FIRST NATURAL FOODS HOLDINGS LIMITED

(Provisional Liquidators Appointed)

第一天然食品有限公司*

（已委任臨時清盤人）

(Incorporated in Bermuda with limited liability)

(Stock Code: 01076)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The board (the "Board") of directors (the "Directors") of First Natural Foods Holdings Limited (Provisional Liquidators Appointed) (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2011, which have been agreed by the auditor of the Company, together with comparative figures for the corresponding year of 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	**2011**	2010
		RMB'000	*RMB'000*
			(Restated)
Turnover	*4 & 6*	**730,660**	144,006
Cost of sales		**(710,218)**	(136,281)
Gross profit		**20,442**	7,725
Other income	*5*	**8,012**	1,212
Selling expenses		**(1,747)**	(523)
Administrative expenses		**(11,291)**	(2,234)
Profit from operations		**15,416**	6,180
Restructuring costs		**(3,113)**	(3,725)
Finance costs	*7*	**(7,356)**	(5,613)
Profit/(loss) before tax	*8*	**4,947**	(3,158)
Income tax expense	*9*	**(2,674)**	(1,119)
Profit/(loss) for the year attributable to owners of the Company	*10*	**2,273**	(4,277)
Other comprehensive income for the year, net of tax:			
Exchange differences on translating foreign operations		**13,479**	13,529
Total comprehensive income for the year attributable to owners of the Company		**15,752**	9,252
Earnings/(loss) per share attributable to owners of the Company			
Basic and diluted (RMB cents per share)	*12*	**0.19**	(0.36)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	**2011** **RMB'000**	2010 RMB'000
Non-current assets			
Property, plant and equipment		**210**	40
Prepayments, deposits and other receivables	*13*	**24,018**	–
Goodwill		**4,986**	5,180
Deferred tax assets		**207**	224
		29,421	5,444
Current assets			
Inventories		**3,424**	3,944
Trade receivables	*14*	**39,072**	33,514
Prepayments, deposits and other receivables	*13*	**6,463**	6,581
Bank and cash balances		**29,586**	13,485
		78,545	57,524
Current liabilities			
Trade and bills payables	*15*	**13,745**	18,670
Accruals, other payables and deposits received	*16*	**261,365**	226,502
Bank and other borrowings		**176,278**	177,192
Financial guarantee liabilities		**13,500**	13,500
Current tax liabilities		**1,537**	1,315
		466,425	437,179
Net current liabilities		**(387,880)**	(379,655)
NET LIABILITIES		**(358,459)**	(374,211)
Capital and reserves			
Share capital		**61,387**	61,387
Reserves		**(419,846)**	(435,598)
TOTAL EQUITY		**(358,459)**	(374,211)

1. General information

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business is 62nd Floor, One Island East, 18 Westlands Road, Island East, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading since 15 December 2008.

The Company is an investment holding company. The Company, through its major subsidiaries, is principally engaged in the processing and trading of food products mainly including frozen and functional food products.

2. Basis of preparation

Appointment of the Provisional Liquidators

Trading in the shares of the Company (the "Shares") has been suspended since 9:30 a.m. on 15 December 2008 at the request of the Company.

After the suspension, the whereabouts of Mr. Yeung Chung Lung ("Mr. Yeung"), a former executive Director and chairman, and Mr. Yang Le ("Mr. Yang"), a former executive Director, could not be confirmed. To maintain the stability and control of the Company, the new Board of the Directors was formed. Given that the Board had difficulties in exercising the authority and control of the Company over some of its subsidiaries, the Board was of the view that, for the benefit of the creditors and the shareholders of the Company (the "Shareholders") as a whole, it was appropriate and necessary to appoint provisional liquidators to preserve the Company's assets and investigate into the affairs and financial condition of the Group.

On 6 January 2009, a winding-up petition (the "Petition") and the application for the appointment of the joint and several provisional liquidators of the Company (the "Provisional Liquidators") were presented to and filed with the High Court of Hong Kong Special Administrative Region (the "Hong Kong Court") by the Company. On the same day, Mr. Stephen Liu Yiu Keung and Mr. David Yen Ching Wai were appointed as the Provisional Liquidators by the Hong Kong Court. The Petition was filed with the Hong Kong Court on 7 January 2009 to effect the appointment. As such, the Provisional Liquidators do not have the same knowledge of the financial affairs of the Group as the Board would have, particularly in relation to the transactions entered into by the Group prior to their appointment date and the Board has been assisting the Provisional Liquidators to ascertain the Group's financial position since then.

Restructuring of the Group

After their appointment, the Provisional Liquidators appointed Asian Capital (Corporate Finance) Limited ("Asian Capital") as the financial advisor to the Company on 5 February 2009 to assist the Provisional Liquidators in identifying potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

On 12 March 2009, the Stock Exchange sent a letter to the Company stating that in view of the prolonged suspension of trading in the Shares, the delisting procedures set out in Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") applied to the Company and the Company had been put into the first stage of the delisting procedures which commenced on the date of suspension. If the Company failed to submit a viable resumption proposal to address certain conditions on or before 11 September 2009, the Stock Exchange might consider proceeding to place the Company in the second stage of the delisting procedures pursuant to Practice Note 17 to the Listing Rules.

The Provisional Liquidators and Asian Capital used their best endeavours to look for potential investors with interest in the restructuring of the Company. Consequently, the restructuring proposal of Group Will Holdings Limited (the "Investor") had been accepted by the Provisional Liquidators.

On 30 July 2009, an exclusivity agreement (the "Exclusivity Agreement") was entered into among the Investor, Mr. Huang Kunyan ("Mr. Huang"), the Company and the Provisional Liquidators to grant the Investor a 12-month exclusivity period to prepare a viable resumption proposal to be submitted to the Stock Exchange with a view to resuming the trading in the Shares, and to negotiating in good faith for entering into a legally binding formal agreement for the implementation of the resumption proposal. Since the exclusivity period has expired on 29 July 2010, in view of the Investor's willingness and financial ability to pursue the restructuring, a supplemental agreement was entered into to grant an extension of the exclusivity period to the Investor to cover the remaining period before the deadline for submitting the resumption proposal.

Pursuant to the Exclusivity Agreement, the Investor shall negotiate with the Provisional Liquidators to enter into an arrangement of working capital facility of up to HK$10 million (or such higher sum the Investor may agree from time to time) for the settlement of the trading and operating expenses as are required to carry on and maintain a viable business of the sale of food products during the course of the proposed restructuring. Such working capital facility will be secured by a debenture with charge(s) over certain assets of the Group. With the sanction from the Hong Kong Court, on 12 April 2010, the Investor and Supreme Wit Limited ("Supreme Wit"), a direct wholly-owned subsidiary of the Company which was set up after the appointment of the Provisional Liquidators for the purpose of the restructuring, entered into a working capital facility agreement pursuant to which the Investor had agreed to provide a facility of up to HK$50 million (or such higher sum as the Investor may agree from time to time) (the "Facility Agreement") to Supreme Wit, and the Facility Agreement had been secured by a debenture (the "Debenture") executed on 12 April 2010 by Supreme Wit in favour of the Investor. On 18 February 2011, a supplemental deed to the Facility Agreement and a supplemental deed to the Debenture were entered into, pursuant to which the Investor agreed to increase the said facility to the principal amount of up to HK$70 million.

Given the time constraints, the Company was unable to submit the resumption proposal by 11 September 2009 and the Company was placed into the second stage of the delisting procedures in accordance with Practice Note 17 to the Listing Rules on 18 September 2009.

On 6 October 2010, Asian Capital and the Provisional Liquidators submitted a resumption proposal to the Stock Exchange (the "Resumption Proposal"). On 5 November 2010, the Listing Committee of the Stock Exchange (the "Listing Committee") rejected the Resumption Proposal. The Listing Committee considered that the Resumption Proposal had not satisfactorily demonstrated sufficiency of operation or assets as required under Rule 13.24 of the Listing Rules.

On 15 November 2010, Asian Capital filed an application for review (the "Review Application") on behalf of the Company to the Listing (Review) Committee of the Stock Exchange (the "Listing (Review) Committee"). On 15 March 2011, the hearing by the Listing (Review) Committee took place. On 18 March 2011, the Listing (Review) Committee decided to uphold the Listing Committee's decision.

On 28 March 2011, Asian Capital filed an application for review on behalf of the Company to the Listing Appeals Committee of the Stock Exchange (the "Listing Appeals Committee"). A supplemental submission was submitted to the Listing Appeals Committee and the hearing by the Listing Appeals Committee was taken place on 27 September 2011.

On 30 September 2011, the Listing Appeals Committee decided to accept the Resumption Proposal set out in the Company's submission (the "Resumption Submission"), subject to the Company's compliance with the following conditions (the "Resumption Conditions") to the satisfaction of the Listing Division of the Stock Exchange (the "Listing Division") as extracted and disclosed below:

1) the Company's operating profit for the year ending 2011 should not be less than HK$18 million;

2) obtaining approval from the Company's shareholders and the relevant courts (where applicable) for conditions 3 to 6;

3) completion of the arrangement for the capital reorganisation (the "Capital Restructuring"), which comprises the capital reduction, capital cancellation, share consolidation and the increase in authorised share capital as set out in the Resumption Submission;

4) completion of an open offer (the "Open Offer") on the basis of 7 offer shares (the "Offer Shares") for every one new share of the Company after the capital reorganization at HK$0.5622 each to be fully underwritten by the Investor as set out in the Resumption Submission;

5) obtaining the requisite creditors' approval for the debt restructuring/schemes of arrangement (with the relevant sanction from courts thereafter), under which a cash payment of HK$62 million out of the proceeds from the share subscription by the Investor will be paid to the Company's creditors and the Company will issue 14,823,936 new shares after the capital reorganization to the creditors of the Company or the scheme administrators for the benefit of the Company's creditors who agree to enter into the schemes of arrangement;

6) obtaining approval from the Executive of the SFC for both the whitewash waiver and the special deal as set out in the Resumption Submission;

7) production of a written confirmation to the Listing Division of the Stock Exchange by an independent auditor confirming the following:

    a. completion of the share subscription of 266,830,850 new shares of the Company (the "Subscription Shares") after the capital reorganization by the Investor at the subscription price of HK$0.5622 each at a total consideration of HK$150 million (the "Share Subscription"); and

    b. the net proceeds from the Share Subscription by the Investor are held by a bank in Hong Kong in the name of the Company;

8) full payment of all and any outstanding listing fees by the Company;

9) cancellation of the debenture over the assets of Supreme Wit Limited, a direct wholly-owned subsidiary of the Company;

10) confirmation from the Provisional Liquidators, with supporting information, as to the working capital sufficiency of the Company up to and at least twelve months after the date of resumption;

11) if resumption of trading does not take place before 1 April 2012, the Company to have published its audited accounts for the year ending 31 December 2011; and

12) the Investor to place down its shares to restore public float (as necessary) within one month of resumption of trading.

Save for the conditions 11 and 12, all of the above Resumption Conditions must be complied with to the satisfaction of the Listing Division of the Stock Exchange within six months from the date of the decision letter. The deadline may be extended by the Listing Division on good cause being shown by the Company. The Company, the Provisional Liquidators and the Investor are now taking appropriate steps to fulfil the Resumption Conditions.

On 5 January 2012, the Company, the Provisional Liquidators, the Investor and Mr. Huang as the guarantor (the "Guarantor") entered into an agreement to implement the proposed restructuring set out in the Resumption Submission.

According to the Resumption Submission, it is proposed that a scheme of arrangement for the Company under the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) and the Companies Act 1981 of Bermuda (as amended from time to time) be made between the Company and its creditors (the "Scheme"). On 20 March 2012, both the Hong Kong Court and Supreme Court of Bermuda (the "Bermuda Court") granted orders to convene the creditors' meeting to approve the Scheme. The meeting of the Scheme will be convened on 26 April 2012.

As it is expected that the Company will not able to fully satisfy the Resumption Conditions within the deadline imposed by the Listing Appeals Committee, on 28 March 2012, the Company made an application to the Listing Division of the Stock Exchange to seek additional time for the Company to fully satisfy the Resumption Conditions.

The Provisional Liquidators have provided regular updates on the status of the Group to the Hong Kong Court and suggested for the adjournment of granting the winding-up order against the Company. On 13 January 2012, the hearing of the Petition has been further adjourned to 16 July 2012.

Restoration of the Group's business

While taking steps and actions to fulfill the Resumption Conditions, the Company has been trying to resume its trading and processing of food products business. As mentioned in the section headed "Restructuring of the Group", with the working capital facility provided by the Investor, the Group has restored its trading business operations in the second half of 2009 by establishing the special purpose vehicle to carry out the trading and processing business.

In October 2010, the Group completed the acquisition of the entire issued share capital of Orient Legend International Limited ("Orient Legend") for an aggregate cash consideration of HK$10,000,000, pursuant to which the trading of food products were strengthened further. In October 2010, the Group entered into a processing agreement with two independent third parties which have production and processing facilities in Jiangmen, Guangdong Province, the People's Republic of China (the "PRC") (the "Sincere Gold Agreement"). According to the terms of the Sincere Gold Agreement, the Jiangmen processing plant will provide the processing of food products service for the Group. Leveraging on the large customers base and trading volume of Orient Legend, the Sincere Gold Agreement further strengthens the processing of food products business of the Group.

In addition, to further expand the Group's business, the Group had already begun the distribution of frozen foods products in Beijing area, as a first step, in the second half of 2011 as we recognised a strong demand for frozen food products in the PRC.

As announced on 10 June 2011, the Group intends to acquire a seafood trading business, namely, Sprintech Development Limited to intensify the seafood trading business, expanding its scale and maximizing the use of the cold storage and food processing capabilities obtained through the Sincere Gold Agreement ("Acquisition of Sprintech").

As the conditions set out in the agreement for the Acquisition of Sprintech ("Agreement") have not been satisfied on or before the date falling on the sixth calendar month from the date of the Agreement, the Agreement has been terminated pursuant to the terms of the Agreement. Such termination has no material adverse effect on the Company's business operations and its financial position.

Going concern

As at 31 December 2011, the Group had net current liabilities of approximately RMB387,880,000 (2010: approximately RMB379,655,000) and net liabilities of approximately RMB358,459,000 (2010: approximately RMB374,211,000) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments will have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which may arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. Adoption of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has adopted for the first time the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective for its accounting year beginning on 1 January 2011:

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 Amendment	Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues
HK(IFRIC)-Int 14 Amendment	Amendment to HK(IFRIC)-Int14 Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting polices, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans[4]
HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 Amendments	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income[3]
HKAS 12 Amendments	Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]
HKAS 32 Amendments	Presentation – Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[4]
Amendments to HKFRS 9 and HKFRS 7	Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments: Disclosures – Mandatory Effective Date of HKFRS 9 and Transition Disclosures[6]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2013
5 Effective for annual periods beginning on or after 1 January 2014
6 Effective for annual periods beginning on or after 1 January 2015

The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. Turnover

Turnover represents the invoiced value of goods sold, less value-added tax, goods returns and trade discounts during the year.

	2011	2010
	RMB'000	*RMB'000*
Sales of goods	**730,660**	144,006

5. Other income

	2011	2010
	RMB'000	*RMB'000*
Food processing income	**5,500**	–
Commission income	**1,329**	619
Storage fee income	**1,129**	569
Interest income	**32**	24
Sundry income	**22**	–
	8,012	1,212

6. Segment information

The Group has one reportable operating segment named "Frozen and functional food products" which refers to the processing and trading of food products mainly including frozen and functional food products.

The accounting policies of the operating segment are the same as those used in the preparation of the consolidated financial statements. Segment profit or loss do not include restructuring costs and finance costs arising from bank borrowings. Segment assets do not include amounts due from related parties and investments. Segment liabilities do not include bank borrowings and financial guarantee liabilities. Segment non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

Information about reportable segment profit or loss, assets and liabilities is as follows:

	Frozen and functional food products	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Years ended 31 December		
Revenue from external customers	**730,660**	144,006
Segment profit	**16,413**	7,595
Interest income	**7**	2
Finance costs arising from other borrowing and bank overdraft	**178**	–
Depreciation	**63**	–
Income tax expense	**2,674**	1,119
Additions to segment non-current assets	**244**	4
As at 31 December		
Segment assets	**95,730**	48,498
Segment liabilities	**81,280**	39,784

Reconciliations of reportable segment profit or loss, assets and liabilities:

	Year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Profit or loss		
Total profit or loss of reportable segments	**16,413**	7,595
Unallocated amounts:		
Unallocated corporate income and expenses	**(1,175)**	(1,415)
Restructuring costs	**(3,113)**	(3,725)
Finance costs arising from bank borrowings	**(7,178)**	(5,613)
Consolidated profit/(loss) before tax	**4,947**	(3,158)

	As at 31 December	
	2011	2010
	RMB'000	*RMB'000*
Assets		
Total assets of reportable segment	**95,730**	48,498
Unallocated amounts:		
Deferred tax assets	**216**	224
Goodwill	**4,986**	5,180
Unallocated corporate assets	**7,034**	9,066
Consolidated total assets	**107,966**	62,968
Liabilities		
Total liabilities of reportable segment	**81,280**	39,784
Unallocated amounts:		
Bank borrowings	**170,555**	177,192
Financial guarantee liabilities	**13,500**	13,500
Unallocated corporate liabilities	**201,090**	206,703
Consolidated total liabilities	**466,425**	437,179

Geographical information

	Revenue Year ended 31 December		Non-current assets As at 31 December	
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Canada	**31,767**	24,905	**–**	–
Mainland China	**642,965**	96,169	**–**	–
Hong Kong	**45,480**	18,400	**29,214**	5,220
Others	**10,448**	4,532	**–**	–
Consolidated total	**730,660**	144,006	**29,214**	5,220

In presenting the geographical information, revenue is based on the locations of the customers.

Revenue from major customers:

	As at 31 December	
	2011	2010
	RMB'000	*RMB'000*
Customer A	**235,365**	29,233
Customer B	**121,351**	19,658
Customer C	**87,567**	17,955
Customer D	**42,458**	10,597
Customer E	**36,797**	9,828

7. Finance costs

	2011	2010
	RMB'000	*RMB'000*
Interest expenses on:		
Bank borrowings wholly repayable within 1 year or on demand	**7,178**	5,613
Other borrowing wholly repayable within 1 year	**174**	–
Bank overdraft interest	**4**	–
	7,356	5,613

8. Profit/(loss) before tax

The Group's profit/(loss) before tax is stated after charging/(crediting) the following:

	2011	2010
	RMB'000	*RMB'000*
Directors' emoluments		
As directors	**228**	293
For management	**–**	–
	228	293
Auditor's remuneration	**298**	280
Staff costs including directors' emoluments		
Salaries, bonus and allowances	**3,068**	705
Retirement benefits scheme contributions	**102**	26
Less: forfeited contribution	**–**	(128)
	3,170	603
Acquisition-related costs (included in restructuring costs)	**43**	673
Cost of inventories sold	**704,637**	136,281
Depreciation	**71**	8
Net exchange losses	**254**	449
Other operating lease charges on the Sincere Gold Agreement	**2,176**	–
Operating lease charges on land and buildings	**691**	402

9. Income tax expense

	2011	2010
	RMB'000	*RMB'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**2,663**	1,119
Under-provision in prior years	**2**	–
	2,665	1,119
Deferred tax	**9**	–
	2,674	1,119

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the year.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expense and the profit/(loss) before tax is as follows:

	2011	2010
	RMB'000	*RMB'000*
Profit/(loss) before tax	**4,947**	(3,158)
Notional tax credit on loss before tax, calculated at the rates applicable in the tax jurisdictions concerned	**–**	(790)
Tax at the domestic income tax rate of 16.5% (2010: 16.5%)	**816**	–
Tax effect of income not taxable and expenses not deductible	**8**	1,909
Tax effect of tax losses not recognised	**1,848**	–
Under-provision in prior years	**2**	–
	2,674	1,119

10. Profit/(loss) for the year attributable to owners of the Company

The consolidated profit/(loss) for the year attributable to owners of the Company includes a loss of approximately RMB10,880,000 (2010: loss of approximately RMB9,793,000) which has been dealt with in the financial statements of the Company.

11. Dividends

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: Nil).

12. Earnings/(loss) per share attributable to owners of the Company

Basic earnings/(loss) per share

The calculation of basic earnings (2010: loss) per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately RMB2,273,000 (2010: loss attributable to owners of the Company of approximately RMB4,277,000) and the weighted average number of approximately 1,185,915,000 ordinary shares (2010: approximately 1,185,915,000 ordinary shares) in issue during the year.

Diluted earnings/(loss) per share

Diluted earnings (2010: loss) per share attributable to owners of the Company for both years are the same as the respective basic earnings/(loss) per share as the Company did not have any dilutive potential ordinary shares during both years.

13. Prepayments, deposits and other receivables

	2011	2010
	RMB'000	*RMB'000*
Non-current assets		
Prepayment and deposit for the Sincere Gold Agreement (note (a))	**24,018**	–
Current assets		
Prepayment and deposit for the Sincere Gold Agreement (note (a))	**2,453**	2,973
Deposit for the Agreement (note (b))	**409**	–
Advances to suppliers	**3,071**	3,270
Rental and other deposits	**530**	338
	6,463	6,581

(a) On 5 October 2010, Pacific Prosper Limited ("Pacific Prosper"), an indirect wholly-owned subsidiary of the Company, entered into the Sincere Gold Agreement pursuant to which the total rental for a five-year period and security deposit are HK$15,000,000 and HK$20,000,000 respectively. In November 2010, HK$3,500,000 was paid and the balance of HK$31,500,000 was paid in February 2011.

The operating lease commenced since mid-February 2011 and HK$2,625,000 (approximately RMB2,176,000) was charged to profit or loss of the Group for the year ended 31 December 2011. As a result, the Group had remaining balances of rental prepayment and security deposit of HK$12,375,000 (approximately RMB10,118,000) and HK$20,000,000 (approximately RMB16,353,000) as at 31 December 2011, in which HK$3,000,000 (approximately RMB2,453,000) of the rental prepayment was classified as a current asset and the remaining rental prepayment of HK$9,375,000 (approximately RMB7,665,000) and the security deposit of HK$20,000,000 (approximately RMB16,353,000) are classified as non-current assets at the end of the reporting period.

(b) On 10 June 2011, Pacific Prosper and Mr. Chu Yin Tat and Ms. Tam Wai Chun (the "Vendors") entered into the Agreement pursuant to which Pacific Prosper conditionally agreed to purchase and the Vendors conditionally agreed to sell the entire issued share capital of the New Profit Global Limited at the consideration of HK$4.5 million in cash. In June 2011, HK$500,000 (equivalent to approximately RMB409,000) was paid. On 4 January 2012, the Group announced that the Agreement lapsed pursuant to its terms. Accordingly, the deposit for the Agreement was refunded.

14. Trade receivables

The Group's trading terms with customers mainly comprise credit and cash on delivery. The credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

The aging analysis of trade receivables as at the end of the reporting period, based on the invoice/contract date, and net of allowance, is as follows:

	2011	2010
	RMB'000	*RMB'000*
Within 1 month	**4,574**	12,692
More than 1 month but within 3 months	**22,338**	17,351
More than 3 months but within 6 months	**9,858**	2,130
More than 6 months but within 1 year	**2,159**	1,341
More than 1 year	**143**	–
	39,072	33,514

The aging analysis of trade receivables as at the end of the reporting period that are neither individually nor collectively considered to be impaired are as follows:

	2011	2010
	RMB'000	*RMB'000*
Neither past due nor impaired	**26,912**	30,043
More than 3 months but within 6 months	**9,858**	2,130
More than 6 months but within 1 year	**2,159**	1,341
More than 1 year	**143**	–
	39,072	33,514

Receivables that were neither past due nor impaired relate to a number of independent customers for whom there was no recent history of default.

15. Trade and bills payables

The aging analysis of trade and bills payables as at the end of the reporting period, based on the invoice/contract date, is as follows:

	2011	2010
	RMB'000	*RMB'000*
Within 1 month	**4,139**	11,523
More than 1 month but within 3 months	**8,916**	6,173
More than 3 months but within 6 months	**6**	974
More than 6 months but within 1 year	**665**	–
More than 1 year	**19**	–
	13,745	18,670

16. Accruals, other payables and deposits received

	2011	2010
	RMB'000	*RMB'000*
Finance costs payable	**22,880**	16,416
Accruals and other payables	**9,971**	7,048
Deposit received	**1,951**	1,623
Claim arising from a derivative financial instrument *(note (a))*	**101,648**	105,604
Amount due to a former director of the Company *(note (b))*	**55,803**	57,975
Amount due to a director of the subsidiaries *(note (b))*	**4,521**	3,573
Amount due to the Investor *(note (c))*	**64,591**	34,263
	261,365	226,502

Notes:

(a) Included in the accruals, other payables and deposits received of the Group is a claim arising from a derivative financial instrument with a carrying amount of US$15,979,544 (equivalent to approximately RMB101,648,000) (31 December 2010: US$15,979,544 (equivalent to approximately RMB105,604,000)). The claim is arising from a notice of early termination of a US$ interest rate swap agreement dated 3 November 2008 served by a commercial bank. The Provisional Liquidators had engaged a Hong Kong legal advisor to assist in reviewing the claim lodged by that commercial bank.

(b) The amounts due to a former director of the Company and a director of the subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

(c) The amount due to the Investor is non-interest bearing.

The outstanding balance included an amount of approximately RMB13.3 million advancement (the "Advancement") and an amount of HK$5 million (approximately RMB4.1 million) earnest money (the "Earnest Money") paid by the Investor pursuant to the Exclusivity Agreement. The Advancement is used for payment of the restructuring fees and other professional fees during the restructuring process. If the completion of the restructuring fails to take place solely as a consequence of (i) the Investor failing to perform its obligations in material aspects; or (ii) the Investor breaching any of its obligations under the Exclusivity Agreement or any restructuring agreement in material aspects, the Earnest Money shall be forfeited and released to the Provisional Liquidators for the benefit of the Company's creditors. If the Exclusivity Agreement is terminated or if the completion of the restructuring fails to take place because of any reason(s) other than the failure or the breach by the Investor as aforesaid stated, the Earnest Money shall be refunded to the Investor. Upon the completion of the restructuring, the Earnest Money and the Advancement shall form part of the subscription proceeds payable by the Investor. Both the Earnest Money and the Advancement are unsecured.

The remaining outstanding balance approximately RMB47.1 million is the loan (the "Loan") paid by the Investor pursuant to the working capital facility and for the use of the operation of Supreme Wit and its operating subsidiaries. The Loan is secured by the floating charge on all the assets of Supreme Wit, a direct wholly-owned subsidiary of the Company, and has no fixed terms of repayment.

(d) All amounts of the accruals, other payables and deposits received as stated above were recognised based on the books and records of the Group made available to the directors and the Provisional Liquidators.

17. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the reclassification of certain expenses previously classified under administrative expenses to restructuring costs. The new classification of the accounting items was considered to provide a more appropriate presentation of the financial results of the Group.

SUMMARY OF INDEPENDENT AUDITOR'S REPORT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The auditor has included the following qualification paragraphs in the independent auditor's report to draw the shareholders' attention:

"Basis for disclaimer of opinion

1. Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2010 (the "2010 Financial Statements"), which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and the material uncertainty in relation to going concern, details of which are set out in our audit report dated 16 February 2011. Accordingly, we were then unable to form an opinion as to whether the 2010 Financial Statements gave a true and fair view of the state of affairs of the Group as at 31 December 2010 and of the Group's results and cash flows for the year then ended.

2. Deconsolidation of the subsidiaries

Certain subsidiaries of the Company were deconsolidated from the Group since 1 July 2008. No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of the subsidiaries since 1 July 2008 and throughout the years ended 31 December 2010 and 2011.

Accordingly, no sufficient evidence has been provided to satisfy ourselves, in relation to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the year ended 31 December 2011 and the Group's financial positions as at that date.

3. Accruals, other payables and deposits received

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the amount due to a former director of the Company of approximately RMB55,803,000 as at 31 December 2011 as included in the accruals, other payables and deposits received of approximately RMB261,365,000 in the consolidated statement of financial position.

4. Financial guarantee liabilities

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the financial guarantee liabilities of RMB13,500,000 as at 31 December 2011 in the consolidated statement of financial position.

5. Commitments and contingent liabilities

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 31 December 2011.

6. Related party transactions

No sufficient evidence has been provided to satisfy ourselves as to the existence, accuracy and completeness of the disclosures of the related party transactions for the year ended 31 December 2011 as required by Hong Kong Accounting Standard 24 (Revised) "Related Party Disclosures".

Any adjustments to the matters as described from points 1 to 6 above might have a significant consequential effect on the Group's results for the two years ended 31 December 2010 and 2011, the Group's cash flows for the two years ended 31 December 2010 and 2011 and the financial positions of the Group as at 31 December 2010 and 2011, and the related disclosures thereof in the consolidated financial statements.

Material uncertainty relating to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the consolidated financial statements which explains that a proposal for the resumption of trading in the Company's shares and the restructuring of the Group was submitted to The Stock Exchange of Hong Kong Limited on 6 October 2010.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis as described above, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2011 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance."

FINANCIAL REVIEW

For the year ended 31 December 2011, the Group recorded a turnover and a gross profit of approximately RMB730,660,000 (2010: approximately RMB144,006,000) and approximately RMB20,442,000 (2010: approximately RMB7,725,000) respectively. Profit for the year attributable to owners of the Company was approximately RMB2,273,000 (2010: loss of approximately RMB4,277,000). The Group's total turnover represented an increase of 407.38% as compared to the year 2010, while the Group's gross profit surged by approximately 164.62%. The Company's profit from operations for the year ended 31 December 2011 was approximately RMB15,416,000 (approximately equivalent to HK$18,594,000) (2010: profit of approximately RMB6,180,000 (approximately equivalent to HK$6,961,000)).

The increase in turnover of the Group was largely due to increase in contribution from Orient Legend which became a subsidiary of the Group in October 2010 as well as increase in turnover from sales of food products to North America, Hong Kong and other south-east asian countries from the food processing business of the Group. With the increase for demand for frozen food products from the PRC customers, the sales volume of Orient Legend increased substantially in 2011 with turnover, on a full year comparison basis, increased by almost 3 times to approximately RMB639 million in 2011.

With the increase in turnover of the Group, the gross profit of the Group increased substantially from approximately RMB 7,725,000 in 2010 to approximately RMB20,442,000 in 2011. Moreover, in February 2011, the Sincere Gold Agreement was completed as announced by the Company on 21 February 2011. Thereafter, the Group began to optimise the capacity of the food processing facilities leased under the Sincere Gold Agreement by providing food processing services to customers and deriving processing fee income of approximately RMB5,500,000 in the year 2011 which forms another value-added service and profit stream of the Group.

FINAL DIVIDEND

Payment of a final dividend is not proposed for the year ended 31 December 2011 (2010: nil).

BUSINESS REVIEW

The Company is an investment holding company. The Company, through its major subsidiaries, is principally engaged in the processing and trading of food products mainly including frozen and functional food products.

During 2011 financial year, the Company strived to integrate the different aspects of business operations to improve its overall operations despite the volatility of the global economic environment, the European debt crises and the economic downturn in the US in 2011. In particular, the Thailand flood in 2011 led to unstable supplies of raw materials as well as an increase in costs of the Group's sourcing.

Since October 2010, when the acquisition of Orient Legend completed, Orient Legend has contributed significantly to the sales of the Group. Despite relatively low profit margin, the Company believes that trading business of Orient Legend has enabled the Group to re-establish a trading platform to extend the Group's geographical coverage and enlarge the scale of the Group's operations. In order to intensify and strengthen the value-added services of the Group through the Jiangmen processing plant by taking advantage of the established trading volume already achieved by the Group, in October 2010, Pacific Prosper, a wholly-owned subsidiary of the Company, entered into the Sincere Gold Agreement which was completed in February 2011. With the in-house processing capabilities under the arrangement of Sincere Gold Agreement, more products covered by the trading orders received by the Group have been processed by the Jiangmen processing plant. In addition, the Group also started to provide food processing services for customers and deriving processing fee income during the 2011 financial year.

In addition, to further expand the Group's business, the Group had already begun the distribution of frozen foods products in Beijing area, as a first step, in the second half of 2011 as we recognised a strong demand for frozen food products in the PRC.

As announced by 10 June 2011, the Group intended to proceed with the Acquisition of Sprintech. As the conditions set out in the agreement for the Acquisition of Sprintech have not been satisfied on or before the date falling on the sixth calendar month from the date of the Agreement, the Agreement has been terminated pursuant to the terms of the Agreement. Such termination has no material adverse effect on the Company's business operations and its financial position.

RESTRUCTURING OF THE GROUP

Trading in the Shares on the Stock Exchange has been suspended since 9:30 a.m. on 15 December 2008 at the request of the Company. Mr. Stephen Liu Yiu Keung and Mr. David Yen Ching Wai were appointed as the Provisional Liquidators by the Hong Kong Court on 6 January 2009.

The Provisional Liquidators have been investigating into the affairs of the Group and have taken all necessary actions to preserve the assets and to assess the situation of the subsidiaries in the PRC. However, without the assistance of the former executive Directors, Mr. Yeung and Mr. Yang, who were the legal representatives of the subsidiaries in the PRC, the Provisional Liquidators would not be able to proceed the same. As such, legal actions have been taken against Mr. Yeung and Mr. Yang, in respective regions in the PRC for the possible damages to the Group resulting from their illegal possessions of the properties of the subsidiaries in the PRC, including but not limited to, the company chops and statutory certificates of the subsidiaries in the PRC. As the Provisional Liquidators have encountered difficulties in recovering the assets in PRC, without funding from creditors or other third parties, the Provisional Liquidators are unable to pursue the existing actions any further.

On 6 October 2010, Asian Capital and the Provisional Liquidators submitted the Resumption Proposal.

On 30 September 2011, the Listing Appeals Committee of the Stock Exchange decided to accept the Resumption Submission, subject to the Company's compliance with the following Resumption Conditions to the satisfaction of the Listing Division as extracted and disclosed below:

1) the Company's operating profit for the year ending 2011 should not be less than HK$18 million;

2) obtaining approval from the Company's shareholders and the relevant courts (where applicable) for conditions 3 to 6;

3) completion of the arrangement for the capital reorganisation (the "Capital Restructuring"), which comprises the capital reduction, capital cancellation, share consolidation and the increase in authorised share capital as set out in the Resumption Submission;

4) completion of an open offer (the "Open Offer") on the basis of 7 offer shares (the "Offer Shares") for every one new share of the Company after the capital reorganization at HK$0.5622 each to be fully underwritten by the Investor as set out in the Resumption Submission;

5) obtaining the requisite creditors' approval for the debt restructuring/schemes of arrangement (with the relevant sanction from courts thereafter), under which a cash payment of HK$62 million out of the proceeds from the share subscription by the Investor will be paid to the Company's creditors and the Company will issue 14,823,936 new shares after the capital reorganization to the creditors of the Company or the scheme administrators for the benefit of the Company's creditors who agree to enter into the schemes of arrangement;

6) obtaining approval from the Executive of the SFC for both the whitewash waiver and the special deal as set out in the Resumption Submission;

7) production of a written confirmation to the Listing Division of the Stock Exchange by an independent auditor confirming the following:

    a. completion of the share subscription of 266,830,850 new shares of the Company (the "Subscription Shares") after the capital reorganization by the Investor at the subscription price of HK$0.5622 each at a total consideration of HK$150 million (the "Share Subscription"); and

    b. the net proceeds from the Share Subscription by the Investor are held by a bank in Hong Kong in the name of the Company;

8) full payment of all and any outstanding listing fees by the Company;

9) cancellation of the debenture over the assets of Supreme Wit Limited, a direct wholly-owned subsidiary of the Company;

10) confirmation from the Provisional Liquidators, with supporting information, as to the working capital sufficiency of the Company up to and at least twelve months after the date of resumption;

11) if resumption of trading does not take place before 1 April 2012, the Company to have published its audited accounts for the year ending 31 December 2011; and

12) the Investor to place down its shares to restore public float (as necessary) within one month of resumption of trading.

Save for the conditions 11 and 12, all of the above conditions must be complied with to the satisfaction of the Listing Division of the Stock Exchange within six months from the date of this letter. The deadline may be extended by the Listing Division of the Stock Exchange on good cause being shown by the Company. The Company, the Provisional Liquidators and the Investor are now taking appropriate steps to fulfil the Resumption Conditions.

On 5 January 2012, the Company, the Provisional Liquidators, the Investor and Mr. Huang as the Guarantor entered into an agreement to implement the proposed restructuring set out in the Resumption Submission.

The Scheme is proposed in the Resumption Submission. On 20 March 2012, both the Hong Kong Court and Bermuda Court granted orders to convene the creditors' meeting to approve the Scheme. The meeting of the Scheme will be convened on 26 April 2012.

As it was expected that the Company would not able to fully satisfy the Resumption Conditions within the deadline imposed by the Listing Appeals Committee, on 28 March 2012, the Company made an application to the Listing Division of the Stock Exchange to seek additional time for the Company to fully satisfy the Resumption Conditions.

The Provisional Liquidators have provided regular updates on the status of the Group to the Hong Kong Court and suggested for the adjournment of granting the winding-up order against the Company. On 13 January 2012, the hearing of the Petition has been further adjourned to 16 July 2012.

PROSPECTS

The world economy continues to remain uncertain and the 2012 ahead is expected to be full of risk and challenge. However, the Group remains cautiously optimistic on our core business of processing and trading of foods products, especially by utilising the capacities of the food processing facilities leased under the Sincere Gold Agreement. The Group will continue to explore new customers in the PRC and diversify our products with a view to increase our sales through retail and wholesale channels. The Group will continue to prudently implement the above strategies for the benefit of the Group and all its stakeholders.

As set out in the section headed “Restructuring of the Group” above, on 30 September 2011, the Company received the in-principle approval from the Stock Exchange for the resumption of the trading in the Shares. The Company believes that with additional funds to be injected after completion of the proposed restructuring, the Group will be in better position to capture more market opportunities in the future.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial year under review.

CONTINGENT LIABILITIES

A full search of the contingent liabilities of the Group has not been conducted. Any lawsuits or winding-up petitions against the Company will be subject to the Court's approval and the relevant claims will be subject to a formal adjudication process, dealt with and compromised under the restructuring scheme upon the completion of the restructuring with the Investor.

The Provisional Liquidators are not aware of any potential claim against the subsidiaries as at 31 December 2011 and 31 December 2010.

PLEDGE OF ASSETS

As at 31 December 2011, all the assets of Supreme Wit, a direct wholly-owned subsidiary of the Company, were pledged to the Investor by way of floating charge to secure the working capital facility granted by the Investor to the Group.

EVENTS AFTER THE REPORTING PERIOD

On 5 January 2012, the Company, the Provisional Liquidators, the Investor and Mr. Huang as the Guarantor entered into an agreement in relation to, among others, the Capital Restructuring, the Open Offer, the Share Subscription, the Scheme and a group reorganisation (the "Restructuring Agreement"). For details of the Restructuring Agreement, please refer to the announcement published on 26 March 2012.

Applications have been submitted to the Hong Kong Court and Bermuda Court for leave to convene the Scheme meeting. On 20 March 2012, both the Hong Kong Court and Bermuda Court granted orders to convene the creditors' meeting to approve the Scheme. The meeting of the Scheme will be convened on 26 April 2012.

The Provisional Liquidators have provided regular updates on the status of the Group to the Hong Kong Court and suggested for the adjournment of granting the winding-up order against the Company. On 13 January 2012, the hearing of the Petition has been further adjourned to 16 July 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

As at 31 December 2011, there were four Directors, of which one was executive Director, namely Mr. Lee Wa Lun, Warren and three were independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Leung King Yue, Alex and Mr. Tang Chi Chung, Matthew. Mr. Wong Chi Keung was also the chairman of the Company. Mr. Lo Wai On resigned as independent non-executive Director with effect from 31 January 2011.

Remuneration Committee

The members of the remuneration committee of the Company during the year and up to the date of this report were:

WONG Chi Keung	(Chairman)
LEUNG King Yue, Alex	
LO Wai On	(resigned with effect from 31 January 2011)
TANG Chi Chung, Matthew	

The remuneration committee is responsible for advising the Board on the remuneration policy and framework of the Directors and senior management, as well as reviewing and determining the remuneration of all executive Directors and senior management with reference to the Company's objectives from time to time.

Audit Committee

The members of the audit committee of the Company during the year and up to the date of this report were:

WONG Chi Keung	(Chairman)
LEUNG King Yue, Alex	
LO Wai On	(resigned with effect from 31 January 2011)
TANG Chi Chung, Matthew	

The audit committee is responsible for reviewing the accounting principles and practices adopted by the Group and discussing auditing, internal control and financial reporting matters with the management. The audited consolidated financial statements of the Company for the year ended 31 December 2011 have been reviewed by the audit committee of the Company.

On 6 January 2009, the Provisional Liquidators were appointed by the Hong Kong Court to, among others, take control and possession of the assets of the Group, accordingly, the current Board is unable to comment as to whether the Company has complied with the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2011.

After the Stock Exchange approves the resumption of trading in the Shares and the Provisional Liquidators are discharged, appropriate personnel will be appointed to the Board and arrangement will be made to comply with the Code.

GENERAL

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:30 a.m. on 15 December 2008 and will remain suspended until further notice.

For and on behalf of
FIRST NATURAL FOODS HOLDINGS LIMITED
(Provisional Liquidators Appointed)
Stephen Liu Yiu Keung
David Yen Ching Wai
Joint and Several Provisional Liquidators

By order of the Board
FIRST NATURAL FOODS HOLDINGS LIMITED
(Provisional Liquidators Appointed)
Wong Chi Keung
Chairman

* *for identification purposes only*

Hong Kong, 30 March 2012

As at the date of this announcement, the board or directors comprises four directors of which Mr. Lee Wa Lun, Warren is an executive director; and Mr. Wong Chi Keung, Mr. Leung King Yue, Alex and, Mr. Tang Chi Chung, Matthew are independent non-executive directors.