CIRCULAR DATED 6 DECEMBER 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid ordinary shares ("**Shares**") in the capital of United Food Holdings Limited ("**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Special General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Special General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should forward this Circular with the Notice of Special General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

Your attention is drawn to paragraph 7 of this Circular in respect of actions to be taken if you wish to attend and vote at the Special General Meeting.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda as an exempted company limited by shares)
(Company Registration Number: 28925)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED CAPITAL REORGANISATION

IMPORTANT DATES AND TIMES:-

Last date and time for lodgement of Proxy Form	:	26 December 2016 at 3.00 p.m.
Date and time of Special General Meeting	:	28 December 2016 at 3.00 p.m.
Place of Special General Meeting	:	Cluny, Room 604, Level 6 RELC International Hotel 20 Orange Grove Road Singapore 258352

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In this Circular, the following words and phrases shall have the meanings set out against them unless the context otherwise requires:

"**Act**"	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"**Accumulated Losses**"	:	Shall have the meaning ascribed to it in paragraph 2 of this Circular
"**Authorised Capital Diminution**"	:	Shall have the meaning ascribed to it in paragraph 3.2 of this Circular
"**Authorised Capital Increase**"	:	Shall have the meaning ascribed to it in paragraph 3.2 of this Circular
"**Bermuda Act**"	:	The Companies Act 1981 of Bermuda, as amended, modified or supplemented from time to time
"**Board**"	:	The board of Directors of the Company as at the date of this Circular
"**Bye-laws**"	:	The bye-laws of the Company
"**Capital Reduction**"	:	Shall have the meaning ascribed to it in paragraph 3.2 of this Circular
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This Circular to Shareholders dated 6 December 2016
"**Company**"	:	United Food Holdings Limited
"**Crediting of Contributed Surplus**"	:	Shall have the meaning ascribed to it in paragraph 3.2 of this Circular
"**Directors**"	:	The directors of the Company as at the date of this Circular
"**Effective Date**"	:	The effective date of the Proposed Capital Reorganisation, if approved, being 28 December 2016 or such date and/or time as the Directors may determine
"**Group**"	:	The Company and its Subsidiaries
"**Latest Practicable Date**"	:	14 November 2016, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	:	The Listing Manual of the SGX-ST as amended, modified or supplemented from time to time
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Memorandum**"	:	Memorandum of Association of the Company
"**Proposed Capital Reorganisation**"	:	Primarily the Capital Reduction, the Authorised Capital Diminution, the Authorised Capital Increase, the Share Premium Reduction and the Crediting of Contributed Surplus, greater details of which are set out in paragraph 3.2 of this Circular

"**Register of Members**"	:	The principal register of members and where applicable, any branch register of members, of the Company kept pursuant to the Bermuda Act
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
"**SGM**"	:	The special general meeting of the Company to be held on 28 December 2016 at 3.00 p.m. at Cluny, Room 604, Level 6, RELC International Hotel, 20 Orange Grove Road, Singapore 258352, notice of which is set out on pages N-1 to N-2 of this Circular
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of the Shares
"**Share Premium Reduction**"	:	Shall have the meaning ascribed to it in paragraph 3.2 of this Circular
"**Shares**"	:	Fully-paid ordinary shares in the capital of the Company
"**Singapore Share Transfer Agent**"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"**Subsidiary**" or "**Subsidiaries**"	:	Shall have the meaning ascribed to it in Section 5 of the Act
"**Substantial Shareholder**"	:	A person who has an interest directly or indirectly in 5% or more of the total number of issued Shares
"**%**" or "**per cent.**"	:	Per centum or percentage
"**HK$**" or "**HK cents**"	:	Hong Kong dollars and cents, respectively
"**RMB$**" or "**RMB cents**"	:	Renminbi dollars and cents, respectively
"**S$**" or "**cents**"	:	Singapore dollars and cents, respectively

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**").

Words importing the singular, shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, the Bermuda Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act, the Bermuda Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided herein.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda as an exempted company limited by shares)
(Company Registration Number: 28925)

Directors:

Song Yanan	(Non-Executive Chairman)
Wang Tingbao	(Executive Director & CEO)
Wu Xiaoran	(Executive Director)
Ling Chung Yee Roy	(Lead Independent Director)
Chng Hee Kok	(Independent Director)
Lin Jianwu	(Independent Director)

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

6 December 2016

TO: THE SHAREHOLDERS OF UNITED FOOD HOLDINGS LIMITED

THE PROPOSED CAPITAL REORGANISATION

Dear Sir/Madam

1. INTRODUCTION

On 16 June 2015, the Company announced the completion of the consolidation of every ten (10) Shares with a par value of HK$0.25 each in the authorised share capital and issued share capital of the Company into one (1) consolidated share with a par value of HK$2.50 (the "**2015 Share Consolidation**"). Following the completion of the 2015 Share Consolidation, the par value of each Share is HK$2.50.

Pursuant to Section 46(2)(b) of the Bermuda Act in respect of share capital reduction, no company shall reduce the amount of its share capital if, on the date the reduction is to be effected, there are reasonable grounds for believing that the company is, or after the reduction would be, unable to pay its liabilities as they become due. Bye-law 6 of the Bye-laws provides that the Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or any share premium account or other undistributable reserve in any manner permitted by law.

The Directors are now convening the SGM to seek Shareholders' approval for the Proposed Capital Reorganisation to, *inter alia,* reduce the par value of each Share to HK$0.10.

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the aforesaid proposal to be tabled at the SGM and to seek Shareholders' approval for the resolution relating to the same. The notice of the SGM is set out on pages N-1 to N-2 of this Circular.

2. RATIONALE OF THE PROPOSED CAPITAL REORGANISATION

The Shares have been trading between approximately S$0.025 (equivalent to HK$0.137) and approximately S$0.055) (equivalent to HK$0.302) with a volume weighted average price of approximately S$0.034 (equivalent to HK$0.184), which is below the existing par value per Share of HK$2.50, during the three (3) months prior to the Latest Practicable Date.

Under the laws of Bermuda, which (unlike certain other jurisdictions such as Singapore) have yet to abolish the concept of par value, shares of a Bermuda company may not be issued for an amount less than the par value of the shares. The Proposed Capital Reorganisation will provide the Company with greater flexibility to issue new Shares in the future should fund raising

opportunities or requirements arise and facilitate corporate actions which may require the issuance of new Shares. The Proposed Capital Reorganisation will also increase the distributable reserves of the Company thereby giving the Company greater flexibility in relation to its dividend policy and distributions.

Further, based on the audited consolidated financial statements of the Group for the latest financial year ended 31 December 2015, the paid-up share capital of the Company which is lost or unrepresented by available assets ("**Accumulated Losses**") of the Company as at 31 December 2015 amounted to RMB$395,464,000 (equivalent to HK$471,998,568 based on a foreign currency exchange rate of HK$1:RMB$0.83785 as at 31 December 2015). The cancellation of capital no longer represented by assets would result in the par value of the Shares that more closely reflects the value of the Company's underlying assets and consequently the capital employed by the Company's business.

The amount of credit arising from the Capital Reduction and the Share Premium Reduction (as defined below) shall be transferred to the contributed surplus account of the Company and will be utilised to set off against the Accumulated Losses in full. The Directors of the Company shall also be authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the Bye-laws and all applicable laws. Bye-law 136 of the Bye-laws provides amongst others that the Company may make a distribution out of any contributed surplus (as ascertained in accordance with the Bermuda Act). As such, subject to the Bye-laws and all applicable laws, the Proposed Capital Reorganisation will increase the credit balance in the contributed surplus of the Company and provide the Company with greater flexibility in relation to future distribution, if any, out of contributed surplus (whether or not the Company will make a distribution out of contributed surplus and the timing and amount of distribution to be paid will depend on the Company's earnings, financial position including cash flow position and future capital requirements, future plans and other relevant factors). **As at the date of this Circular, Shareholders should note that there are currently no plans to make any distribution out of the increased contributed surplus arising from the Proposed Capital Reorganisation.**

The Directors are therefore of the view that the Proposed Capital Reorganisation will mitigate the limitations generally associated with the concept of par value and provide the Company with flexibility on its future capital structure to enable the Company to take advantage of opportunities as and when they arise.

3. DETAILS OF THE PROPOSED CAPITAL REORGANISATION

Proposed Capital Reorganisation

3.1 As at the Latest Practicable Date, the authorised share capital of the Company is HK$500,000,000 divided into 200,000,000 shares of a par value of HK$2.50 each, of which 110,080,868 Shares of a par value of HK$2.50 each have been issued and fully paid or credited as fully paid.

3.2 The Proposed Capital Reorganisation will involve the following:-

(a) the reduction of the issued and paid-up share capital of the Company by cancelling the paid-up share capital of the Company to the extent of HK$2.40 on each of the issued Shares such that the par value of each of the issued Shares be reduced from HK$2.50 to HK$0.10 (the "**Capital Reduction**");

(b) subject to and forthwith upon the Capital Reduction taking effect, all of the authorised but unissued Shares of HK$2.50 each in the Company (which shall include, without limitation, the authorised but unissued share capital resulting from the Capital Reduction) be cancelled and the authorised share capital of the Company of HK$500,000,000 be diminished by such amount representing the amount of Shares so cancelled (the "**Authorised Capital Diminution**");

(c) forthwith upon the Authorised Capital Diminution, the authorised share capital of the Company be increased from HK$20,000,000 divided into 200,000,000 Shares of par value of HK$0.10 each to HK$500,000,000 divided into 5,000,000,000 Shares of par value HK$0.10 each by the creation of such number of Shares of par value of HK$0.10 each (representing the difference between 5,000,000,000 Shares and the number of Shares of HK$0.10 in issue after the Capital Reduction) (the "**Authorised Capital Increase**"), as it is not intended for the par value reduction to lead to a reduction in the authorised share capital, which is currently HK$500,000,000;

(d) the share premium account of the Company be reduced by cancelling the entire sum of HK$475,721,000 standing to the credit of the share premium account as at 31 December 2015 (the "**Share Premium Reduction**");

(e) subject to and forthwith upon the Capital Reduction and the Share Premium Reduction taking effect, the amount of credit arising from the Capital Reduction in the sum of HK$264,194,083 and the amount of credit arising from the Share Premium Reduction in the sum of HK$475,721,000 be credited to the contributed surplus account of the Company (the "**Crediting of Contributed Surplus**"), and the sum of HK$739,915,083 in the contributed surplus account of the Company be utilised to set off against the Accumulated Losses of the Company in full, and

(f) the Directors shall be authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the Bye-laws and all applicable laws.

Effect of the Proposed Capital Reorganisation

3.3 The Proposed Capital Reorganisation involves primarily the proposed reduction in par value of each Share in accordance with Bermuda laws.

Upon the Proposed Capital Reorganisation taking effect on the Effective Date:-

(a) the par value of each issued and unissued Share will be reduced from HK$2.50 to HK$0.10;

(b) the issued share capital will be reduced from HK$275,202,170 to HK$11,008,087 (divided into 110,080,868 Shares of HK$0.10 each). The number of issued Shares will remain unchanged at 110,080,868 Shares;

(c) the share premium account of the Company will be reduced from HK$475,721,000 to zero; and

(d) the authorised share capital will remain unchanged at HK$500,000,000, but divided into 5,000,000,000 Shares of par value HK$0.10 each, instead of 200,000,000 Shares of par value HK$2.50 each.

Upon the Proposed Capital Reorganisation becoming effective, there is no change in the number of issued and paid-up Shares held by, or the percentage level of shareholding of each Shareholder as a result of the Proposed Capital Reorganisation. The Shares of par value HK$0.10 each will rank *pari passu* in all respects with each other. Other than the expenses incurred in relation to the Proposed Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company.

The Proposed Capital Reorganisation will not involve the diminution of any liability in respect of the unpaid capital or the payment to any Shareholders of cash or any fully paid-up share capital of the Company. The amount of credit arising from the Proposed Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company and utilised to set off against the Accumulated Losses in full.

Please refer to paragraph 4 below for more information regarding the financial effects of the Proposed Capital Reorganisation on the Company.

Conditions Precedent for the Proposed Capital Reorganisation

3.4 An application will be made for the approval of the SGX-ST for the Proposed Capital Reorganisation. The Company will make the appropriate announcement on the in-principle approval from SGX-ST as and when necessary. The approval-in-principle granted by the SGX-ST for the Proposed Capital Reorganisation is not an indication of the merits of the Proposed Capital Reorganisation, the Company, and/or its subsidiaries.

3.5 The implementation of the Proposed Capital Reorganisation is subject to, *inter alia*, the following:-

(a) the approval of the Shareholders for the Proposed Capital Reorganisation by way of a special resolution at the SGM, that is to say, the Proposed Capital Reorganisation has to be approved by a majority of not less than three-fourths (3/4) of the votes cast by the Shareholders, being entitled so to do, present and voting at the SGM (either voting in person or by duly authorised corporate representative or by proxy) of which not less than fifteen (15) market days' notice shall have been given;

(b) compliance with relevant legal procedures and requirements under Bermuda laws and Singapore laws (if any) to effect the Proposed Capital Reorganisation, including the publication of a notice in an appointed newspaper in Bermuda at a date not more than thirty (30) days and not less than fifteen (15) days before the Effective Date as required under Section 46 of the Bermuda Act; and

(c) the receipt of all necessary approvals (if any) from the regulatory authorities, as may be required in respect of the Proposed Capital Reorganisation.

Shareholders may wish to note that Bermuda law does not require any application to the Bermuda courts for the purpose of the Proposed Capital Reorganisation.

Effective Date and Shareholders' Entitlement to the Shares of Par Value of HK$0.10 each

3.6 Upon the approval of Shareholders for the Proposed Capital Reorganisation by way of special resolution being duly passed at the SGM as mentioned above, an announcement will be issued by the Company to confirm the Effective Date ("**Capital Reorganisation Announcement**").

(a) Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for Shares of par value HK$2.50 each in their own names (the **"Old Share Certificates"**) and who wish to deposit the same with CDP and have their Shares of par value HK$0.10 each credited to their Securities Accounts must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Effective Date. After the Effective Date, CDP will only accept for deposit share certificates for Shares which reflect a par value of HK$0.10 each (the **"New Share Certificates"**). Shareholders who wish to deposit their share certificates with CDP after the Effective Date must first deliver their Old Share Certificates to the Singapore Share Transfer Agent at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 in exchange for New Share Certificates. The New Share Certificates will then be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of the Old Share Certificates.

(b) Issue of New Share Certificates

Depositors having Shares standing to the credit of their Securities Accounts and Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Effective Date need not take any action. The Company will arrange with CDP to facilitate the exchange of the Old Share Certificates for the New Share Certificates pursuant to the Proposed Capital Reorganisation. Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to

the Singapore Share Transfer Agent at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than twelve (12) Market Days after the Effective Date for cancellation and exchange for New Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk, within ten (10) Market Days from the Effective Date or the date of receipt of the Old Share Certificates, whichever is the later.

(c) Share Certificates Not Valid for Settlement of Trades on the SGX-ST

Shareholders who hold physical share certificates are reminded that their Old Share Certificates are no longer good for settlement of trading in the Company's shares on the SGX-ST (as the Company is under a book-entry scripless settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Singapore Share Transfer Agent. The New Share Certificates will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

Shareholders are to deliver their respective Old Share Certificates to the Singapore Share Transfer Agent or CDP in accordance with the provisions set out in this paragraph 3.6(c) only after the announcement on the Proposed Capital Reorganisation is made.

No receipts will be issued by the Singapore Share Transfer Agent for the receipt of physical Old Share Certificates tendered.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been tendered to the Singapore Share Transfer Agent for cancellation.

Please notify the Singapore Share Transfer Agent if you have lost any of your existing Old Share Certificates or if there are any changes to your address from that reflected in the Register of Members.

4. FINANCIAL EFFECTS

For illustrative purposes only, the financial position of the Company and the Group are set out below:-

4.1 Share Capital

The effects of the Proposed Capital Reorganisation on the share capital of the Company as at the Latest Practicable Date are follows:-

	Before Proposed Capital Reorganisation	After Proposed Capital Reorganisation
Authorised Share Capital		
Number of Shares	200,000,000	5,000,000,000
Par Value (HK$)	2.50	0.10
Total (HK$)	500,000,000	500,000,000
Issued and Paid-up Capital		
Number of Shares	110,080,868	110,080,868
Par Value (HK$)	2.50	0.10
Total (HK$)	275,202,170	11,008,087

4.2 Shareholders' Funds and Reserves

The Shareholders' funds and reserves of the Company before and after the Proposed Capital Reorganisation (based on the latest audited consolidated financial statements of the Group as at 31 December 2015) are as follows:-

	Before Proposed Capital Reorganisation (RMB$'000)	After Capital Reduction (RMB$'000)[1]	After Share Premium Reduction and Crediting of Contributed Surplus (RMB$'000) [1]
Share capital	294,465	11,779	11,779
Contributed Surplus	–	282,686	397,141
Share premium	509,919	509,919	–
Capital redemption reserve	2,982	2,982	2,982
Exchange translation reserve	446	446	446
Statutory reserve	19,431	19,431	19,431
Retained earnings / (Accumulated Losses)	(395,464)	(395,464)	– [2]
Shareholders' Funds	431,779	431,779	431,779

Notes:

(1) Based on a foreign currency exchange rate of HK$1:RMB$0.83785 as at 31 December 2015, except for the share capital balance which was based on a historical foreign currency exchange of HK$1:RMB$1.07000 as at the date the Shares were issued.

(2) After setting off the sum of RMB$792,605,000 in the contributed surplus account of the Company (after the Crediting of Contributed Surplus) against the Accumulated Losses in full.

4.3 Net Tangible Assets, Earnings and Gearing

Save for the costs and expenses relating to the Proposed Capital Reorganisation, the implementation of the Proposed Capital Reorganisation will not have any effect on the net tangible assets, earnings and gearing of the Group. No capital will be returned to Shareholders and there will be no change in the number of Shares held by Shareholders immediately after the Proposed Capital Reorganisation.

The proforma analysis above has been prepared solely for illustrative purposes only and does not purport to be indicative or a projection or an estimate of the financial results and financial positions of the Company and the Group immediately after the completion of the Proposed Capital Reorganisation.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Company as at the Latest Practicable Date, based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, are as follows:-

	Number of Shares			% of the issued share capital of the Company
	Direct Interest	Deemed Interest	Total Interest	
Directors				
Song Yanan	0	31,318,020[(1)]	31,318,020	28.45
Wang Tingbao	0	22,212,464[(2)]	22,212,464	20.18
Wu Xiaoran	0	0	0	0
Ling Chung Yee Roy	0	0	0	0
Chng Hee Kok	0	0	0	0
Lin Jianwu	0	0	0	0
Substantial Shareholders				
Chinese Glory Investments Limited	22,012,442	0	22,012,442	20.00
Wang Tingbao	0	22,212,464[(2)]	22,212,464	20.18
David Yip Wai Sun	0	22,012,442[(3)]	22,012,442	20.00
Golden Ever International Property Management Limited	31,318,020	0	31,318,020	28.45
Song Yanan	0	31,318,020[(1)]	31,318,020	28.45

Notes:

(1) Ms Song Yanan is deemed interested in the Shares of the Company held by Golden Ever International Property Management Limited by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**").

(2) Mr Wang Tingbao is deemed to be interested in the Shares of the Company held by the following:

(i) All the Shares held by Chinese Glory Investments Limited by virtue of Section 4 of the SFA;

(ii) 22 Shares held under UOB Kay Hian Pte Ltd; and

(iii) 200,000 Shares held under Phillip Securities (HK) Ltd.

(3) Mr David Yip Wai Sun is deemed to be interested in the Shares of the Company held by Chinese Glory Investments Limited by virtue of Section 4 of the SFA.

None of our Directors have any interest, direct or indirect, in the Proposed Capital Reorganisation (other than through their respective shareholdings in the Company). To the best of the knowledge of the Directors, none of the Substantial Shareholders have any interest, direct or indirect, in the Proposed Capital Reorganisation (other than through their respective shareholdings in the Company).

6. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held on 28 December 2016, at 3.00 p.m. at Cluny, Room 604, Level 6, RELC International Hotel, 20 Orange Grove Road, Singapore 258352, for the purpose of considering, and if thought fit, passing with or without any modifications, the special resolution set out in the notice of SGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Shareholders who are unable to attend the SGM and who wish to appoint a proxy to attend and vote at the SGM on their behalf should complete, sign and return the proxy form attached to the notice of SGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty eight (48) hours before the time fixed for the SGM. The completion and return of the proxy form by such Shareholder will not prevent him from attending the SGM and voting in person in place of his proxy should he subsequently wish to do so. Only Shareholders whose names are entered on the Register of Members of the Company and who are entitled to attend and vote at a general meeting of the Company will receive a proxy form with this Circular. A proxy need not be a Shareholder of the Company.

7.2 Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not earlier than forty eight (48) hours prior to the time of the SGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors, Depositors who are individuals and who are unable to attend the SGM personally and wish to appoint a nominee to attend and vote on his behalf, and Depositors who are not individuals, will find attached to this Circular a Depositor Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty eight (48) hours before the time fixed for the SGM. The completion and return of the Depositor Proxy Form by a Depositor will not prevent him from attending and voting in person at the SGM as proxy of CDP if he subsequently wishes to do so.

8. DIRECTORS' RECOMMENDATIONS

The Directors, having considered the rationale of the Proposed Capital Reorganisation set out in paragraph 2 of this Circular, are of the view that such proposal is in the interests of the Company and recommend that Shareholders vote in favour of the special resolution relating to this matter to be proposed at the SGM as set out in pages N-1 to N-2 of this Circular.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his professional adviser.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Capital Reorganisation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular 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 Circular in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the SGM:-

(a) the Memorandum and Bye-laws of the Company; and

(b) the latest annual report of the Company for the financial year ended 31 December 2015.

Yours faithfully
For and on behalf of the Board of Directors of
UNITED FOOD HOLDINGS LIMITED

Song Yanan
Non-Executive Chairman

UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda as an exempted company limited by shares)
(Company Registration Number: 28925)

NOTICE IS HEREBY GIVEN that a Special General Meeting ("**SGM**") of United Food Holdings Limited (the "**Company**") will be held at Cluny, Room 604, Level 6, RELC International Hotel, 20 Orange Grove Road, Singapore 258352 on 28 December 2016 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution as a special resolution:-

*All capitalised terms used in this Notice of SGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular dated 6 December 2016 to Shareholders (the "**Circular**").*

SPECIAL RESOLUTION

RESOLUTION 1: THE PROPOSED CAPITAL REORGANISATION

That, with effect from 28 December 2016 or such other time and date as may be determined by the Directors of the Company (the "**Effective Date**"):-

(a) the issued and paid-up share capital of the Company be reduced from HK$2.50 to HK$0.10 by cancelling the paid-up share capital of the Company to the extent of HK$2.40 on each of the issued Shares of par value HK$2.50 in the share capital of the Company as at the Effective Date so that each issued Share of HK$0.10 shall be treated as one (1) fully paid up Share of HK$0.10 and any liability of the holder of such Shares to make further contribution to the capital of the Company on each such Share shall be treated as satisfied (the "**Capital Reduction**");

(b) subject to and forthwith upon the Capital Reduction taking effect, all the authorised but unissued Shares of HK$2.50 each in the Company (which shall include the authorised but unissued capital resulting from the Capital Reduction) be cancelled and the authorised share capital of the Company of HK$500,000,000 be diminished by such amount representing the amount of Shares so cancelled (the "**Authorised Capital Diminution**");

(c) forthwith upon such cancellation, the Authorised Capital Diminution, the authorised share capital of the Company be increased from HK$20,000,000 divided into 200,000,000 Shares of par value HK$0.10 each to HK$500,000,000 divided into 5,000,000,000 Shares of par value HK$0.10 each by the creation of such number of Shares of par value HK$0.10 each (representing the difference between 5,000,000,000 Shares and the number of Shares of HK$0.10 in issue after the Capital Reduction) (the "**Authorised Capital Increase**");

(d) the share premium account of the Company be reduced from HK$475,721,000 to zero by cancelling the entire sum of HK$475,721,000 standing to the credit of the share premium account (the "**Share Premium Reduction**");

(e) subject to and forthwith upon the Capital Reduction and the Share Premium Reduction taking effect, the amount of credit arising from the Capital Reduction in the sum of HK$264,194,083 and the amount of credit arising from the Share Premium Reduction in the sum of HK$475,721,000 be credited to the contributed surplus account of the Company (the "**Crediting of Contributed Surplus**"), and the sum of HK$739,915,083 in the contributed surplus account of the Company be utilised to set off against the Accumulated Losses of the Company as at 31 December 2015 in full, amounting to RMB$395,464,000 (equivalent to HK$471,998,568 based on a foreign currency exchange rate of HK$1:RMB$0.83785 as at 31 December 2015), and the Directors of the Company be and are hereby authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the Bye-laws of the Company and all applicable laws ((a), (b), (c), (d) and (e)) collectively referred to as the "**Proposed Capital Reorganisation**"); and

(f) the Directors of the Company (or any one of them) be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they in their absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this special resolution and to exercise such discretion in connection with, relating to or arising from the Proposed Capital Reorganisation and/or the matters contemplated herein, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Capital Reorganisation.

By Order of the Board
United Food Holdings Limited

Yoo Loo Ping
Chiang Wai Ming
Company Secretaries
6 December 2016

IMPORTANT: Please read notes below.

Notes:

1. A depositor holding Shares through The Central Depository (Pte) Limited ("**Depositor**") who is an individual and who wishes to attend the SGM in person need not take any further action and can attend and vote at the SGM as The Central Depository (Pte) Limited's proxy without the lodgement of any proxy form.

2. A Depositor who is an individual but is unable to attend the SGM personally and wishes to appoint a nominee as The Central Depository (Pte) Limited's proxy to attend and vote on his behalf, must complete, sign and return the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty eight (48) hours before the time appointed for holding the SGM. Similarly, a Depositor who is a corporation and who wishes to attend the SGM must submit the Depositor Proxy Form for the appointment of nominee(s) to attend and vote at the SGM on its behalf.

3. If a member with Shares registered in his name in the Register of Members is unable to attend the SGM and wishes to appoint a proxy to attend and vote at the SGM in his stead, then he should complete and sign the relevant Member Proxy Form and deposit the duly completed Member Proxy Form at the office of Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty eight (48) hours before the time appointed for holding the SGM.

4. If a person who has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members is unable to attend the SGM and wishes to be represented at the SGM, he should use the Depositor Proxy Form and the Member Proxy Form for, respectively, the Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members.

5. If the member or Depositor is a corporation, the proxy form must be executed under seal or the hand of its duly authorised officer or attorney.

6. All proxy forms must be deposited at Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty eight (48) hours before the time appointed for holding the SGM.

7. A proxy need not be a member.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the member or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor's breach of warranty.

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Tel: (65) 63278398