

## UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda)

(Company Registration No. 28925)

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### APPLICATION FOR EXTENSION OF TIME TO MEET THE REQUIREMENTS OF RULE 1314 OF THE LISTING MANUAL OF THE SGX-ST TO EXIT FROM THE SGX-ST WATCH-LIST

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#### INTRODUCTION

The board of directors (the "**Board**") of United Food Holdings Limited (the "**Company**") refers to the Company's announcement dated 4 June 2019 with respect to the notification received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") of the Company being placed on the watch-list of the SGX-ST (the "**Watch-List**") with effect from 6 June 2019 pursuant to Rule 1311 of the Listing Manual of SGX-ST (the "**Listing Manual**").

The Company has 36 months (the "**Cure Period**") to meet the requirements for removal from the Watch-List (i.e. by 5 June 2022) pursuant to Rule 1314 of the Listing Manual (the "**Financial Exit Criteria**"). In the event that the Company is unable to meet the Financial Exit Criteria within the Cure Period, pursuant to Rule 1315 of the Listing Manual, the SGX-ST may either delist the Company or suspend the trading of the Company's shares with a view to delisting the Company.

Pursuant to Rule 1314 of the Listing Manual, the Company may apply to the SGX-ST for removal from the Watch-List if it records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S\$40 million or more over the last 6 months.

#### APPLICATION FOR EXTENSION OF TIME

The Board wishes to announce that as the Company requires more time to meet the Financial Exit Criteria for removal from the Watch-List by the deadline of 5 June 2022, the Company has submitted an application to the SGX-ST (the "**Extension Application**") to seek the SGX-ST's approval to extend the Cure Period for a period of 12 months.

#### RATIONALE FOR SEEKING FURTHER EXTENSION OF TIME

##### Special Audit

As announced by the Company on 17 December 2021, the Company has appointed KPMG LLP as special auditors to conduct a special audit (the "**Special Audit**") to verify the veracity of transactions involving Heibei Xingrun Shengwu Keji Gufen Co., Ltd. and Chengde Purun Shengwu Zhiyao Co., Ltd. and the inconsistencies of bank balances with respect to Shenzhen Yi Kei Logistics Supply-Chain Ltd and Shenzhen Bao Yao Agricultural Products Ltd (the "**Special Audit Scope of Work**"). Given the unprecedented circumstances of COVID-19 in China, coupled with the fact that the Company faced difficulties in transferring funds which led to the delay of payment to KPMG LLP and the resultant temporary suspension of the Special Audit by KPMG LLP, the Special Audit did not complete by end March 2022 as scheduled.

Given the Special Audit Scope of Work is related to the disclaimer of opinion by the Company's auditors, Foo Kon Tan LLP, the Company is of the view that its financial results for the fourth quarter and full year ended 31 March 2022 ("**4QFY2022 and Full Year Results**") announcement should be released

after the completion of the Special Audit. This is to allow the Company to provide update in addressing outstanding audit issues. As such, the Company will not be able to finalise its 4QFY2022 and Full Year Results by 30 May 2022, and have sought the Extension Application on that basis, amongst others.

#### Proposed Acquisition and Proposed Placement

The Company further refers to the following announcements made by the Company:

- (a) on 12 May 2021 in relation to its entry into a cooperation framework agreement with Shenzhen Shareihome Technology Co., Ltd. ("**SST**") on 22 April 2021 in relation to the development of equipment production (Agriculture Artificial Intelligence), automation technology and marketing on internet of Things. Subject to the satisfaction of the due diligence exercise, the Company has a right of conversion of its security deposit of RMB35 million into the capital of SST which remain contingent to the Company obtaining all relevant approvals (including from its shareholders) (the "**Proposed Acquisition**"); and
- (b) on 30 August 2021 in relation to the proposed placement of 37,580,529 new ordinary shares to each of Ip Ka Kit and Tsang Miu Wan at a placement price of S\$0.038 per placement share (the "**Proposed Placement**"). The Company is desirous of undertaking the Proposed 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.

The Company is desirous of pursuing the Proposed Acquisition and Proposed Placement with the view of generating new revenue and gradually achieving and growing its profitability, and has thus sought the Extension Application on the basis, amongst others, that it believes that the Proposed Acquisition and Proposed Placement would contribute to its ability to satisfy the Financial Exit Criteria.

The Company will like to remind Shareholders that there is no assurance that the SGXST will grant the Extension Application. As such, Shareholders are advised to exercise caution when dealing in the shares of the Company and to consult their professional advisers if they are in doubt as to any action to be taken in relation to their shares.

The Company will update the Shareholders of the outcome of the Extension Application once we hear from the SGX-ST.

By Order of the Board

Song Yanan  
Non-Executive Chairman

9 June 2022