UNITED FOOD HOLDINGS LIMITED
(Incorporated in Bermuda as an exempted company limited by shares)
(Company Registration No. 28925)

RESPONSES TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RELATION TO THE SECOND QUARTER RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

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*Unless otherwise specified, all capitalised terms used herein shall have the meanings ascribed to them in the announcement made by United Food Holdings Limited on 9 January 2025 with respect to the Second Quarter Results for the financial period ended 30 September 2024 (the "**Announcement**").*

The board of directors (the "**Board**") of United Food Holdings Limited (the "**Company**", and collectively with its subsidiaries, the "**Group**") wishes to provide its responses to the following queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") with respect to the Second Quarter Results for the financial period ended 30 September 2024 (the "**Financial Results" or "2Q FY2025 Results**"):-

SGX-ST Query 1

In respect of the Company's proposed disposal of its entire equity interest in Chengdu Purun Shengwu Zhiyao Co., Ltd. ("CDPR"), Hebei Xingrun Shengwu Keji Gufen Co., Ltd. ("HBXR") and Benchmark Trade Limited ("BM") (collectively as "Disposal"), please provide further details as follow:

(i) The Company has classified CDPR, HBXR and BM as "discontinued operations" in the Results because it recognises these assets as assets held for sale. Please elaborate on how these assets or the disposal group meet the criteria of being ready for immediate sale in its present condition and provide substantive details as to how the sale is highly probable.

Company's response:

With reference to announcement dated 27 June 2024, the Company has entered into "Termination of SPA and Asset Disposal Agreement" to dispose entire equity interest in CDPR, HBXR and BM (the "Target Companies"). Since the Target Companies represent a separate major line of business and is part of a single coordinated plan to dispose of a separate major line of business. The Company consider the Target Companies are ready for immediate sale in its present condition and classifies as discontinued operation. Since the Company has already identified potential buyer and negoiating the term of disposal, the Company consider the sale is highly probable.

(ii) Please disclose when the Company will be seeking shareholders' approval for the Disposal and provide an indicative timeline for the key milestones involved.

Company's response:

Once the Company agrees the dispoal terms with potential buyer, relevant announcement will be made and shareholders' approval will be arranged, the Company expects to finalise the disposal terms and arrange shareholders' approval by first half of 2025.

(iii) Please disclose how the Company will comply with the requirements pursuant to Listing Rule 1018(1) after becoming a cash company upon the completion of the Disposal.

Company's response:

The Company is actively looking for new business in order to satisfy the Exchange's requirements and will ensure it operates new business upon the completion of the Disposal.

SGX-ST Query 2

Please disclose the specific reasons for the substantial decrease in Right-of-use assets from RMB 20.1 million as at 31 March 2024 to RMB 0 as at 30 September 2024. To also provide a breakdown of these assets amounting to RMB 20.1 million, with description on the nature of each asset.

Company's response:

The Right-of use assets decrease from RMB 20.1 million from 31 March 2024 to RMB 0 as at 30 September 2024 as the Company classifies it as "Disposal group classified as held for sale" under current assets since the Company considers it as discontinued operation. Please refer to breakdown below that reflected the amortization of RMB 0.6 million during 31 March 2024 to 30 September 2024.

Breakdown	RMB'000	%
Leasehold Buildings (Note 1)	9,665	49.5%
Land Use Rights (Note 2)	9,866	50.5%
Total	**19,531**	**100.00%**

Note 1: Leasehold buildings represent the industrial building located at Dongyaoshangcun Luanping County, Chengde, Hebei, People's Republic of China (滦平县大屯乡东窑上村).
Note 2: Land Use Rights represent the leasehold land located at Dongyaoshangcun Luanping County, Chengde, Hebei, People's Republic of China (滦平县大屯乡东窑上村).

SGX-ST Query 3

We note from Page 20 of the 2QFY2025 results that there are RMB 47.0 million attributable to trade and other receivables from discontinued operations. Considering the imminent disposal of HBXR, CDPR and BM, please provide an indicative timeline for the recovery of all the outstanding receivables amounting to RMB 83.4 million.

Company's response:

The Company is pushing the settlement of outstanding trade and other receivables and expect to be recovered before completion of disposal by first half of 2025.

SGX-ST Query 4

Please reconcile the amount of RMB 37.9 million reported as liabilities of the "Disposal group classified as held for sale" in the statement of financial position on Page 2 of the Results to the amount of RMB 26.1 million disclosed as "Trade and other payables from discontinued operations" on Page 20 of the Results and explain the reasons for the differences.

Company's response:

The difference consists of RMB 1.79 million tax payable and RMB 10.00 million contingent consideration arose from the acquisition of the Target Companies 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 as disclosed on Page 21 of the Results.

SGX-ST Query 5

It was disclosed on Page 15 of the Results that the "management has provided to the Board and the Audit Committee ("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." Please disclose whether these bank statements had been furnished to the respective auditors prior to the release of the Disclaimer of Opinion on the financial statements for FY2023 and the completion of the special audit report. If not, please explain why.

Company's response:

These bank statements have not been furnished to auditors prior to the release of the Disclaimer of Opinion on the financial statements for FY2023 and the completion of the special audit report. Which is because corporate seals have been presented to bank to close these bank accounts and these corporate seals were lost in November 2021, when SZBY and SZYK relocated offices. While the printing of closed bank accounts' bank balance confirmations and bank statements required the present of the entity's corporate seal recorded with the bank, for its identification verification procedures, new corporate seals are not acceptable by bank to complete its identification verification.

SGX-ST Query 6

Please disclose the breakdown of the items, including the professional fees incurred, that had contributed to the significant increase of administrative expenses by 1807.9% from RMB0.1 million in 2Q2024 to RMB1.7 million in 2Q2025.

Company's response:

Breakdown	RMB	%
Directors fee (Note 1)	261,272	15.36%
Salaries (Note 1)	303,862	17.86%
Rental expenses (Note 2)	174,452	10.26%
Travelling expenses (Note 3)	154,385	9.08%
Exchange difference (Note 4)	(136,575)	(8.03%)
Legal and professional fees (Note 5)	869,000	51.08%
Other expenses (Note 6)	74,719	4.39%
Total	**1,701,115**	**100.00%**

Note 1: Amount represents directors' fee, administrative staff and accounting staff salaries during second quarter of financial year 2025.
Note 2: Amount represents rental expenses for Beijing and Shenzhen office.
Note 3: Amount represents travelling expenses for business trip between Singapore and People's Republic of China.
Note 4: Amount represents the difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
Note 5: Amount represents legal and professional fee incurred for trading resumption.
Note 6: Amount represents other office and administrative expenses incurred during second quarter of financial year 2025.

SGX-ST Query 7

Pursuant to the delisting directed by the Exchange on 14 August 2024, please disclose:

(i) The actions taken by the Company, its directors and management since 14 August 2024 to date in detail; and

Company's response:

The Board has a duty to take proactive measures and ensure that there is an exit offer which is fair and reasonable. To facilitate this, Our Independent Director Prof Ling instructed TMF (the former corporate secretary) to arrange weekly virtual meetings via Microsoft Teams with the management team to provide updates to the Board on the progress of the exit offer. Mr. Chng and Prof Ling attended the first Teams meeting on 7 October 2024. Thereafter, Prof Ling participated in the meetings held on 14, 21, 28 October 2024 and 4 November 2024, though no other Directors joined these sessions. On 5 November 2024, TMF cancelled the Teams meeting call link.

Other Directors and management also identified and discussed with different parties including independent financial advisors, company secretaries and solicitors on how to handle the delisting process and engagement terms, the management is considering the engagement terms offered by each party and will appoint most appropriate firm to handle delisting process.

(ii) Whether the Company and its controlling shareholder(s) had identified and appointed a finance advisor and solicitor for matters relating to the delisting and exit offer.

Company's response:

The Company has identified and discussed with different independent financial advisors and solicitors. The Company is currently considering the engagement terms offered by each party and will appoint most appropriate firm to handle delisting process. The Company targets to complete delisting process and provide exit offer by first half of 2025. Once the appointment is completed, the Company will make relevant announcement.

Directors' Opinion

The Company has yet to appoint an external auditor, an external internal auditor, qualified legal counsel, or a corporate secretary. As a result, Mr. Chng and Prof Ling (collectively, the "2 IDs") have expressed reservations regarding the accuracy and reliability of the Company's financial statements.

The 2 IDs remain focused on addressing the Company's notification of delisting. However, to date, the controlling shareholder(s) have not put forth a fair and reasonable exit offer. In light of this, the 2 IDs are contemplating supporting a resolution for the voluntary liquidation of the Company, which they have proposed for consideration by the Board of Directors.

By Order of the Board

Song Yanan
Non-Executive Chairman
20 January 2025