

UNITED FOOD HOLDINGS LIMITED

Third Quarter Financial Statement Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) 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 STATEMENT FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2013

| | Notes | 3 months ended | | Group | | | Change % |
|-----------------------------------|-------|---------------------|---------------------|----------|---------------------|---------------------|----------|
| | | 30/09/13 RMB'000 | 30/09/12 RMB'000 | Change % | 30/09/13 RMB'000 | 30/09/12 RMB'000 | |
| Revenue | (A) | 1,294,665 | 1,480,780 | (12.57) | 3,745,189 | 3,962,403 | (5.48) |
| Cost of sales | (B) | (1,315,236) | (1,531,956) | (14.15) | (3,821,778) | (4,073,586) | (6.18) |
| Gross loss | | (20,571) | (51,176) | (59.80) | (76,589) | (111,183) | (31.11) |
| Other income and gains | (C) | 2,258 | 1,441 | 56.70 | 7,913 | 6,091 | 29.91 |
| Selling and distribution expenses | (D) | (3,142) | (2,603) | 20.71 | (8,263) | (7,674) | 7.68 |
| Administrative expenses | | (6,811) | (7,051) | (3.40) | (20,510) | (21,099) | (2.79) |
| Other expenses, net | (E) | (1,227) | (371) | 230.73 | (8,541) | (1,070) | N/M |
| Loss before tax | (A) | (29,493) | (59,760) | (50.65) | (105,990) | (134,935) | (21.45) |
| Tax | (F) | - | - | | - | - | |
| Loss for the period | | (29,493) | (59,760) | (50.65) | (105,990) | (134,935) | (21.45) |
| Attributable to: | | | | | | | |
| Owners of the Company | | (29,493) | (59,760) | (50.65) | (105,990) | (134,935) | (21.45) |
| LOSS PER SHARE | | | | | | | |
| -Basic | | (RMB0.03) | (RMB0.05) | (50.26) | (RMB0.10) | (RMB0.12) | (21.20) |
| -Diluted | | N/A | N/A | | N/A | N/A | |

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

N/M – Not Meaningful

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2013**

| | Group | | | | | |
|---------------------------------------|-----------------------|-----------------|---------------|-----------------------|------------------|---------------|
| | 3 months ended | | | 9 months ended | | |
| | 30/09/13 | 30/09/12 | Change | 30/09/13 | 30/09/12 | Change |
| | RMB'000 | RMB'000 | % | RMB'000 | RMB'000 | % |
| Loss for the period | (29,493) | (59,760) | (50.65) | (105,990) | (134,935) | (21.45) |
| Other comprehensive income | | | | | | |
| Total comprehensive income | | | | | | |
| attributable to owners of the Company | <u>(29,493)</u> | <u>(59,760)</u> | (50.65) | <u>(105,990)</u> | <u>(134,935)</u> | (21.45) |

The loss before tax is arrived at after charging the followings:

| | Group | | | | | |
|---------------------------------|-----------------------|-----------------|---------------|-----------------------|-----------------|---------------|
| | 3 months ended | | | 9 months ended | | |
| | 30/09/13 | 30/09/12 | Change | 30/09/13 | 30/09/12 | Change |
| | RMB'000 | RMB'000 | % | RMB'000 | RMB'000 | % |
| Amortization of land use rights | 2,125 | 2,125 | - | 6,374 | 6,374 | - |
| Depreciation | 21,989 | 22,921 | (4.07) | 66,086 | 68,715 | (3.83) |
| Research and development costs | 391 | 365 | 7.12 | 1,153 | 1,057 | 9.08 |

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 SEPTEMBER 2013**

| | Notes | Group | | Company | |
|--|-------|---------------------|---------------------|---------------------|---------------------|
| | | 30/09/13 RMB'000 | 31/12/12 RMB'000 | 30/09/13 RMB'000 | 31/12/12 RMB'000 |
| NON-CURRENT ASSETS | | | | | |
| Investment in subsidiaries | | - | - | 223,738 | 223,738 |
| Property, plant and equipment | | 389,595 | 453,877 | - | - |
| Land use rights | | 68,186 | 74,560 | - | - |
| Total non-current assets | | <u>457,781</u> | <u>528,437</u> | <u>223,738</u> | <u>223,738</u> |
| CURRENT ASSETS | | | | | |
| Inventories | (G) | 408,098 | 576,386 | - | - |
| Biological assets | (H) | 38,995 | 44,404 | - | - |
| Trade receivables | (I) | 32,038 | 70,286 | - | - |
| Amounts due from subsidiaries | | - | - | 543,863 | 551,274 |
| Prepayments, deposits and other receivables | (J) | 97,181 | 43,293 | - | - |
| Restricted bank deposits | (K) | 403,880 | 444,327 | - | - |
| Cash and bank balances | (K) | 36,445 | 24,963 | 726 | 65 |
| Total current assets | | <u>1,016,637</u> | <u>1,203,659</u> | <u>544,589</u> | <u>551,339</u> |
| CURRENT LIABILITIES | | | | | |
| Trade payables | (L) | 14,583 | 191,912 | - | - |
| Other payables, deposits received and accruals | (M) | 71,513 | 42,964 | 65 | 730 |
| Total current liabilities | | <u>86,096</u> | <u>234,876</u> | <u>65</u> | <u>730</u> |
| NET CURRENT ASSETS | | <u>930,541</u> | <u>968,783</u> | <u>544,524</u> | <u>550,609</u> |
| Net Assets | | <u>1,388,322</u> | <u>1,497,220</u> | <u>768,262</u> | <u>774,347</u> |
| EQUITY | | | | | |
| Equity attributable to owners of the Company | | | | | |
| Issued capital | | 294,659 | 297,447 | 294,659 | 297,447 |
| Reserves | | 1,093,663 | 1,199,773 | 473,603 | 476,900 |
| Total equity | | <u>1,388,322</u> | <u>1,497,220</u> | <u>768,262</u> | <u>774,347</u> |

For Note (G) - (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 30/09/13 | | As at 31/12/12 | |
|----------------|-----------|----------------|-----------|
| 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 30/09/13 | | As at 31/12/12 | |
|----------------|-----------|----------------|-----------|
| 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 CASH FLOW STATEMENT

| | Note | Group 3 months ended | |
|--|------|-------------------------|--------------------|
| | | 30/9/13 RMB'000 | 30/9/12 RMB'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before tax | | (29,493) | (59,760) |
| Adjustment for: | | | |
| Amortization of land use rights | | 2,125 | 2,125 |
| Depreciation | | 21,989 | 22,921 |
| Interest income | | (2,162) | (2,211) |
| | | <u>(7,541)</u> | <u>(36,925)</u> |
| Decrease in inventories | | 107,991 | 7,038 |
| Decrease in biological assets | | 1,981 | 1,094 |
| Decrease / (increase) in trade receivables | | 31,556 | (11,850) |
| (Increase) / decrease in prepayments, deposits and other receivables | | (57,252) | 35,451 |
| Increase in trade payables | | 3,294 | 6,797 |
| Increase in other payables, deposits received and accruals | | 29,169 | 2,671 |
| | | <u>109,198</u> | <u>4,276</u> |
| Interest received | | 2,162 | 2,211 |
| Net cash inflow from operating activities | | <u>111,360</u> | <u>6,487</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (335) | (122) |
| Increase in restricted bank deposits | | (122,830) | (26,940) |
| Net cash used in investing activities | | <u>(123,165)</u> | <u>(27,062)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repurchase of shares | | (1,977) | - |
| Net cash used in financing activities | | <u>(1,977)</u> | <u>-</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | | |
| | | (13,782) | (20,575) |
| Cash and cash equivalents at beginning of period | | <u>50,227</u> | <u>41,088</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | | | |
| | | <u>36,445</u> | <u>20,513</u> |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | (K) | <u>36,445</u> | <u>20,513</u> |

For Note (K), 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 capitalization 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 | 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 | <u>294,659</u> | <u>561,530</u> | <u>19,431</u> | <u>2,788</u> | <u>509,914</u> | <u>1,388,322</u> |

| Group | Issued capital RMB'000 | Proposed dividend RMB'000 | Retained profits RMB'000 | Statutory reserve RMB'000 | Share premium RMB'000 | Total RMB'000 |
|---------------------------------|-----------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|----------------------------------|--------------------------|
| Balance as at 1 January 2012 | 297,447 | 4,300 | 925,395 | 19,431 | 510,034 | 1,756,607 |
| Profit for 1Q12 | - | - | 2,961 | - | - | 2,961 |
| Balance as at 31 March 2012 | 297,447 | 4,300 | 928,356 | 19,431 | 510,034 | 1,759,568 |
| (Loss) for 2Q12 | - | - | (78,136) | - | - | (78,136) |
| Dividend paid – 2011 final | - | (4,300) | (37) | - | - | (4,337) |
| Balance as at 30 June 2012 | 297,447 | - | 850,183 | 19,431 | 510,034 | 1,677,095 |
| Loss for 3Q12 | - | - | (59,760) | - | - | (59,760) |
| Balance as at 30 September 2012 | <u>297,447</u> | <u>-</u> | <u>790,423</u> | <u>19,431</u> | <u>510,034</u> | <u>1,617,335</u> |

* Please refer to Note 1d(ii) on page 7 for details.

| Company | Issued capital RMB'000 | Accum. 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 |

| Company | Issued capital RMB'000 | Proposed dividend RMB'000 | Accum. losses RMB'000 | Share premium RMB'000 | Total RMB'000 |
|---------------------------------|-----------------------------------|--------------------------------------|----------------------------------|----------------------------------|--------------------------|
| Balance as at 1 January 2012 | 297,447 | 4,300 | (26,917) | 510,034 | 784,864 |
| Loss for 1Q12 | - | - | (1,305) | - | (1,305) |
| Balance as at 31 March 2012 | 297,447 | 4,300 | (28,222) | 510,034 | 783,559 |
| Loss for 2Q12 | - | - | (1,519) | - | (1,519) |
| Dividend paid – 2011 final | - | (4,300) | (37) | - | (4,337) |
| Balance as at 30 June 2012 | 297,447 | - | (29,778) | 510,034 | 777,703 |
| Loss for 3Q12 | - | - | (1,183) | - | (1,183) |
| Balance as at 30 September 2012 | 297,447 | - | (30,961) | 510,034 | 776,520 |

* Please refer to Note 1d(ii) below for details.

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

The Company has bought back 10,425,000 shares from the market as at 30 September 2013, the shares repurchased were cancelled in accordance with the Bye-Laws of the Company.

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 September 2013 and 31 December 2012.

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 1,101,528,740 and 1,111,953,740 ordinary shares in issue as at 30 September 2013 and 31 December 2012 respectively.

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.

As at 30 September 2013, 10,425,000 shares were repurchased from the market and had been duly cancelled as this announcement date.

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 or 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 2012 except for the adoption of new or revised IFRS that are mandatory for financial years beginning on or after 1 January 2013. 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

N/A

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 | | 9 months ended | |
| | 30/09/13 | 30/09/12 | 30/09/13 | 30/09/12 |
| LOSS PER ORDINARY SHARE | | | | |
| (i) Based on weighted average number of ordinary shares in issue | (RMB0.03) | (RMB0.05) | (RMB0.10) | (RMB0.12) |
| (ii) On a fully diluted basis | - | - | - | - |

(i) 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 nine months ended 30 September 2013 of 1,103,359,762 shares and 1,108,856,952 shares respectively (three months and nine months ended 30 September 2012: 1,111,953,740 shares).

(ii) There were no potential dilutive ordinary shares in existence for the three months and nine months ended 30 September 2013 and 2012. Accordingly, no diluted earnings per share has been presented.

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

| | Group | | Company | |
|---|----------|----------|----------|----------|
| | 30/09/13 | 31/12/12 | 30/09/13 | 31/12/12 |
| 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 | RMB1.26 | RMB1.35 | RMB0.70 | RMB0.70 |

The net asset value for the Group and the Company per ordinary share were calculated based on 1,101,528,740 and 1,111,953,740 shares in issue as at 30 September 2013 and 31 December 2012 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

(A) Revenue and pre-tax loss

3Q13 vs 3Q12

The Group recorded a decrease in revenue of 12.57% from approximately RMB1.48 billion in 3Q12 to approximately RMB1.29 billion in 3Q13. The decrease in revenue was due mainly to a decrease in the sales volume of the Company's soybean products and decrease in selling price of the Company's soybean oil. The latter was due mainly to a weak demand caused by the slowing down of the China's economy.

The Group recorded a lower loss of approximately RMB29.49 million in 3Q13 compared to a loss of approximately RMB59.76 million in 3Q12, representing a decrease of 50.65%. This was due mainly to a decrease in soybean costs and an increase in selling price of the Company's soybean meal.

3Q13 vs 2Q13

The Group recorded an increase of 7.47% in revenue and a decrease in pre-tax loss of 27.04% on a quarter to quarter basis (3Q13 vs 2Q13, as depicted below),

| <u>Revenue</u> | <u>Group</u> | | |
|-----------------------|-----------------------|-----------------------|----------------------|
| | <u>3Q13</u> | <u>2Q13</u> | <u>Change</u> |
| | <u>RMB'000</u> | <u>RMB'000</u> | <u>%</u> |
| Pig rearing | 19,145 | 18,588 | 3.00 |
| Animal feed | 58,000 | 53,890 | 7.63 |
| Soybean processing | 1,217,520 | 1,132,185 | 7.54 |
| Total | <u>1,294,665</u> | <u>1,204,663</u> | 7.47 |

| <u>Pre-tax loss</u> | <u>Group</u> | | |
|----------------------------|-----------------------|-----------------------|----------------------|
| | <u>3Q13</u> | <u>2Q13</u> | <u>Change</u> |
| | <u>RMB'000</u> | <u>RMB'000</u> | <u>%</u> |
| Pig rearing | (1,495) | (3,401) | (56.04) |
| Animal feed | (1,312) | (1,310) | 0.15 |
| Soybean processing | (27,068) | (36,572) | (25.99) |
| Total | <u>(29,875)</u> | <u>(41,283)</u> | (27.63) |
| Interest income | 2,162 | 2,328 | (7.13) |
| Unallocated expenses | (1,780) | (1,467) | 21.34 |
| Loss before tax | <u>(29,493)</u> | <u>(40,422)</u> | (27.04) |

Soybean Processing

Revenue of the soybean processing division increased by 7.54% from approximately RMB1.13 billion in 2Q13 to approximately RMB1.22 billion in 3Q13. This was due mainly to an increase in sales volume of the Company's soybean products and increase in selling price of the Company's soybean meal.

The pre-tax loss of the division decreased by 25.99% to approximately RMB27.07 billion in 3Q13 compared to RMB36.57 billion 2Q13, this was mainly attributable to an increase in selling price of the Company's soybean meal.

Animal Feed

The animal feed division recorded an increase in revenue of 7.63% from approximately RMB53.89 million in 2Q13 to approximately RMB58 million in 3Q13. This was mainly attributable to an increase in average selling price of feed products.

The division recorded a comparable loss of approximately RMB1.31 million in 3Q13 and 2Q13.

Pig Rearing

The pig rearing division recorded an increase in revenue of 3% from approximately RMB18.59 million in 2Q13 to approximately RMB19.15 million in 3Q13.

The division recorded a lower loss of approximately RMB1.50 million in 3Q13 compared to a loss of approximately RMB3.40 million in 2Q13, representing a decrease of 56.04%. This was due mainly to an increase in average selling price of the progeny pigs.

(B) Cost of Sales

The Group incurred a lower gross loss margin of approximately 1.59% for 3Q13, compared to a gross loss margin of approximately 3.46% in 3Q12, representing a decrease of 54.05%. This was due mainly to a decrease in soybean costs and an increase in selling price of the Company's soybean meal.

(C) Other income and gains

Other income and gains comprised mainly of interest income of approximately RMB2.16 million and RMB6.51 million for three months and nine months ended 30 September 2013 (three months and nine months ended 30 September 2012: RMB2.21 million and RMB3.94 million) respectively.

The higher interest income earned was due mainly to the fact that the banks had agreed to apply fixed interest rates to more letter of credits deposits since 3Q12.

(D) Selling and distribution expenses

Selling and distribution expenses increased by 20.71% in 3Q13 compared to 3Q12. This was due mainly to an increase in sales staff of the animal feed division to drive the sale of animal feed products.

(E) Other expenses, net

Other expenses comprised mainly :

- a decrease in fair value less estimated costs for sale of biological assets held at end of the period of approximately RMB7.38 million (30 September 2012: a gain in fair value less estimated costs to sell of approximately RMB1.52 million disclosed in other income and gains); and
- research and development costs amounting to approximately RMB391,000 and RMB1.15 million for three months and nine months ended 30 September 2013 (three months and 9 months ended 30 September 2012: RMB365,000 and RMB1.06 million) respectively.

(F) Tax

Tax had not been provided by the Group as it did not derive any assessable profits during 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 nine months ended 30 September 2013 (30 September 2012: 25%).

(G) Inventories

The decrease in inventories was due mainly to the continued consumption of the existing soybean reserve.

(H) Biological Assets

The decrease in biological assets was due mainly to decline in the number and fair value of progeny pigs.

(I) Trade Receivables

Receivables decreased due to prompt collection efforts. Management had assessed the credit default system for 3Q13 and noted that the trade receivables balances were within credit terms. Therefore, no provision had been made for bad and doubtful debts.

(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 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. The decrease in restricted bank deposits was due mainly to payment made for the procurement of soybean.

The increase in cash and bank balances arose mainly from the collection of trade receivables.

(L) Trade payables

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

(M) Other payables, deposits received and accruals

The increase in other payables, deposits received and accruals was due mainly to an increase in accrued land tax and property tax and welfare payables.

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 6 August 2013.

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 continued to face soybean prices volatility, stiff competition price sensitivity and uncertainties arising from changes of China's economic environment and government policies (such as to fight rising inflation) on soybean and soybean products.

The loss recorded for the nine month ended 30 September 2013 was due mainly to the average selling price of soybean products being lower than the average cost of sales. If this situation continues, the Group anticipates that the adverse impact would result in an expected operating loss of the full year ending 31 December 2013.

Management and the Board of Directors are closely watching the situation and would make appropriate strategic decision as necessary for the Group to mitigate their impact.

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/recommendeded, 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

| | 9 months ended 30/09/13 RMB'000 | Share of total (%) | 9 months ended 30/09/12 RMB'000 | Share of total (%) | % Change |
|--|--|-------------------------------|--|-------------------------------|---------------------|
| <u>Revenue</u> | | | | | |
| Pig rearing | 56,681 | 1.51 | 58,804 | 1.49 | (3.61) |
| Animal feed | 161,344 | 4.31 | 164,932 | 4.16 | (2.18) |
| Soybean processing | 3,527,164 | 94.18 | 3,738,667 | 94.35 | (5.66) |
| | <u>3,745,189</u> | <u>100.00</u> | <u>3,962,403</u> | <u>100.00</u> | (5.48) |
| <u>(Loss) / profit before tax</u> | | | | | |
| Pig rearing | (985) | 2.78 | 7,767 | (13.31) | N/M |
| Animal feed | 1,257 | (3.54) | 5,399 | (9.25) | (76.72) |
| Soybean processing | (35,744) | 100.76 | (71,509) | 122.56 | (50.01) |
| | <u>(35,472)</u> | <u>100.00</u> | <u>(58,343)</u> | <u>100.00</u> | (39.20) |
| Amortization and depreciation | (72,460) | | (75,089) | | (3.50) |
| Interest income | 6,505 | | 3,942 | | 65.02 |
| Unallocated expenses | (4,563) | | (5,445) | | (16.20) |
| Loss before tax | <u>(105,990)</u> | | <u>(134,935)</u> | | (21.45) |

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

Please refer to item 13

16. Aggregate Value Of Interested Person Transactions Entered Into For The Nine Months Ended 30 September 2013

Pursuant to Rule 920 of the SGX-ST's Listing Manual, details of the aggregate value of interested person transactions entered into the 9 months period ended 30 September 2013, 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 | <p style="text-align: right;">RMB</p> Expenses paid in relation to catering and accommodation services provided by Jiang Quan Hotel <p style="text-align: right;">300,000</p> | Nil* |

*The Company does not have an IPT Mandate.

BY ORDER OF THE BOARD

Wang Tingbao
Director
04 November 2013

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 the financial results for the 3rd Quarter ended 30 September 2013 to be false or misleading in any material aspect.

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

.....
David Yip Wai Sun
Director

.....
Wang Tingbao
Director