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 TERMINATION OF DEED OF TERMINATION AND ENTRY INTO NEW AGREEMENT

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*Unless otherwise specified, all capitalised terms used herein shall have the meanings ascribed to them in the announcements made by United Food Holdings Limited on 27 June 2024 and 4 July 2024 with respect to the Termination of Deed of Termination and Entry into new Agreement (the "**Announcements**").*

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 questions raised by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") with respect to the Termination of Deed of Termination and Entry into new Agreement:-

SGX-ST Query 1

We note that the Company had signed the Agreement on Termination of the Sale and Purchase Agreement and its supplements and Asset Disposal on 14 June 2024 (the "**Termination of SPA and Asset Disposal Agreement**"), received the first payment on 21 June 2024 and yet, only announced the transaction on 27 June 2024. The Company had further explained, inter alia, that additional time is required to prepare the "announcement in accordance with Listing Rules 1006 and 1010 of the SGX-ST Listing Manual, [which] involves compiling financial data for Chengdu Purun Shengwu Zhiyao Co., Ltd. ("**CDPR**"), Hebei Xingrun Shengwu Keji Gufen Co., Ltd. ("**HBXR**"), and Benchmark Trade Limited (the three companies are collectively referred to as the "target company"), as well as the calculation of indicators required by the Rules." Hence, please further elaborate and quantify why the Company required so much additional time to prepare the announcement, considering that the financial information required for the calculation of indicators required by the Listing Rules are information that the Company should have on hand for basic due diligence prior to entering into the Termination of SPA and Asset Disposal Agreement.

Company's response:

As mentioned in the previous response, the Company considered making an announcement after receiving the first payment of RMB 3 million as stipulated in the Termination of SPA and Asset Disposal Agreement.

To calculate the indicators, management need to segregate the group consolidation level accumulated adjustments for the Target Group and Non-Target Group. These adjustments are reflected in the Annual Report 2022 and cover the period from acquisition until 31 March 2022. The

breakdown of net assets can be found in column four of the breakdown of net assets as provided under the response to SGX-ST Query 2.

SGX-ST Query 2

The Company disclosed in its Announcement on 27 June 2024 that there are three target companies, namely A, B and C, involved the Termination of SPA and Asset Disposal Agreement. In that regard, please clarify whether "the target company's net assets [of] RMB (11,289,230) and its net profit [of] RMB (2,585,186)" provided in the Company's responses to SGX-ST Query 2 is an aggregate of the net assets and net profit of all three target companies. If so, please disclose the breakdown by the respective target companies.

Company's response:

Please refer to the attached breakdown of net assets and net profit information for the respective companies. In column four, it showed the annual report adjustments which represent the accumulated adjustments reflected in the audited financial statements for the financial year ended 31 March 2022. Column five and six showed the management reclassification adjustments and inter-company relief.

SGX-ST Query 3

In its response to SGX-ST Query 2, the Company disclosed, inter alia, that "the Audit Committee ("**AC**") approved and recommended the Board for signing of the Termination of SPA and Asset Disposal Agreement" and "Prof Ling, an independent director and an AC member of the Company abstained from voting on this matter." Please explain why Prof Ling had abstained from voting on the Termination of SPA and Asset Disposal Agreement, noting that the Audit Committee had approved the signing. To also disclose whether Prof Ling has any interest or conflict of interest in the transaction.

Company's response:

Prof Ling was supportive of the Company's proposed efforts in the recovery of the outstanding monies, but he also insisted on access to complete, adequate and timely information. In accordance with the SID Director's Code of Professional Conduct (B5 Access to Information), Prof Ling had abstained based on insufficient information and time necessary to consider the 3 resolutions properly as elaborated below. Prof Ling had abstained to signal an appropriate protest about the failure on the part of the management to provide the information. The basis for the abstain vote had been recorded in the minutes.

1. Prof Ling would prefer the outstanding monies to be collected immediately in one lump sum, rather than structured through complex repayment arrangements.

a. Prof Ling had proposed for the Company to commence legal action to enforce the Company's rights and recover the outstanding monies, but he also recognised that filing legal lawsuits may not be the optimal recovery method, particularly so, in the PRC.
b. Specific to SST, Prof Ling was supportive of calling upon the personal guarantee provided by Ms Song, but he also recognized that filing legal lawsuits may not be the optimal recovery method, particularly so, in the PRC.
c. Prof Ling remained open to exploring alternative solutions for the outstanding monies to be collected immediately in one lump sum. The Company management did not provide any alternative solutions to the AC for consideration.

2. Prof Ling would prefer the Company to engage relevant professionals immediately, such as legal counsel and financial advisory professionals, rather than towards the back end.

a. Prof Ling believed that the recovery transactions were structured as complex repayment arrangements.
b. The Company had engaged Guangtao law firm to opine on the 3 transactions under PRC law. But Guangtao, being a PRC legal counsel, was not able to provide a legal opinion under the SGX listing rules.
c. Prof Ling noted that the Company would engage relevant Singapore legal counsel in due course to provide relevant legal opinion(s) when practicable to minimise legal expenses.
d. Nevertheless, Prof Ling would prefer the Company to engage the Singapore legal professionals to provide legal advice from the onset for the 3 transactions.
e. By engaging relevant financial advisory professionals, the Company would have access to relevant information for decision making such as audited financial statements, status of commercialization of R&D, near term strategy & operational roadmap, capex requirements, sources of financing etc.
f. While Prof Ling acknowledged the relevant information may be received by the Company in due course, Prof Ling would prefer to receive the relevant information for decision making from the onset for the 3 transactions.

By Order of the Board

Song Yanan
Non-Executive Chairman
11 July 2024

breakdown

	CDPR	HBXR	Benchmark	Annual Report	Management	Inter-co	
	Target Company A	Target Company B	Target Company C	Adjments	Adjments	Adjments	**Target Group**
	31/3/2024	31/3/2024	31/3/2024	Until 31/3/2022	1/4/2022-31/3/2024	31/3/2024	**31/3/2024**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
ASSETS							
Non-current assets							
Investment in subsidiary	-	1,520	-	(1,520)			-
Property, plant and equipment	17,770	281	-	(19,437)	1,930		**544**
Right-of-use assets	-	-	-	21,106	(1,565)		**19,541**
Land use rights	7,094	-	-	(6,729)	(365)		-
Intangible asset - patents	123	17,011	220,487	(237,890)	269		-
Goodwill	-	-	-				-
	24,987	**18,812**	**220,487**	**(244,470)**	**269**	**-**	**20,085**
Current assets							
Inventories	457	1,424	-				**1,881**
Trade and other receivables	2,412	44,822	-		5,727		**52,961**
Amount due from subsidiaries	-	-	-				-
Inter-co receivables	10	10,780	-			(10,790)	-
Cash and cash equivalents	2	9	-				**11**
	2,881	**57,035**	**-**	**-**	**5,727**	**(10,790)**	**54,853**
Total assets	**27,868**	**75,847**	**220,487**	**(244,470)**	**5,996**	**(10,790)**	**74,938**
LIABILITIES							
Current liabilities							
Trade and other payables	12,990	11,466	28		5,727		**30,211**
Amounts due to holding company	626	49,903	-				**50,529**
Inter-co payables	10,075	715	-			(10,790)	-
Current tax payable	(15)	1,803	-				**1,788**
Borrowings	9,990	-	-				**9,990**
Contingent considerations	-	-	-				-
	33,666	**63,887**	**28**	**-**	**5,727**	**(10,790)**	**92,518**
Non-current liabilities							
Borrowings	-	-	-				-
Deferred tax liabilities	-	-	-				-
	-	-	-	-	-	-	-
Total liabilities	**33,666**	**63,887**	**28**	**-**	**5,727**	**(10,790)**	**92,518**
NET ASSETS	**(5,798)**	**11,960**	**220,459**	**(244,470)**	**269**	**-**	**(17,580)**
Attributable to:							
Owners of the Company							**(11,289)**
Non-controlling interest							**(6,291)**
							(17,580)

	CDPR	HBXR	Benchmark	Management	
	Target Company A	Target Company B	Target Company C	Adjments	**Target Group**
	12 months ended	12 months ended	12 months ended	12 months ended	**12 months ended**
	31 March 2024	31 March 2024	31 March 2024	31 March 2024	**31 March 2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
CONTINUING OPERATIONS					
Revenue	-	1,175	-	-	**1,175**
Cost of sales	-	(477)	-	-	**(477)**
Gross profit	-	698	-	-	**698**
Other income, net	30	12	-	-	**42**
Selling and distribution costs	-	(172)	-		**(172)**
Administrative expenses	(2,492)	(443)	-	134	**(2,801)**
Finance expenses	(18)	-	-		**(18)**
Other expenses, net	(955)	-	-		**(955)**
Profit/(loss) before tax	(3,435)	95	-	134	**(3,206)**
Income tax expenses	-				**-**
Profit/(loss) for the period	(3,435)	95	-	134	**(3,206)**
Attributable to :					
Owners of the Company	(2,748)	56	-	107	**(2,585)**
Non-controlling interest	(687)	39	-	27	**(621)**