

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 FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

Unless otherwise specified, all capitalised terms used herein shall have the meanings ascribed to them in the announcement made by United Food Holdings Limited on 14 November 2021 with respect to the Unaudited Financial Statements for the financial period ended 30 September 2021 (the "Announcement").

The board of directors (the "**Board**") of United Food Holdings Limited (the "**Company**", and collectively with its subsidiaries, the "**Group**") wishes to provide its responses to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") with respect to the Unaudited Financial Statements for the financial period ended 30 September 2021 (the "**Financial Results**").

SGX-ST Query 1

Page 2 of the Financial Results – Cost of sales: RMB(19,000)

Explain why this decreased by 94.2%, while Revenue decreased by only 53.9%. What is the gross profit margin of the additive segment versus the animal feed/traditional medicine segment in the comparative period? Explain the reasons for changes in Cost of sales and gross profit margin, and the reasons for the high gross profit margin of 93.5% in 2Q2021.

Company's response:

The Revenue was primarily generated from management services of the Group's Additives Related Segment and expenses were mainly attributed to the employees' salaries and travel reimbursements. These were recorded under administrative expenses. Therefore, the decrease in Cost of Sales did not correspond with the decrease in Revenue. In addition, low production volume in animal feed/traditional medicine segment had led to lower Cost of Sales.

In light of COVID-19, the sales amount of the Additives Related Segment was not significant, and the cost was mainly for employees' expenses. There was no income recorded for animal feed/traditional medicine segment, hence the cost was negligible.

SGX-ST Query 2

Page 4 of the Financial Results – Trade and other receivables: RMB153,190,000

Provide a breakdown and ageing schedule by type, in bands of 3 months. All upper bands must be specified. Provide a discussion on collectability of each and the material amounts.

Company's response:

Trade and other receivables	Amount (RMB)	Ageing schedule	Collectability
Really time's trade receivables	12,921,000	Over 12 months	By 1 st quarter of 2022

Sundry trade receivables	590,000	Over 12 months	By 2 nd quarter of 2022
SST	59,900,000	Over 3 months	Please refer to response to SGX Query 7
惠州中凡	75,152,000	Over 3 months	By 2 nd quarter of 2022
Sundry other payable	4,627,000	Over 3 months	By 1 st quarter of 2022
Total	153,190,000		

SGX-ST Query 3

Page 4 of the Financial Results – Amount due from subsidiaries: RMB112,485,000

Provide a breakdown of the subsidiaries, the respective amounts owed by each, and underlying transactions for which these amounts arose.

Company's response:

Subsidiaries	Amount (RMB)	Transactions
Yi Kei Shenzhen	63,500,000	Proceeds from disposal of Post Ante
Really time trading	19,203,000	Payment on behalf for trade purchase and collection.
Yi Kei International	17,495,000	Payment on behalf for trade purchase and collection.
Baoyao Shenzhen	11,500,000	Proceeds from disposal of Post Ante
Sunny	787,000	Working capital
Total	112,485,000	

SGX-ST Query 4

Page 4 of the Financial Results – Trade and other payables: RMB66,476,000

Provide a breakdown by types. Disclose ageing schedule in bands of 3 moths, specifying all upper bands. Disclose reasons for long outstanding amounts and the nature of the underlying transactions.

Company's response:

Trade and other payables	Amount (RMB)	Ageing schedule	Nature of underlying transactions
Really time's trade payables	6,443,000	Over 12 months	Operation
Hebei project's trade payables	4,091,000	Over 12 months	Operation
Sundry trade payables	30,000	Over 3 months	Operation
Shareholder's loan	4,968,000	Over 3 months	Operation
Hebei Acquisition payable	10,000,000	Over 12 months	Operation
PR payable	9,355,000	Over 12 months	Operation
XR payable	26,397,000	Over 12 months	Operation
YR payable	1,323,000	Over 3 months	Operation
Sundry payable	3,869,000	Over 12 months	Operation
Total	66,476,000		

SGX-ST Query 5

Page 12 of the Financial Results – Borrowings

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

Provide details of the bank, when the loan is due to be repaid, the source of funds for the repayment, and the details of which land use rights and buildings are charged.

Company’s response:

Details of bank	When due to be repaid	Source of funds for repayment	Details of which land use right and building
BANK OF CHENGDE	9 January 2022	Operation	CDPR

SGX-ST Query 6

Page 12 of the Financial Results – Borrowings

“The unsecured balance of RMB4.97 million is the balance in other payables to shareholder.”

Explain the nature of this other payables to shareholder, the identity of the shareholder, and when the payable is due.

Company’s response:

Nature of other payables	Identity of the shareholder	Amount (RMB)
Shareholder loan	Golden Ever	137,000
Shareholder loan	曾妙云	4,831,000
	Total	4,968,000

Shareholder loans are loans based on the Company’s operating requirements and there is no fixed repayment term

SGX-ST Query 7

Page 15 of the Financial Results – Recoverability of financial assets

“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.”

Disclose when the Company will decide whether or not to proceed with the investment and if this decision is taken, how soon the RMB35 million deposit must be refunded.

Company's response:

The Company has commenced acquisition process of Shenzhen Shareihome Technology Co., Ltd. ("SST") and has engaged the following professionals:

1. 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
2. Crowe Howarth Capital Pte Ltd as the financial analyst
3. Cushman & Wakefield as the valuer

(collectively, the "**Parties**").

The Company and the Parties are pending information/clarification from the auditor of SST.

If the acquisition were not materialized, SST will refund the refundable deposit within 5 months from the date of notification.

Name	In arrears	Total amount Owing (RMB'000)	Amount owing as at 30 July 2021 (RMB'000)	Remarks
SST	July 2021	35,000	35,000	The Company had received a bank balance statement from China Construction Bank on 22 June 2021 provided by the Chairman indicating that she has sufficient resources to fulfil the financial obligations to meet the Company's short-term obligations if the Company failed to operate as a going concern and support the Group's working capital requirements for the next 12 months.

By Order of the Board

Song Yanan
Non-Executive Chairman
1 December 2021