

UNITED FOOD HOLDINGS LIMITED
(Incorporated in Bermuda as an exempted company limited by shares)
(Company Registration No. 28925)

**RESPONSES TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN
RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

The board of directors (the "Board") of United Food Holdings Limited (the "Company", and collectively with its subsidiaries, the "Group") had on 1 June 2021 received a total of 11 queries raised by the Singapore Exchange Securities Trading Limited (the "SGX-ST") with respect to the Unaudited Financial Statements for the financial year ended 31 March 2021 ("FY2021").

The SGX-ST has granted the Company an extension of time to respond the first 10 queries by 7 June 2021, with exception of the following Query 11 to be announced today.

SGX-ST Query 11

Auditors' Disclaimer of Opinion based on going concern

The Company's independent auditor issued a disclaimer of opinion raised over the Group's ability to operate as a going concern. We draw the Company's attention to Listing Rule 1303(3) which states that, "The Exchange may at any time suspend trading of the listed securities of an issuer in any of the following circumstances:-...(3) where the issuer is unable to continue as a going concern or unable to demonstrate to the Exchange and its shareholders that it is able to do so, including the following circumstance: (c) when the issuer is unable to reasonably assess its financial position and inform the market accordingly". In this regard:-

(a) Please elaborate with specific details on the Directors' views on (i) how the Group will be able to operate as a going concern; and (ii) how it has sufficient capital that will enable the Group to operate as a going concern. Please include indicative timelines and details of how the Company intends to operate as a going concern for the next 12 months.

Company's response:

The Board is of the view that the use of the going concern assumption in the preparation and presentation of the unaudited financial statements for FY2021 is appropriate after taking into consideration the following factors:

- Based on the unaudited financial statements for FY2021, the Group has net current assets of RMB159 million (2020 – RMB171 million) and net assets of RMB246 million (2020 – RMB259 million), including cash and cash equivalents of RMB21 million (2020 – RMB27 million);
- Management expects to recover the trade receivables of approximately RMB54 million in 3rd quarter and/or 4th quarter of 2021;
- Management expects the monies to be collected from 深圳农映食品开发集团有限公司 (Nongfu) by 30 June 2021; and
- The Group's Chairwoman and controlling shareholder, Ms Song Yanan, has indicated her intention to the Board to support the Group's working capital requirements for the next 12 months after the reporting date of the audited financial statements for FY2021.

(b) Provide the Board of Directors' opinion as to whether a trading suspension should be in place pursuant to Listing Rule 1303(3). To also substantiate the basis of the Board's views and quantify, where applicable.

Company's response:

Reference is made to Listing Rule 1303(3), the Board wishes to confirm that :

- i. No application is filed with a court to place the Company (or significant subsidiary) under judiciary management; and
- ii. No application is filed with a court for the liquidation of the Company (or significant subsidiary) and the amount of debt alleged is significant.

As illustrated above regarding the Company's financial position, the Company is able to operate as a going concern and therefore, trading suspension is not necessary.

(c) If the Board is able to justify and substantiate its view that the Company is able to operate as a going concern, provide the Board of Directors' confirmation that all material information has been fully disclosed by the Company to enable trading to continue on an informed basis.

Company's response:

Reference is made to the announcement titled "Entry into Cooperative Framework Agreement" released on 12 May 2021, Ms Song Yanan, the Group's Chairwoman and controlling shareholder has undertaken to recover the security deposit of RMB35 million from Shenzhen ShareiHome Technology Co, Ltd. or repay the security deposit to the Company if the salient terms and conditions of the agreement were not satisfied.

The Board, with the assurance of the Management, disclosed all material information as appropriate. The Company can operate as a going concern, with the current business strategies and working capital for the next 12 months. The Group will continue to assess and monitor closely the business development and will provide update or any other material developments as soon as practicable.

(d) If the Company is unable to operate as a going concern, ensure immediate compliance with Listing Rule 1303(3) with regards to the trading suspension required.

Company's response:

Please refer to Company's response to Query (b) above.

By Order of the Board

Song Yanan
Non-Executive Chairman
3 June 2021