



UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Company Registration Number: 28925)

THE PROPOSED SHARE CONSOLIDATION OF EVERY TEN (10) ORDINARY SHARES OF PAR VALUE HK\$0.25 EACH IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE OF HK\$2.50

1. INTRODUCTION

The board of Directors ("**Board**") of United Food Holdings Limited ("**Company**") wishes to announce that the Company proposes to undertake a consolidation of every ten (10) issued and unissued ordinary shares of par value HK\$0.25 each ("**Shares**") in the authorised and issued share capital of the Company as at a books closure date to be determined by the Directors ("**Books Closure Date**") into one (1) ordinary share of HK\$2.50 par value ("**Consolidated Shares**") ("**Proposed Share Consolidation**").

2. THE PROPOSED SHARE CONSOLIDATION

2.1 General

The Company proposes to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every ten (10) existing Shares into one (1) Consolidated Share. Under the Proposed Share Consolidation, every ten (10) existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 Consolidated Shares.

Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

As at the date of this announcement, the Company has an issued share capital of HK\$275,202,185 comprising 1,100,808,740 ordinary shares of par value HK\$0.25 each, which are listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). On the assumption that there will be no new Shares issued by the Company up to the Books Closure Date, following the implementation of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of HK\$275,202,185 comprising 110,080,874 Consolidated Shares.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

2.2 Rationale for the Proposed Share Consolidation

In September 2014, the SGX-ST released a regulatory announcement informing the market that the Monetary Authority of Singapore and the SGX-ST intend to introduce a minimum trading price of S\$0.20 for Mainboard-listed stocks as a continuing listing requirement ("**MTP Requirement**").

The MTP Requirement was introduced in March 2015. A transition period of 12 months from the date of introduction of the MTP Requirement will be provided to allow affected issuers to undertake corporate actions to meet the MTP Requirement. Issuers who are unable to record a 6-month volume-weighted average price of S\$0.20 or above at each of the quarterly watch-list review dates, which will first commence in March 2016, will be placed on the watch-list.

The Company's Shares were trading at the absolute price range of S\$0.060 and S\$0.083 for the past six (6) months prior to the issuance of this Announcement. Accordingly, the Company proposes to undertake the Proposed Share Consolidation in order to comply with the MTP Requirement and prevent the Company from being placed on the watch-list.

The relevant data, along with the transacted volume of the Shares for each month prior to the Latest Practicable Date are as follows:

	Lowest (Singapore Dollars)	Highest (Singapore Dollars)	Volume of traded Shares (`000)	Percentage fluctuation between the lowest and highest market price (%)
September 2014	0.072	0.083	5,881	15.28
October 2014	0.073	0.079	2,294	8.22
November 2014	0.075	0.079	1,555	5.33
December 2014	0.063	0.078	7,280	23.81
January 2015	0.060	0.069	1,861.1	15.00
February 2015	0.063	0.068	1,686.1	7.94

However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 Approvals and Conditions

The Proposed Share Consolidation is subject to, *inter alia*,

- (a) the approval of Shareholders by way of an ordinary resolution at the special general meeting of the Company ("**SGM**") to be convened to approve, *inter alia*, the Proposed Share Consolidation; and
- (b) the approval in-principle from the SGX-ST for the listing of and quotation for the Consolidated Shares arising from the Proposed Share Consolidation.

An application will be made to the SGX-ST for permission to deal in and for the listing of the Consolidated Shares on the Mainboard of the SGX-ST ("**Approval In-principle**"). An announcement will be made in due course upon receipt of the Approval In-principle from the SGX-ST.

An Appendix to the Notice of SGM, containing *inter alia*, further information on the Proposed Share Consolidation, will be despatched to Shareholders in due course.

3. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their existing Shares and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

4. DIRECTORS' RESPONSIBILITY STATEMENT

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

BY ORDER OF THE BOARD

David Yip Wai Sun
Chairman
Date: 13 March 2015