

UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda as an exempted company limited by shares)

(Company Registration No: 28925)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

TABLE OF CONTENTS

SN	Description	Page
1	CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2
2	CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	4
3	CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	5
4	CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	7
5	NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	8
6	OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	11

UNITED FOOD HOLDINGS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Group					
	3 months ended			6 months ended		
	30 September 2023	30 September 2022	Change	30 September 2023	30 September 2022	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
CONTINUING OPERATIONS						
Revenue	293	301	(2.7)	587	661	(11.2)
Cost of sales	(138)	(150)	(8.0)	(276)	(351)	(21.4)
Gross profit	155	151	2.6	311	310	0.3
Other income, net	3	2	50.0	6	19	(68.4)
Selling and distribution costs	(33)	(25)	32.0	(111)	(96)	15.6
Administrative expenses	(774)	(5,463)	(85.8)	(9,493)	(8,736)	8.7
Finance expenses	(19)	(123)	(84.6)	(35)	(329)	(89.4)
Other expenses, net	-	-	N/M	-	-	N/M
Profit/(loss) before tax	(668)	(5,458)	(87.8)	(9,322)	(8,832)	5.5
Income tax expenses	-	-	N/M	-	(2)	N/M
Profit/(loss) for the period	(668)	(5,458)	(87.8)	(9,322)	(8,834)	5.5
Attributable to :						
Owners of the Company	(585)	(4,930)	(88.1)	(8,802)	(7,803)	12.8
Non-controlling interest	(83)	(528)	(84.3)	(520)	(1,031)	(49.6)

Note: N/A - Not applicable

N/M – Not meaningful

UNITED FOOD HOLDINGS LIMITED

	Group					
	3 months ended			6 months ended		
	30 September 2023	30 September 2022	Change	30 September 2023	30 September 2022	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit/(loss) for the period	(668)	(5,458)	(87.8)	(9,322)	(8,834)	5.5
Other comprehensive income/(loss)						
Exchange differences on translation of financial statements of foreign operation	(116)	1,102	N/M	1,173	1,077	8.9
Total comprehensive profit/(loss) for the period	<u>(784)</u>	<u>(4,356)</u>	<u>(82.0)</u>	<u>(8,149)</u>	<u>(7,757)</u>	<u>5.1</u>
Attributable to :						
Owners of the Company	<u>(709)</u>	<u>(3,660)</u>	<u>(80.6)</u>	<u>(7,756)</u>	<u>(6,290)</u>	<u>23.3</u>
Non-controlling interest	<u>(75)</u>	<u>(696)</u>	<u>(89.2)</u>	<u>(393)</u>	<u>(1,467)</u>	<u>(73.2)</u>
The Group's profit before tax is arrived at after charging:						
	Group					
	3 months ended			6 months ended		
	30 September 2023	30 September 2022	Change	30 September 2023	30 September 2022	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Depreciation of plant and equipment	167	226	(26.1)	373	451	(17.3)
Depreciation of right of use asset	287	286	0.3	573	573	0.0
Amortisation of intangible assets	-	-	N/M	-	-	N/M
Finance cost	<u>19</u>	<u>123</u>	<u>(84.6)</u>	<u>35</u>	<u>329</u>	<u>(89.4)</u>

UNITED FOOD HOLDINGS LIMITED

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION FOR THE SIX MONTHS AS AT 30 SEPTEMBER 2023

	Group		Company	
	30/9/2023	31/3/2023	30/9/2023	31/3/2023
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Investment in subsidiary	-	-	9	9
Property, plant and equipment	450	823	-	-
Right-of-use assets	19,552	20,125	-	-
Intangible asset - patents	-	-	-	-
Goodwill	3,049	3,049	-	-
	<u>23,051</u>	<u>23,997</u>	<u>9</u>	<u>9</u>
Current assets				
Inventories	1,760	1,760	-	-
Trade and other receivables	139,436	139,262	117	111
Amount due from subsidiaries	-	-	109,011	107,447
Cash and cash equivalents	422	1,328	68	914
	<u>141,618</u>	<u>142,350</u>	<u>109,196</u>	<u>108,472</u>
Total assets	<u>164,669</u>	<u>166,347</u>	<u>109,205</u>	<u>108,481</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital	18,685	18,685	18,685	18,685
Reserves	88,348	96,104	68,691	74,219
Equity attributable to owners of the company	107,033	114,789	87,376	92,904
Non-controlling interest	(4,518)	(4,125)	-	-
	<u>102,515</u>	<u>110,664</u>	<u>87,376</u>	<u>92,904</u>
LIABILITIES				
Current liabilities				
Trade and other payables	49,764	43,299	7,603	2,052
Amounts due to subsidiaries	-	-	14,226	13,525
Current tax payable	2,400	2,394	-	-
Borrowings	9,990	9,990	-	-
Contingent considerations	-	-	-	-
	<u>62,154</u>	<u>55,683</u>	<u>21,829</u>	<u>15,577</u>
Non-current liabilities				
Deferred tax liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity and liabilities	<u>164,669</u>	<u>166,347</u>	<u>109,205</u>	<u>108,481</u>

UNITED FOOD HOLDINGS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

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	RMB'000
Balance at 1 April 2023	18,685	58,276	397,141	(358,773)	(3,522)	2,982	(4,125)	110,664	
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	-	-	-	(8,802)	-	-	(520)	(9,322)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,046	-	127	1,173	
Total comprehensive profit/(loss) for the period	-	-	-	(8,802)	1,046	-	(393)	(8,149)	
Balance at 30 September 2023	18,685	58,276	397,141	(367,575)	(2,476)	2,982	(4,518)	102,515	
	-								
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	RMB'000
Balance at 1 April 2022	18,685	58,276	397,141	(348,637)	(4,366)	2,982	(2,796)	121,285	
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	-	-	-	(7,803)	-	-	(1,031)	(8,834)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,513	-	(436)	1,077	
Total comprehensive loss for the period	-	-	-	(7,803)	1,513	-	(1,467)	(7,757)	
Balance at 30 September 2022	18,685	58,276	397,141	(356,440)	(2,853)	2,982	(4,263)	113,528	

UNITED FOOD HOLDINGS LIMITED

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	-	-	-	(6,430)	-	-	(6,430)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	902	-	902	
Total comprehensive income for the period	-	-	-	(6,430)	902	-	(5,528)	
Balance at 30 September 2023	18,685	58,276	397,141	(386,106)	(3,602)	2,982	87,376	
								-
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 2022	18,685	58,276	397,141	(374,266)	(5,128)	2,982	97,690	
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 for the period	-	-	-	(3,306)	-	-	(3,306)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,294	-	1,294	
Total comprehensive loss for the period	-	-	-	(3,306)	1,294	-	(2,012)	
Balance at 30 September 2022	18,685	58,276	397,141	(377,572)	(3,834)	2,982	95,678	

UNITED FOOD HOLDINGS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Group			
	3 months ended		6 months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RMB'000	RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	(668)	(5,458)	(9,322)	(8,832)
Adjustments for:				
Amortisation of land use rights and intangible assets - patents	-	-	-	-
Depreciation of plant and equipment	167	226	373	451
Depreciation of right of use assets	287	286	573	573
Translation difference	(143)	1,895	1,372	3,526
Finance cost	19	123	35	329
Bank interest income	-	(2)	-	(5)
Cash flow used in operating activities before working capital changes	(338)	(2,930)	(6,969)	(3,958)
Change in inventories	-	2	-	29
Change in trade and other receivables	174	642	(373)	(564)
Change in trade and other payables	49	201	6,471	2,522
Cash used in operations	(115)	(2,085)	(871)	(1,971)
Tax paid	-	-	-	-
Net cash (used in) / generated from operating activities	(115)	(2,085)	(871)	(1,971)
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposit for potential business acquisitions	-	-	-	-
Refund of deposit from potential business acquisitions	-	-	-	-
Interest received	-	2	-	5
Net cash generated from / (used in) investing activities	-	2	-	5
CASH FLOW FROM FINANCING ACTIVITIES				
Advance from (Repayment to) a shareholder	-	529	-	802
Repayment of bank loan - interest	(19)	(123)	(35)	(329)
Net cash (used in) / generated from financing activities	(19)	406	(35)	473
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(134)	(1,677)	(906)	(1,493)
Exchange differences	-	-	-	-
Cash and cash equivalents at the beginning of period	556	5,022	1,328	4,838
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	422	3,345	422	3,345

UNITED FOOD HOLDINGS LIMITED

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 six months ended 30 September 2023 relate to the Company and its subsidiaries (collectively, the “**Group**”).

2. Summary of significant accounting policies

These condensed interim consolidated financial statements for the six months ended 30 September 2023 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 2021.

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 2021, 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 2021.

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.

UNITED FOOD HOLDINGS LIMITED

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.

	Trading	Additive related	Animal feed/ traditional medicine	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
For the six months ended 30 September 2023				
Revenue				
Segment revenue to external parties	-	587	-	587
Segment gross profit/(loss)	-	311	-	311
For the six months ended 30 September 2022				
Revenue				
Segment revenue to external parties	-	647	14	661
Segment gross profit/(loss)	-	335	-25	310

(a) Reconciliation

A reconciliation of segment gross profit/(loss) to net profit/(loss) is as follows,		
	For the six months ended 30 September 2023	For the six months ended 30 September 2022
	RMB'000	RMB'000
Segment gross profit/(loss) for reportable segments	311	310
Other income, net	6	19
Selling and distribution costs	(111)	(96)
Administrative expenses	(9,493)	(8,736)
Finance expenses	(35)	(329)
Other expenses, net	-	-
Profit/(loss) before tax	(9,322)	(8,832)
Income tax expenses	-	(2)
Net profit/(loss) for the period	(9,322)	(8,834)

UNITED FOOD HOLDINGS LIMITED

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

4. Segment and revenue information (con't)

(b) Geographical information

	Trading	Additive related	Animal feed/ traditional medicine	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
For the six months ended 30 September 2023				
Geographical information:				
Mainland China	-	587	-	587
Hong Kong	-	-	-	-
	<u>-</u>	<u>587</u>	<u>-</u>	<u>587</u>
For the six months ended 30 September 2022				
Geographical information:				
Mainland China	-	647	14	661
Hong Kong	-	-	-	-
	<u>-</u>	<u>647</u>	<u>14</u>	<u>661</u>

The Group's property, plant and equipment are located mainly in China as at 30 September 2023.

UNITED FOOD HOLDINGS LIMITED

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

5. Profit/(loss) before tax

	Group					
	3 months ended			6 months ended		
	30 September 2023	30 September 2022	Change	30 September 2023	30 September 2022	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit/(loss) for the period	(668)	(5,458)	(87.8)	(9,322)	(8,834)	5.5
Other comprehensive income/(loss)						
Exchange differences on translation of financial statements of foreign operation	(116)	1,102	N/M	1,173	1,077	8.9
Total comprehensive profit/(loss) for the period	<u>(784)</u>	<u>(4,356)</u>	<u>(82.0)</u>	<u>(8,149)</u>	<u>(7,757)</u>	<u>5.1</u>
Attributable to :						
Owners of the Company	<u>(709)</u>	<u>(3,660)</u>	<u>(80.6)</u>	<u>(7,756)</u>	<u>(6,290)</u>	<u>23.3</u>
Non-controlling interest	<u>(75)</u>	<u>(696)</u>	<u>(89.2)</u>	<u>(393)</u>	<u>(1,467)</u>	<u>(73.2)</u>
The Group's profit before tax is arrived at after charging:						
	Group					
	3 months ended			6 months ended		
	30 September 2023	30 September 2022	Change	30 September 2023	30 September 2022	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Depreciation of plant and equipment	167	226	(26.1)	373	451	(17.3)
Depreciation of right of use asset	287	286	0.3	573	573	0.0
Amortisation of intangible assets	-	-	N/M	-	-	N/M
Finance cost	<u>19</u>	<u>123</u>	<u>(84.6)</u>	<u>35</u>	<u>329</u>	<u>(89.4)</u>

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		6 months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax expenses	-	-	-	(2)

UNITED FOOD HOLDINGS LIMITED

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

7. Earnings per share

	Group			
	3 months ended		6 months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	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	(0.00)	(0.03)	(0.05)	(0.04)
- For profit (loss) from continuing operations for the period	(0.00)	(0.03)	(0.05)	(0.04)
(ii) On a fully diluted basis				
- For profit (loss) for the period	(0.00)	(0.02)	(0.04)	(0.03)
- For profit (loss) from continuing operations for the period	(0.00)	(0.02)	(0.04)	(0.03)

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

As at 30 September 2023, the Group’s PPE amounts to RMB0.5 million.

9. Borrowings

Amount repayable in one year or less

Group			
As at 30/9/2023		As at 31/3/2023	
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 2024	187,902	18,790
Beginning and end of financial period 2023	187,902	18,790

UNITED FOOD HOLDINGS LIMITED

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

There is no change in the Company's share capital during the period ended 30 September 2023. The Company does not hold any treasury shares as at 30 September 2023 and 30 September 2022. The Company does not have any shares that issued on conversion of any outstanding convertibles as at 30 September 2023 and 30 September 2022.

11. Net Asset Value

	Group		Company	
	30/9/2023	31/3/2023	30/9/2023	31/3/2023
	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	0.57	0.61	0.47	0.49

12. Financial assets and financial liabilities

	Group		Company	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Trade and other receivables	139,436	141,361	117	115
Amount due from subsidiaries	-	-	109,011	110,533
Cash and cash equivalents	422	3,345	68	185
Total undiscounted financial assets	139,858	144,706	109,196	110,833
Financial liabilities				
Trade and other payables	49,764	45,613	7,603	1,597
Amounts due to subsidiaries	-	-	14,226	13,567
Current tax payable	2,400	2,398	-	-
Borrowings	9,990	9,990	-	-
Total undiscounted financial liabilities	62,154	58,001	21,829	15,164

13. Related party transactions

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

14. Subsequent events

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

The Company has engaged KPMG Services Pte. Ltd. ("KPMG") to perform the special audit and the Company is working towards completing the special audit second half of 2023. The Company expects to convene the annual

UNITED FOOD HOLDINGS LIMITED

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

general meeting for the financial year ended 31 March 2022 by January 2024. The Company would also submit to SGX-ST afresh application for an extension of time to meet the requirements of Rule 1314 of the Listing Manual.

The Company and its subsidiaries, Shenzhen Baoyao Agricultural Products Ltd. and Brighten Ocean International Ltd. have engaged a legal counsel and entered into a deed of termination (“**Termination**”) with Chengde Xingxinda Shengwu Keji Co., Ltd., Chengde Pumeida Shengwu Keji Co., Ltd. and Lin Zhongshi in relation to 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 Hebei Xingrun Shengwu Keji Gufen Co., Ltd. (“**HBXR**”), (ii) 80% of the total equity interest in Chengde Purun Shengwu Zhiyao Co., Ltd. (“**CDPR**”) and (iii) 80% of the issued and paid-up share capital of Benchmark Trade Limited.

The Company has on 30 May 2023 announced the Termination. The Company will be applying for a waiver from compliance with Rules 1014(2) and 1014(5) of the Listing Manual of the SGX-ST subject to the receipt of the 1st Tranche of RMB2 million from the Vendors. The Group’s Non-Executive Chairman and controlling shareholder, Ms Song Yanan (“**Ms Song**”) is working on the Termination. Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development.

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 FY2021. Full details of the Disclaimer of Opinion were released on 6 September 2021 to SGX-ST via SGXNet.

1. Impairment assessment of non-financial assets

i. Reliability of the key assumption to the Forecast

Ascent Partners has confirmed that the valuation was performed with reference to International Valuation Standard (“**IVS**”).

According to Ascent Partners’ understanding, the historical data (financial performance of the valuation targets) provided by the Company have been audited, and hence, Ascent Partners believed that those data have gone through professional processes so that they were from reliable sources to be incorporated in the valuation task, which is consistent with the requirement in IVS.

UNITED FOOD HOLDINGS LIMITED

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

For the key assumptions and forecast provided by the management, Ascent Partners have made the appropriateness assessment as follows:

- i. Ascent Partners have made enquiry to the Management about the expected date of the resumption of gas supply, and request for any related supporting documents after noting the gas supply issue. In response to Ascent Partners' enquiry, the Management provided the correspondence documents regarding the subject matter of the gas pipeline to the local authority, and the official public notice by the local authority with the expected date of the gas supply resumption. Such evidence was believed to be sufficient for the valuation task;
- ii. Ascent Partners have checked, reviewed and discussed the valuation forecast provided by the Management together with their business plan, product plan and consideration in the demand and supply under the COVID-19 situations. It was noted that the impacts regarding the lack of gas supply and the pandemic have been taken into consideration in the forecast, with the observations of low projected production outputs in the first forecast year and gradually increase in production outputs in the subsequent years;
- iii. Ascent Partners have reviewed the production forecast and found out that the outputs were within the max production capacity;
- iv. Ascent Partners have noted that the net profit margins of the financial forecast in CDPR were within a reasonable range as compared to net profit margins of the comparable guideline companies;
- v. Ascent Partners have made enquiry to the Management after noting the projected profit margins of HBXR were higher than those of comparable guideline companies, and have got confirmation from the Management that the unique features of the product have put them in good competitive advantages resulting in higher net profit margins; and
- vi. Ascent Partners have evaluated the risks and challenges of the Management to meet the financial projections as a result of the uncertainties faced by the Company included but not limited to the gas supply and COVID-19 factors, and as a result, Ascent Partners have applied a company specific risk premium to the discount rates in the Value in Use ("VIU") valuation of both CDPR and HBXR to account for such uncertainties.

The Company has engaged another qualified valuer, Savills China for the FY2022 audit.

ii. Veracity of HBXR transactions

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 is currently in progress and is targeted to be completed and released via SGXNet by the second half of 2023.

2. Deferred tax liabilities

Management will be evaluating the carrying amounts of the deferred tax liabilities during the audit process for the year ended 31 March 2022.

3. Valuation of contingent consideration for acquisition of subsidiaries

UNITED FOOD HOLDINGS LIMITED

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

Management has communicated with the valuer and confirmed that the valuer has taken a conservative approach in valuation. Although the valuer had taken a conservative approach, the uncertainty relates to the resumption of the supply of natural gas, which may or may not affect the audit disclaimer.

4. Recoverability of financial assets

- i. Recoverability of deposit paid of RMB35.0 million to Shenzhen Sharehome Technology Co., Ltd. (“SST”)

The deposit of RMB35.0 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.

To safeguard the Company’s interests, Ms Song, the Group’s Chairwoman and controlling shareholder has undertaken to recover the security deposit of RMB35.0 million from SST and/or to personally guarantee the repayment of the security deposit to the Company.

The Company had signed a Corporate Framework Agreement with SST in April 2021. Due to the current economic downturn in China following post-epidemic, various industries have been facing tight cash flow position. As a result, it has not been possible to conduct a comprehensive evaluation of SST and obtain its reasonable market value. In addition, the weakening economic outlook had led to the financial challenges associated with SST’s business development. Chairwoman has been working closely SST management team for potential investment or repayment of deposit and loans.

The Audit Committee (“AC”) has instructed for the refund of the SST deposit given the expiry of the long stop date. Ms Song is working on the SST transaction. Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development.

- ii. Recoverability of advances paid

The delivery of various LAP equipment to 惠州市康维健生物科技有限公司 Kangweijian has been fully completed in the first quarter of 2022. The Company expects full repayment by December 2023 and has demanded for a monthly repayment schedule from Kangweijian.

The Company received RMB1.65 million as of 31 December 2022 and received RMB0.94 million by the end of March 2023 and RMB0.13 million by end of September 2023

The Company will provide details of the Kangweijian repayment in a separate announcement as soon as it is available.

5. Veracity, existence and completeness of bank balances

Management has provided to the Board and the 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

UNITED FOOD HOLDINGS LIMITED

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

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 is currently in progress and is targeted to be completed by the second half of 2023.

6. Impairment of goodwill

The Company has engaged Savills China as a new professional valuer to assess the recoverable amount of goodwill together with the expected resumption of Really Time Trading Limited's ("RTTL") trading operations in due course.

7. Impairment of trade receivables

RTTL is actively making efforts to collect the outstanding receivables and has recovered more than HKD9.45 million as of 31 March 2022. RTTL has started to seek legal recourse against RTTL customers for payment based on the purchase contracts.

As of to date, the Company has received HKD2.40 million.

The principal business activities of RTTL are import-export trading, procurement and distribution of food products including pork-related food products, kitchenware, food additives and food-related packaging products and materials, in Hong Kong, People's Republic of China and Southeast Asian countries. Due to the China and US trade war and the COVID-19 pandemic, the Group's trading business segment has stilled. The upstream and downstream businesses have not been fully recovered as of to-date which led to the slow recovery of cash chains. RTTL has suspended its import and export business in 2019. The Company does not expect the re-commencement of the operation of RTTL and will seek appropriate legal recourse against RTTL's customers for payment based on the purchase contracts. The AC has instructed for the recovery of the RTTL monies through appropriate legal recourse. Ms Song is working on the RTTL transaction. Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development.

The Company expects to recover the remaining outstanding receivables from Shenzhen Huipusen Logistics Supply Chain Co., Ltd by the end of December 2023.

The AC has instructed for the recovery of the Shenzhen Huipusen Logistics Supply Chain Co through appropriate legal recourse. Ms Song is working on the Shenzhen Huipusen Logistics Supply Chain Co transaction. Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development.

8. Impairment of amounts due from subsidiaries

Management is working closely on the Group's business activities and will reassess the impairment assessment on the amount due by subsidiaries closer at year end.

UNITED FOOD HOLDINGS LIMITED

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

9. Going concern

As stated in Note 2(a) to the financial statements 31 March 2021, the Group reported a net loss of RMB 67.9 million (2020: RMB 96.2 million) for the financial year ended 31 March 2021 and recorded a cash outflow from operating activities of RMB 58.3 million (2020: RMB 18.9 million). This indicates the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Notwithstanding the above, the management believes that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 March 2021 is appropriate after taking into consideration the following factors:

- As at 31 March 2021, the Group has net current assets of RMB 96.2 million (2020: RMB119.2 million) and net assets of RMB 124.3 million (2020: RMB 195.5 million), including cash and cash equivalents of RMB20.6 million (2020: RMB 27.1 million);
- Cash flow forecast was prepared for the next 12 months after year end which showed that sufficient cash flows will be generated from operations to pay liabilities when they are due based on the assumptions made by management;
- Management expects the monies to be collected from the trade receivables and the return of the deposits paid for potential business acquisitions in the event there is no acquisition of the potential investee as well as the timely supply and installation of goods and services by the new supplier, Zhongfan, as disclosed in Note 16 to the financial statements; and
- The Group's Chairwoman and controlling shareholder, Ms Song Yanan, has on 18 July 2021, indicated her intention to the Board to support the Group's working capital requirements for the next 12 months after the reporting date.

The Company would endeavor to continue addressing the outstanding audit matters. Further, the Group's Chairwoman and controlling shareholder, Ms Song Yanan has indicated her willingness to the Board to continue supporting the Group's working capital requirement for the next 24 months, until 4 August 2024.

The AC has instructed for (1) the repayment schedule of Kangweijian by December 2023, (2) the immediate refund of the SST deposit given the expiry of the long stop date, and (3) Ms Song to provide an immediate RMB5 million by end August 2023 to support short-term working capital. Ms Song has agreed to provide the funding in October 2023. Ms Song is working on the 3 transactions. Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development.

The AC has instructed Ms Song to provide an immediate RMB5 million by the end of August 2023 to support short-term working capital and she has agreed to provide the funding in October 2023. Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development. From January 2023 to 14 November 2023, the Company has not received any funding from Ms Song for the Group's working capital requirements.

UNITED FOOD HOLDINGS LIMITED

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

- 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: -**
- (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

The Group recorded revenue of RMB0.29 million in the second quarter ended 30 September 2023 ("2Q2024") compared to RMB0.30 million in 2Q2023, representing a decrease of 2.7%. The revenue of RMB0.29 million was mainly from the services and supplies in the Group's Additives Related Segment.

Gross profit

The Group recorded a gross profit margin of 52.9% for the continuing operations in 2Q2024 which was mainly contributed by Additive Related Segment.

Other income

Other income of RMB3,000 was recorded in 2Q2024 comprised mainly public subsidy.

Administrative expenses

Administrative expenses of RMB0.8 million were recorded in 2Q2024 compared to RMB5.5 million in 2Q2023, representing a decrease of 85.8%.

The Company is in the midst of discussing with the bank on the loan renewal terms. As such, no finance expenses have been accrued as at 30 September 2023.

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 2021.

Goodwill

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

UNITED FOOD HOLDINGS LIMITED

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

Goodwill of RMB3.0 million was derived based on the closing balance of the audited financial statements as of 31 March 2021.

Trade and other receivables.

Trade receivables were mainly the receivables of Really Time Trading Limited and HBXR

Other receivables include deposits paid to the vendors of potential acquisition projects amounting to RMB85.0 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 September 2023 were as follows:

Trade and other receivables	Amount (RMB)	Amount received as of 30 September 2023	Nature of underlying Transactions	Repayment Status
HBXR's trade receivables-康维健	44,852,000	RMB2,719,500	Provision of services and supplies in the Group's Additives Related Segment.	1. The Company expects to receive RMB1.67 million in September 2023. 2. The remaining outstanding will be repaid within the next 12 months from October 2023.
Really time's trade receivables	4,203,000	HKD2,400,000	-	-
Sundry trade receivables	447,000	-	-	-
SST	85,000,000	-	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.	If the acquisition does not materialize, SST will refund the refundable deposit within 5 months from the date of notification including loan.
CDPR's other receivables	2,334,000	-	-	-
HBXR's other receivables	1,468,000	-	-	-
Sundry other receivables	1,160,000	-	-	-
Total	139,436,000			

Non-controlling interest.

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

UNITED FOOD HOLDINGS LIMITED

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

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 September 2023.

The details of trade and other payables as at 30 September 2023 were as follows:

Trade and other payables	Amount (RMB)	Nature of underlying transactions	Related parties or not
Really time's trade payables	7,131,000	Operation	Not
Hebei project's trade payables	2,261,000	Operation	Not
Sundry trade payables	30,000	Operation	Not
Hebei Acquisition payables	10,000,000	Operation	Not
CDPR's other payables	10,773,000	Operation	Not
HBXR's other payables	8,337,000	Operation	Not
Professional fees etc accrued	5,500,000	Operation	Not
Really time's other payable	1,884,000	Operation	Not
YR's other payables	1,030,000	Operation	Not
Sundry other payables	2,808,000	Operation	Not
Total	49,714,000		

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 might not be 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 and its subsidiaries, Shenzhen Baoyao Agricultural Products Ltd. and Brighten Ocean International Ltd. have engaged a legal counsel and entered into a deed of termination with Chengde Xingxinda Shengwu Keji Co., Ltd., Chengde Pumeida Shengwu Keji Co., Ltd. and Lin Zhongshi in relation to 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 Company has on 30 May 2023 announced the Termination. The Company will be applying for a waiver from compliance with Rules 1014(2) and 1014(5) of the Listing Manual of the SGX-ST subject to the receipt of the 1st tranche of RMB2 million from the Vendors. Ms Song is working on the Termination. Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development.

UNITED FOOD HOLDINGS LIMITED

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

Cash flow statement

Net cash flow of RMB0.13 million was used in 2Q2024, in which net cash of RMB0.12 million was used in operating activities, and net cash of RMB19 thousand was used from financing activities. There were no investing activities in 2Q2024

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 prolonged COVID-19 outbreak has significant adverse impact on the Group's Trading Segment businesses and the Company has suspended this business segment since the end of 2019.

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 the audit. In general, the basic data for the valuation assessment had been collected and is at the stage of data verification. The Company expects the due diligence exercise will take another month or so for the respective professionals to issue their report. Subject to the satisfaction of the due diligence exercise to be carried out by the Group's engaged professional valuer, the Company's right of conversion of the security deposit of RMB85 million into equity interest in the capital of SST shall be contingent upon the Company obtaining all relevant approvals (including from its shareholders). The Company will provide further details in subsequent announcements in accordance with the listing rules of the SGX-ST at the appropriate junctures.

The Company and its subsidiaries, Shenzhen Baoyao Agricultural Products Ltd. and Brighten Ocean International Ltd. had entered into a Deed of Termination with Chengde Xingxinda Shengwu Keji Co., Ltd., Chengde Pumeida Shengwu Keji Co., Ltd. and Lin Zhongshi in relation to 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. Please refer to the announcement in relation to the Termination released on 30 May 2023 for more details. The Company will be applying for a waiver from compliance with Rules 1014(2) and 1014(5) of the Listing Manual of the SGX-ST subject to the receipt of the 1st tranche of RMB2 million from the Vendors. Ms Song is working on the Termination. Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development.

UNITED FOOD HOLDINGS LIMITED

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

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 six month ended 30 September 2023 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.

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

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

UNITED FOOD HOLDINGS LIMITED

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

Directors of United Food Holdings Limited which may render the unaudited financial statements for the six months ended 30 September 2023 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
UNITED FOOD HOLDINGS LIMITED

Wu Xiaoran

Executive Director

14 November 2023