

UNITED FOOD HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 28925)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 JUNE 2021

TABLE OF CONTENTS

SN	Description	Page
1	CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2
2	CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	4
3	CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	5
4	CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	7
5	NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	8
6	OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	15

UNITED FOOD HOLDINGS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 JUNE 2021

	Note	Group		Change %
		3 months ended		
		30 June 2021 RMB'000	30 June 2020 RMB'000	
CONTINUING OPERATIONS				
Revenue	(A)	512	142	260.6
Cost of sales		(194)	(97)	100.0
Gross profit	(B)	318	45	606.7
Other income, net	(C)	5	18	(72.2)
Selling and distribution costs		(298)	(209)	42.6
Administrative expenses	(D)	(1,912)	(1,871)	2.2
Finance expenses		(278)	(443)	(37.2)
Other expenses, net		-	(15)	N/M
Profit/(loss) before tax		(2,165)	(2,475)	(12.5)
Income tax expenses		-	-	N/M
Profit/(loss) for the period		<u>(2,165)</u>	<u>(2,475)</u>	(12.5)
Attributable to :				
Owners of the Company		<u>(1,987)</u>	<u>(2,096)</u>	(5.2)
Non-controlling interest		<u>(178)</u>	<u>(379)</u>	(53.0)

Note: For Notes (A) – (D), please refer to Item 8.

Note: N/A - Not applicable

N/M – Not meaningful

UNITED FOOD HOLDINGS LIMITED

	Group			Change %
	3 months ended			
	30 June 2021 RMB'000	30 June 2020 RMB'000		
Profit/(loss) for the period	(2,165)	(2,475)	(12.5)	
Other comprehensive income/(loss)				
Exchange differences on translation of financial statements of foreign operation	(637)	(11)	N/M	
Total comprehensive profit/(loss) for the period	<u>(2,802)</u>	<u>(2,486)</u>	12.7	
Attributable to :				
Owners of the Company	<u>(2,617)</u>	<u>(2,136)</u>	22.5	
Non-controlling interest	<u>(185)</u>	<u>(350)</u>	(47.1)	
The Group's profit before tax is arrived at after charging:				
	Group			Change %
	3 months ended			
	30 June 2021 RMB'000	30 June 2020 RMB'000		
Depreciation of plant and equipment	225	553	(59.3)	
Depreciation of right of use asset	286	-	N/M	
Amortisation of intangible assets	44	79	(44.3)	
Finance cost	<u>278</u>	<u>443</u>	(37.2)	

UNITED FOOD HOLDINGS LIMITED

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION FOR THE THREE MONTHS AS AT 30 JUNE 2021

	Note	Group		Company	
		30/6/2021 RMB'000	31/3/2021 RMB'000	30/6/2021 RMB'000	31/3/2021 RMB'000
ASSETS					
Non-current assets					
Investment in subsidiary		-	-	9	9
Property, plant and equipment	(E)	1,587	1,812	-	-
Right-of-use assets	(E)	7,232	7,518	-	-
Intangible asset - patents	(E)	64,339	64,383	-	-
Goodwill	(F)	12,742	12,742	-	-
		<u>85,900</u>	<u>86,455</u>	<u>9</u>	<u>9</u>
Current assets					
Inventories		2,925	3,098	-	-
Trade and other receivables	(G)	126,114	135,626	722	15,734
Amount due from subsidiaries		-	-	112,988	99,389
Cash and cash equivalents		36,833	20,621	501	786
		<u>165,872</u>	<u>159,345</u>	<u>114,211</u>	<u>115,909</u>
Total assets		<u>251,772</u>	<u>245,800</u>	<u>114,220</u>	<u>115,918</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital		18,685	18,685	18,685	18,685
Reserves		157,230	159,847	82,630	84,140
Equity attributable to owners of the company		175,915	178,532	101,315	102,825
Non-controlling interest	(H)	6,805	6,990	-	-
		<u>182,720</u>	<u>185,522</u>	<u>101,315</u>	<u>102,825</u>
LIABILITIES					
Current liabilities					
Trade and other payables	(I)	55,745	46,987	422	414
Amounts due to subsidiaries		-	-	12,483	12,679
Current tax payable		334	318	-	-
Contingent considerations	(J)	688	688	-	-
		<u>56,767</u>	<u>47,993</u>	<u>12,905</u>	<u>13,093</u>
Non-current liabilities					
Borrowings		9,990	9,990	-	-
Deferred tax liabilities		2,295	2,295	-	-
		<u>12,285</u>	<u>12,285</u>	<u>-</u>	<u>-</u>
Total equity and liabilities		<u>251,772</u>	<u>245,800</u>	<u>114,220</u>	<u>115,918</u>

UNITED FOOD HOLDINGS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 JUNE 2021

Group	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2021	18,685	58,276	397,141	(295,285)	(3,267)	2,982	6,990	185,522
Transactions with the owners recognised directly in equity								
Issue of new shares	-	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Profit/(loss) for the period	-	-	-	(1,987)	-	-	(178)	(2,165)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(630)	-	(7)	(637)
Total comprehensive profit/(loss) for the period	-	-	-	(1,987)	(630)	-	(185)	(2,802)
Balance at 30 June 2021	18,685	58,276	397,141	(297,272)	(3,897)	2,982	6,805	182,720
Group								
	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2020	18,685	58,276	397,141	(223,930)	2,456	2,982	29,777	285,387
Transactions with the owners recognised directly in equity								
Issue of new shares	-	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Profit/(Loss) for the period	-	-	-	(2,096)	-	-	(379)	(2,475)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(40)	-	29	(11)
Total comprehensive loss for the period	-	-	-	(2,096)	(40)	-	(350)	(2,486)
Balance at 30 June 2020	18,685	58,276	397,141	(226,026)	2,416	2,982	29,427	282,901

UNITED FOOD HOLDINGS LIMITED

Company								
	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2021	18,685	58,276	397,141	(371,305)	(2,954)	2,982	102,825	
Transactions with the owners recognised directly in equity								
Issue of new shares	-	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Loss for the period	-	-	-	(1,059)	-	-	(1,059)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(451)	-	(451)	
Total comprehensive income for the period	-	-	-	(1,059)	(451)	-	(1,510)	
Balance at 30 June 2021	18,685	58,276	397,141	(372,364)	(3,405)	2,982	101,315	
Company								
	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Capital redemption reserve	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2020	18,685	58,276	397,141	(367,040)	(445)	2,982	109,599	
Transactions with the owners recognised directly in equity								
Issue of new shares	-	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Loss for the period	-	-	-	(516)	-	-	(516)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(11)	-	(11)	
Total comprehensive loss for the period	-	-	-	(516)	(11)	-	(527)	
Balance at 30 June 2020	18,685	58,276	397,141	(367,556)	(456)	2,982	109,072	

UNITED FOOD HOLDINGS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 30 JUNE 2021

	Group	
	3 months ended	
	30 June 2021	30 June 2020
	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(2,165)	(2,475)
Adjustments for:		
Amortisation of land use rights and intangible assets - patents	44	79
Depreciation of plant and equipment	225	553
Depreciation of right of use assets	286	-
Translation difference	-	(11)
Finance cost	278	443
Bank interest income	(5)	(18)
Cash flow used in operating activities before working capital changes	(1,337)	(1,429)
Change in inventories	173	59
Change in trade and other receivables	(25,488)	(498)
Change in trade and other payables	8,056	5,304
Cash used in operations	(18,596)	3,436
Tax paid	16	(319)
Net cash (used in) / generated from operating activities	(18,580)	3,117
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from the refundable deposit	35,000	-
Interest received	5	18
Net cash generated from / (used in) investing activities	35,005	18
CASH FLOW FROM FINANCING ACTIVITIES		
Advance from (Repayment to) a shareholder	702	(4,002)
Repayment of bank loan	-	(10)
Finance cost	(278)	(443)
Net cash (used in) / generated from financing activities	424	(4,455)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	16,849	(1,320)
Exchange differences	(637)	-
Cash and cash equivalents at the beginning of period	20,621	27,140
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	36,833	25,820

UNITED FOOD HOLDINGS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate information

United Food Holdings Limited (the “Company”) was incorporated in Bermuda on 14 August 2000 with limited liability under the Companies Act 1981 of Bermuda. The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Group is located at 16F The Hong Kong Club Building, 3A Chater Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are that of investment holding, trading of food products, additive related and animal feed/traditional medicine segment including L-Ascorbyl Palmitate or anti-oxidant manufactory machineries related selling.

These condensed interim financial statements as at and for the three months ended 30 June 2021 relate to the Company and its subsidiaries (collectively, the “Group”).

2. Summary of significant accounting policies

These condensed interim consolidated financial statements for the three months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in RMB and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

There are no new standards, amendments to standards and interpretations effective for annual periods beginning on or after 1 January 2021, which will result in significant impact on the condensed interim financial statements of the Group.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as described in the last annual financial statements as at and for the year ended 31 March 2020.

2.3 Auditor’s review

The condensed financial statements presented have not been audited or reviewed by the Company’s auditor.

UNITED FOOD HOLDINGS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

3. Seasonality of operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a business segment perspective. Management manages and monitors the business in the three primary business segments: Module business and Ad-hoc projects.

	Trading	Additive related	Animal feed/ traditional medicine	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
For the three months ended 30 June 2021				
Revenue				
Segment revenue to external parties	-	449	63	512
Segment gross profit/(loss)	-	312	6	318
For the three months ended 30 June 2020				
Revenue				
Segment revenue to external parties	-	141	1	142
Segment gross profit/(loss)	-	84	-39	45

(a) Reconciliation

(a) Reconciliation		
A reconciliation of segment gross profit/(loss) to net profit/(loss) is as follows,		
	For the three months ended 30 June 2021	For the three months ended 30 June 2020
	RMB'000	RMB'000
Segment gross profit/(loss) for reportable segments	318	45
Other income, net	5	18
Selling and distribution costs	(298)	(209)
Administrative expenses	(1,912)	(1,871)
Finance expenses	(278)	(443)
Other expenses, net	-	(15)
Profit/(loss) before tax	(2,165)	(2,475)
Income tax expenses	-	-
Net profit/(loss) for the period	(2,165)	(2,475)

UNITED FOOD HOLDINGS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

4. Segment and revenue information (con't)

(b) Geographical information	Trading	Additive related	Animal feed/ traditional medicine	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
For the three months ended 30 June 2021				
Geographical information:				
Mainland China	-	449	63	512
Hong Kong	-	-	-	-
	-	449	63	512
For the three months ended 30 June 2020				
Geographical information:				
Mainland China	-	141	1	142
Hong Kong	-	-	-	-
	-	141	1	142

The Group's property, plant and equipment are located mainly in China as at 30 June 2021.

UNITED FOOD HOLDINGS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

5. Profit/(loss) before tax

	Group			Change %
	3 months ended			
	30 June 2021 RMB'000	30 June 2020 RMB'000		
Profit/(loss) for the period	(2,165)	(2,475)	(12.5)	
Other comprehensive income/(loss)				
Exchange differences on translation of financial statements of foreign operation	(637)	(11)		
Total comprehensive profit/(loss) for the period	(2,802)	(2,486)	12.7	
Attributable to :				
Owners of the Company	(2,617)	(2,136)	22.5	
Non-controlling interest	(185)	(350)	(47.1)	
The Group's profit before tax is arrived at after charging:				
	Group			Change %
	3 months ended			
	30 June 2021 RMB'000	30 June 2020 RMB'000		
Depreciation of plant and equipment	225	553	(59.3)	
Depreciation of right of use asset	286	-	N/M	
Amortisation of intangible assets	44	79	(44.3)	
Finance cost	278	443	(37.2)	

6. Taxation

The Group's calculation on the period income tax expense using tax rate that would be applicable to the expected total annual earnings, the major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Note	Group		Change %
		3 months ended		
		30 June 2021 RMB'000	30 June 2020 RMB'000	
Current income tax expenses		-	-	

7. Earnings per share

	Group	
	3 months ended	
	30 June 2021 RMB	30 June 2020 RMB
PROFIT/(LOSS) PER ORDINARY SHARE		
(i) Based on weighted average number of ordinary shares in issue		
- For profit (loss) for the period	(0.01)	(0.01)
- For profit (loss) from continuing operations for the period	(0.01)	(0.01)
(ii) On a fully diluted basis		
- For profit (loss) for the period	(0.01)	(0.01)
- For profit (loss) from continuing operations for the period	(0.01)	(0.01)

UNITED FOOD HOLDINGS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

8. Property, Plant and Equipment

During the three months ended 30 June 2021, the Group assets amounting to RMB1,587K (30 June 2021).

9. Borrowings

Amount repayable in one year or less

Group			
As at 30-Jun-2021		As at 31-Mar-2021	
Secured	Unsecured	Secured	Unsecured
RMB'0	RMB'000	RMB'000	RMB'000
9,990	4,482-	9,990	3,780-

The bank loan of RMB 9.99 million is secured by a charge on certain land use right and building.

The unsecured balance comprised RMB0.69 million as the contingent consideration and RMB3.79 million is the balance in other payables to shareholder.

10. Share Capital

Group and Company

2021

Beginning and end of financial period

2020

Beginning and end of financial period

No. of ordinary shares '000	Amount HK\$'000
187,902,647	18,790,265
187,902,647	18,790,265

There is no change in the Company's share capital during the period ended 30 June 2021.

The Company does not hold any treasury shares as at 30 June 2021 and 30 June 2020.

11. Net Asset Value

Net asset value per ordinary share based on existing share capital (cents)

Number of shares ('000)

Group		Company	
30-Jun-2021	31-Mar-2021	30-Jun-2021	31-Mar-2021
0.94	0.95	0.54	0.55
187,902,647	187,902,647	187,902,647	187,902,647

UNITED FOOD HOLDINGS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

12. Financial assets and financial liabilities

Inventories	2,925	3,098	-	-
Trade and other receivables	126,114	135,626	722	15,734
Amount due from subsidiaries	-	-	112,988	99,389
Cash and cash equivalents	36,833	20,621	501	786
Total undiscounted financial assets	165,872	159,345	114,211	115,909
	-	-	-	-
Financial liabilities				
Trade and other payables	55,745	46,987	422	414
Amounts due to subsidiaries	-	-	12,483	12,679
Current tax payable	334	318	-	-
Contingent considerations	688	688	-	-
Borrowings	9,990	9,990		
Total undiscounted financial Liabilities	66,757	57,983	12,905	13,093

13. Related party transactions

The Group does not have any related party transaction during this period.

14. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

UNITED FOOD HOLDINGS LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- a) Updates on the efforts taken to resolve each outstanding audit issue.

The auditors had issued a Disclaimer of Opinion due to its inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements for FY2020. Full details of the Disclaimer of Opinion were released on 2 November 2020 to SGX-ST via SGXNet.

1. Opening Balance

Discontinued operations and Disposal group classified as held for sale.

On the basis that there is no spill over effects, management expects this issue to be resolved for the year ended 31 March 2021.

2. Impairment of non-financial assets

- i. Reliability of the key assumption to the Forecast
ii. Veracity of HBXR transactions

The valuer had evaluated the forecasts of CDPR and HBXR and the transactions adjusted according to market conditions, which will be reflected in the valuation report to be issued in due course.

3. Deferred tax liabilities

Management will be evaluating the carrying amounts of the deferred tax liabilities during the audit process for the year ending 31 March 2021.

4. Valuation of contingent consideration for acquisition of subsidiaries

Management has communicated with the valuer and confirmed that the valuer has taken a conservative approach in valuation. Although the valuer had taken a conservative approach, the uncertainty relates to the resumption of the supply of natural gas, which may or may not affect the audit disclaimer.

5. Recoverability of financial assets

- i. Recoverability of proceeds from disposal of Post-Ante Group

The Company had received full payment as of 31 March 2021.

- ii. Recoverability of deposits and termination of short-term investment

- a. RMB25.0 million deposit paid to 唐山市胜润生物科技有限公司 (“Tangshan”)

This amount has been fully received as of 31 March 2021.

- b. RMB35.0 million deposit paid to 深圳农映食品开发集团有限公司 (“Nongfu”)

This amount has been fully received as of 30 June 2021.

- c. RMB40.0 million short-term investment with 惠州市康维健生物科技有限公司 (“Kangweijian”)

This amount had been fully received as of 31 March 2021.

UNITED FOOD HOLDINGS LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

6. Veracity, existence and completeness of bank balances

Management has provided to the Board and the Audit Committee a notarized declaration in China dated 14 October 2020 by its employees that they had obtained directly from the bank the above bank statements. In addition, the Board and the Audit Committee have noted that these local or rural bank accounts had been closed and are now opened with a state-owned bank, China Construction Bank, which showed an account balance of RMB 24.0million based on the bank statement with that bank as at 27 July 2020.

The Board had received legal opinion from the legal counsel and is currently reviewing this with the auditors.

The lawyer had completed a preliminary report within the legal framework and regulations in China in October 2020, with follow up emails in March 2021. The Audit Committee has received a special audit proposal from a big four accounting firm in June 2021 and has given this to management for consideration. Management is currently reviewing the proposal.

Management is also considering commissioning the same law firm to perform additional procedures such as obtaining the bank confirmation and printing all the bank statements of the closed bank accounts in China. Management endeavors to finalize the terms of reference as soon as practicable.

The Audit Committee has given 2 proposals from 2 big 4 audit firms to the Company management to conduct a special investigation into the inconsistencies noted above in due course. The Company management is currently reviewing the proposals.

The Company will provide the terms of reference of the special investigation to RegCo for review before appointment of the special auditor. The Company will also provide the special investigation report to RegCo.

b) Confirmation from the Board that the impact of all outstanding audit issues in the financial statements have been adequately disclosed.

The Board confirmed that the impact of all outstanding audit issues in the financial statements have been adequately disclosed.

3. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Condensed Interim Consolidated Statement of Comprehensive Income

Revenue

The Group recorded revenue of RMB0.5 million in the First quarter ended 30 June 2021 ("1Q2022") compared to RMB0.14 million in 1Q2021, representing an increase of 260.6%. The revenue of RMB0.5 million was mainly from the Group's Additives Related Segment. Revenue from CDPR which was mainly derived from the animal feed/traditional medicine segment had been adversely affected by the African swine fever as our products were targeted at the poultry industry.

Gross profit

The Group recorded a gross profit margin of 62.2% for the continuing operations in 1Q2022 which was mainly contributed by Additive Related Segment.

Other income

Other income of RMB5,000 was recorded in 1Q2022 comprised mainly interest income, as compared to RMB18,000 in 1Q2021.

Administrative expenses

Administrative expenses increased by RMB41,000 or 2.2% in 1Q2022 compared to 1Q2021.

UNITED FOOD HOLDINGS LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

Condensed Interim Statements of Financial Position

PPE, land use rights, intangible assets-patents

The decrease in PPE, land use rights and intangible assets was mainly attributable to depreciation and amortization charges.

Intangible assets-patents of RMB64.3 million was derived based on the closing balance of the audited financial statements as of 31 March 2020. The amount is subjected to change upon finalization of the valuation report on patents, carried out by an independent valuer, Ascent Partner and is subject to review by the Auditors.

Goodwill

Goodwill is from the acquisition of Really Time Trading Limited, which was completed in August 2017.

Goodwill of RMB12.7 million was derived based on the closing balance of the audited financial statements as of 31 March 2020. The amount is subject to change upon finalization of the valuation report, carried out by an independent valuer, Ascent Partner whose valuation report is subject to review by the Auditors.

Trade and other receivables.

Trade receivables were mainly the receivables of Really Time Trading Limited and deposit paid for Additives Related Segment.

Other receivables include deposits paid to the vendors of potential acquisition projects amounting to RMB35 million, which will become part of the consideration after the completion of the acquisitions and/or refundable after the cancellation of the acquisitions.

Non-controlling interest.

Non-controlling interest comprises minority shareholder interests from Really Time Trading Limited, HBXR, C DPR and Benchmark.

Trade and other payables

The trade payables were mainly from trading segment and other payables were mainly the other payables from subsidiaries of the acquisition of HBXR, C DPR. Also included in other payable was a cash purchase consideration from acquisition of new subsidiaries of RMB10 million which have not been paid as at 30 June 2021.

Contingent considerations

Contingent considerations arose from the Acquisition 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. The contingent consideration is classified as financial liability measured at fair value, changes in fair value is recognized in profit and loss. In view of the unexpected COVID 19 outbreak, profit guarantee of the vendors for FY2021 might not be met.

Contingent considerations of RMB0.7 million was derived based on the closing balance of the audited financial statements as of 31 March 2020. The amount is subjected to change upon finalization of the valuation report on patents, carried out by an independent valuer, Ascent Partner and is subject to review by the Auditors.

No Bonds have been issued as of to date as the amount of Bonds to be issued varies or depends on the amount of profits that are generated by C DPR, HBXR and Benchmark under the profits warranty given by the vendors in the Sales and Purchase Agreement.

Cash flow statement

Net cash flow of RMB16.8 million was generated in 1Q2022, in which net cash of RMB18.6 million was used in operating activities, net cash of RMB35.0million was generated from investing activities, and net cash of RMB0.4 million was generated in financing activities.

UNITED FOOD HOLDINGS LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

- 4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to the shareholders.

- 5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group expects the prolonged COVID-19 outbreak to have significant adverse impact on its businesses. The impact of the COVID-19 remains uncertain and the Group is unable to quantify the impact at this point in time.

The natural gas supply is required for the production of L-Ascorbyl Palmitate products. The Company did not expect the prolonged delay in the natural gas supply from the local government. The Company had tried to use portable supply of natural gas for interim production but found this to be not cost effective and the supply to be uncertain in local district. The Company has yet to receive any formal notification of the resumption in natural gas supply as of July 2021. The Company will continue to monitor and update shareholders when appropriate.

Despite challenging market conditions, delay in the resumption of the natural gas supply coupled with the trade war tension between China and US, the Group continues to focus on sales and expansion of market share leveraging on its network and actively sourcing for new customers including exploring other new revenue opportunities for its L-Ascorbyl Palmitate license. The Company is also exploring the potential market for its L-Ascorbyl Palmitate in other agricultural countries.

6. Dividends

- (a) Current financial period reported on
Any dividend declared for the current financial period reported on?**

No.

- (b) Corresponding period of the immediately preceding financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

- (c) Date payable**

Not applicable.

- (d) Books closure date**

Not applicable.

- 7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared (recommended) for the period ended 30 June 2021 as the Company is in an accumulated loss position and the available cash is required for working capital.

8. Interested person transaction disclosure

The Company does not have an Interested Person Transaction.

UNITED FOOD HOLDINGS LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Con't)

9. Confirmation pursuant to Rule 720(1) of the listing manual

The Board of Directors of United Food Holdings Limited hereby confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out under Rule 720(1) of the Listing Manual were procured.

10. Confirmation pursuant to Rule 705(5) of the listing manual

On behalf of the Board of Directors of the Company, we, Wu Xiaoran and Song Yanan, being Directors of the Company, hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of United Food Holdings Limited which may render the unaudited financial statements for the three months ended 30 June 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
UNITED FOOD HOLDINGS LIMITED

Wu Xiaoran
Executive Director
14 August 2021