approximately RMB937.76 million in 2Q15. This was mainly attributable to a decrease in selling price of the soybean meal.

The division recorded a loss before tax of approximately RMB559.58 million in 2Q15 against a profit before tax of approximately RMB2.22 million in 1Q15. The reasons for the loss were explained in the above item (A) under the heading "Revenue and Pre-tax loss".

Animal Feed

The Group's animal feed division recorded a comparable revenue in 2Q15 and 1Q15.

The division recorded a loss before tax of approximately RMB2.31 million in 2Q15 against a profit before tax of approximately RMB96,000 in 1Q15. This was due mainly to a decrease in selling price of feed products.

(B) Cost of Sales

The Group recorded a gross loss margin of 6.06% in 1H15 against incurred a gross profit margin of 0.95% in 1H14. This was mainly attributable to a decrease in selling price of the Group's soybean products.

(C) Other income and gains

Other income and gains decreased by 42.84% in 1H15 compared to 1H14. This was mainly attributable to a lower interest income earned.

(D) Administrative expenses

Administrative expenses increased by 10.93% in 1H15 compared to 1H14. This was due mainly to an increase in tax expenses in connection with land use rights related to a parcel of land ("land use fee") used for the Group's pig rearing division. As the Group's pig rearing division had ceased operation in mid-2014, the land use fee was grouped into the soybean processing division in 2015.

(E) Other expenses, net

The increase in other expenses was mainly attributable to (i) a loss of approximately RMB231.11 million from sales of raw soybeans and (2) an impairment of approximately RMB189.71 million provided for the prepayment and deposits paid to the Group's soybean supplier in relation to the cancellation of the remaining 11 shipments of soybeans.

(F) Tax

Tax has not been provided by the Group as it did not derive any assessable profits for the period.

Linyi Shengquan Grease Co. Ltd. (a subsidiary of the Company and incorporated in the People's Republic of China) is subject to a corporate income tax rate of 25% on its assessable profits for the 6 months ended 30 June 2015 (30 June 2014: 25%).

(G) Inventories

The decrease in inventories was due mainly to the continued consumption of the Group's existing soybeans reserve.

The Group had temporarily stopped production of its soybean products and depleted all its soybeans inventory on 5 July 2015.

(H) Prepayment, deposits and other receivables

The prepayment, deposits and other receivables mainly comprised prepayment and deposits made to the Group's soybean purchasing agent.

An impairment amounting to approximately RMB189.71 million was provided on the prepayment and deposits paid to the Group's soybean supplier in relation to the cancellation of the remaining 11 shipments of soybeans.

(I) Cash and bank balances and deposits

The Group's restricted bank deposits were pledged as security for the issuance of letters of credits to its suppliers and banking facilities. The increase in restricted bank deposits was due mainly to time deposits of approximately RMB335.06 million which was pledged for banking facilities.

The decrease in cash and bank balances was due mainly to the loss incurred for the period.

(J) Trade payables

The decrease in trade payables was due mainly to settlement made in the period.

(K) Other payables, deposits received and accruals

The decrease in other payables, deposits received and accruals was due mainly to settlement made in the period.

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

The announcement is in line with the profit guidance announcements released to SGX-ST via SGXNet on 14 August 2015, 10 July 2015 and 30 June 2015 and item 10 of the Group's results announcement released to SGX-ST via SGXNet on 22 April 2015.

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

As stated in the Company's announcement released via SGXNet on 10 July 2015, the Group had depleted its soybeans inventory on 5 July 2015. Due to the anti-pollution issue in Linyi, the Group has temporarily suspended production of its soybean products, pending a review of the business operating environment and its financial position. The soybean processing is the Group's primary business which contributes towards more than 90% of the Group's revenue. The Group will however continue its animal feed production business.

The industry in which the Group operates in continues to face soybean prices volatility, stiff competition price sensitivity and uncertainties arising from changes to China's economic environment

Management and the Board of Directors would monitor and assess the situation before resuming the Group's soybeans processing operation. Appropriate opportunity if any, would also be assessed in relation to the land vacated by the Group's pig rearing business.

Alleged Fund Raising Activity of RMB300 million ("Trust Loan")

Further to Company's announcements released on 1 March 2014 and 14 March 2014, the Group would also like to update that there had been no response to the Company's newspaper clarification notices published in China.

As stated in the Company's announcement of 1 March 2014, the period of the alleged fund raising activity was from mid August 2013 to mid September 2013 and that the Trust Loan was allegedly valid for 18 months. Given the lapse of time and the fact that there was no response to the Company's newspaper clarification notices, the Company deems it unnecessary to provide any further update of the matter unless there is any material development.

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

N/A

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

13. 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

	6 months period ended 30/06/15 RMB'000	Share of total (%)	6 months period ended 30/06/14 RMB'000	Share of total (%)	% Change
Revenue					
Pig rearing	-		49,757	1.97	N/M
Animal feed*	104,997	5.23	107,480	4.26	(2.31)
Soybean processing*	1,903,469	94.77	2,363,886	93.77	(19.48)
	2,008,466	100.00	2,521,123	100.00	(20.33)

	6 months period ended 30/06/15	Share of total (%)	6 months period ended 30/06/14	Share of total (%)	% Change
(Loss) / profit before tax					
Pig rearing	(785)	0.15	(5,719)	(14.24)	(86.27)
Animal feed	(428)	0.08	4,172	10.39	N/M
Soybean processing	(526,906)	99.77	41,699	103.85	N/M
	(528,119)	100.00	40,152	100.00	N/M
Amortization and depreciation	(32,818)		(41,127)		(20.20)
Interest income	4,486		6,668		(32.72)
Unallocated expenses	(4,199)		(3,427)		(22.53)
(Loss) / profit before tax	(560,650)		2,266		N/M

* Revenue from continuing operations

No geographical segment information is presented as the Group's operation is mainly carried out in Mainland China.

14. 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 item 8 for details

15. A breakdown of sales

Please refer to item 13

16. Aggregate Value Of Interested Person Transactions Entered Into For The Six Months Ended 30 June 2015

Pursuant to Rule 920 of the SGX-ST's Listing Manual, details of the aggregate value of interested person transactions entered into the 6 months period ended 30 June 2015, were as follows: -

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		RMB	
Jiang Quan Hotel[1]	Expenses paid in relation to catering and accommodation services provided by Jiang Quan Hotel	290,000	Nil*
Linyi Zhiheng Logistics Co., Ltd[2]	Expenses paid in relation to transportation of soybeans provided by Linyi Zhiheng Logistics Co., Ltd	17,946,000	

*The Company does not have an IPT Mandate.

Notes :

1. Jiang Quan Hotel is owned by the nephew of Mr Wang Tingbao, a Director and substantial shareholder of the Company.

2. Linyi Zhiheng Logistics Co. Ltd is controlled by the elder brother of Mr. Wang Tingbao, a Director and substantial shareholder of the Company.

BY ORDER OF THE BOARD

Wang Tingbao
Director
18 September 2015

CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF THE SGX-ST

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of United Food Holdings Limited which may render these interim financial results for the 2nd Quarter and half year ended 30 June 2015 to be false or misleading in any material aspect.

The AC reiterates that there has not been sufficient independent verification to confirm that the Group did not utilise the banking facilities (of up to RMB 335 million) granted by Bohai Bank against the RMB 335 million in pledged time deposits at the said bank as at 30 June 2015. The AC will direct the external auditors to pay special attention to this Bohai bank account during the year-end audit.

For and on behalf of the
Board of Directors of
United Food Holdings Limited

David Yip Wai Sun
Director

Wang Tingbao
Director