

UNITED FOOD HOLDINGS LIMITED
(Incorporated in Bermuda as an exempted company limited by shares)
(Company Registration No. 28925)

PROPOSED ACQUISITION OF 8,000 ORDINARY SHARES REPRESENTING 80% OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF REALLY TIME TRADING LIMITED ("TARGET COMPANY") BY PEARLFIELD CHINA LIMITED

UPDATE ANNOUNCEMENT

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the announcements made by United Food Holdings Limited (the "Company") on 21 April 2017 and 15 May 2017 relating to the Proposed Acquisition.

1. INTRODUCTION

The Board of Directors of the Company refers to the announcements released by the Company on 21 April 2017 and 15 May 2017 (collectively "**Previous Announcements**" and each and any of them a "**Previous Announcement**"). In the Previous Announcements, the Company had relied on the latest unaudited financial statements of the Target Group for the financial year ended 31 December 2016 for the purposes of (a) demonstrating the unaudited book value and net tangible asset value of the Target Company and (b) computing the figures for the relevant bases set out in Rule 1006 of the Listing Manual.

As part of the legal, accounting and financial due diligence conducted by Pearlfield China as a Condition Precedent to the Completion of the Proposed Acquisition, Pearlfield China had obtained the latest audited financial statements of the Target Company for the financial period commencing from 10 December 2015 (date of incorporation of the Target Company) to 31 December 2016. The purpose of this announcement is to update (a) the book value and net tangible asset value of the Target Company set out in Rule 1010(4) of the Listing Manual and (b) the figures computed for the relevant bases set out in Rule 1006 of the Listing Manual, and (c) the financial effects of the Proposed Acquisition, based on the latest audited financial statements of the Target Company for the financial period commencing 10 December 2015 (date of incorporation of the Target Company) to 31 December 2016.

2. UPDATED INFORMATION OF THE TARGET GROUP

Based on the audited financial statements of the Target Company for the financial year ended 31 December 2016, the revised book value and net tangible asset value of the Target Company is approximately RMB3,208,843 (which is equivalent to HKD3,587,303 based on the exchange rate of HKD1: RMB0.8945 as at 31 December 2016) as at 31 December 2016.

3. UPDATED RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

Pursuant to the due diligence conducted by the Group on the Target Group, the Company wishes to clarify the relative figures in relation to the Proposed Acquisition pursuant to Rule 1006 of the SGX-ST Listing Manual, using the latest audited financial statements of the Company and its subsidiaries (the "**Group**") as at 31 December 2016, and the latest audited financial statements of the Target Company for the financial period 10 December 2015 (date of incorporation) to 31 December 2016, are:

(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable ⁽¹⁾
(b)	Net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net loss ⁽²⁾	-0.2% ⁽³⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	7.7% ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	0.5% ⁽⁵⁾
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) This basis is not applicable as the Group will not be disposing of any assets pursuant to the Proposed Acquisition.
- (2) Under Rule 1002(3)(b) of the Listing Manual, 'net profit' means the profit before income tax, minority interests and extraordinary items and 'net loss' means the loss before income tax, minority interests and extraordinary items.
- (3) Determined by dividing the Target Company's audited net profit of approximately RMB384,216 for the financial period from 10 December 2015 (date of incorporation of the Target Company) to 31 December 2016 (equivalent to HKD429,532 based on the exchange rate of HKD1: RMB0.8945 as at 31 December 2016) by the Group's latest audited consolidated net loss of RMB229,263,000 for the financial year ended 31 December 2016.
- (4) Based on the aggregate value of the Purchase Consideration of RMB16,000,000 (being the aggregate of the Deposit (as defined above) and the value of the Consideration Shares (as defined above) and the market capitalisation of the Company of RMB208,845,475 as at 11 May 2017 (being the market day preceding the date of the Sale and Purchase Agreement). Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the number of shares in issue being 132,097,041 shares by the weighted average price of S\$0.323 of such shares transacted on 11 May 2017 (being the market day preceding the date of the Sale and Purchase Agreement).
- (5) Computed based on the issued and paid-up share capital of 132,097,041 shares as at 11 May 2017 (being the market day preceding the date of the Sale and Purchase Agreement).

The change in the relative figure computed based on Rule 1006(c) of the Listing Manual from -1.4% (as previously announcement on 15 May 2017) to -0.2% is due to a reduction in net profits attributable to the Target Group from the unaudited net profit of RMB3,115,594 (equivalent to HKD3,483,056 based on the exchange rate of HKD1:RMB0.8945 as at 31 December 2016) to the audited net profit of the Target Company of approximately RMB384,216 (equivalent to HK429,532 based on the exchange rate of HKD1: RMB0.8945 as at 31 December 2016), resulting from the increase in administrative expenses under the audited financial statements of the Target Company. Notwithstanding the foregoing, as the revised

relative figure remains a negative figure, the Company will be consulting with SGX-ST and will update the Shareholders on the outcome of such consultation, as and when necessary.

As the relative figures under Rule 1006 exceed 5% but do not exceed 20%, the Proposed Acquisition only constitutes a "Discloseable Transaction" as defined in Chapter 10 of the Listing Manual. Accordingly, Shareholders' approval for the Proposed Acquisition is not required.

4. FINANCIAL EFFECTS

Arising from the due diligence on the Target Company, the Company also wishes to provide an update on the revised financial effects of the Proposed Acquisition.

It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Company and the Group, after completion of the Proposed Acquisition. There are no changes to the assumptions of the proforma financial effects of the Proposed Acquisition on the Group set out in Clause 9.2 of the Previous Announcement dated 15 May 2017.

Assuming that the Proposed Acquisition had been completed on 31 December 2016, the NTA per share of the Group as at 31 December 2016 would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA ⁽¹⁾ (RMB)	202,253,000	192,680,146
Number of issued shares	110,080,868 ⁽²⁾	132,712,106 ⁽³⁾
NTA per share (RMB)	1.84	1.45

Notes:

- (1) NTA is computed based on total assets less total liabilities and less intangible assets.
- (2) The total number of issued shares as at 31 December 2016 shall exclude the issuance of 22,016,173 Shares on 20 February 2017 pursuant to a placement announcement released by the Company on 16 January 2017 (the "**Placement Shares**").
- (3) The total number of issued shares shall include both the Placement Shares and the Consideration Shares.

The financial effect of the Proposed Acquisition on the losses per share ("**LPS**") of the Company for the financial year ended 31 December 2016 assuming that the Proposed Acquisition had been effected on 1 January 2016 would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net losses attributable to owners of the Company (RMB)	229,263,000	228,993,002
Weighted average number of shares used in the computation of basic LPS	110,080,868 ⁽¹⁾	132,712,106 ⁽²⁾
Basic LPS ⁽³⁾ (RMB)	2.08	1.73

Notes:

- (1) The total number of issued shares as at 31 December 2016 shall exclude the issuance of 22,016,173 Shares on 20 February 2017 pursuant to a placement announcement released by the Company on 16 January 2017 (the "**Placement Shares**").

- (2) The total number of issued shares shall include both the Placement Shares and the Consideration Shares.
- (3) Basic LPS is computed based on the weighted average number of shares for the full financial year.

5. 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 Acquisition, 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.

6. TRADING CAUTION

Shareholders are advised to exercise caution in trading their shares. The Proposed Acquisition is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Song Yanan

Non-Executive Chairman

Date: 7 June 2017