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

PROPOSED PLACEMENT OF 30,001,263 NEW ORDINARY SHARES IN THE CAPITAL OF UNITED FOOD HOLDINGS LIMITED (THE "PLACEMENT")

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1. INTRODUCTION

The Board of Directors of United Food Holdings Limited (the "**Company**") wishes to announce that the Company had on 5 July 2019 entered into a placement agreement (the "**Placement Agreements**") with each of Ting Cheng-Fa and Ruifuer Trading Group Limited (collectively, the "**Placees**", and each a "**Placee**") pursuant to which the Company proposes to issue up to an aggregate of 30,001,263 new ordinary shares in the capital of the Company (the "**Placement Shares**") at a placement price of S$0.08 per Placement Share (the "**Placement Price**").

The Placement Price represents a premium of approximately 6.67% to the volume weighted average price of S$0.075 (approximately HK$0.431) for the trades done on the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 25 June 2019, the preceding market day up to the time which the Placement Agreements were signed.

The Placement Shares when issued will rank in all respects *pari passu* with the existing issued shares and be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before the completion of the Placement. For the purposes of this announcement, "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of shares.

No placement agent has been appointed in respect of the proposed Placement. Therefore, no commission or referral fees will be paid to any party.

2. CONDITIONS PRECEDENT TO THE PLACEMENT

Completion of the Placement is conditional upon:

(a) the in-principal approval (the "**AIP**") from SGX-ST for the Placement having been obtained (on terms and conditions acceptable to the Company and each of the Placees, each acting reasonably) and not being revoked or amended as at the completion date;

(b) any conditions attached to the AIP which is required to be fulfilled on or before the completion date, having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST;

(c) the Company or each of the Placees not in breach of any of the undertakings and covenants given in the respective Placement Agreements as at the completion date, and if any of such undertakings and covenants are required to be fulfilled on or before the completion date, such undertakings and covenants shall have been fulfilled prior to the completion date; and

(d) the Company having obtained SGX-ST's approval for the issuance and allotment, listing and quotation of the Placement Shares and the Placement.

In respect of the condition precedent set out in paragraph 2(a) above, the Company will be submitting an additional listing application to the SGX-ST for the AIP. The Company will make the necessary announcement once the AIP has been obtained from the SGX-ST.

3. RATIONALE FOR PLACEMENT

The Directors are of the opinion that after taking into consideration the internal resources, operating cashflow of the Company and its subsidiaries (the "**Group**"), and net proceeds of the Placement, the working capital available to the Group is sufficient to meet its present requirements.

The Company is proposing to undertake the Placement as it will result in an injection of funds into the Company and the Company will be able to increase and strengthen its general working capital in order to further expand existing business operations, undertake business development activities, including pursuing acquisition and joint venture opportunities as and when they arise.

4. MANDATE FOR THE ISSUE OF THE PLACEMENT SHARES

4.1 The Placement Shares will be issued pursuant to the general share issue mandate ("**General Issue Mandate**") approved by the shareholders of the Company at the annual general meeting of the Company held on 30 May 2018 for the Company to issue shares and make or grant offers, agreements or options that might or would require shares to be issued.

4.2 As at the date of this Announcement, there are 157,901,384 issued shares in the capital of the Company (the "**Shares**").

4.3 The aggregate of 30,001,263 Placement Shares, when allotted and issued in full, will represent 19.00% of the Company's existing and paid-up capital of 157,901,384 Shares as at the date of this announcement, and approximately 15.97% of the enlarged issued and paid-up share capital of 187,902,647 Shares upon completion of the Placement (assuming that no further Shares are issued on or prior to the completion of the Placement). Accordingly, the proposed issuance of the Placement Shares to be issued will fall within the limit of the General Issue Mandate.

5. FINANCIAL EFFECTS

5.1 As at the date of this announcement, the issued and paid up capital of the Company is HK$15,790,154[(1)] divided into 157,901,384 Shares. When allotted and issued in full, the Placement will increase the existing issued and paid-up share capital of the Company from HK$15,790,154 to HK$18,790,280[(1)], divided into 187,902,647 Shares.

5.2 The financial effects of the Placement on the Group are prepared based on the audited accounts of the Group for the financial period ended 31 March 2019 and the following assumptions:

(i) for purposes of computing the effect of the Placement on the net tangible asset ("**NTA**") per Share of the Group, it is assumed that the Placement had been completed on 31 March 2019; and

(ii) for purposes of computing the effect of the Placement on the equity per Share ("**EPS**") of the Group, it is assumed that the Placement had been completed on 1 April 2019

It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Company and the Group, after completion of the Placement.

	Before the Placement	After the Placement	After the Placement and assuming full conversion of the Bonds[(2)]
Issued share capital (RMB)	15,975,000	18,620,811	22,022,856
Number of issued shares	157,901,384	187,902,647	226,478,954
NTA per share (RMB)	0.72	0.67	0.63
Profit per share[(2)] (RMB)	0.40	0.33	0.28

Notes:

(1) Based on the exchange rate of S$1: HK$5.7420 as at 4 July 2019.

(2) Pursuant to the announcements made on 5 October 2017, 25 May 2018, 26 June 2018, 5 July 2018, 20 July 2018, 1 October 2018, 27 November 2018 and 7 June 2019, the Company has outstanding convertible bonds amounting to RMB85,000,000 ("**Bonds**"), convertible into 38,576,307 ordinary shares ("**Conversion Shares**") based on the conversion price of S$0.45.

6. USE OF PROCEEDS

When allotted and issued in full, the net proceeds from the Placement after deducting expenses incurred in connection with the Placement is expected to amount to S$2,357,101 (amounting to approximately RMB11,942,959 based on the exchange rate of S$1: RMB5.0668 as at 4 July 2019) and will be utilised by the Company in in the following proportions:

Use of Net Proceeds	Proportion	Amount of Net Proceeds (S$)
Exploration of investments, acquisitions, strategic alliances and/or joint ventures	70.0%	1,649,970.70
General Working Capital	30.0%	707,130.30

The Company will make an announcement as to the use of the proceeds from the Placement as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated use. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the proceeds from the Placement, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for used any other purposes on a short term basis as the Directors may deem fit, from time to time.

7. INFORMATION ON THE PLACEES

The number of Placement Shares to be allotted and issued to the Placees pursuant to the Placement is as follows:

Name of Placee	**Number of Placement Shares**	**As a percentage of the existing issued share capital of the Company[(1)]**	**As a percentage of the enlarged issued share capital of the Company[(2)]**	**As a percentage of the enlarged issued share capital of the Company assuming a full conversion of Bonds into Conversion Shares [(3)]**
Ting Cheng-Fa	7,105,562	4.50%	3.78%	3.14%
Ruifuer Trading Group Limited	22,895,701	14.50%	12.18%	10.11%

Notes:

(1) Based on the issued share capital of the Company of 157,901,384 Shares as at the date of this announcement.

(2) Based on the enlarged issued share capital of the Company of 187,902,647 Shares assuming the completion of the Placement.

(3) Based on the enlarged issue share capital of the Company of 226,478,954 Shares assuming (i) the completion of the Placement and (ii) the full conversion of the Bonds into 38,576,307 Conversion Shares.

As at the date of this announcement, Ting Cheng-Fa holds shares 5,804,343 Shares representing 3.68% of the total issued and paid up share capital of the Company. Upon completion of the Placement, he will hold 12,909,905 Shares representing 6.87% of the enlarged issued share capital of the Company, and 5.70% of the enlarged issued share capital assuming a full conversion of the Bonds into Conversion Shares.

As at the date of this announcement, Ruifuer Trading Group Limited does not hold any Shares in the issued share capital of the Company. As at the date of this announcement, none of the Placees has any connection (including business dealings) with the substantial shareholders of the Company or the Directors. The Placees are also not related to each other.

The Placees are private investors. The Placees were introduced to the Company by our Non-Executive Chairman, Ms Song Yanan. The Placees' subscriptions of the Placement Shares are for investment purposes only, and the Placees will not be holding the Placement Shares in trust or as a nominee. No commission has been paid or is payable by the Company to anyone in relation to the Placement. The Placees have no intention of influencing the management of or exercising control over the Company. Accordingly, the Placees do not intend to acquire additional shares in the Company such that their respective shareholdings in the Company shall reach 15 % or more of the enlarged issued and paid-up share capital of the Company.

8. GENERAL

None of the Placement Shares will be placed to any person or groups of as set out under Rule 812 of the Listing Manual of the SGX-ST.

None of the Placement Shares will be placed with the Directors or substantial shareholders of the Company or any of their respective related parties.

Save for their existing shareholding interests in the Company, none of the Directors of the Company has any interest, direct or indirect, in the Placement.

The Placement would not result in any transfer of controlling interest in the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Song Yanan
Non-Executive Chairman
Date: 5 July 2019