The QR announcement is mandatory, made pursuant to the Exchange's requirements, as required under Listing Rule 705(2C).

UNITED FOOD HOLDINGS LIMITED

First Quarter Financial Statements for the Three Months Ended 30 June 2020

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

The figures presented below have not been audited.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 JUNE 2020

		Group		
		3 months ended	3 months ended	
		30 June 2020	30 June 2019	Change
	Note	RMB'000	RMB'000	%
CONTINUING OPERATIONS				
Revenue	(A)	142	6,819	(97.9)
Cost of sales		(97)	(6,175)	(98.4)
Gross profit	(B)	45	644	(93.0)
Other income, net	(C)	18	57	(68.4)
Selling and distribution costs		(209)	(373)	(44.0)
Administrative expenses	(D)	(1,871)	(3,092)	(39.5)
Finance expenses		(443)	(292)	51.7
Other expenses, net		(15)	(29)	(48.3)
Profit/(loss) before tax from continuing operations		(2,475)	(3,085)	(19.8)
Income tax expenses		-	-	N/M
Profit/(loss) for the period from continuing operations		(2,475)	(3,085)	(19.8)
DISCONTINUED OPERATION				
Loss for the period from a discontinued operation		-	-	N/M
Profit/(loss) for the period		(2,475)	(3,085)	(19.8)
Attributable to :				
Owners of the Company		(2,096)	(2,613)	(19.8)
Non-controlling interest		(379)	(472)	(19.7)

Note: For Notes (A) – (D), please refer to Item 8.

Note: N/A - Not applicable
N/M – Not meaningful

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 JUNE 2020

The Group's loss before tax is arrived at after charging:

	Group		
	3 months ended 30 June 2020 RMB'000	3 months ended 30 June 2019 RMB'000	Change %
Profit/(loss) for the period	(2,475)	(3,085)	(19.8)
Other comprehensive income/(loss)			
Exchange differences on translation of financial statements of foreign operation	(11)	941	N/M (98.8)
Total comprehensive profit/(loss) for the period	(2,486)	(2,144)	16.0
Attributable to :			
Owners of the Company	(2,136)	(1,666)	28.2
Non-controlling interest	(350)	(478)	(26.8)

The Group's profit before tax is arrived at after charging:	Group		
	3 months ended 30 June 2020 RMB'000	3 months ended 30 June 2019 RMB'000	Change %
Depreciation of property, plant and equipment			
- Continuing operations	553	564	(2.0)
- Discontinuing operations	-	-	N/M
	553	564	(2.0)
Amortisation of land use rights and intangible assets	79	79	0.0
Finance cost	443	292	51.7

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statementas at the end of the immediately preceding financial year

CONSOLIDATEDAND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		Group		Company	
		30/6/2020	31/3/2020	30/6/2020	31/3/2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Investment in subsidiary		-	-	9	9
Property, plant and equipment	(E)	17,125	17,678	-	-
Land use rights	(E)	10,783	10,828	-	-
Intangible asset - patents	(E)	141,519	141,553	-	-
Goodwill	(F)	12,742	12,742	-	-
		182,169	182,801	9	9
Current assets					
Inventories		2,495	2,554	-	-
Trade receivables	(G)	28,643	28,539	-	-
Other receivables	(H)	88,151	87,757	15,970	15,872
Short-term investment	(I)	40,000	40,000	-	-
Amount due from subsidiaries		-	-	106,915	106,930
Cash and cash equivalents		25,820	27,140	369	983
		185,109	185,990	123,254	123,785
Total assets		367,278	368,791	123,263	123,794
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital		18,685	18,685	18,685	18,685
Reserves		234,789	236,925	90,387	90,914
Equity attributable to owners of the company		253,474	255,610	109,072	109,599
Non-controlling interest	(J)	29,427	29,777	-	-
		282,901	285,387	109,072	109,599
LIABILITIES					
Current liabilities					
Trade and other payables	(K)	50,216	48,914	489	488
Amounts due to subsidiaries		-	-	13,702	13,707
Current tax payable		460	779	-	-
Bank loan		9,990	10,000	-	-
Contingent considerations	(L)	17,519	17,519	-	-
		78,185	77,212	14,191	14,195
Non-current liabilities					
Deferred tax liabilities		6,192	6,192	-	-
		6,192	6,192	-	-
Total equity and liabilities		367,278	368,791	123,263	123,794

Note: For Notes (E) to (L), please refer to Item 8.

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

Amount repayable in one year or less, or on demand

As at 30/6/2020		As at 31/3/2020	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
9,990	18,578	10,000	22,580

Amount repayable after one year

As at 30/6/2020		As at 31/3/2020	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
N/A	N/A	N/A	N/A

Details of any collateral

The bank loan of RMB 9.99 million is secured by a charge on certain land use right and building.

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
FOR THE THREE MONTHS ENDED 30 JUNE 2020

	Group	
	3 months ended 30 June 2020	3 months ended 30 June 2019
	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax		
From continuing operations	(2,475)	(3,085)
From a discontinued operation	-	-
Adjustments for:		
Amortisation of land use rights and intangible assets - patents	79	79
Depreciation of property, plant and equipment	553	564
Translation difference	(11)	941
Finance cost	443	292
Bank interest income	(18)	(57)
Cash flow used in operating activities before working capital changes	(1,429)	(1,266)
Change in inventories	59	(857)
Change in trade and other receivables	(498)	1,839
Change in trade and other payables	5,304	(509)
Cash used in operations	3,436	(793)
Tax paid	(319)	-
Net cash (used in) / generated from operating activities	3,117	(793)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash used for property, plant and equipment	-	(5)
Interest received	18	57
Net cash generated from / (used in) investing activities	18	52
CASH FLOW FROM FINANCING ACTIVITIES		
Advance from (Repayment to) a shareholder	(4,002)	1,147
Repayment of bank loan	(10)	-
Finance cost	(443)	(292)
Net cash (used in) / generated from financing activities	(4,455)	855
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,320)	114
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	27,140	73,832
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	25,820	73,946

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	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2020	18,685	58,276	397,141	(223,930)	2,456	2,982	29,777	285,387
Transactions with the owners recognised directly in equity								
Issue of new shares	-	-	-	-	-	-		-
Acquisitions of subsidiaries	-	-	-	-	-	-		-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Profit/(loss) for the period	-	-	-	(2,096)	-	-	(379)	(2,475)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(40)	-	29	(11)
Total comprehensive profit/(loss) for the period	-	-	-	(2,096)	(40)	-	(350)	(2,486)
Balance at 30 June 2020	18,685	58,276	397,141	(226,026)	2,416	2,982	29,427	282,901

Group	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Non-contrilling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2019	15,975	48,729	397,141	(214,377)	(1,887)	2,982	30,641	279,204
Transactions with the owners recognised directly in equity								
Issue of new shares	-	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Profit/(Loss) for the period	-	-	-	(2,613)	-	-	(472)	(3,085)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	947	-	(6)	941
Total comprehensive loss for the period	-	-	-	(2,613)	947	-	(478)	(2,144)
Balance at 30 June 2019	15,975	48,729	397,141	(216,990)	(940)	2,982	30,163	277,060

Company	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2020	18,685	58,276	397,141	(367,040)	(445)	2,982	109,599
Transactions with the owners recognised directly in equity							
Issue of new shares	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-
Total comprehensive income for the period							
Loss for the period	-	-	-	(516)	-	-	(516)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(11)	-	(11)
Total comprehensive income for the period	-	-	-	(516)	(11)	-	(527)
Balance at 30 June 2020	18,685	58,276	397,141	(367,556)	(456)	2,982	109,072

Company	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2019	15,975	48,729	397,141	(363,322)	(2,168)	2,982	99,337
Transactions with the owners recognised directly in equity							
Issue of new shares	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-
Total comprehensive income for the period							
Profit for the period	-	-	-	(674)	-	-	(674)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	667	-	667
Total comprehensive loss for the period	-	-	-	(674)	667	-	(7)
Balance at 30 June 2019	15,975	48,729	397,141	(363,996)	(1,501)	2,982	99,330

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

There were no treasury shares and subsidiary holdings. The Company does not have any shares that issued on conversion of any outstanding convertibles as at 30 June 2020 and 30 June 2019.

The acquisition of Hebei Xingrun Shengwu Keji Gufen Co., Ltd. ("HBXR"), Chengde Purun Shengwu Zhiyao Co., Ltd. ("CDPR") and Benchmark Trade Limited ("Benchmark") (the "Acquisition") was approved at the Special General Meeting ("SGM") held on 20 July 2018, and completed in end September 2018.Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

The Company had entered into a supplemental agreement with the parties on 7 June 2019 (the "2019 Supplemental Agreement"). The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the financial year end of FY2020, FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

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.

	Number of ordinary shares (par value of HK$0.10 each)	Number of ordinary shares (par value of HK$0.10 each)
Issued and fully paid:		
As at 1 April 2020 and 1 April 2019	187,902,647	157,901,384
Issuance of new shares during the three months period	-	-
As at 30 June 2020 and 30 June 2019	187,902,647	157,901,384

The Company did not hold any treasury shares as at 30 June 2020 and 30 June 2019.

The Acquisition was approved at the SGM held on 20 July 2018, and completed in end September 2018. Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

The Company had entered into 2019 Supplemental Agreement. The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the financial year end of FY2020,

FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

1(d)(iv) A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

The figures have not been audited nor reviewed.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

a) Updates on the efforts taken to resolve each outstanding audit issue.

1. Discontinued operations and Disposal group classified as held for sale

The auditors' report dated 24 June 2019 on the financial statements for the financial period ended 31 March 2019 contained a modified opinion as the auditors were denied access by the new owners to the financial information and management accounts of the Discontinued operations and Disposal group classified as held for sale that were disposed of in May 2018. The auditors stated that they were unable to carry out the procedures to satisfy themselves as to the extent of the loss of RMB17.1 million on discontinued operations for the 5-months period prior to the disposition of the subsidiaries and the reported gain on disposal of subsidiaries to the sum of RMB27.2 million arising from the disposal that has been included in the consolidated statement of profit or loss and comprehensive income of the Group for the 15-month period ended 31 March 2019.

The Company's Executive Director had contacted the head office of the Purchaser several times, but they responded that they were not allowed to provide the financial management information and related books and records to our auditor due to their company's ongoing technology and onsite developments which is confidential. Despite the efforts made by management, the denial of access by the Purchaser is beyond the control of the Company's Board and management.

2. Occurrence and accuracy of payroll expenses for redundant employees of RMB 3.4 million incurred by a subsidiary of the Group for the year ended 31 December 2017 ("FY2017 Payroll Expenses")

Management considers this issue to be resolved as the disposal of subsidiaries was completed in May 2018 and is of the view that the FY2017 Payroll Expenses did not have any impact on the current or comparative figures for the current financial year ending 31 March 2020.

b) Confirmation from the Board that the impact of all outstanding audit issues in the financial statements have been adequately disclosed.

The Board confirmed that the impact of all outstanding audit issues in the financial statements have been adequately disclosed.

The audit of financial statements for the year ended 31 March 2020 ("FY2020") is still in progress.

The Company will make appropriate announcement upon finalisation of the audited financial statements for FY2020.

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 unaudited financial statements as at 31 March 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") and all new and revised standards does not have any material financial impact on the Group's and Company's financial statements for the current financial period.

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 30 June 2020	3 months ended 30 June 2019
	RMB	RMB
PROFIT/(LOSS) PER ORDINARY SHARE		
(i) Based on weighted average number of ordinary shares in issue		
- For profit (loss) for the period	(0.01)	(0.02)
- For profit (loss) from continuing operations for the period	(0.01)	(0.02)
- For (loss) from discontinued operations for the period	-	-
(ii) On a fully diluted basis		
- For profit (loss) for the period	(0.01)	(0.01)
- For profit (loss) from continuing operations for the period	(0.01)	(0.01)
- For (loss) from discontinued operations for the period	-	-

(i) Profit/(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 ended 30 June 2020 of 187,902,647 (three months ended 30 June 2019 of 157,901,384 shares).

(ii) There were potential dilutive ordinary shares in existence for the three months ended of 30 June 2020, with diluted number of shares of 226,478,954, and diluted number of shares of three months ended 30 June 2019 of 196,477,691.

(iii) a. The Acquisition was approved at the SGM held on 20 July 2018, and completed in end September 2018. Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

b. The Company had entered into the 2019 Supplemental Agreement. The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the financial year end of FY2020, FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

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	
	30/6/2020	31/3/2020	30/6/2020	31/3/2020
	RMB	RMB	RMB	RMB
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 report on	1.35	1.36	0.58	0.58

The net asset value for the Group and the Company per ordinary share were calculated based on187,902,647 shares and 187,902,647 shares in issue as at 30 June 2020 and 31 March 2020 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 from continuing operations

The Group recorded revenue of RMB0.1 million in the First quarter ended 30 June 2020 ("1Q2021") compared to RMB6.8 million in 1Q2020, representing a decrease of 97.9%. The revenue of RMB0.1 million was mainly from the Group's Additives Related Segment of L-Ascorbyl Palmitate. The sharp drop was mainly due to the COVID-19 situation which affected both natural gas supply and market.

(B) Gross profit

Gross profit from continuing operations

The Group recorded a gross profit margin of 31.7% for the continuing operations in 1Q2021 which was mainly contributed by Additive Related Segment.

(C) Other income

Other income of RMB18,000 was recorded in 1Q2021comprised mainly interest income, as compared to other income of RMB57,000 in 1Q2020, representing a decrease of 68.4%.

(D) Administrative expenses

Administrative expenses decreased by RMB1.2 million or 39.5% in 1Q2021 compared to 1Q2020, due to operations slow-down arising from the COVID-19 pandemic.

(E) PPE, land use rights, intangible assets-patents

The decrease in PPE, land use rights and intangible assets was mainly attributable to depreciation and amortization charges.

Intangible assets- patents of RMB141.5 million was derived based on the closing balance of the audited financial statements as of 31 March 2019.

The amount is subject to change upon finalisation of the valuation report on patents, carried out by an independent valuer, Ascent Partner and the same is being reviewed by the Auditors.

(F) Goodwill

Goodwill is from the acquisition of Really Time Trading Limited, which was completed in August 2017.

Goodwill of RMB12.7 million was derived based on the closing balance of the audited financial statements as of 31 March 2019.

The amount is subject to change upon finalisation of the valuation report on patents, carried out by an independent valuer, Ascent Partner and the same is being reviewed by the Auditors.

(G) Trade receivables.

Trade receivables were mainly the receivables of Really Time Trading Limited.

(H) Other receivables.

Other receivables include deposits paid to the vendors of one potential acquisition projects amounting to RMB35 million, which will become part of the consideration after the completion of the acquisitions and/or refundable after the cancellation of the acquisitions. The potential acquisition projects have business operations which are similar in scope to the Group. The Group had received RMB3.5 million in May 2020 out of the total remaining proceeds of RMB15 million from disposal of SQ Grease. The balance proceeds of RMB11.5 million is expected to be received in September 2020.

(I) Short-term investment.

The Group has a short-term investment of RMB40.0 million in a low-risk fund managed by a licensed fund company in China under Shenzhen Hui Pu Seng Cai Fu Investment Co., Ltd., with reasonable return.

(J) Non-controlling interest.

Non-controlling interest comprises minority shareholder interests from Really Time Trading Limited, HBXR, CDPR and Benchmark.

(K) Trade and other payables

The trade payables were mainly from trading segment and other payables were mainly the other payables from subsidiaries of the acquisition of HBXR, CDPR. Also included in other payable is a cash purchase consideration from acquisition of new subsidiaries of RMB10 Million which have not yet paid as at 30 June 2020.

(L) Contingent considerations

Contingent considerations arose from the Acquisition which was completed in September 2018. The contingent consideration comprises the convertible bond to be issued which is contingent on the profit guarantee of the vendors. The contingent consideration is classified as financial liability measured at fair value, changes in fair value is recognized in profit and loss. In view of the COVID 19 outbreak, profit guarantee of the vendors for FY2020 might not be met.

Contingent considerations of RMB17.5 million was derived based on the closing balance of the audited financial statements as of 31 March 2019.

The amount is subject to change upon finalisation of the valuation report on patents, carried out by an independent valuer, Ascent Partner and the same is being reviewed by the Auditors.

(M) Cash flow statement

Net cash flow of RMB1.3 million was used in 1Q2021, in which net cash of RMB3.1million was generated in operating activities, net cash of RMB0.018million was generated in investing activities, and net cash of RMB4.5 million was used from financing activities.

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

Not applicable.

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

Despite challenging market conditions with the prolonged trade war between China and US, the Group continues to focus on sales and expansion of market share leveraging on its network and actively sourcing for new customers including venturing other means of new income stream for its L-Ascorbyl Palmitate license. The Company is also exploring the potential market for its L-Ascorbyl Palmitate in other agricultural countries.

The Group expect the prolonged COVID-19 outbreak to have significant adverse impact on its businesses. Notwithstanding China has relax its movement within its provinces in May 2020, amidst 2nd wave of mutated COVID-19, the local government has restored certain precaution measures such as border travel restriction. The impact of the COVID-19 remains uncertain and the Group is unable to quantify the impact at this point in time.

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

Not applicable

(d) Books Closure Date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared as the Company has incurred a net loss for 1Q2021.

13. Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Board of Directors of United Food Holdings Limited hereby confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out under Rule 720(1) of the Listing Manual were procured.

14. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed

For the 1Q2021, funds from the Net Proceeds raised from the Placement of 30,001,263 new ordinary shares have been utilised and the details were as depicted in table below:-

Table showing utilisation of Net Proceeds

Intended use of proceeds	Amount allocated	Amount utilised	Balance
Exploration of investments, acquisitions, strategic alliances and/or joint ventures	S$1,649,970.70	S$143,509.70	S$1,506,461.00
General working capital	S$707,130.30	S$707,130.30	Nil

As at to date, the utilisation of the net proceeds arising from the Placement is consistent with the intended use as disclosed in the announcements released on 5 July 2019, 13 August 2019, 23 August 2019 and 29 August 2019.

The Company will make further announcements via SGXNet on the use of the remaining proceeds as and when they are materially disbursed.

15. Aggregate Value of Interested Person Transactions Entered Into For The Three Months Ended 30 June 2020

Pursuant to Rule 920 of the SGX-ST's Listing Manual, details of the aggregate value of interested person transactions entered into for the three months ended 30 June 2020, were as follows: -

The Company does not have an IPT Mandate.

16. Confirmation by Directors pursuant to Clause 705(5) of the Listing Manual of the SGX-ST

On behalf of the Board of Directors of the Company, we, Wu Xiaoran and Song Yanan, being Directors of the Company, hereby 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 unaudited financial statements for the three months ended 30 June 2020 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
UNITED FOOD HOLDINGS LIMITED

Wu Xiaoran
Director
10 August 2020