

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 THIRD QUARTER RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

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 8 February 2024 with respect to the Third Quarter Results for the financial period ended 31 December 2023 (the "Announcement").

The board of directors (the "Board") of United Food Holdings Limited (the "Company", and collectively with its subsidiaries, the "Group") refers to the Company's announcement dated 8 February 2024 in relation to the Third Quarter Results for the financial period ended 31 December 2023 and wishes to provide its responses to the following questions raised by Singapore Exchange Securities Trading Limited (the "SGX-ST"):-

SGX-ST Query 1

The Company disclosed that it has suspended the Group's Trading Segment businesses since the end of 2019 due to adverse impact from the prolonged COVID-19 outbreak on this business segment; and its revenue for 9MFY2024 is mainly derived from the services and supplies in the Group's Additives Related Segment.

- (i) Please explain the reasons for the 10.8% or RMB0.11 million decline in revenue from its only revenue generating Additives Related segment from RMB 0.99 million to RMB 0.88 million; and
- (ii) Please provide a commentary of the business outlook for the Additives Related business segment, including significant trends, competitive conditions and any known factors or events that may affect the Group in the next 12 months.

Company's response:

- (i) Please explain the reasons for the 10.8% or RMB0.11 million decline in revenue from its only revenue generating Additives Related segment from RMB 0.99 million to RMB 0.88 million

The decline in revenue was mainly attributable to the decrease in revenue from the sale of products of CDPR and HBXR and the technical service fee for HBXR's additives related segments, which amounted to RMB0.04 million for CDPR and RMB0.07million for HBXR.

- (ii) Please provide a commentary of the business outlook for the Additives Related business segment, including significant trends, competitive conditions and any known factors or events that may affect the Group in the next 12 months.

The Company had entered into a Deed of Termination for the acquisition of (i) 80% of the total

equity interests in HBXR, (ii) 80% of the total equity interests in CDPR and (iii) 80% of the issued and paid-up share capital of Benchmark. Please refer to the announcement "Entry into a Deed of Termination" released on 30 May 2023 for more details.

Given the Vendors have yet to refund the payment in accordance with the terms of the Deed of Termination, the Company has not commenced any action on this.

Nevertheless, the Company will engage a law firm for this transaction to ensure it would be done in accordance with the relevant Listing Rules as appropriate.

The Chairman of the Group, Ms Song will update the Company to make the necessary announcement(s) as and when there is any material development.

SGX-ST Query 2

With respect to the Recoverability of deposit paid to SST on Page 17, please disclose the purpose of the fieldwork, data collection and due diligence exercise conducted on the SST acquisition if "the AC has instructed for the immediate refund of the SST deposit given the expiry of the long stop date." To also explain how does the aforementioned due diligence relate to the Company's right of conversion of the security deposit of RMB85 million into equity interest in the capital of SST and why the conversion will proceed instead of seeking the refund despite the issues faced. To disclose what are the issues are how will this be resolved by the conversion.

Company's response:

The Audit Committee has taken the position that given the expiry of the long stop date and the acquisition has not been materialised as of to date, the Company should request for immediate refund of the SST deposit.

Ms Song is working with SST to finalise the issues. The earlier Professionals due diligence has been halted.

To ensure sufficient working capital requirement of the Group, the Chairman has indicated to the Board that she will provide financial support by actively arranging funds by 29 February 2024 and continue to support the Group's working capital until 4 August 2025.

The Company will provide further details in subsequent announcements in accordance with the listing rules of the SGX-ST at the appropriate junctures.

By Order of the Board

Song Yanan
Non-Executive Chairman
23 February 2024