The QR announcement is mandatory, made pursuant to the Exchange's requirements, as required under Listing Rule 705(2C).

UNITED FOOD HOLDINGS LIMITED

Second Quarter Financial Statements for the Six Months Ended 30 September 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3),HALF-YEAR AND FULL YEAR RESULTS

The figures presented below have not been audited.

1(a) An income statement and a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

		Group					
		3 months ended			6 months ended		
		30 September 2020	30 September 2019	Change	30 September 2020	30 September 2019	Change
	Note	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	(A)	636	7,432	(91.4)	778	14,251	(94.5)
Cost of sales		(328)	(6,495)	(94.9)	(425)	(12,670)	(96.6)
Gross profit	(B)	308	937	(67.1)	353	1,581	(77.7)
Other income, net	(C)	9	56	(83.9)	27	113	(76.1)
Selling and distribution costs		(239)	(270)	(11.5)	(448)	(643)	(30.3)
Administrative expenses	(D)	(1,835)	(4,311)	(57.4)	(3,706)	(7,403)	(49.9)
Finance expenses		(330)	(291)	13.4	(773)	(583)	32.6
Other expenses, net		(11)	-	N/M	(26)	(29)	(10.3)
Profit/(loss) before tax		(2,098)	(3,879)	(45.9)	(4,573)	(6,964)	(34.3)
Income tax expenses		-	-	N/M	-	-	N/M
Profit/(loss) for the period		(2,098)	(3,879)	(45.9)	(4,573)	(6,964)	(34.3)
Attributable to :							
Owners of the Company		(2,038)	(3,491)	(41.6)	(4,134)	(6,104)	(32.3)
Non-controlling interest		(60)	(388)	(84.5)	(439)	(860)	(49.0)

Note: For Notes (A) – (D), please refer to Item 8.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

The Group's loss before tax is arrived at after charging:

	Group					
	3 months ended			6 months ended		
	30 September 2020	30 September 2019	Change	30 September 2020	30 September 2019	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit/(loss) for the period	(2,098)	(3,879)	(45.9)	(4,573)	(6,964)	(34.3)
Other comprehensive income/(loss)						
Exchange differences on translation of financial statements of foreign operation	(1,791)	903	N/M	(1,802)	1,844	N/M
Total comprehensive profit/(loss) for the period	(3,889)	(2,976)	30.7	(6,375)	(5,120)	24.5
Attributable to :						
Owners of the Company	(3,833)	(2,584)	48.3	(5,969)	(4,250)	40.4
Non-controlling interest	(56)	(392)	(85.7)	(406)	(870)	(53.3)

The Group's profit before tax is arrived at after charging:

	Group					
	3 months ended			6 months ended		
	30 September 2020	30 September 2019	Change	30 September 2020	30 September 2019	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Depreciation of property, plant and equipment	559	628	(11.0)	1,112	1,192	(6.7)
Amortisation of land use rights and intangible assets	78	79	(1.3)	157	158	(0.6)
Finance cost	330	291	13.4	773	583	32.6

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statements at the end of the immediately preceding financial year

CONSOLIDATEDAND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

		Group		Company	
		30/9/2020	31/3/2020	30/9/2020	31/3/2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Investment in subsidiary		-	-	9	9
Property, plant and equipment	(E)	16,566	17,678	-	-
Land use rights	(E)	10,738	10,828	-	-
Intangible asset - patents	(E)	141,486	141,553	-	-
Goodwill	(F)	12,742	12,742	-	-
		181,532	182,801	9	9
Current assets					
Inventories		2,568	2,554	-	-
Trade receivables	(G)	25,656	28,539	-	-
Other receivables	(H)	96,492	87,757	15,933	15,872
Short-term investment	(I)	40,000	40,000	-	-
Amount due from subsidiaries		-	-	103,455	106,930
Cash and cash equivalents		1,740	27,140	434	983
		166,456	185,990	119,822	123,785
Total assets		347,988	368,791	119,831	123,794
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital		18,685	18,685	18,685	18,685
Reserves		230,956	236,925	87,457	90,914
Equity attributable to owners of the company		249,641	255,610	106,142	109,599
Non-controlling interest	(J)	29,371	29,777	-	-
		279,012	285,387	106,142	109,599
LIABILITIES					
Current liabilities					
Trade and other payables	(K)	34,835	48,914	507	488
Amounts due to subsidiaries		-	-	13,182	13,707
Current tax payable		440	779	-	-
Bank loan		9,990	10,000	-	-
Contingent considerations	(L)	17,519	17,519	-	-
		62,784	77,212	13,689	14,195
Non-current liabilities					
Deferred tax liabilities		6,192	6,192	-	-
		6,192	6,192	-	-
Total equity and liabilities		347,988	368,791	119,831	123,794

Note: For Notes (E) to (L), please refer to Item 8.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/9/2020		As at 31/3/2020	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
9,990	18,386	10,000	22,580

Amount repayable after one year

As at 30/9/2020		As at 31/3/2020	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
N/A	N/A	N/A	N/A

Details of any collateral

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

The unsecured balance comprised RMB17.5 million as the contingent consideration and RMB0.88 million is the balance in other payables to shareholder.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIXMONTHS ENDED 30 SEPTEMBER 2020

	Group			
	3 months ended		6 months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RMB'000	RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	(2,098)	(3,879)	(4,573)	(6,964)
	-	-	-	-
Adjustments for:				
Amortisation of land use rights and intangible assets - patents	78	79	157	158
Depreciation of property, plant and equipment	559	628	1,112	1,192
Translation difference	(1,791)	903	(1,802)	1,844
Finance cost	330	291	773	583
Bank interest income	(9)	(56)	(27)	(113)
Cash flow used in operating activities before working capital changes	(2,931)	(2,034)	(4,360)	(3,300)
Change in inventories	(73)	(316)	(14)	(1,173)
Change in trade and other receivables	(8,854)	(6,638)	(9,352)	(4,799)
Change in trade and other payables	(15,189)	2,865	(9,885)	2,356
Cash used in operations	(27,047)	(6,123)	(23,611)	(6,916)
Tax paid	(20)	-	(339)	-
Net cash (used in) / generated from operating activities	(27,067)	(6,123)	(23,950)	(6,916)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received for disposal of a subsidiary	3,500	-	3,500	-
Cash used for property, plant and equipment	-	(2)	-	(7)
Interest received	9	56	27	113
Net cash generated from / (used in) investing activities	3,509	54	3,527	106
CASH FLOW FROM FINANCING ACTIVITIES				
Advance from (Repayment to) a shareholder	(192)	142	(4,194)	1,289
Proceeds from issue of new shares	-	12,257	-	12,257
Repayment of bank loan	-	-	(10)	-
Finance cost	(330)	(291)	(773)	(583)
Net cash (used in) / generated from financing activities	(522)	12,108	(4,977)	12,963
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(24,080)	6,039	(25,400)	6,153
Exchange differences	-	-	-	-
Cash and cash equivalents at the beginning of period	25,820	73,946	27,140	73,832
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	1,740	79,985	1,740	79,985

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii)changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2020	18,685	58,276	397,141	(223,930)	2,456	2,982	29,777	285,387
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								
Profit/(loss) for the period	-	-	-	(4,134)	-	-	(439)	(4,573)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(1,835)	-	33	(1,802)
Total comprehensive profit/(loss) for the period	-	-	-	(4,134)	(1,835)	-	(406)	(6,375)
Balance at 30 September 2020	18,685	58,276	397,141	(228,064)	621	2,982	29,371	279,012

Group	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Non-contrilling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2019	15,975	48,729	397,141	(214,377)	(1,887)	2,982	30,641	279,204
Transactions with the owners recognised directly in equity								
Issue of new shares	2,710	9,547	-	-	-	-	-	12,257
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	2,710	9,547	-	-	-	-	-	12,257
Total comprehensive income for the period								
Profit/(Loss) for the period	-	-	-	(6,104)	-	-	(860)	(6,964)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,854	-	(10)	1,844
Total comprehensive loss for the period	-	-	-	(6,104)	1,854	-	(870)	(5,120)
Balance at 30 September 2019	18,685	58,276	397,141	(220,481)	(33)	2,982	29,771	286,341

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
Balance at 1 April 2020	18,685	58,276	397,141	(367,040)	(445)	2,982	109,599
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	-	-	-	(2,149)	-	-	(2,149)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(1,308)	-	(1,308)
Total comprehensive income for the period	-	-	-	(2,149)	(1,308)	-	(3,457)
Balance at 30 September 2020	18,685	58,276	397,141	(369,189)	(1,753)	2,982	106,142

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
Balance at 1 April 2019	15,975	48,729	397,141	(363,322)	(2,168)	2,982	99,337
Transactions with the owners recognised directly in equity							
Issue of new shares	2,710	9,547	-	-	-	-	12,257
Acquisitions of subsidiaries	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	2,710	9,547	-	-	-	-	12,257
Total comprehensive income for the period							
Profit for the period	-	-	-	(2,436)	-	-	(2,436)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,257	-	1,257
Total comprehensive loss for the period	-	-	-	(2,436)	1,257	-	(1,179)
Balance at 30 September 2019	18,685	58,276	397,141	(365,758)	(911)	2,982	110,415

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no treasury shares and subsidiary holdings. The Company does not have any shares that issued on conversion of any outstanding convertibles as at 30 September 2020 and 30 September 2019.

The acquisition of Hebei Xingrun Shengwu Keji Gufen Co., Ltd. ("HBXR"), Chengde Purun Shengwu Zhiyao Co., Ltd. ("CDPR") and Benchmark Trade Limited ("Benchmark") (the "Acquisition") was approved at the Special General Meeting ("SGM") held on 20 July 2018, and completed in end September 2018.Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

The Company had entered into a supplemental agreement with the parties on 7 June 2019 (the "2019 Supplemental Agreement"). The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the financial year end of FY2020, FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of ordinary shares (par value of HK$0.10 each)	Number of ordinary shares (par value of HK$0.10 each)
Issued and fully paid:		
As at 1 April 2020 and 1 April 2019	187,902,647	157,901,384
Issuance of new shares during the six months period	-	30,001,263
As at 30 September 2020 and 30 September 2019	187,902,647	187,902,647

The Company did not hold any treasury shares as at 30 September 2020 and 30 September 2019.

The Acquisition was approved at the SGM held on 20 July 2018, and completed in end September 2018. Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

The Company had entered into 2019 Supplemental Agreement. The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the financial year end of FY2020, FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

1(d)(iv) A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

The figures have not been audited nor reviewed.

3A. 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 FY2020. Full detailed of the Disclaimer of Opinion was released on 2 November 2020 to SGX-ST via SGXNet.

(a) Opening Balance
Discontinued operations and Disposal group classified as held for sale.

(b) Impairment of non-financial assets
i. Reliability of the key assumption to the Forecast
ii. Veracity of HBXR transactions

(c) Deferred tax liabilities
(d) Valuation of contingent consideration for acquisition of subsidiaries
(e) Recoverability of financial assets
i. Recoverability of proceeds from disposal of Post-Ante Group
ii. Recoverability of deposits and termination of short-term investment
iii. RMB35.0 million deposit paid to 深圳农畉食品开发集团有限公司 ("Nongfu")
iv. RMB40.0 million short-term investment with 惠州市康维健生物科技有限公司 ("Kangweijian")
(f) Veracity, existence and completeness of bank balances

Given most corporations have resumed business activities by adapting the "new normal" environment, the Group would monitor and review its strategies, and continue to put in effort towards resolving the audit issues.

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.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 March 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") and all new and revised standards does not have any material financial impact on the Group's and Company's financial statements for the current financial period.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	3 months ended		6 months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RMB	RMB	RMB	RMB
PROFIT/(LOSS) PER ORDINARY SHARE				
(i) Based on weighted average number of ordinary shares in issue				
- For profit (loss) for the period	(0.01)	(0.02)	(0.02)	(0.04)
- For profit (loss) from continuing operations for the period	(0.01)	(0.02)	(0.02)	(0.04)
(ii) On a fully diluted basis				
- For profit (loss) for the period	(0.01)	(0.02)	(0.02)	(0.03)
- For profit (loss) from continuing operations for the period	(0.01)	(0.02)	(0.02)	(0.03)

(i) Profit/(loss) per ordinary share on the existing issued share capital is computed based on the weighted average number of shares in issue during three and six months ended 30 September 2020 of 187,902,647 (three and six months ended 30 September 2019 of 168,662,707 and 163,311,448 shares respectively).

(ii) There were potential dilutive ordinary shares in existence for the three and six months ended of 30 September 2020, with diluted number of shares of226,478,954, and diluted number of shares of three and six months ended 30September 2019 of 207,239,014 and 201,887,755 shares respectively.

(iii) a. The Acquisition was approved at the SGM held on 20 July 2018, and completed in end September 2018. Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

b. The Company had entered into the 2019 Supplemental Agreement. The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the

financial year end of FY2020, FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

7. Net asset value (for the issuer and group) per ordinary share based on the total number issued share excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30/9/2020	31/3/2020	30/9/2020	31/3/2020
	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	1.33	1.36	0.56	0.58

The net asset value for the Group and the Company per ordinary share were calculated based on187,902,647shares and 187,902,647shares in issue as at 30 September2020 and 31March 2020 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Performance Review

(A) Revenue

The Group recorded revenue of RMB0.6 million in the Second quarter ended 30 September 2020 ("2Q2021") compared to RMB7.4 million in 2Q2020, representing a decrease of 91.4%. The revenue of RMB0.6 million was mainly from the Group's Additives Related Segment of L-Ascorbyl Palmitate. The sharp drop was mainly due to the COVID-19 situation which affected both natural gas supply and market.

(B) Gross profit

The Group recorded a gross profit margin of 48.4% in 2Q2021 which was mainly contributed by Additive Related Segment of L-Ascorbyl Palmitate.

(C) Other income

Other income of RMB9,000 was recorded in 2Q2021comprised mainly interest income, as compared to other income of RMB56,000 in 2Q2020, representing a decrease of 83.9%.

(D) Administrative expenses

Administrative expenses decreased by RMB2.5 million or 57.4% in 2Q2021 compared to 2Q2020, due to operations slow-down arising from the COVID-19 pandemic.

(E) PPE, land use rights, intangible assets-patents

Slight decrease in PPE, land use rights and intangible assets was mainly attributable to depreciation and amortization charges.

(F) Goodwill

Goodwill is from the acquisition of Really Time Trading Limited, which was completed in August 2017.

(G) Trade receivables.

Trade receivables were mainly the receivables of Really Time Trading Limited.

(H) Other receivables.

Other receivables include deposits paid to the vendors of potential acquisition projects amounting to RMB60 million, which will become part of the consideration after the completion of the acquisitions and/or refundable after the cancellation of the acquisitions. Due to Covid-19 pandemic, the Company has decided to accelerate the recovery of all deposits. The vendors have indicated their intention to reply the full sum to the Group and/or convert the deposit into shares in the capital of the vendors based on certain terms to be agreed with the Group.

The Group had received RMB3.5 million in May 2020 out of the total remaining proceeds of RMB15 million from disposal of SQ Grease. For the balance proceeds of RMB11.5 million, the Company had received payment of RMB0.5 million from SQ Grease in October 2020, and the Group is expected to receive RMB4.5 million by end of December 2020 while another RMB6.5 million by end of March 2021.

(I) Short-term investment.

The Group has a short-term investment of RMB40.0 million in a low-risk fund managed by a licensed fund company in China under Shenzhen Hui Pu Seng Cai Fu Investment Co., Ltd., with reasonable return. Due to Covid-19 pandemic, the Company has decided to terminate and withdraw from the short-term investment and to recover the full sum paid.

The management agreed with Shenzhen Hui Pu Seng Cai Fu Investment Co., Ltd that the RMB40 million short-term investment will be repaid in two tranches by the end of March 2021.

(J) Non-controlling interest.

Non-controlling interest comprises minority shareholder interests from Really Time Trading Limited, HBXR, CDPR and Benchmark.

(K) Trade and other payables

The trade payables were mainly from trading segment and other payables were mainly the other payables from subsidiaries relating to the Acquisition. Also included in other payables was a cash purchase consideration from Acquisition of RMB10 million which have not yet paid as at 30 September 2020.

(L) 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 COVID 19 outbreak, profit guarantee of the vendors for FY2020 might not be met.

Contingent considerations of RMB17.5 million was derived based on the closing balance of the audited financial statements as of 31 March 2019. Based on the audited financial statements for the year ended 31 March 2020, the contingent consideration was RMB0.69 million.

(M) Cash flow statement

Net cash flow of RMB24.1 million was used in 2Q2021, in which net cash of RMB27.1million was used in operating activities, net cash of RMB3.5 million was generated in investing activities, and net cash of RMB0.5 million was used from financing activities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the 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 Group expects the prolonged COVID-19 outbreak to have significant adverse impact on its businesses. The impact of the COVID-19 remains uncertain and the Group is unable to quantify the impact at this point in time.

The natural gas supply is required for the production of L-Ascorbyl Palmitate products. The local government was scheduled to resume the supply of natural gas in October 2020, but the Company has yet to receive any formal notification of the resumption in natural gas supply as of November 2020. The Company will continue to monitor and update shareholders when appropriate.

Despite challenging market conditions, delay in the resumption of the natural gas supply coupled with the trade war tension between China and US, the Group continues to focus on sales and expansion of market share leveraging on its network and actively sourcing for new customers including exploring other new revenue opportunities for its L-Ascorbyl Palmitate license. The Company is also exploring the potential market for its L-Ascorbyl Palmitate in other agricultural countries.

11. Dividend

a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?
No

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date Payable

Not applicable

(d) Books Closure Date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared as the Company has incurred a net loss for 2Q2021.

13. Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

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.

14. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed

For the 2Q2021, funds from the Net Proceeds raised from the Placement of 30,001,263 new ordinary shares have been utilised and the details were as depicted in table below:-

Table showing utilisation of Net Proceeds

Intended use of proceeds	Amount allocated	Amount utilised	Balance
Exploration of investments, acquisitions, strategic alliances and/or joint ventures	S$1,649,970.70	S$143,509.70	S$1,506,461.00
General working capital	S$707,130.30	S$707,130.30	Nil

As at to date, the utilisation of the net proceeds arising from the Placement is consistent with the intended use as disclosed in the announcements released on 5 July 2019, 13 August 2019, 23 August 2019 and 29 August 2019.

The Company will make further announcements via SGXNet on the use of the remaining proceeds as and when they are materially disbursed.

15. Aggregate Value of Interested Person Transactions Entered Into For The Six Months Ended 30 September 2020

Pursuant to Rule 920 of the SGX-ST's Listing Manual, details of the aggregate value of interested person transactions entered into for the six months ended 30 September 2020, were as follows: -

The Company does not have an IPT Mandate.

16. Confirmation by Directors pursuant to Clause 705(5) of the Listing Manual of the SGX-ST

On behalf of the Board of Directors of the Company, we, Wu Xiaoran and 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 six months ended 30 September 2020 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
UNITED FOOD HOLDINGS LIMITED

Wu Xiaoran
Director
12 November 2020