

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 2024

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 JUNE 2024

		Group		Change %
		3 months ended		
		30 June 2024 RMB'000	30 June 2023 RMB'000	
CONTINUING OPERATIONS				
Revenue		-	-	N/M
Cost of sales		-	-	N/M
Gross profit		-	-	N/M
Other income, net		-	-	N/M
Selling and distribution costs		-	-	N/M
Administrative expenses		(1,812)	(8,008)	(77.4)
Finance expenses		-	-	N/M
Other expenses, net		(4,107)	-	N/M
Loss before tax		(5,919)	(8,008)	(26)
Income tax expenses		-	-	N/M
Loss for the period from continuing operations		(5,919)	(8,008)	(26)
DISCONTINUED OPERATION				
Loss for the period from discontinued operation	Note 1	(2,497)	(646)	286.5
Loss for the period		(8,416)	(8,654)	(2.8)
Attributable to :				
Owners of the Company		(7,059)	(8,217)	(14.1)
Non-controlling interest		(1,357)	(437)	210.5

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

Note 1: United Food Holdings Limited decided to dispose the entire equity interests in the Chengde Purun Shengwu Zhiyao Co., Ltd. (“CDPR”), Hebei Xingrun Shengwu Keji Gufen Co., Ltd. (“HBXR”) and Benchmark Trade Limited (“BM”) (collectively known as “Target Companies”). Once the terms of disposal are confirmed, the Company will assist for the due diligence and valuation process. As at 30 June 2024, the financial result of Target Companies was classified as discontinued operation as a result of potential disposal of Target Companies.

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	Group			Change %
	3 months ended			
	30 June 2024 RMB'000	30 June 2023 RMB'000		
Loss for the period	(8,416)	(8,654)	(2.8)	
Other comprehensive income/(loss)				
Exchange differences on translation of financial statements of foreign operation	39	1,289	(97.0)	
Total comprehensive loss for the period	<u>(8,377)</u>	<u>(7,365)</u>	13.7	
Attributable to :				
Owners of the Company	<u>(7,114)</u>	<u>(7,047)</u>	1.0	
Non-controlling interest	<u>(1,263)</u>	<u>(318)</u>	297.2	
The Group's loss before tax is arrived at after charging:				
	Group			Change %
	3 months ended			
	30 June 2024 RMB'000	30 June 2023 RMB'000		
Depreciation of plant and equipment	105	206	(49.0)	
Depreciation of right of use asset	287	286	0.3	
Finance cost	<u>230</u>	<u>16</u>	1337.5	

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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Group		Company	
	30/6/2024	31/3/2024	30/6/2024	31/3/2024
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Investment in subsidiary	-	-	9	9
Property, plant and equipment	20	972	-	-
Right-of-use assets	-	20,104	-	-
Intangible asset - patents	-	-	-	-
Goodwill	3,049	3,049	-	-
	<u>3,069</u>	<u>24,125</u>	<u>9</u>	<u>9</u>
Current assets				
Inventories	-	1,768	-	-
Trade and other receivables	84,378	142,882	116	115
Amount due from subsidiaries		-	107,168	106,954
Cash and cash equivalents	4,570	735	25	474
	<u>88,948</u>	<u>145,385</u>	<u>107,309</u>	<u>107,543</u>
Disposal group classified as held for sale	67,733	-	-	-
	<u>156,681</u>	<u>145,385</u>	<u>107,309</u>	<u>107,543</u>
Total assets	<u>159,750</u>	<u>169,510</u>	<u>107,318</u>	<u>107,552</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital	18,685	18,685	18,685	18,685
Reserves	75,933	83,047	65,500	65,942
Equity attributable to owners of the company	94,618	101,732	84,185	84,627
Non-controlling interest	(6,758)	(5,495)	-	-
	<u>87,860</u>	<u>96,237</u>	<u>84,185</u>	<u>84,627</u>
LIABILITIES				
Current liabilities				
Trade and other payables	33,762	61,024	7,960	7,853
Amounts due to subsidiaries	-	-	15,173	15,072
Current tax payable	472	2,259	-	-
Borrowings	-	9,990	-	-
Contingent considerations	-	-	-	-
	<u>34,234</u>	<u>73,273</u>	<u>23,133</u>	<u>22,925</u>
Disposal group classified as held for sale	37,656	-	-	-
	<u>71,890</u>	<u>73,273</u>	<u>23,133</u>	<u>22,925</u>
Non-current liabilities				
Deferred tax liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity and liabilities	<u>159,750</u>	<u>169,510</u>	<u>107,318</u>	<u>107,552</u>

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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	RMB'000
Balance at 1 April 2024	18,685	58,276	397,141	(391,456)	(1,001)	2,982	84,627	
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	-	-	-	(505)	-	-	(505)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	63	-	63	
Total comprehensive loss for the period	-	-	-	(505)	63	-	(442)	
Balance at 30 June 2024	18,685	58,276	397,141	(391,961)	(938)	2,982	84,185	-
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	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 loss 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	

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 30 JUNE 2024

	Group	
	3 months ended	
	30 June 2024	30 June 2023
	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		
- from continuing operations	(5,919)	(8,008)
- from discontinued operations	(2,497)	(646)
Adjustments for:		
Amortisation of land use rights and intangible assets - patents	-	-
Depreciation of plant and equipment	105	206
Depreciation of right of use assets	287	286
Translation difference	202	1,515
Finance cost	230	16
Bank interest income	-	-
Cash flow used in operating activities before working capital changes	(7,592)	(6,631)
Change in inventories	1,768	-
Change in trade and other receivables	9,313	(547)
Change in trade and other payables	(5,608)	6,422
Cash used in operations	(2,119)	(756)
Tax paid	-	-
Net cash used in operating activities	(2,119)	(756)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance received for disposal of a subsidiary	3,000	-
Refund of deposit from potential business acquisitions	2,000	-
Cash used for property, plant and equipment	(20)	-
Interest received	-	-
Net cash generated from investing activities	4,980	-
CASH FLOW FROM FINANCING ACTIVITIES		
Advance from (Repayment to) a shareholder	995	-
Repayment of bank loan - interest	-	(16)
Net cash generated from / (used in) financing activities	995	(16)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,856	(772)
Exchange differences	-	-
Cash and cash equivalents at the beginning of period	735	1,328
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	4,591	556

Note: Cash and cash equivalents at the end of period are comprised of cash in continuing operation with the amount of RMB 4,570,000 and cash in discontinued operation with the amount of RMB 21,000.

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

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 2024 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 2024 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 2023.

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 2023, 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 2023.

2.3 Auditor’s review

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

3. Seasonality of operations

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

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

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.

	Continuing operations		Discontinued operations			Consolidated
	Trading	Sub-total	Additive related	Animal feed/ traditional medicine	Sub-total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
For the three months ended 30 June 2024						
Revenue						
Segment revenue to external parties	-	-	294	-	294	294
Segment gross profit/(loss)	-	-	156	-	156	156
For the three months ended 30 June 2023						
Revenue						
Segment revenue to external parties	-	-	294	-	294	294
Segment gross profit/(loss)	-	-	156	-	156	156

(a) Reconciliation

A reconciliation of segment gross profit/(loss) to net loss is as follows,	For the three months ended 30 June 2024	For the three months ended 30 June 2023
	RMB'000	RMB'000
Segment gross profit/(loss) for reportable segments	-	-
Other income, net	-	-
Selling and distribution costs	-	-
Administrative expenses	(1,812)	(8,008)
Finance expenses	-	-
Other expenses, net	(4,107)	-
Loss before tax	(5,919)	(8,008)
Income tax expenses	-	-
Loss for the period from continuing operations	(5,919)	(8,008)
Loss for the period from discontinued operations	(2,497)	(646)
Net loss for the period	(8,416)	(8,654)

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

4. Segment and revenue information (con't)

(b) Geographical information

	Continuing operations		Discontinued operations			Consolidated
	Trading	Sub-total	Additive related	Animal feed/ traditional medicine	Sub-total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the three months ended 30 June 2024						
Geographical information:						
Mainland China	-	-	294	-	294	294
Hong Kong	-	-	-	-	-	-
	-	-	294	-	294	294
For the three months ended 30 June 2023						
Geographical information:						
Mainland China	-	-	294	-	294	294
Hong Kong	-	-	-	-	-	-
	-	-	294	-	294	294

The Group's property, plant and equipment are located mainly in China as at 30 June 2024.

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

5. Loss before tax

	Group			Change %
	3 months ended			
	30 June 2024 RMB'000	30 June 2023 RMB'000		
Loss for the period	(8,416)	(8,654)	(2.8)	
Other comprehensive income/(loss)				
Exchange differences on translation of financial statements of foreign operation	39	1,289	(97.0)	
Total comprehensive loss for the period	<u>(8,377)</u>	<u>(7,365)</u>	13.7	
Attributable to :				
Owners of the Company	<u>(7,114)</u>	<u>(7,047)</u>	1.0	
Non-controlling interest	<u>(1,263)</u>	<u>(318)</u>	297.2	
The Group's loss before tax is arrived at after charging:				
	Group			Change %
	3 months ended			
	30 June 2024 RMB'000	30 June 2023 RMB'000		
Depreciation of plant and equipment	105	206	(49.0)	
Depreciation of right of use asset	287	286	0.3	
Finance cost	<u>230</u>	<u>16</u>	1337.5	

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 2024 RMB'000	30 June 2023 RMB'000
Current income tax expenses	-	-

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

7. Earnings per share

	Group	
	3 months ended	
	30 June 2024	30 June 2023
	RMB	RMB
LOSS PER ORDINARY SHARE		
(i) Based on weighted average number of ordinary shares in issue		
- For loss for the period	(0.04)	(0.04)
- For loss from continuing operations for the period	(0.03)	(0.04)
- For loss from discontinued operations for the period	(0.01)	(0.00)
(ii) On a fully diluted basis		
- For loss for the period	(0.03)	(0.04)
- For loss from continuing operations for the period	(0.02)	(0.04)
- For loss from discontinued operations for the period	(0.01)	(0.00)

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

As at 30 June 2024, the Group’s PPE amounts to RMB0.02 million.

9. Borrowings

Amount repayable in one year or less

Group			
As at 30/6/2024		As at 31/3/2024	
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
Group and Company		
Beginning and end of financial period 2025	187,902	18,790
Beginning and end of financial period 2024	187,902	18,790

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

There is no change in the Company's share capital during the three months ended 30 June 2024. The Company does not hold any treasury shares as at 30 June 2024 and 30 June 2023. The Company does not have any shares that issued on conversion of any outstanding convertibles as at 30 June 2024 and 30 June 2023.

11. Net Asset Value

	Group		Company	
	30/6/2024	31/3/2024	30/6/2024	31/3/2024
	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	0.50	0.54	0.45	0.45

12. Financial assets and financial liabilities

	Group		Company	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Trade and other receivables	84,378	139,583	116	117
Amount due from subsidiaries	-	-	107,168	109,175
Cash and cash equivalents	4,570	556	25	171
Total financial assets from continuing operations	88,948	140,139	107,309	109,463
Financial liabilities				
Trade and other payables	33,762	49,714	7,960	7,608
Amounts due to subsidiaries	-	-	15,173	14,295
Current tax payable	472	2,401	-	-
Borrowings	-	9,990	-	-
Total financial liabilities from continuing operations	34,234	62,105	23,133	21,903

13. Related party transactions

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

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

14. Subsequent events

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

The Company had on 14 August 2024 received from the Singapore Exchange Regulation Pte. Ltd. (“SGX RegCo”) a notification of delisting from the Official List of the Singapore Exchange Securities Limited (“SGX-ST”). Please refer to Regulatory Announcement dated 14 August 2024 for details.

Pursuant to Listing Rule 1306 of the SGX-ST Listing Manual, the Company or its controlling shareholder(s) must comply with Listing Rule 1309 of the SGX-ST Listing Manual which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit offer to shareholders. The Company is requested to inform the SGX-ST of the exit offer proposal as soon as practicable. The Company is also requested to provide updates via SGXNet on the status of the Company’s exit offer proposal, the Company will make necessary announcement(s) when the exit offer proposal is confirmed.

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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 FY2023. Full details of the Disclaimer of Opinion were released on 30 July 2024 to SGX-ST via SGXNet.

1. Veracity, existence and completeness of bank balances

- i. Inability to obtain bank confirmation and bank statements
- ii. Veracity of the bank statements and bank balance

Management has provided to the Board and the Audit Committee (“AC”) 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 AC 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 24.0 million based on the bank statement 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 was completed and announced on 5 August 2024.

2. Acquisition of 80% shareholding interests in the Target companies

- (a) Profit Warranty
- (b) Valuation of contingent consideration for the Acquisition

The Company and its subsidiaries, Shenzhen Baoyao Agricultural Products Ltd. and Brighten Ocean International Ltd. have entered into 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 (the “Acquisition”). The consideration for the Acquisition was RMB 120 million, comprising a cash deposit of RMB 25 million (the “Acquisition Deposit”), a cash payment of RMB 10 million upon completion of the Acquisition, and the balance of RMB 85 million payable by way of the issuance of zero per cent convertible bonds in the Company (the “Convertible Bonds”) which was subject to a profit warranty by the vendors (the “Profit Warranty”). The Profit Warranty by the vendors stated that HBXR, CDPR and Benchmark would achieve an

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

aggregate net profit after tax of at least RMB 25 million for each of FY2020, FY2021 and FY2022 (the "Adjusted Net Profit"). Further, in the event that the Adjusted Net Profit is negative, the vendors shall pay the losses in cash to the Company.

However since the auditor was unable to ascertain the correctness of the fair value gain on contingent consideration in relation to acquisition of the Target Companies. The Company decided to dispose the entire equity interests in the Target Companies. Once the terms of disposal are confirmed, the Company will assist for the due diligence and valuation process. The disposal consideration with reference to the valuation preform at the latest practical date that agree between the Company and buyer. The Company will make necessary announcement(s) as and when there is any material development. As at 30 June 2024, the financial result of Target Companies was classified as discontinued operation as a result of potential disposal of Target Companies.

3. Sales and Purchases – Kangweijian ("KWJ") and Zhongfan

Zhongfan is an equipment provider and has been providing the Group with corresponding equipment customization, installation, maintenance and other services. The LAP equipment sold to the Group's downstream companies is mainly provided by Zhongfan.

Based on the sales secured so far, the equipment of the downstream manufacturers could not be arranged in time as a result of some parts of the equipment assembly could not be imported from overseas, hence the order and delivery could not be fulfilled. To address this issue, the Group widened its geographic scope to work with multiple downstream industrial countries including Europe and India. The Group has identified Zhongfan as its downstream strategic partner for the sale of LAP equipment in 2021. Zhongfan will consolidate the components.

Zhongfan is one of the Group's equipment suppliers. The revenue stream of the Group was mainly selling customized equipment to the customer. In order for Zhongfan to provide the corresponding equipment, the Group would need to pay them in advance. These funds were mainly from the operating capital.

HBXR had signed a total 5 purchase contracts with Zhongfan, and prepaid RMB49 million for the purchase. The equipment includes a special tank for production, an evaporator, fully automatic vertical scraper centrifuge for filtering products, two in one washing and filtering, rake vacuum dryer for drying products, and the expansion of the food additive production line of KWJ installation items, etc. HBXR began to order the corresponding equipment from Zhongfan in 3Q 2020.

HBXR had entered into 3 sales contracts with KWJ for RMB77 million. The products sold include special tanks for production, evaporators, fully automatic vertical scraper centrifuges for filtration, two in one washing and filtration, rake vacuum dryer used and the expansion and installation project of the food additive production line of KWJ, etc. HBXR will provide project management expertise, production installation expertise and use of its patent for the sales contracts. The production of LAP equipment would be assembled in China which required special environment and technical know-how, which KWJ has the capability and capacity.

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

The annual report for FY2022 of the Company recognized a tax-inclusive revenue of RMB 59,543,000 and a corresponding tax-inclusive cost of RMB 52,875,000 after the completion of the delivery to KWJ with a receivable from KWJ amounting to RMB 42,873,500. The Company is making best effort to collect the outstanding balance and closely monitor the collection status.

4. Recoverability of deposits paid to Shenzhen Sharehome Technology Co., Ltd. (“SST”)

The Company engaged the following professionals to perform due diligence on the SST acquisition:-

- a) Baker Tilly as auditors;
 - b) Crowe Horwath Capital Pte. Ltd. as the financial advisor;
 - c) Cushman & Wakefield as the valuer; and
 - d) Rajah & Tan LLP (“R&T”) as a legal counsel in Singapore & JunHe LLP as a legal counsel in Beijing as the collaboration partner with R&T.
- (collectively, the ‘Professionals’)

According to the management, the Professionals have conducted the fieldwork and collected the corresponding data respectively. At present, the legal fieldwork in PRC China had been completed. The auditors had also completed collecting the audit samples and materials and are now in discussion on the extended scope of audit.

In general, the basic data for the valuation assessment had been collected and is at the stage of data verification.

Subject to the satisfaction of the due diligence exercise to be carried by the Group’s engaged professional valuer, the Company’s right of conversion of the security deposit of RMB35 million and loan receivable from SST of RMB 50 million into equity interest in the capital of SST shall be contingent upon the Company obtaining all relevant approvals (including from its shareholders).

The acquisition process was not completed due to drop in valuation as a result of COVID-19 and economic downturn, the Company requested SST to refund the security deposit and loan receivable from SST, and the Company received RMB 2 million refund from SST so far. The Company is making best effort to collect the outstanding balance and closely monitor the collection status.

- 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: -**

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- (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

Revenue from continuing operations

The Group recorded revenue of RMB0.0 million in the first quarter ended 30 June 2024 (“1Q2025”) compared to RMB0.0 million in 1Q2024.

Revenue from discontinued operations

The Group’s investments in Chengde Purun Shengwu Zhiyao Co., Ltd, Hebei Xingrun Shengwu Keji Gufen Co., Ltd and Benchmark Trade Limited related to additive related, and animal feed/traditional medicine segments are classified as assets held for sale at 30 June 2024.

The Group recorded revenue of RMB0.294 million in the first quarter ended 30 June 2024 (“1Q2025”) compared to RMB0.294 million in 1Q2024. The revenue of RMB0.294 million was mainly the technical service provided from the Group’s Additives Related Segment.

Gross profit

Gross profit from discontinued operations

The Group recorded a gross profit margin of 53.1% for the discontinued operations in 1Q2025 which was mainly contributed by Additive Related Segment.

Administrative expenses

Administrative expenses of RMB1.8 million was recorded in 1Q2025 compared to RMB8.0 million in 1Q2024, representing a decrease of 77.4%. The decrease was mainly due to reduction of professional fees accrued.

Other expenses.

Other expenses of RMB 4.1 million was recorded in 1Q2025 compared to RMB0.0 million in 1Q2024, which was the impairment of trade receivable from RTTL. The impact on impairment of other receivable from RTTL were considered due to long outstanding. The Company will commence legal action to recover this outstanding.

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Loss for the period from discontinued operation

Loss for the period from discontinued operation of RMB2.5 million was recorded in 1Q2025 compared to RMB0.6 million in 1Q2024, which was mainly from inventory impairment of Hebei project (RMB1.8 million). The impact on impairment of inventory impairment of Hebei project were considered due to long outstanding.

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 2023.

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 2022.

Trade and other receivables.

Other receivables include deposits paid to the vendors of potential acquisition projects amounting to RMB83.0 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 2024 were as follows:

Trade and other receivables	Amount (RMB)	Amount received as of 31 March 2024	Nature of underlying Transactions	Repayment Status
SST	83,000,000	-	The amount of RMB85.0 million comprised of RMB35.0 million refundable deposit for investment in SST and RMB50.0 million interest free loan. The holding company of SST is Shenzhen Taifeng Technology Co., Ltd. which held by Tomobo Intelligence Technology Co. Limited. The legal representative of SST is Lou Jin.	The AC has unanimously instructed for the refund of the SST deposit given the expiry of the long stop date. Ms Song is working on the SST transaction and will update the Company to make the necessary announcement(s) as and when there is any material development. The Company received RMB 2.0 million refund from SST by the end of June 2024.
Sundry other receivables	1,378,000			
Trade and other receivables from continuing operations	84,378,000			

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HBXR's trade receivables-康维健	42,874,000	RMB4,669,500	Provision of services and supplies in the Group's Additives Related Segment.	Please refer to the announcement "Debt Restructuring Framework – update on HBXR's trade receivables owing by Kangweijian" released on 27 November 2023 for more details.
Sundry trade receivables	422,000	-	-	-
CDPR's other receivables	2,218,000	-	-	-
HBXR's other receivables	1,281,000	-	-	-
Sundry other receivables	233,000	-	-	-
Trade and other receivables from discontinued operations	47,028,000			
Total trade and other receivables	131,406,000			

Non-controlling interest.

Non-controlling interest comprises minority shareholder interests from RTTL, HBXR, CDPR and Benchmark.

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, and 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 2024.

The details of trade and other payables as at 30 June 2024 were as follows:

Trade and other payables	Amount (RMB)	Nature of underlying transactions	Related parties or not
Really time's trade payables	7,059,000	Operation	Not
Sundry trade payables	30,000	Operation	Not
UFH's other payable	7,960,000	Operation	Not
Hebei Acquisition payables	10,000,000	Operation	Not
Shareholder's loan (interest free)	3,314,000	Operation	Yes
Advance received for disposal of subsidiaries	3,000,000	Operation	Not
Really time's other payable	2,027,000	Operation	Not
Sundry payables	372,000	Operation	Not
Trade and other payables from continuing operations	33,762,000		
Hebei project's trade payables	2,229,000	Operation	Not
CDPR's other payables	13,701,000	Operation	Not
HBXR's other payables	9,316,000	Operation	Not
Sundry payables	631,000	Operation	Not

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Trade and other payables from discontinued operations	25,877,000		
Total trade and other payables	59,639,000		

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 were not 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 decided to dispose the entire equity interests in the CDPR, HBXR and Benchmark. Once the terms of disposal are confirmed, the Company will assist for the due diligence and valuation process. The Company will make necessary announcement(s) as and when there is any material development. As at 30 June 2024, the financial result of CDPR, HBXR and Benchmark was classified as discontinued operation as a result of potential disposal of CDPR, HBXR and Benchmark.

Cash flow statement

Net cash flow of RMB3.9 million was generated in 1Q2025, in which net cash of RMB2.1 million was used in operating activities, net cash of RMB5.0 million was generated in investing activities and net cash of RMB1.0 million was generated in financing activities in 1Q2025.

- 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 Company decided to dispose the entire equity interests in CDPR, HBXR and Benchmark. Once the term of disposal are confirmed, the Company will assist for the due diligence and valuation process. The disposal consideration with reference to the valuation preform at the latest practical date that agree between the Company and buyer.

The board of directors and the Company had on 14 August 2024 received from the Singapore Exchange Regulation Pte. Ltd. ("SGX RegCo") a notification of delisting from the Official List of the Singapore Exchange Securities Limited ("SGX-ST").

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Pursuant to Listing Rule 1306 of the SGX-ST Listing Manual, the Company or its controlling shareholder(s) must comply with Listing Rule 1309 of the SGX-ST Listing Manual which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit offer to shareholders. The Company is requested to inform the SGX-ST of the exit offer proposal as soon as practicable. The Company is also requested to provide updates via SGXNet on the status of the Company's exit offer proposal, the Company will make necessary announcement(s) when the exit offer proposal is confirmed.

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.

(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 months ended 30 June 2024 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.

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

On behalf of the Board of Directors of the Company, we, 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 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
UNITED FOOD HOLDINGS LIMITED

Song Yanan

Non-Executive Chairman

10 October 2024