

UNITED FOOD HOLDINGS LIMITED

Full Year Financial Statement And Dividend Announcement

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

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

The figures presented below have not been audited.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE AND TWELVE MONTHS ENDED 31 DECEMBER 2014

		<u>3 months ended</u>		<u>Group</u>	<u>12 months ended</u>		
		31/12/14	31/12/13	Change	31/12/14	31/12/13	Change
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
CONTINUING OPERATIONS							
REVENUE	(A)	1,282,903	1,354,478	(5.28)	5,080,301	5,042,986	0.74
Cost of sales	(B)	(1,267,961)	(1,349,573)	(6.05)	(5,008,125)	(5,108,644)	(1.97)
Gross profit / (loss)		14,942	4,905	204.63	72,176	(65,658)	N/M
Other income and gains	(C)	2,058	1,593	29.19	12,285	8,486	44.77
Selling and distribution costs		(3,025)	(3,374)	(10.34)	(11,298)	(11,492)	(1.69)
Administrative expenses	(D)	(9,330)	(8,434)	10.62	(27,813)	(26,644)	4.39
Other expenses, net	(E)	(639)	(299)	113.71	(1,734)	(2,983)	(41.87)
Profit / (loss) before tax		4,006	(5,609)	N/M	43,616	(98,291)	N/M
Tax	(F)	-	-		-	-	
Profit / (loss) for the period/ year from the continuing operations		4,006	(5,609)	N/M	43,616	(98,291)	N/M
DISCONTINUED OPERATION							
Profit / (loss) for the period/ year from a discontinued operation		(2,192)	2,641	N/M	(18,053)	(10,667)	69.24
Profit / (loss) for the year / period		1,814	(2,968)	N/M	25,563	(108,958)	N/M
Attributable to:							
Owners of the Company		1,814	(2,968)	N/M	25,563	(108,958)	N/M
EARNINGS / (LOSS) PER SHARE							
-Basic		RMB0.00	RMB0.00		RMB0.02	(RMB0.10)	
-Diluted		N/A	N/A		N/A	N/A	
Dividend	11	5,174	-	N/M	5,174	-	N/M

Note: For notes (A) – (F), please refer to item 8 for further analysis.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND TWELVE MONTHS ENDED 31 DECEMBER 2014**

	Group			Group		
	3 months ended		Change %	12 months ended		Change %
	31/12/14 RMB'000	31/12/13 RMB'000		31/12/14 RMB'000	31/12/13 RMB'000	
Profit / (loss) for the period / year	1,814	(2,968)	N/M	25,563	(108,958)	N/M
Other comprehensive income	-	-		-	-	
Total comprehensive income / (loss) for the period / year	<u>1,814</u>	<u>(2,968)</u>	N/M	<u>25,563</u>	<u>(108,958)</u>	N/M
Attributable to:						
Owners of the Company	<u>1,814</u>	<u>(2,968)</u>	N/M	<u>25,563</u>	<u>(108,958)</u>	N/M

The Group's profit / (loss) before tax is arrived at after charging:

	Group			Group		
	3 months ended		Change %	12 months ended		Change %
	31/12/14 RMB'000	31/12/13 RMB'000		31/12/14 RMB'000	31/12/13 RMB'000	
Amortisation of land use rights	4,665	4,665	-	11,039	11,039	-
Depreciation	24,250	19,980	21.37	78,055	86,066	(9.31)
Minimum lease payment under operating lease on land and buildings	204	207	(1.45)	821	749	9.61
Research and development costs	(190)	592	N/M	1,016	1,745	(41.78)
Write-down of inventories to net realisable value	-	15,065	N/M	-	15,065	N/M

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 DECEMBER 2014**

		Group		Company	
	Note	31/12/14 RMB'000	31/12/13 RMB'000	31/12/14 RMB'000	31/12/13 RMB'000
NON-CURRENT ASSETS					
Investments in subsidiaries		-	-	223,738	223,738
Property, plant and equipment		330,033	389,418	-	-
Land use rights		52,482	63,521	-	-
Total non-current assets		382,515	452,939	223,738	223,738
CURRENT ASSETS					
Inventories	(G)	553,389	589,340	-	-
Biological assets	(H)	-	35,450	-	-
Trade receivables	(I)	-	2,317	-	-
Amounts due from subsidiaries		-	-	536,667	542,952
Prepayments, deposits and other receivables	(J)	57,116	43,541	-	-
Restricted bank deposits	(K)	388,093	498,757	-	-
Cash and bank balances	(K)	82,330	43,398	495	504
Total current assets		1,080,928	1,212,803	537,162	543,456
CURRENT LIABILITIES					
Trade payables	(L)	5,028	227,635	-	-
Other payables, deposits received and accruals	(M)	47,687	52,942	742	1,211
Total current liabilities		52,715	280,577	742	1,211
NET CURRENT ASSETS		1,028,213	932,226	536,420	542,245
Net assets		1,410,728	1,385,165	760,158	765,983
EQUITY					
Equity attributable to owners of the Company					
Issued capital		294,465	294,465	294,465	294,465
Reserves		1,111,089	1,090,700	460,519	471,518
Proposed final dividend	11	5,174	-	5,174	-
Total equity		1,410,728	1,385,165	760,158	765,983

Note: For notes (G) to (M), 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 31/12/14		As at 31/12/13	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
N/A	N/A	N/A	N/A

Amount repayable after one year

As at 31/12/14		As at 31/12/13	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
N/A	N/A	N/A	N/A

Details of any collateral

N/A

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

	Group		Group	
	12 months ended		3 months ended	
	31/12/14	31/12/13	31/12/14	31/12/13
	RMB'000	RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) before tax				
From continuing operations	43,616	(98,291)	4,006	(5,609)
From a discontinued operation	(18,053)	(10,667)	(2,192)	2,641
Adjustments for:				
Amortisation of land use rights	11,039	11,039	4,665	4,665
Depreciation	78,055	86,066	24,250	19,980
Write-down to net realisable value of inventories	-	15,065	-	15,065
Bank interest income	(11,065)	(8,084)	(1,813)	(1,579)
	103,592	(4,872)	28,916	35,163
Working capital adjustments:				
Decrease / (increase) in inventories	35,951	(28,019)	(139,956)	(196,307)
Decrease in biological assets	35,450	8,954	-	3,545
Decrease in trade receivables	2,317	67,969	-	29,721
(Increase) / decrease in prepayments, deposits and other receivables	(13,575)	(248)	124,123	53,640
(Decrease) / increase in trade payables	(222,607)	35,723	(7,462)	213,052
(Decrease) / increase in other payables, deposits received and accruals	(8,534)	9,978	(50,837)	(18,571)
Cash generated from / (used in) operations	(67,406)	89,485	(45,216)	120,243
Interest received	11,065	8,084	1,813	1,579
Net cash flows (used in) / from operating activities	(56,341)	97,569	(43,403)	121,822
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment	(15,391)	(21,607)	(221)	(19,803)
Cash transferred to restricted bank deposits	(773,036)	(1,001,887)	(140,649)	(281,807)
Cash transferred from restricted bank deposits	883,700	947,457	222,603	186,930
Net cash flows from / (used in) investing activities	95,273	(76,037)	81,733	(114,680)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment for repurchase of ordinary shares	-	(3,097)	-	(189)
Net cash flows used in financing activities	-	(3,097)	-	(189)
NET INCREASE IN CASH AND CASH EQUIVALENTS	38,932	18,435	38,330	6,953
Cash and cash equivalents at beginning of year / period	43,398	24,963	44,000	36,445
CASH AND CASH EQUIVALENTS AT END OF YEAR / PERIOD	82,330	43,398	82,330	43,398
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	82,330	43,398	82,330	43,398

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 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
Profit for 3Q14	-	-	21,483	-	-	-	21,483
Balance as at 30 September 2014	294,465	-	582,117	19,431	2,982	509,919	1,408,914
Profit for 4Q14	-	-	1,814	-	-	-	1,814
Dividend – 2014 proposed	-	5,174	(5,174)	-	-	-	-
Balance as at 31 December 2014	294,465	5,174	578,757	19,431	2,982	509,919	1,410,728

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 2013	297,447	670,308	19,431	-	510,034	1,497,220
Loss for 1Q13	-	(36,075)	-	-	-	(36,075)
Balance as at 31 March 2013	297,447	634,233	19,431	-	510,034	1,461,145
Loss for 2Q13	-	(40,422)	-	-	-	(40,422)
Shares repurchased in 2Q13	(855)	(855)	-	855	(76)	(931)
Balance as at 30 June 2013	296,592	592,956	19,431	855	509,958	1,419,792
Loss for 3Q13	-	(29,493)	-	-	-	(29,493)
Shares repurchased in 3Q13	(1,933)	(1,933)	-	1,933	(44)	(1,977)
Balance as at 30 September 2013	294,659	561,530	19,431	2,788	509,914	1,388,322
Loss for 4Q13	-	(2,968)	-	-	-	(2,968)
Shares repurchased in 4Q13	(194)	(194)	-	194	5	(189)
Balance as at 31 December 2013	294,465	558,368	19,431	2,982	509,919	1,385,165

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 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
Loss for 3Q14	-	-	(738)	-	-	(738)
Balance as at 30 September 2014	294,465	-	(44,591)	2,982	509,919	762,775
Loss for 4Q14	-	-	(2,617)	-	-	(2,617)
Dividend – 2014 proposed	-	5,174	(5,174)	-	-	-
Balance as at 31 December 2014	<u>294,465</u>	<u>5,174</u>	<u>(52,382)</u>	<u>2,982</u>	<u>509,919</u>	<u>760,158</u>

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 2013	297,447	(33,134)	-	510,034	774,347
Loss for 1Q13	-	(954)	-	-	(954)
Balance as at 31 March 2013	297,447	(34,088)	-	510,034	773,393
Loss for 2Q13	-	(1,011)	-	-	(1,011)
Shares repurchased in 2Q13	(855)	(855)	855	(76)	(931)
Balance as at 30 June 2013	296,592	(35,954)	855	509,958	771,451
Loss for 3Q13	-	(1,212)	-	-	(1,212)
Shares repurchased in 3Q13	(1,933)	(1,933)	1,933	(44)	(1,977)
Balance as at 30 September 2013	294,659	(39,099)	2,788	509,914	768,262
Loss for 4Q13	-	(2,090)	-	-	(2,090)
Shares repurchased in 3Q13	(194)	(194)	194	5	(189)
Balance as at 31 December 2013	<u>294,465</u>	<u>(41,383)</u>	<u>2,982</u>	<u>509,919</u>	<u>765,983</u>

- 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.**

N/A, see 1 (d) (iii) below.

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 31 December 2014 and 31 December 2013.

- 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.**

There were 1,100,808,740 ordinary shares in issue as at 31 December 2014 and 31 December 2013.

The Company did not hold any treasury shares as at 31 December 2014 and 31 December 2013.

- 1(d)(iv) A statement showing all sales, transfer, 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 2013 except for the adoption of new or revised IFRS that are mandatory for financial years beginning on or after 1 January 2014. The adoption of these IFRS has no significant impact on the Group's consolidated financial statements.

- 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 accounting policies and the basis of preparation are the same as those used in the audited consolidated financial statements for the year ended 31 December 2013, except in relation to the following revised International Financial Reporting Standards ("IFRSs") that affect the Group and are adopted for the first time for the current year's financial statements. The adoption of these new interpretations and amendments has had no significant effect on the financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (2011)	<i>Investment Entities</i>
Amendments to IAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to IAS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to IAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IFRIC– Int 21	<i>Levies</i>
Amendment to IFRS 2 included in <i>Definition of Vesting Condition</i> ¹ <i>Annual Improvements</i> <i>2010 – 2012 Cycle</i>	
Amendment to IFRS 3 included in <i>Accounting for Contingent Consideration in a Business Annual Improvements</i> <i>2010 – 2012 Cycle</i>	<i>Combination</i> ¹
Amendment to IFRS 13 included in <i>Annual Improvements</i> <i>2010 – 2012 Cycle</i>	<i>Short-term Receivables and Payables</i>
Amendment to IFRS 1 included in <i>Meaning of Effective IFRSs</i> <i>Annual Improvements</i> <i>2011 – 2013 Cycle</i>	

¹ Effective from 1 July 2014

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		12 months ended	
	31/12/14	31/12/13	31/12/14	31/12/13
EARNINGS / (LOSS) PER ORDINARY SHARE				
(i) Based on weighted average number of ordinary shares in issue				
- For profit / (loss) for the year / period	RMB0.00	RMB0.00	RMB0.02	(RMB0.10)
- For profit / (loss) from continuing operations for the year / period	RMB0.00	RMB0.00	RMB0.04	(RMB0.09)
(ii) On a fully diluted basis	-	-	-	-

(i) Earnings / (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 and twelve months ended 31 December 2014 of 1,100,808,740 shares (three months and twelve months ended 31 December 2013: 1,101,048,740 and 1,107,473,990 shares, respectively).

(ii) There were no potential dilutive ordinary shares in existence for both the three months and twelve months ended 31 December 2014 and 2013 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 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	
	31/12/14	31/12/13	31/12/14	31/12/13
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 reported on	RMB1.28	RMB1.26	RMB0.69	RMB0.70

The net assets value for the Group per ordinary share was calculated based on 1,100,808,740 shares in issue as at 31 December 2014 and 31 December 2013.

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 profit / (loss)

On a financial year basis, the Group recorded a revenue of approximately RMB5.13 billion in 2014 compared to approximately RMB5.12 billion in 2013.

The Group recorded a profit before tax of approximately RMB25.56 million in 2014 against a pre-tax loss approximately RMB108.96 million in 2013. This was mainly attributable to a decrease in cost of sales of the soybean processing division arising from a decrease in soybean raw material costs.

The Group's revenue decreased by 3.27% in 4Q14 compared to 3Q14, the pre-tax profit decreased from approximately RMB21.48 million in 3Q14 to approximately RMB1.81 million in 4Q14, as depicted below:

<u>Group</u>			
<u>Revenue</u>	<u>4Q14</u>	<u>3Q14</u>	<u>Change</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>
Pig rearing	(189)	-	N/M
Animal feed	63,764	62,770	1.58
Soybean processing	1,219,139	1,263,262	(3.49)
Total	<u>1,282,714</u>	<u>1,326,032</u>	<u>(3.27)</u>

<u>Group</u>			
<u>Pre-tax profit / (loss)</u>	<u>4Q14</u>	<u>3Q14</u>	<u>Change</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>
Pig rearing	(5,649)	(2,293)	146.36
Animal feed	(2,578)	241	N/M
Soybean processing	11,551	22,142	(47.83)
Total	<u>3,324</u>	<u>20,090</u>	<u>(83.45)</u>
Interest income	1,813	2,584	(29.84)
Unallocated expenses	(3,323)	(1,191)	179.01
Profit / (loss) before tax	<u>1,814</u>	<u>21,483</u>	<u>(91.56)</u>

Soybean Processing

The soybean processing division recorded a comparable revenue of approximately RMB4.85 billion in 2014 compared to approximately RMB4.83 billion in 2013.

On a quarterly basis, the division recorded a decrease in revenue of 3.49% in 4Q14 of approximately RMB1.22 billion, compared to 3Q14 of approximately RMB1.26 billion. A lower pre-tax profit of approximately RMB11.55 million was recorded in 4Q14 compared to approximately RMB22.14 million in 3Q14. The decreases were due mainly to decreases in both the selling price and sales volume of the Company's soybean products in 4Q14, compared to 3Q14.

Animal Feed

The animal feed division recorded a higher revenue of approximately RMB234.01 million in 2014, compared to approximately RMB213.29 million in 2013. The increase was due mainly to an increase in sales volume of pig feed products.

On a quarterly basis, the division recorded a revenue of approximately RMB63.76 million in 4Q14 compared to approximately RMB62.77 million in 3Q14. The division recorded a loss of approximately RMB2.58 million in 4Q14 against a profit of approximately RMB241,000 in 3Q14. The loss was due mainly to a decrease in the selling price of the feed products.

Pig Rearing

The pig rearing division generated a revenue of approximately RMB49.57 million for 2014 and approximately RMB78.99 million for 2013. The Group's pig rearing operations were ceased at the end of May 2014.

(B) Cost of Sales

The Group has managed to record a gross profit margin of 1.42% for the continuing operations in 2014 against a gross loss margin of 1.30% in 2013. This was due mainly to a decrease in cost of sales arising from a decrease in soybean raw material costs. The result of the new production line for phospholipids (a waste product in the refinery process of crude soybean oil), which commenced in 2Q14, has also made a positive impact to the Group's gross margin. The phospholipids were further processed into lecithin which is used as a nutritional additive in feed products.

(C) Other income and gains

Other income and gains comprised mainly of:

- Interest income for three months and twelve months ended 31 December 2014, amounting to approximately RMB1.81 million and RMB11.07 million, respectively (three months and twelve months ended 31 December 2013: RMB1.58 million and RMB8.08 million, respectively). The increase in interest income was due mainly to extension of period for letters of credit deposits.
- Government grants for pig rearing for the three months and twelve months ended 31 December 2014 amounted to nil and approximately RMB396,000, respectively (For three months and twelve months ended 31 December 2013: RMB382,000 and approximately RMB1.17 million, respectively).
- Gain from sales of scrap and raw materials for the year ended 31 December 2014 amounted to approximately RMB1.32 million (2013: RMB429,000).

(D) Administrative expenses

The increase in administrative expenses in 2014 was due mainly to an increase in tax expense in connection with land use rights which was calculated based on the land area. A higher tax rate for the land use right was applied in 2014 compared to 2013.

(E) Other expenses, net

The decrease in other expenses was mainly attributable to the cessation of pig rearing business. Accordingly, there was no recognition of change in fair value less estimated costs for sale of biological assets as at 31 December 2014.

(F) Tax

Tax has not been provided by the Group as the assessable profits for the period have been offset by the tax losses carried forward from prior years.

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%. (2013: 25%).

(G) Inventories

The decrease in inventories was due mainly to the decrease in prices of soybean raw materials and finished goods.

(H) Biological Assets

The Group had ceased its pig rearing operations and sold all the biological assets at the end of May 2014.

(I) Trade receivables

There were no trade receivables as at the balance sheet date as most of the sales transactions were conducted on a cash basis.

(J) Prepayment, deposits and other receivables.

The increase in the prepayment, deposits and other receivables was due mainly to deposits and prepayment made to soybean suppliers for the procurement of soybean.

(K) Cash, bank balances and deposits

The Group's restricted bank deposits were pledged as security for the issuance of letters of credits to its suppliers. The decrease in restricted bank deposits was due mainly to payment made for the procurement of soybeans.

The increase in cash and bank balances was due mainly to collection of sales proceeds.

Net cash outflow from operating activities in 2014 was due mainly to settlement of trade debts made for the procurement of soybeans.

(L) Trade payables

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

(M) Other payables, deposit received and accruals

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

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 commentary made in item 10 of the Company's results announcement released to SGX-ST via SGXNet on 06 November 2014.

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

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 and government policies (such as inflationary control) on soybeans and soybean products.

The decrease in the soybean raw material costs has enabled the Group to record a gross profit margin for the year ended 31 December 2014.

Management and the Board of Directors would make the appropriate strategic decision regarding the land vacated by the Group's pig rearing business.

Alleged Fund Raising Activity of RMB300 million

Further to Company's announcements released on 1 March 2014 and 14 March 2014, there had been no response to the Company's newspaper clarification notices published in the People's Republic of China.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	:	Final
Dividend Type	:	Cash
Dividend Rate	:	RMB0.0047 per ordinary share
Par Value of Shares	:	HKD0.25
Tax Rate	:	Tax not applicable

The proposed final dividend amounts to approximately RMB5,174,000 which is equivalent to approximately 20% of the Group's net profit for the full year of 2014.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

Name of Dividend	:	N/A
Dividend Type	:	N/A
Dividend Rate	:	N/A
Par Value of Shares	:	N/A
Tax Rate	:	N/A

(c) Date Payable

To be announced later

(d) Books Closure Date

To be announced later

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

	12 months ended 31/12/14 RMB'000	Share of total (%)	12 months ended 31/12/13 RMB'000	Share of total (%)	% Changes
Revenue					
Pig rearing*	49,568	0.97	78,986	1.54	(37.24)
Animal feed	234,014	4.56	213,293	4.17	9.71
Soybean processing	4,846,287	94.47	4,829,693	94.29	0.34
Total Revenue	<u>5,129,869</u>	<u>100.00</u>	<u>5,121,972</u>	<u>100.00</u>	0.15
Earnings/ (loss) before interest, depreciation and amortization					
Pig rearing*	(6,900)	(6.19)	1,145	(8.95)	N/M
Animal feed	6,870	6.16	2,661	(20.79)	158.17
Soybean processing	<u>111,563</u>	<u>100.03</u>	<u>(16,605)</u>	<u>129.74</u>	N/M
	<u>111,533</u>	<u>100.00</u>	<u>(12,799)</u>	<u>100.00</u>	N/M
Amortisation and depreciation	(89,094)		(97,105)		(8.25)
Interest income	11,065		8,084		36.88
Unallocated expenses	<u>(7,941)</u>		<u>(7,138)</u>		11.25
Profit / (loss) before tax	<u>25,563</u>		<u>(108,958)</u>		N/M

* The Discontinued operation

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.

15. A breakdown of sales

	31/12/14 RMB'000	<u>Group</u> 31/12/13 RMB'000	Change %
(a) Revenue reported for 1 st half year	2,521,123	2,450,524	2.88
(b) Operating profit / (loss) after tax reported for 1 st half year	2,266	(76,497)	N/M
(c) Revenue reported for 2 nd half year	2,608,746	2,671,448	(2.35)
(d) Operating profit / (loss) after tax reported for 2 nd half year	23,297	(32,461)	N/M

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

Total Annual Dividend

	Latest Full Year- 2014	Previous Full Year- 2013
	RMB'000	RMB'000
Ordinary	5,174	-
Preference	-	-
Total:	<u>5,174</u>	<u>-</u>

17. Aggregate Value Of Interested Person Transactions Entered Into For The 12 Months Ended 31 December 2014

Pursuant to Rule 920 of the SGX-ST's Listing Manual, details of the aggregate value of interested person transactions entered into the 12 months period ended 31 December 2014, 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)
Jiang Quan Hotel	RMB Expenses paid in relation to catering and accommodation services provided by Jiang Quan Hotel 380,000	Nil*

*The Company does not have an IPT Mandate.

18. Disclosure under Rule 704(13) of the SGX Listing Manual

Pursuant to Rule 704(13) of the SGX Listing Manual, the following person occupies managerial position who is related to a Director, CEO or substantial shareholder of the Company: -

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes to duties and position held, if any, during the year
Wang Yu	42	Niece of Mr. Wang Tingbao - Chief Executive Officer/Director of United Food Holdings Limited	Admin Manager of Globe Bright Limited (since 2009), one of the subsidiaries located in Hong Kong .	No change of duties since her last appointment.

BY ORDER OF THE BOARD

Wang Tingbao
Director
17 February 2015