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Full Year Results * Financial Statement And Related Announcement


* Asterisks denote mandatory information

Name of Announcer *	UNITED FOOD HOLDINGS LIMITED
Company Registration No.	28925
Announcement submitted on behalf of	UNITED FOOD HOLDINGS LIMITED
Announcement is submitted with respect to *	UNITED FOOD HOLDINGS LIMITED
Announcement is submitted by *	Wang Tingbao
Designation *	Director
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2013
Description	Please see attached.

Attachments
 [UFood-FY2013-Results.pdf](#)
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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 INCOME STATEMENTS FOR THE THREE AND TWELVE MONTHS ENDED 31 DECEMBER 2013

	Note	<u>3 months ended</u>		<u>Group</u>		<u>12 months ended</u>	
		31/12/13 RMB'000	31/12/12 RMB'000	Change %	31/12/13 RMB'000	31/12/12 RMB'000	Change
REVENUE	(A)	1,376,783	1,525,602	(9.75)	5,121,972	5,488,005	(6.67)
Cost of sales	(B)	(1,372,492)	(1,595,912)	(14.00)	(5,194,270)	(5,669,498)	(8.38)
Gross profit / (loss)		4,291	(70,310)	N/M	(72,298)	(181,493)	(60.16)
Other income and gains	(C)	1,975	2,161	(8.61)	9,888	8,252	19.83
Selling and distribution costs	(D)	(3,415)	(2,747)	24.32	(11,678)	(10,421)	12.06
Administrative expenses		(9,154)	(8,632)	6.05	(29,664)	(29,731)	(0.23)
Other expenses, net	(E)	3,335	(40,587)	N/M	(5,206)	(41,657)	(87.50)
Loss before tax		(2,968)	(120,115)	(97.53)	(108,958)	(255,050)	(57.28)
Tax	(F)	-	-		-	-	
Loss for the period/ year		(2,968)	(120,115)	(97.53)	(108,958)	(255,050)	(57.28)
Dividend	11	-	-		-	-	
Attributable to:							
Owners of the Company		(2,968)	(120,115)	(97.53)	(108,958)	(255,050)	(57.28)
LOSS PER SHARE							
-Basic		RMB0.00	(RMB0.11)		(RMB0.10)	(RMB0.23)	
-Diluted		N/A	N/A		N/A	N/A	

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND TWELVE MONTHS ENDED 31 DECEMBER 2013**

	3 months ended		Group			
	31/12/13 RMB'000	31/12/12 RMB'000	Change %	31/12/13 RMB'000	31/12/12 RMB'000	Change %
Loss for the period / year	(2,968)	(120,115)	(97.53)	(108,958)	(255,050)	(57.28)
Other comprehensive income	-	-		-	-	
Total comprehensive income for the period / year	<u>(2,968)</u>	<u>(120,115)</u>	<u>(97.53)</u>	<u>(108,958)</u>	<u>(255,050)</u>	<u>(57.28)</u>
Attributable to:						
Owners of the Company	<u>(2,968)</u>	<u>(120,115)</u>	<u>(97.53)</u>	<u>(108,958)</u>	<u>(255,050)</u>	<u>(57.28)</u>

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

	3 months ended		Group			
	31/12/13 RMB'000	31/12/12 RMB'000	Change %	31/12/13 RMB'000	31/12/12 RMB'000	Change %
Amortisation of land use rights	4,665	4,665	-	11,039	11,039	-
Depreciation	19,980	22,904	(12.77)	86,066	91,619	(6.06)
Impairment of property, plant and equipment	-	38,820	N/M	-	38,820	N/M
Minimum lease payment under operating lease on land and buildings	207	156	32.69	749	626	19.65
Research and development costs	592	634	(6.62)	1,745	1,691	3.19
Write-down of inventories to net realisable value	15,065	20,075	(24.96)	15,065	20,075	(24.96)

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 2013**

	Note	Group		Company	
		31/12/13 RMB'000	31/12/12 RMB'000	31/12/13 RMB'000	31/12/12 RMB'000
NON-CURRENT ASSETS					
Investments in subsidiaries		-	-	223,738	223,738
Property, plant and equipment		389,418	453,877	-	-
Land use rights		63,521	74,560	-	-
Total non-current assets		<u>452,939</u>	<u>528,437</u>	<u>223,738</u>	<u>223,738</u>
CURRENT ASSETS					
Inventories	(G)	589,340	576,386	-	-
Biological assets		35,450	44,404	-	-
Trade receivables	(H)	2,317	70,286	-	-
Amounts due from subsidiaries		-	-	542,952	551,274
Prepayments, deposits and other receivables		43,541	43,293	-	-
Restricted bank deposits	(I)	498,757	444,327	-	-
Cash and bank balances	(I)	43,398	24,963	504	65
Total current assets		<u>1,212,803</u>	<u>1,203,659</u>	<u>543,456</u>	<u>551,339</u>
CURRENT LIABILITIES					
Trade payables	(J)	227,635	191,912	-	-
Other payables, deposits received and accruals	(K)	52,942	42,964	1,211	730
Total current liabilities		<u>280,577</u>	<u>234,876</u>	<u>1,211</u>	<u>730</u>
NET CURRENT ASSETS					
		<u>932,226</u>	<u>968,783</u>	<u>542,245</u>	<u>550,609</u>
Net assets		<u>1,385,165</u>	<u>1,497,220</u>	<u>765,983</u>	<u>774,347</u>
EQUITY					
Equity attributable to owners of the Company					
Issued capital		294,465	297,447	294,465	297,447
Reserves		1,090,700	1,199,773	471,518	476,900
Total equity		<u>1,385,165</u>	<u>1,497,220</u>	<u>765,983</u>	<u>774,347</u>

Note: For note (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 31/12/13		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 31/12/13		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 STATEMENTS OF CASH FLOWS

	Group		Group	
	12 months ended 31/12/13 RMB'000	31/12/12 RMB'000	3 months ended 31/12/13 RMB'000	31/12/12 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(108,958)	(255,050)	(2,968)	(120,115)
Adjustments for:				
Amortisation of land use rights	11,039	11,039	4,665	4,665
Depreciation	86,066	91,619	19,980	22,904
Impairment of items of property, plant and equipment	-	38,820	-	38,820
Write-down of inventories to net realisable value	15,065	20,075	15,065	20,075
Bank interest income	(8,084)	(6,674)	(1,579)	(2,732)
	<u>(4,872)</u>	<u>(100,171)</u>	<u>35,163</u>	<u>(36,383)</u>
Working capital adjustments:				
Increase in inventories	(28,019)	(14,997)	(196,307)	(108,887)
Decrease / (increase) in biological assets	8,954	205	3,545	(587)
Decrease / (increase) in trade receivables	67,969	5,475	29,721	(5,147)
(Increase) / decrease in prepayments, deposits and other receivables	(248)	(237)	53,640	29,264
Increase in trade payables	35,723	161,991	213,052	173,960
Increase / (decrease) in other payables, deposits received and accruals	9,978	17,226	(18,571)	3,335
Cash generated from operations	<u>89,485</u>	<u>69,492</u>	<u>120,243</u>	<u>55,555</u>
Interest received	8,084	6,674	1,579	2,732
Net cash generated from operating activities	<u>97,569</u>	<u>76,166</u>	<u>121,822</u>	<u>58,287</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment	(21,607)	(3,199)	(19,803)	(55)
Increase in restricted bank deposits	(54,430)	(70,704)	(94,877)	(53,782)
Net cash used in from investing activities	<u>(76,037)</u>	<u>(73,903)</u>	<u>(114,680)</u>	<u>(53,837)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	(4,337)	-	-
Payment for repurchase of ordinary shares	(3,097)	-	(189)	-
Net cash used in financing activities	<u>(3,097)</u>	<u>(4,337)</u>	<u>(189)</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS				
	18,435	(2,074)	6,953	4,450
Cash and cash equivalents at beginning of year / period	<u>24,963</u>	<u>27,037</u>	<u>36,445</u>	<u>20,513</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR / PERIOD				
	<u>43,398</u>	<u>24,963</u>	<u>43,398</u>	<u>24,963</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	<u>43,398</u>	<u>24,963</u>	<u>43,398</u>	<u>24,963</u>

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	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	<u>294,465</u>	<u>558,368</u>	<u>19,431</u>	<u>2,982</u>	<u>509,919</u>	<u>1,385,165</u>

Group	Issued share capital RMB'000	Proposed final dividend RMB'000	Retained profits RMB'000	Statutory reserve RMB'000	Share premium account 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	297,447	-	790,423	19,431	510,034	1,617,335
Loss for 4Q12	-	-	(120,115)	-	-	(120,115)
Balance as at 31 December 2012	<u>297,447</u>	<u>-</u>	<u>670,308</u>	<u>19,431</u>	<u>510,034</u>	<u>1,497,220</u>

* Please refer to Noted 1d(ii) on page 8 for details.

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	294,465	(41,383)	2,982	509,919	765,983

Company	Issued share capital RMB'000	Proposed final dividend RMB'000	Accumulated losses RMB'000	Share premium account 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
Loss for 4Q12	-	-	(2,173)	-	(2,173)
Balance as at 31 December 2012	297,447	-	(33,134)	510,034	774,347

* Please refer to Noted 1d(ii) on page 8 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 11,145,000 shares from the market as at 31 December 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 31 December 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 1,100,808,740 and 1,111,953,740 ordinary shares in issue as at 31 December 2013 and 31 December 2012 respectively.

The Company did not hold any treasury shares as at 31 December 2013 and 31 December 2012.

- 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 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**

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 2012, 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.

IFRS 10 :	Consolidated Financial Statements, IAS 27 Separate Financial Statements
IFRS 11:	Joint Arrangements, IAS 28 Investments in Associates and Joint Ventures
IFRS 12:	Disclosure of Interests in Other Entities
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance
IFRS 13:	Fair Value Measurement
IAS 19:	Employee Benefits
IFRIC 20:	Stripping Costs in the Production Phase of a Surface Mine
IFRS1 Amendment:	First-time Adoption of International Financial Reporting Standards — Government Loans
IFRS7 Amendment:	Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities
IAS1 Amendment:	Presentation of Items of Other Comprehensive Income
IAS 36 Amendments:	Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (early adopted)
Annual Improvements 2009-2012 Cycle	Amendments to a number of IFRSs issued in June 2013

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 31/12/13	3 months ended 31/12/12	12 months ended 31/12/13	12 months ended 31/12/12
LOSS PER ORDINARY SHARE				
(i) Based on weighted average number of ordinary shares in issue	RMB0.00	(RMB0.11)	(RMB0.10)	(RMB0.23)

(ii) On a fully diluted basis

	-	-	-	-
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(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 twelve months ended 31 December 2013 of 1,101,048,740 and 1,107,473,990 shares respectively (three months and twelve months ended 31 December 2012: 1,111,953,740 shares).

(ii) There were no potential dilutive ordinary shares in existence for the both the three months and twelve months ended 31 December 2013 and 2012 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	
	31/12/13	31/12/12	31/12/13	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	RMB 1.26	RMB1.35	RMB0.70	RMB0.70

The net assets value for the group per ordinary share was calculated based on 1,100,808,740 shares and 1,111,953,740 shares in issue as at 31 December 2013 and 31 December 2012.

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

On a financial year basis, the Group's revenue decreased by 6.67% from approximately RMB5.49 billion in 2012 to approximately RMB5.12 billion in 2013. The decrease in revenue was due mainly to a decrease in revenue from the soybean processing division arising from a decrease in sales volume of the Company's soybean products couple with a decrease selling price of the Company's soybean oil in 2013.

The Group recorded a lower loss before tax from approximately RMB255.05 million in 2012 to approximately RMB108.96 million in 2013. This was due mainly to:

- (i) a decrease in cost of sales of the soybean processing division arising from a decrease in soybean raw material cost; and
- (ii) no impairment recorded in 2013. In the previous corresponding period, there was an impairment of approximately RMB38.82 million made to the property, plant and equipment of the soybean processing division following an impairment review.

The Group recorded a growth of 6.34% in revenue in 4Q13 compared to 3Q13 and a decrease in pre-tax loss from approximately RMB29.49 million in 3Q13 to approximately RMB2.97 million in 4Q13, as depicted below:

<u>Revenue</u>	<u>Group</u>		
	<u>4Q13</u> <u>RMB'000</u>	<u>3Q13</u> <u>RMB'000</u>	<u>Change</u> <u>%</u>
Pig rearing	22,305	19,145	16.51
Animal feed	51,949	58,000	(10.43)
Soybean processing	1,302,529	1,217,520	6.98
Total	<u>1,376,783</u>	<u>1,294,665</u>	6.34

<u>Pre-tax profit / (loss)</u>	<u>Group</u>		
	<u>4Q13</u> <u>RMB'000</u>	<u>3Q13</u> <u>RMB'000</u>	<u>Change</u> <u>%</u>
Pig rearing	(1,651)	(1,495)	10.43
Animal feed	(2,343)	(1,312)	78.58
Soybean processing	2,022	(27,068)	N/M
Total	<u>(1,972)</u>	<u>(29,875)</u>	(93.40)
Interest income	1,579	2,162	(26.97)
Unallocated expenses	(2,575)	(1,780)	44.66
Loss before tax	<u>(2,968)</u>	<u>(29,493)</u>	(89.94)

Soybean Processing

The soybean processing division recorded a lower revenue of approximately RMB4.83 billion in 2013, compared to approximately RMB5.19 billion in 2012, representing a decrease of 7.00%. The decrease was due mainly to a decrease in revenue arising from a decrease in sales volume of the Company's soybean products and selling price of the Company's soybean oil in 2013.

On a quarterly basis, the division recorded a rise in revenue of 6.98% in 4Q13 of approximately RMB1.30 billion, compared to 3Q13 of approximately RMB1.22 billion. The increase was due mainly to an increase in the sales volume and selling price of the Company's soybean products in 4Q13, compared to 3Q13.

A pre-tax profit of approximately RMB2.02 million was recorded in 4Q13 against a loss of approximately RMB27.07 million in 3Q13 due mainly to (i) a decrease in cost of sales arising from a decrease in soybean raw material cost and (ii) an increase in the sales volume and selling price of the Company's soybean products.

Animal Feed

The animal feed division recorded a lower revenue of approximately RMB213.29 million in 2013, compared to approximately RMB216.59 million in 2012.

On a quarterly basis, the division recorded a lower revenue of approximately RMB51.95 million in 4Q13 compared to approximately RMB58 million in 3Q13, representing a decrease of 10.43%. The division recorded a loss of approximately RMB2.34 million in 4Q13, compared to approximately RMB1.31 million in 3Q13, representing an increase of 78.58%. Both was due mainly to a decrease in sales volume of feed products arising from seasonal impact.

Pig Rearing

The pig rearing division generated a comparable revenue for 2013 and 2012.

On a quarterly basis, the pig rearing division recorded a higher revenue of approximately RMB22.31 million in 4Q13, compared to approximately RMB19.15 million in 3Q12, representing an increase of 16.51%. The increase was due mainly to an increase in the quantity and average selling price of the progeny pigs sold in 4Q13.

The division recorded a higher loss of approximately RMB1.65 million in 4Q13 compared to approximately RMB1.50 million in 3Q13, this was due mainly to a higher depreciation charges recorded in 4Q13.

(B) Cost of Sales

The Group has narrowed its gross loss margin from 3.31% in 2012 to 1.41% in 2013. This was due mainly to a decrease in cost of sales arising from a decrease in soybean raw material cost.

(C) Other income and gains

Other income and gains comprised mainly of:

- Interest income for three months and twelve months ended 31 December 2013, amounting to approximately RMB1.58 million and RMB8.08 million respectively (three months and twelve months ended 31 December 2012: RMB2.73 million and RMB6.67 million respectively). The increase in interest income arose following that all letter of credits deposits with the banks were allowed to earn a fixed deposit interest rate in 2013.
- Government grants for pig rearing of approximately RMB382,000 and approximately RMB1.17 million for the three months and twelve months ended 31 December 2013 respectively (For three months and twelve months ended 31 December 2012: RMB590,000 and RMB755,000 respectively).
- Gain from sales of scrap and raw materials of approximately RMB429,000 (2012: RMB563,000).

(D) Selling and distribution costs

The Group incurred higher selling and distribution costs of approximately RMB11.68 million, an increase of 12.06% in 2013 compared to 2012. This was due mainly to (i) an increase in staff cost resulting from an increase in minimum basic salary in Shandong Province in 2013 and (ii) additional sales commission incurred for sales of the Company's consumer pack edible oil launched in 2Q13.

(E) Other expenses, net

The decrease in other expenses was mainly attributable to no impairment recorded in 2013. There was an impairment of property, plant and equipment amounting to approximately RMB38.82 million recorded in 2012.

(F) Tax

Tax had not been provided by the Group as it did not derive any assessable profits during the year.

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%. (2012: 25%).

(G) Inventories

The increase in inventories was due mainly to an increase in quantity of finished goods kept at the year end.

(H) Trade receivables

The Group has adopted cash sales policy for most of the sales transactions since 4Q13.

Management had performed the credit assessment for 2013 and noted that the trade receivables balances were within credit terms. Therefore, no provision has been made for bad and doubtful debts.

(I) 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 increase in restricted bank deposits was due mainly to increase in the procurement of soybean for production.

The increase in cash and bank balances was due mainly to collection of trade receivables.

(J) Trade payables

The increase in trade payables was due mainly to an increase in accrual for the shipment of soybean in transit as at 31 December 2013.

(K) Other payables, deposit received and accruals

The increase in other payables, deposit received and accruals was due mainly to an increase in VAT payable.

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 4 November 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 year ended 31 December 2013 was due mainly to the average selling price of soybean products being lower than the average cost of sales. With the soybean raw material cost on a declining trend, the negative Group's gross margin has narrowed in fourth quarter of 2013. The Group anticipates that an improved performance would be observed in 2014 if the gross margin of the soybean processing division continue to improve.

The performance and operating environment of the Group's pig rearing division has worsened in 2013. As the business prospect is not likely to improve, the Group will scale down its pig rearing business in 2014. Management and the Board of Directors ("the Board") would monitor the situation and make appropriate strategic decision as necessary.

Further to the Company's announcement released to SGX-ST on 15 November 2013, the Group would like to update that the construction of a plant and production lines for the processing of the following by-products has commenced in the fourth quarter of 2013 and is in-progress as scheduled:

- (i) Soybean soapstock; and
- (ii) Hydrated phospholipids

The Group expects to commence trial production of the above by-products in the second quarter of 2014.

Alleged Fund Raising Activity of RMB300 million

The Board refers to the Company's announcement released to SGX-ST on 1 March 2014 on the abovementioned matter and would like to reiterate that pending the verification of the existence or non-existence of the alleged Trust Loan (as defined in the announcement dated 1 March 2014), shareholders and potential investors are advised to exercise caution when trading in the shares of the Company.

The Board will keep shareholders informed of any material developments.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

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

(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

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

	12 months ended 31/12/13 RMB'000	Share of total (%)	12 months ended 31/12/12 RMB'000	Share of total (%)	% Changes
Revenue					
Pig rearing	78,986	1.54	78,282	1.43	0.90
Animal feed	213,293	4.17	216,585	3.94	(1.52)
Soybean processing	4,829,693	94.29	5,193,138	94.63	(7.00)
Total Revenue	<u>5,121,972</u>	<u>100.00</u>	<u>5,488,005</u>	<u>100.00</u>	(6.67)
Earnings/ (loss) before interest, depreciation and amortization					
Pig rearing	1,145	(8.95)	9,820	(6.50)	(88.34)
Animal feed	2,654	(20.73)	5,690	(3.77)	(53.36)
Soybean processing	(16,598)	129.68	(166,549)	110.27	(90.03)
	<u>(12,799)</u>	<u>100.00</u>	<u>(151,039)</u>	<u>100.00</u>	(91.53)
Amortisation and depreciation	(97,105)		(102,658)		(5.41)
Interest income	8,084		6,674		21.13
Unallocated expenses	(7,138)		(8,027)		(11.08)
Loss before tax	<u>(108,958)</u>		<u>(255,050)</u>		(57.28)

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

	31/12/13 RMB'000	<u>Group</u> 31/12/12 RMB'000	Change %
(a) Revenue reported for 1 st half year	2,450,524	2,481,623	(1.25)
(b) Operating loss after tax reported for 1 st half year	(76,497)	(75,175)	1.76
(c) Revenue reported for 2 nd half year	2,671,448	3,006,382	(11.14)
(d) Operating loss after tax reported for 2 nd half year	(32,461)	(179,875)	(81.95)

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 paid (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year- 2013 RMB'000	Previous Full Year- 2012 RMB'000
Ordinary	-	-
Preference	-	-
Total:	-	-

17. Aggregate Value Of Interested Person Transactions Entered Into For The 12 Months Ended 31 December 2013

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 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	RMB Expenses paid in relation to catering and accommodation services provided by Jiang Quan Hotel 390,000	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	41	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
1 March 2014