

## **UNITED FOOD HOLDINGS LIMITED**

(Incorporated in Bermuda as an exempted company limited by shares)

(Company Registration No: 28925)

### **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 JUNE 2023**

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# UNITED FOOD HOLDINGS LIMITED

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 JUNE 2023

	Group			Change %
	3 months ended		30 June 2022 RMB'000	
	30 June 2023 RMB'000			
<b>CONTINUING OPERATIONS</b>				
Revenue	294	360	(18.3)	
Cost of sales	(138)	(201)	(31.3)	
Gross profit	156	159	(1.9)	
Other income, net	3	17	(82.4)	
Selling and distribution costs	(78)	(71)	9.9	
Administrative expenses	(8,719)	(3,273)	166.4	
Finance expenses	(16)	(206)	(92.2)	
Other expenses, net	-	-	N/M	
Profit/(loss) before tax	(8,654)	(3,374)	156.5	
Income tax expenses	-	(2)	N/M	
Profit/(loss) for the period	(8,654)	(3,376)	156.3	
Attributable to :				
Owners of the Company	(8,217)	(2,873)	186.0	
Non-controlling interest	(437)	(503)	(13.1)	

**Note: N/A - Not applicable**

**N/M – Not meaningful**

## UNITED FOOD HOLDINGS LIMITED

	Group			
	3 months ended			
	30 June 2023	30 June 2022	Change	
	RMB'000	RMB'000	%	
Profit/(loss) for the period	(8,654)	(3,376)	156.3	
Other comprehensive income/(loss)				
Exchange differences on translation of financial statements of foreign operation	1,289	(25)	N/M	
<b>Total comprehensive profit/(loss) for the period</b>	<b>(7,365)</b>	<b>(3,401)</b>	<b>116.6</b>	
Attributable to :				
Owners of the Company	(7,047)	(2,630)	167.9	
Non-controlling interest	(318)	(771)	(58.8)	
<b>The Group's profit before tax is arrived at after charging:</b>				
	Group			
	3 months ended			
	30 June 2023	30 June 2022	Change	
	RMB'000	RMB'000	%	
Depreciation of plant and equipment	206	225	(8.4)	
Depreciation of right of use asset	286	287	(0.3)	
Amortisation of intangible assets	-	-	N/M	
Finance cost	16	206	(92.2)	

# UNITED FOOD HOLDINGS LIMITED

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION FOR THE THREE MONTHS AS AT 30 JUNE 2023

	Group		Company	
	30/6/2023	31/3/2023	30/6/2023	31/3/2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in subsidiary	-	-	9	9
Property, plant and equipment	617	823	-	-
Right-of-use assets	19,839	20,125	-	-
Intangible asset - patents	-	-	-	-
Goodwill	3,049	3,049	-	-
	<u>23,505</u>	<u>23,997</u>	<u>9</u>	<u>9</u>
<b>Current assets</b>				
Inventories	1,760	1,760	-	-
Trade and other receivables	139,583	139,262	117	111
Amount due from subsidiaries	-	-	109,175	107,447
Cash and cash equivalents	556	1,328	171	914
	<u>141,899</u>	<u>142,350</u>	<u>109,463</u>	<u>108,472</u>
<b>Total assets</b>	<u>165,404</u>	<u>166,347</u>	<u>109,472</u>	<u>108,481</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Issued capital	18,685	18,685	18,685	18,685
Reserves	89,057	96,104	68,884	74,219
Equity attributable to owners of the company	107,742	114,789	87,569	92,904
Non-controlling interest	(4,443)	(4,125)	-	-
	<u>103,299</u>	<u>110,664</u>	<u>87,569</u>	<u>92,904</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	49,714	43,299	7,608	2,052
Amounts due to subsidiaries	-	-	14,295	13,525
Current tax payable	2,401	2,394	-	-
Borrowings	9,990	9,990	-	-
Contingent considerations	-	-	-	-
	<u>62,105</u>	<u>55,683</u>	<u>21,903</u>	<u>15,577</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total equity and liabilities</b>	<u>165,404</u>	<u>166,347</u>	<u>109,472</u>	<u>108,481</u>

## UNITED FOOD HOLDINGS LIMITED

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 JUNE 2023

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	RMB'000
Balance at 1 April 2023	18,685	58,276	397,141	(358,773)	(3,522)	2,982	(4,125)	110,664	
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	-	-	-	(8,217)	-	-	(437)	(8,654)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,170	-	119	1,289	
Total comprehensive profit/(loss) for the period	-	-	-	(8,217)	1,170	-	(318)	(7,365)	
Balance at 30 June 2023	18,685	58,276	397,141	(366,990)	(2,352)	2,982	(4,443)	103,299	
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	RMB'000
Balance at 1 April 2022	18,685	58,276	397,141	(348,637)	(4,366)	2,982	(2,796)	121,285	
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	-	-	-	(2,873)	-	-	(503)	(3,376)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	243	-	(268)	(25)	
Total comprehensive loss for the period	-	-	-	(2,873)	243	-	(771)	(3,401)	
Balance at 30 June 2022	18,685	58,276	397,141	(351,510)	(4,124)	2,982	(3,566)	117,884	

## UNITED FOOD HOLDINGS LIMITED

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 2023	18,685	58,276	397,141	(379,676)	(4,504)	2,982	92,904
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	-	-	-	(6,323)	-	-	(6,323)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	988	-	988
Total comprehensive income for the period	-	-	-	(6,323)	988	-	(5,335)
Balance at 30 June 2023	18,685	58,276	397,141	(385,999)	(3,516)	2,982	87,569
							-
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 2022	18,685	58,276	397,141	(374,266)	(5,128)	2,982	97,690
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	-	-	-	(693)	-	-	(693)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	74	-	74
Total comprehensive loss for the period	-	-	-	(693)	74	-	(619)
Balance at 30 June 2022	18,685	58,276	397,141	(374,959)	(5,054)	2,982	97,071

# UNITED FOOD HOLDINGS LIMITED

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 30 JUNE 2023

	<u>Group</u>	
	3 months ended	
	30 June 2023	30 June 2022
	RMB'000	RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	(8,654)	(3,374)
Adjustments for:		
Amortisation of land use rights and intangible assets - patents	-	-
Depreciation of plant and equipment	206	225
Depreciation of right of use assets	286	287
Translation difference	1,515	1,631
Finance cost	16	206
Bank interest income	-	(3)
Cash flow used in operating activities before working capital changes	(6,631)	(1,028)
Change in inventories	-	27
Change in trade and other receivables	(547)	(1,206)
Change in trade and other payables	6,422	2,321
Cash used in operations	(756)	114
Tax paid	-	-
Net cash (used in) / generated from operating activities	(756)	114
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposit for potential business acquisitions	-	-
Refund of deposit from potential business acquisitions	-	-
Interest received	-	3
Net cash generated from / (used in) investing activities	-	3
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advance from (Repayment to) a shareholder	-	273
Repayment of bank loan - interest	(16)	(206)
Net cash (used in) / generated from financing activities	(16)	67
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(772)	184
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	1,328	4,838
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	556	5,022

# UNITED FOOD HOLDINGS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### 1. Corporate information

United Food Holdings Limited (the “Company”) was incorporated in Bermuda on 14 August 2000 with limited liability under the Companies Act 1981 of Bermuda. The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Group is located at 16F The Hong Kong Club Building, 3A Chater Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are that of investment holding, trading of food products, additive related and animal feed/traditional medicine segment including L-Ascorbyl Palmitate or anti-oxidant manufactory machineries related selling.

These condensed interim financial statements as at and for the three months ended 30 June 2023 relate to the Company and its subsidiaries (collectively, the “Group”).

### 2. Summary of significant accounting policies

These condensed interim consolidated financial statements for the three months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in RMB and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

#### 2.1 New and amended standards adopted by the Group

There are no new standards, amendments to standards and interpretations effective for annual periods beginning on or after 1 April 2021, which will result in significant impact on the condensed interim financial statements of the Group.

#### 2.2 Use of estimates and judgments

In preparing the condensed interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as described in the last annual financial statements as at and for the year ended 31 March 2021.

#### 2.3 Auditor’s review

The condensed financial statements presented have not been audited or reviewed by the Company’s auditor.



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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

### 3. Seasonality of operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a business segment perspective. Management manages and monitors the business in the three primary business segments: trading, additive related, animal feed/traditional medicine business.

	Trading	Additive related	Animal feed/ traditional medicine	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
<b>For the three months ended 30 June 2023</b>				
<b>Revenue</b>				
Segment revenue to external parties	-	294	-	<b>294</b>
<b>Segment gross profit/(loss)</b>	-	156	-	<b>156</b>
<b>For the three months ended 30 June 2022</b>				
<b>Revenue</b>				
Segment revenue to external parties	-	350	10	<b>360</b>
<b>Segment gross profit/(loss)</b>	-	186	-27	<b>159</b>

#### (a) Reconciliation

A reconciliation of segment gross profit/(loss) to net profit/(loss) is as follows,		
	For the three months ended 30 June 2023	For the three months ended 30 June 2022
	RMB'000	RMB'000
<b>Segment gross profit/(loss) for reportable segments</b>	<b>156</b>	<b>159</b>
Other income, net	3	17
Selling and distribution costs	(78)	(71)
Administrative expenses	(8,719)	(3,273)
Finance expenses	(16)	(206)
Other expenses, net	-	-
Profit/(loss) before tax	(8,654)	(3,374)
Income tax expenses	-	(2)
<b>Net profit/(loss) for the period</b>	<b>(8,654)</b>	<b>(3,376)</b>

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

### 4. Segment and revenue information (con't)

#### (b) Geographical information

	Trading	Additive related	Animal feed/ traditional medicine	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
<b>For the three months ended 30 June 2023</b>				
Geographical information:				
Mainland China	-	294	-	<b>294</b>
Hong Kong	-	-	-	-
	-	294	-	<b>294</b>
<b>For the three months ended 30 June 2022</b>				
Geographical information:				
Mainland China	-	350	10	<b>360</b>
Hong Kong	-	-	-	-
	-	350	10	<b>360</b>

The Group's property, plant and equipment are located mainly in China as at 30 June 2023.

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

### 5. Profit/(loss) before tax

	Group			Change %
	3 months ended			
	30 June 2023 RMB'000	30 June 2022 RMB'000		
Profit/(loss) for the period	(8,654)	(3,376)	156.3	
Other comprehensive income/(loss)				
Exchange differences on translation of financial statements of foreign operation	1,289	(25)	N/M	
Total comprehensive profit/(loss) for the period	<u>(7,365)</u>	<u>(3,401)</u>	116.6	
Attributable to :				
Owners of the Company	<u>(7,047)</u>	<u>(2,630)</u>	167.9	
Non-controlling interest	<u>(318)</u>	<u>(771)</u>	(58.8)	
<b>The Group's profit before tax is arrived at after charging:</b>				
	Group			Change %
	3 months ended			
	30 June 2023 RMB'000	30 June 2022 RMB'000		
Depreciation of plant and equipment	206	225	(8.4)	
Depreciation of right of use asset	286	287	(0.3)	
Amortisation of intangible assets	-	-	N/M	
Finance cost	<u>16</u>	<u>206</u>	(92.2)	

### 6. Taxation

The Group's calculation on the period income tax expense using tax rate that would be applicable to the expected total annual earnings, the major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		
	3 months ended		
	30 June 2023 RMB'000	30 June 2022 RMB'000	
Current income tax expenses	-		(2)

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

### 7. Earnings per share

	Group	
	3 months ended	
	30 June 2023	30 June 2022
	RMB	RMB
<b>PROFIT/(LOSS) PER ORDINARY SHARE</b>		
(i) Based on weighted average number of ordinary shares in issue		
- For profit (loss) for the period	(0.04)	(0.02)
- For profit (loss) from continuing operations for the period	(0.04)	(0.02)
(ii) On a fully diluted basis		
- For profit (loss) for the period	(0.04)	(0.01)
- For profit (loss) from continuing operations for the period	(0.04)	(0.01)

### 8. Property, Plant and Equipment (“PPE”)

As at 30 June 2023, the Group’s PPE amounts to RMB0.6 million.

### 9. Borrowings

Amount repayable in one year or less

Group			
As at 30/6/2023		As at 31/3/2023	
Secured	Unsecured	Secured	Unsecured
RMB’000	RMB’000	RMB’000	RMB’000
9,990	-	9,990	-

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

### 10. Share Capital

	Number of ordinary shares '000	Amount HK\$000
<b>Group and Company</b>		
Beginning and end of financial period 2024	187,902	18,790
Beginning and end of financial period 2023	187,902	18,790

There is no change in the Company’s share capital during the period ended 30 June 2023. The Company does not hold any treasury shares as at 30 June 2023 and 30 June 2022. The Company does not have any shares that issued on conversion of any outstanding convertibles as at 30 June 2023 and 30 June 2022.

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

### 11. Net Asset Value

	Group		Company	
	30/6/2023	31/3/2023	30/6/2023	31/3/2023
	RMB	RMB	RMB	RMB
<b>NET ASSETS VALUE PER ORDINARY SHARE</b>				
Net asset backing per ordinary share based on existing issued share capital as at the end of the period report on	0.57	0.61	0.47	0.49

### 12. Financial assets and financial liabilities

	Group		Company	
	3 months ended		3 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial assets</b>				
Trade and other receivables	139,583	142,796	117	109
Amount due from subsidiaries	-	-	109,175	110,310
Cash and cash equivalents	556	5,022	171	1,036
<b>Total undiscounted financial assets</b>	<b>140,139</b>	<b>147,818</b>	<b>109,463</b>	<b>111,455</b>
<b>Financial liabilities</b>				
Trade and other payables	49,714	44,882	7,608	1,564
Amounts due to subsidiaries	-	-	14,295	12,829
Current tax payable	2,401	2,399	-	-
Borrowings	9,990	9,990	-	-
<b>Total undiscounted financial liabilities</b>	<b>62,105</b>	<b>57,271</b>	<b>21,903</b>	<b>14,393</b>

### 13. Related party transactions

The Group does not have any related party transaction during this period.

### 14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

The Company has engaged KPMG Services Pte. Ltd. (“KPMG”) to perform the special audit and the Company is working towards completing the special audit second half of 2023. The Company would submit an updated timelines to SGX-ST seeking approval for further extension of time to release the Company’s special audit report and convene the annual general meeting for the financial year ended 31 March 2022. The Company would also submit to SGX-ST afresh application for an extension of time to meet the requirements of Rule 1314 of the Listing Manual.

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### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

- a. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- b. **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.

The auditors had issued a Disclaimer of Opinion due to its inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements for FY2021. Full details of the Disclaimer of Opinion were released on 6 September 2021 to SGX-ST via SGXNet.

1. Impairment assessment of non-financial assets  
i. Reliability of the key assumption to the Forecast

Ascent Partners has confirmed that the valuation was performed with reference to International Valuation Standard (“**IVS**”).

According to Ascent Partners’ understanding, the historical data (financial performance of the valuation targets) provided by the Company have been audited, and hence, Ascent Partners believed that those data have gone through professional processes so that they were from reliable sources to be incorporated in the valuation task, which is consistent with the requirement in IVS.

For the key assumptions and forecast provided by the management, Ascent Partners have made the appropriateness assessment as follows:

- i. Ascent Partners have made enquiry to the Management about the expected date of the resumption of gas supply, and request for any related supporting documents after noting the gas supply issue. In response to Ascent Partners’ enquiry, the Management provided the correspondence documents regarding the subject matter of the gas pipeline to the local authority, and the official public notice by the local authority with the expected date of the gas supply resumption. Such evidence was believed to be sufficient for the valuation task;
- ii. Ascent Partners have checked, reviewed and discussed the valuation forecast provided by the Management together with their business plan, product plan and consideration in the demand and supply under the COVID-19 situations. It was noted that the impacts regarding the lack of gas supply and the pandemic have been taken into consideration in the forecast, with the observations of low projected production outputs in the first forecast year and gradually increase in production outputs in the subsequent years;
- iii. Ascent Partners have reviewed the production forecast and found out that the outputs were within the max production capacity;
- iv. Ascent Partners have noted that the net profit margins of the financial forecast in CDPR were within a reasonable range as compared to net profit margins of the comparable guideline companies;

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### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

- v. Ascent Partners have made enquiry to the Management after noting the projected profit margins of HBXR were higher than those of comparable guideline companies, and have got confirmation from the Management that the unique features of the product have put them in good competitive advantages resulting in higher net profit margins; and
- vi. Ascent Partners have evaluated the risks and challenges of the Management to meet the financial projections as a result of the uncertainties faced by the Company included but not limited to the gas supply and COVID-19 factors, and as a result, Ascent Partners have applied a company specific risk premium to the discount rates in the Value in Use (“VIU”) valuation of both CDPR and HBXR to account for such uncertainties.

The Company has engaged another qualified valuer, Savills China for the FY2022 audit.

#### ii. Veracity of HBXR transactions

The Company has appointed KPMG as special auditor following the approval obtained from SGX-ST for the aforesaid appointment on 14 December 2021. The special audit is currently in progress and targeted to be completed and released via SGXNet by second half of 2023.

#### 2. Deferred tax liabilities

Management will be evaluating the carrying amounts of the deferred tax liabilities during the audit process for the year ended 31 March 2022.

#### 3. Valuation of contingent consideration for acquisition of subsidiaries

Management has communicated with the valuer and confirmed that the valuer has taken a conservative approach in valuation. Although the valuer had taken a conservative approach, the uncertainty relates to the resumption of the supply of natural gas, which may or may not affect the audit disclaimer.

#### 4. Recoverability of financial assets

- i. Recoverability of deposit paid of RMB35.0 million to Shenzhen Sharehome Technology Co., Ltd. (“SST”)

The deposit of RMB35 million would be refunded per the terms and conditions of an agreement entered between SST and the Company, if the Company does not proceed with the investment.

To safeguard the Company’s interests, Ms Song Yanan, the Group’s Chairwoman and controlling shareholder has undertaken to recover the security deposit of RMB35 million from SST and/or to personally guarantee the repayment of the security deposit to the Company.

- ii. Recoverability of advances paid

The delivery of various LAP equipment to 惠州市康维健生物科技有限公司 Kangweijian has been fully completed in the first quarter of 2022. The Company expects fully repayment by December 2023 and has demanded for a monthly repayment schedule from Kangweijian

## UNITED FOOD HOLDINGS LIMITED

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

The Company received RMB1.65 million as of 31 December 2022, RMB0.94 million in the end of March 2023 and RMB0.1 million in the end of June 2023.

5. Veracity, existence and completeness of bank balances

Management has provided to the Board and the Audit Committee a notarized declaration in China dated 14 October 2020 by its employees that they had obtained directly from the bank the above bank statements. In addition, the Board and the Audit Committee have noted that these local or rural bank accounts had been closed and are now opened with a state-owned bank, China Construction Bank, which showed an account balance of RMB 24.0million based on the bank statement with that bank as at 27 July 2020.

The Company has appointed KPMG as special auditor following the approval obtained from SGX-ST for the aforesaid appointment on 14 December 2021. The special audit is currently in progress and targeted to be completed by second half of 2023.

6. Impairment of goodwill

The Company has engaged Savills China as a new professional valuer to assess the recoverable amount of goodwill together with the expected resumption of Really Time Trading Limited (“RTTL”)’s trading operations in due course.

7. Impairment of trade receivables

RTTL is actively making efforts to collect the outstanding receivables and has recovered more than HKD9.45 million as of 31 March 2022. RTTL has started to seek legal recourse against RTTL customers for payment based on the purchase contracts.

As of to date, the Company has received HKD2.40 million.

The Company expects to recover the remaining outstanding receivables from Shenzhen Huipusen Logistics Supply Chain Co., Ltd by the end of September 2023.

8. Impairment of amounts due from subsidiaries

Management is working closely on the Group’s business activities and will reassess the impairment assessment on the amount due by subsidiaries closer at year end.

9. Going concern

As stated in Note 2(a) to the financial statements 31 March 2021, the Group reported a net loss of RMB 67.9 million (2020: RMB 96.2 million) for the financial year ended 31 March 2021 and recorded a cash outflow from operating activities of RMB 58.3 million (2020: RMB 18.9 million). This indicates the existence of a material uncertainty which may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern.



## UNITED FOOD HOLDINGS LIMITED

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

Notwithstanding the above, the management believes that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 March 2021 is appropriate after taking into consideration the following factors:

- As at 31 March 2021, the Group has net current assets of RMB 96.2 million (2020: RMB119.2 million) and net assets of RMB 124.3 million (2020: RMB 195.5 million), including cash and cash equivalents of RMB20.6 million (2020: RMB 27.1 million);
- Cash flow forecast was prepared for the next 12 months after year end which showed that sufficient cash flows will be generated from operations to pay liabilities when they are due based on the assumptions made by management;
- Management expects the monies to be collected from the trade receivables and the return of the deposits paid for potential business acquisitions in the event there is no acquisition of the potential investee as well as the timely supply and installation of goods and services by the new supplier, Zhongfan, as disclosed in Note 16 to the financial statements; and
- The Group's Chairwoman and controlling shareholder, Ms Song Yanan, has on 18 July 2021, indicated her intention to the Board to support the Group's working capital requirements for the next 12 months after the reporting date.

The Company would endeavor to continue addressing the outstanding audit matters. Further, the Group's Chairwoman and controlling shareholder, Ms Song Yanan has indicated her willingness to the Board to continue supporting the Group's working capital requirement for the next 24 months until 4 August 2024.

- 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.

- c. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**
- (a) **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; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **Condensed Interim Consolidated Statement of Comprehensive Income**

##### **Revenue**

The Group recorded revenue of RMB0.3 million in the first quarter ended 30 June 2023 ("1Q2024") compared to RMB0.4 million in 1Q2023, representing a decrease of 18.3%. The revenue of RMB0.3 million was mainly from the services and supplies in the Group's Additives Related Segment.

## UNITED FOOD HOLDINGS LIMITED

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

#### Gross profit

The Group recorded a gross profit margin of 53.1% for the continuing operations in 1Q2024 which was mainly contributed by Additive Related Segment.

#### Other income

Other income of RMB3,000 was recorded in 1Q2024 comprised mainly public subsidy.

#### Administrative expenses

Administrative expenses of RMB8.7 million were recorded in 1Q2024 compared to RMB3.3 million in 1Q2023, representing a decrease of 16%.

#### Condensed Interim Statements of Financial Position

#### 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, which were derived based on the closing balance of the audited financial statements as of 31 March 2021.

#### Goodwill

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

Goodwill of RMB3.0 million was derived based on the closing balance of the audited financial statements as of 31 March 2021.

#### Trade and other receivables.

Trade receivables were mainly the receivables of Really Time Trading Limited and HBXR

Other receivables include deposits paid to the vendors of potential acquisition projects amounting to RMB85.0 million, which will become part of the consideration after the completion of the acquisitions and/or refundable after the cancellation of the acquisitions.

The details of trade and other receivables as at 30 June 2023 were as follows:

<b>Trade and other receivables</b>	<b>Amount (RMB)</b>	<b>Amount received as of 30 June 2023</b>
HBXR's trade receivables-康维健	44,852,000	RMB2,689,000
Really time's trade receivables	4,223,000	HKD2,400,000
Sundry trade receivables	636,000	-
SST	85,000,000	-
CDPR's other receivables	2,299,000	-
HBXR's other receivables	1,485,000	-
Sundry other receivables	1,088,000	-
<b>Total</b>	<b>139,583,000</b>	

#### Non-controlling interest.

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

## UNITED FOOD HOLDINGS LIMITED

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

#### 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 was a cash purchase consideration from acquisition of new subsidiaries of RMB10 million which have not been paid as at 30 June 2023.

The details of trade and other payables as at 30 June 2023 were as follows:

Trade and other payables	Amount (RMB)	Nature of underlying transactions
Really time's trade payables	7,131,000	Operation
Hebei project's trade payables	2,261,000	Operation
Sundry trade payables	30,000	Operation
Hebei Acquisition payables	10,000,000	Operation
CDPR's other payables	10,773,000	Operation
HBXR's other payables	8,337,000	Operation
Professional fees etc accrued	5,500,000	Operation
Really time's other payable	1,844,000	Operation
YR's other payables	1,030,000	Operation
Sundry other payables	2,808,000	Operation
<b>Total</b>	<b>49,714,000</b>	

#### 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 unexpected COVID 19 outbreak, profit guarantee of the vendors for FY2023 might not be met.

No Bonds have been issued as of to date as the amount of Bonds to be issued varies or depends on the amount of profits that are generated by CDPR, HBXR and Benchmark under the profits warranty given by the vendors in the Sales and Purchase Agreement.

The Company and its subsidiaries, Shenzhen Baoyao Agricultural Products Ltd. and Brighten Ocean International Ltd. have engaged a legal counsel and entered into a deed of termination with Chengde Xingxinda Shengwu Keji Co., Ltd., Chengde Pumeida Shengwu Keji Co., Ltd. and Lin Zhongshi in relation to the sale and purchase agreement dated 5 October 2017, as amended and supplemented by the supplemental agreements entered into by the parties on 26 June 2018, 1 October 2018 and 7 June 2019 for the acquisition of (i) 80% of the total equity interests in HBXR, (ii) 80% of the total equity interest in CDPR and (iii) 80% of the issued and paid-up share capital of Benchmark Trade Limited.

#### Cash flow statement

Net cash flow of RMB0.8 million was used in 1Q2024, in which net cash of RMB0.8 million was used in operating activities, and net cash of RMB16 thousand was used from financing activities. There were no investing activities in 1Q2024.

## UNITED FOOD HOLDINGS LIMITED

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

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

No forecast or prospect statement has been previously disclosed to the shareholders.

- e. **A commentary at the date of the announcement of the significant trends and 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 prolonged COVID-19 outbreak has significant adverse impact on the Group's Trading Segment businesses and the Company has suspended this business segment since the end of 2019.

The Company has commenced due diligence exercise in relation to the acquisition of SST and the same is ongoing. The Company will update shareholders on the status of the acquisition in due course.

The Company and its subsidiaries, Shenzhen Baoyao Agricultural Products Ltd. and Brighten Ocean International Ltd. had entered into a Deed of Termination with Chengde Xingxinda Shengwu Keji Co., Ltd., Chengde Pumeida Shengwu Keji Co., Ltd. and Lin Zhongshi in relation to the sale and purchase agreement dated 5 October 2017, as amended and supplemented by the supplemental agreements entered into by the parties on 26 June 2018, 1 October 2018 and 7 June 2019 for the acquisition of (i) 80% of the total equity interests in Hebei Xingrun Shengwu Keji Gufen Co., Ltd. ("**HBXR**"), (ii) 80% of the total equity interest in Chengde Purun Shengwu Zhiyao Co., Ltd. ("**CDPR**") and (iii) 80% of the issued and paid-up share capital of Benchmark Trade Limited. Please refer to the announcement in relation to the entry into the deed of termination released on 30 May 2023 for more details.

- f. **Dividends**

- (i) **Current financial period reported on**

**Any dividend declared for the current financial period reported on?**

No.

- (ii) **Corresponding period of the immediately preceding financial year**

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

No.

- (iii) **Date payable**

Not applicable.

## UNITED FOOD HOLDINGS LIMITED

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

**(iv) Books closure date**

Not applicable.

**g. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared (recommended) for the three month ended 30 June 2023 as the Company is in an accumulated loss position and the available cash is required for working capital.

**h. Interested person transaction disclosure**

The Company does not have any Interested Person Transaction.

**i. Confirmation pursuant to Rule 720(1) of the listing manual**

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.

**j. Confirmation pursuant to Rule 705(5) of the listing manual**

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 2023 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD  
UNITED FOOD HOLDINGS LIMITED

**Wu Xiaoran**

Executive Director

14 August 2023