

UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda)

(Company Registration No.: 28925)

THE PROPOSED CHANGE OF AUDITORS

The Board of Directors (the “**Board**”) of United Food Holdings Limited (the “**Company**” or together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to change its auditors from Ernst & Young, Hong Kong (“**EY**”) to HLB Hodgson Impey Cheng Limited (“**HICL**”) and Foo Kon Tan LLP (“**FKT**”) (the “**Joint Auditors**”).

The Company’s existing auditors, EY, has been the auditors of the Company since 31 August 2000 and was re-appointed at the last annual general meeting of the Company held on 22 April 2015. The Company has been in discussion with EY on the proposed professional fees for audit services in respect of the financial year ended 31 December 2015 (“**FY2015**”) to be provided by EY and was not able to reach a mutual agreement on the quantum of professional fees. EY had quoted audit fees for FY2015 which would result in a substantial increase from the audit fees paid in the previous year.

As part of the Company’s ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Directors are of the view that it would be appropriate and timely to effect a change of the auditors. The Directors believe that a change of auditors will allow the Company to save approximately 48.4% in audit fees based on the proposed audit fees for FY2015 and may enable the Company to benefit from fresh perspectives and the views of another professional audit firm and further enhance the value of the audit.

In this regard and at the request of the Company, EY has given notice to the Board of their resignation as the Company’s auditors on 12 January 2016, and the Joint Auditors has given their consent to be appointed as the Company’s new auditors on 4 February 2016, subject to the approval of the shareholders of the Company (“**Shareholders**”) at a Special General Meeting.

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”):

- a) the outgoing auditors, EY, has confirmed that it is not aware of any professional reasons why the new auditors, HICL and FKT, should not accept appointment as Joint Auditors of the Company;
- b) the Company confirms that there were no disagreements with the outgoing auditors, EY, on accounting treatments within the last 12 months from the date of this announcement;
- c) the Company confirms that it is not aware of any circumstances connected with the proposed change of auditors that should be brought to the attention of the Shareholders;
- d) the specific reasons for the proposed change of auditors are disclosed in paragraphs 2 and 3 of this announcement; and
- e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of HICL and FKT as the Joint Auditors.

BY ORDER OF THE BOARD

Wang Tingbao
Director

19 February 2016