

UNITED FOOD HOLDINGS LIMITED

Financial Statements For The Year Ended 31 March 2021

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

The figures presented below have not been audited.

1(a) An income statement and a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE TWELVE MONTHS ENDED 31 MARCH 2021

	Note	Group					
		3 months ended			12 months ended		
		31 March 2021	31 March 2020	Change	31 March 2021	31 March 2020	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%	
CONTINUING OPERATIONS							
Revenue	(A)	1,770	9,797	(81.9)	9,892	30,305	(67.4)
Cost of sales		(1,283)	(8,709)	(85.3)	(8,397)	(24,902)	(66.3)
Gross profit	(B)	487	1,088	(55.2)	1,495	5,403	(72.3)
Other income, net	(C)	265	16,853	(98.4)	296	17,020	(98.3)
Selling and distribution costs		(198)	(220)	(10.0)	(856)	(1,140)	(24.9)
Administrative expenses	(D)	(1,329)	(29,439)	(95.5)	(6,667)	(39,316)	(83.0)
Finance expenses		(72)	(227)	(68.3)	(1,130)	(1,079)	4.7
Other expenses, net		327	(80,828)	N/M	308	(80,849)	N/M
Profit/(loss) before tax		(520)	(92,773)	(99.4)	(6,554)	(99,961)	(93.4)
Income tax expenses		-	3,794	N/M	-	3,788	N/M
Profit/(loss) for the period		(520)	(88,979)	(99.4)	(6,554)	(96,173)	(93.2)
Attributable to :							
Owners of the Company		(468)	(66,604)	(99.3)	(6,046)	(73,005)	(91.7)
Non-controlling interest		(52)	(22,375)	(99.8)	(508)	(23,168)	(97.8)
LOSS PER SHARE							
- Basic		(0.003)	(0.35)		(0.03)	(0.42)	
- Diluted		(0.002)	(0.29)		(0.03)	(0.34)	

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

Note: N/A - Not applicable

N/M – Not meaningful

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED 31 MARCH 2021**

The Group's loss before tax is arrived at after charging:

	Group					
	3 months ended			12 months ended		
	31 March 2021	31 March 2020	Change	31 March 2021	31 March 2020	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit/(loss) for the period	(520)	(88,979)	(99.4)	(6,554)	(96,173)	(93.2)
Other comprehensive income/(loss)						
Exchange differences on translation of financial statements of foreign operation	117	(1,275)	N/M	(3,452)	240	N/M
Total comprehensive profit/(loss) for the period	<u>(403)</u>	<u>(90,254)</u>	<u>(99.6)</u>	<u>(10,006)</u>	<u>(95,933)</u>	<u>(89.6)</u>
Attributable to :						
Owners of the Company	<u>(348)</u>	<u>(67,876)</u>	<u>(99.5)</u>	<u>(9,536)</u>	<u>(72,752)</u>	<u>(86.9)</u>
Non-controlling interest	<u>(55)</u>	<u>(22,378)</u>	<u>(99.8)</u>	<u>(470)</u>	<u>(23,181)</u>	<u>(98.0)</u>
The Group's profit before tax is arrived at after charging:						
	Group					
	3 months ended			12 months ended		
	31 March 2021	31 March 2020	Change	31 March 2021	31 March 2020	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Depreciation of plant and equipment	(666)	159	N/M	918	1,094	(16.1)
Depreciation of right of use asset	1,146	-	N/M	1,146	1,106	3.6
Amortisation of intangible assets	(102)	13,676	N/M	124	13,913	(99.1)
Finance cost	72	227	(68.3)	1,130	1,079	4.7
Fair value changes in contingent consideration	-	-	N/M	-	16,831	N/M
Expected credit loss allowance on trade and other receivable	-	-	N/M	-	13,822	N/M
Foreign exchange (gain) loss	<u>-</u>	<u>(1,347)</u>	<u>N/M</u>	<u>-</u>	<u>168</u>	<u>N/M</u>
	Group					
	3 months ended			12 months ended		
	31 March 2021	31 March 2020	Change	31 March 2021	31 March 2020	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Other income, net						
- Fair value changes in contingent consideration	-	16,831	N/M	-	16,831	N/M
- Others	265	22	1104.5	296	189	56.6
	<u>265</u>	<u>16,853</u>	<u>(98.4)</u>	<u>296</u>	<u>17,020</u>	<u>(98.3)</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

**CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	Group		Company	
		31/3/2021 RMB'000	31/3/2020 RMB'000	31/3/2021 RMB'000	31/3/2020 RMB'000
ASSETS					
Non-current assets					
Investment in subsidiary		-	-	9	9
Property, plant and equipment	(E)	1,812	2,730	-	-
Right-of-use assets	(E)	7,518	8,664	-	-
Intangible asset - patents	(E)	64,383	64,507	-	-
Goodwill	(F)	12,742	12,742	-	-
		<u>86,455</u>	<u>88,643</u>	<u>9</u>	<u>9</u>
Current assets					
Inventories		3,098	1,520	-	-
Trade and other receivables	(G)	135,626	142,134	15,734	15,695
Amount due from subsidiaries		-	-	99,389	106,930
Cash and cash equivalents		20,621	27,140	786	983
		<u>159,345</u>	<u>170,794</u>	<u>115,909</u>	<u>123,608</u>
Total assets		<u>245,800</u>	<u>259,437</u>	<u>115,918</u>	<u>123,617</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital		18,685	18,685	18,685	18,685
Reserves		159,847	169,383	84,140	89,817
Equity attributable to owners of the company		178,532	188,068	102,825	108,502
Non-controlling interest	(H)	6,990	7,460	-	-
		<u>185,522</u>	<u>195,528</u>	<u>102,825</u>	<u>108,502</u>
LIABILITIES					
Current liabilities					
Trade and other payables	(I)	46,987	50,147	414	1,408
Amounts due to subsidiaries		-	-	12,679	13,707
Current tax payable		318	779	-	-
Contingent considerations	(J)	688	688	-	-
		<u>47,993</u>	<u>51,614</u>	<u>13,093</u>	<u>15,115</u>
Non-current liabilities					
Borrowings		9,990	10,000	-	-
Deferred tax liabilities		2,295	2,295	-	-
		<u>12,285</u>	<u>12,295</u>	<u>-</u>	<u>-</u>
Total equity and liabilities		<u>245,800</u>	<u>259,437</u>	<u>115,918</u>	<u>123,617</u>

Note: For Notes (E) to (J), please refer to Item 8.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/3/2021		As at 31/3/2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
9,990	3,780	10,000	5,750

Amount repayable after one year

As at 31/3/2021		As at 31/3/2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
N/A	N/A	N/A	N/A

Details of any collateral

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 RMB3.09 million is the balance in other payables to shareholder.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE TWELVE MONTHS ENDED 31MARCH 2021

	Group	
	12 months ended	
	31 March 2021	31 March 2020
	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(6,554)	(99,961)
Adjustments for:		
Amortisation of land use rights and intangible assets - patents	124	13,913
Depreciation of plant and equipment	918	1,094
Depreciation of right of use assets	1,146	1,106
Impairment loss on property, plant and equipment	-	3,224
Impairment loss on patents	-	63,267
Impairment loss on ROU assets	-	14,172
Provision for impairment allowance on trade receivables	-	13,822
Translation difference	-	168
Loss on disposal of property, plant and equipment	-	151
Fair value changes on contingent consideration	-	(16,831)
Finance cost	1,130	1,079
Bank interest income	(35)	(189)
Cash flow used in operating activities before working capital changes	(3,271)	(4,985)
Change in inventories	(1,578)	(2)
Change in trade and other receivables	(48,491)	(13,180)
Change in trade and other payables	(1,191)	(512)
Cash used in operations	(54,531)	(18,679)
Tax paid	(461)	(249)
Net cash (used in) / generated from operating activities	(54,992)	(18,928)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received for disposal of a subsidiary	15,000	-
Cash received for disposal of property, plant and equipment	-	37
Deposit for potential business acquisitions	-	(40,000)
Cash received from potential business acquisitions	40,000	-
Cash used for property, plant and equipment	-	(20)
Interest received	35	189
Net cash generated from / (used in) investing activities	55,035	(39,794)
CASH FLOW FROM FINANCING ACTIVITIES		
Advance from (Repayment to) a shareholder	(1,970)	780
Proceeds from issue of new shares	-	12,257
Repayment of bank loan	(10)	-
Finance cost	(1,130)	(1,079)
Net cash (used in) / generated from financing activities	(3,110)	11,958
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,067)	(46,764)
Exchange differences	(3,452)	72
Cash and cash equivalents at the beginning of period	27,140	73,832
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	20,621	27,140

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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	(289,239)	223	2,982	7,460	195,528
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	-	-	-	(6,046)	-	-	(508)	(6,554)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(3,490)	-	38	(3,452)
Total comprehensive profit/(loss) for the period	-	-	-	(6,046)	(3,490)	-	(470)	(10,006)
Balance at 31 March 2021	18,685	58,276	397,141	(295,285)	(3,267)	2,982	6,990	185,522
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 2019	15,975	48,729	397,141	(216,234)	(30)	2,982	30,641	279,204
Transactions with the owners recognised directly in equity								
Issue of new shares	2,710	9,547	-	-	-	-	-	12,257
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	2,710	9,547	-	-	-	-	-	12,257
Total comprehensive income for the period								
Profit/(Loss) for the period	-	-	-	(73,005)	-	-	(23,168)	(96,173)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	253	-	(13)	240
Total comprehensive loss for the period	-	-	-	(73,005)	253	-	(23,181)	(95,933)
Balance at 31 March 2020	18,685	58,276	397,141	(289,239)	223	2,982	7,460	195,528

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	(368,110)	(472)	2,982	108,502	
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	-	-	-	(3,195)	-	-	(3,195)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	(2,482)	-	(2,482)	
Total comprehensive income for the period	-	-	-	(3,195)	(2,482)	-	(5,677)	
Balance at 31 March 2021	18,685	58,276	397,141	(371,305)	(2,954)	2,982	102,825	
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 2019	15,975	48,729	397,141	(363,322)	(2,168)	2,982	99,337	
Transactions with the owners recognised directly in equity								
Issue of new shares	2,710	9,547	-	-	-	-	12,257	
Acquisitions of subsidiaries	-	-	-	-	-	-	-	
Total transactions with the owners recognised directly in equity	2,710	9,547	-	-	-	-	12,257	
Total comprehensive income for the period								
Loss for the period	-	-	-	(4,788)	-	-	(4,788)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,696	-	1,696	
Total comprehensive loss for the period	-	-	-	(4,788)	1,696	-	(3,092)	
Balance at 31 March 2020	18,685	58,276	397,141	(368,110)	(472)	2,982	108,502	

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no treasury shares and subsidiary holdings. The Company does not have any shares that issued on conversion of any outstanding convertibles as at 31 March 2021 and 31 March 2020.

The acquisition of Hebei Xingrun Shengwu Keji Gufen Co., Ltd. ("HBXR"), Chengde Purun Shengwu Zhiyao Co., Ltd. ("CDPR") and Benchmark Trade Limited ("Benchmark") (the "Acquisition") was approved at the Special General Meeting ("SGM") held on 20 July 2018, and completed in end September 2018. Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

The Company had entered into a supplemental agreement with the parties on 7 June 2019 (the "2019 Supplemental Agreement"). The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the financial year end of FY2020, FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of ordinary shares (par value of HK\$0.10 each)	Number of ordinary shares (par value of HK\$0.10 each)
Issued and fully paid:		
As at 1 April 2020 and 1 April 2019	187,902,647	157,901,384
Issuance of new shares during the twelve months period	-	30,001,263
As at 31 March 2021 and 31 March 2020	<u>187,902,647</u>	<u>187,902,647</u>

The Company did not hold any treasury shares as at 31 March 2021 and 31 March 2020.

The Acquisition was approved at the SGM held on 20 July 2018, and completed in end September 2018. Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

The Company had entered into 2019 Supplemental Agreement. The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the financial year end of FY2020, FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

1(d)(iv) A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

The figures have not been audited nor reviewed.

3A. 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 was 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 are 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.
5. Recoverability of financial assets
 - i. Recoverability of proceeds from disposal of Post-Ante Group

The Company had received full payment by installment as follows :-

Name	In arrears	Amount owing (RMB'000)	Amount owing as at 31 March 2021(RMB'000)	Remarks
Financial Services Company For Innovative Industry In China Limited	11/24/2017	15,000	-	The Company had received payment from April 2020 to March 2021 as follows: May 2020 – RMB3.5 mil Oct 2020 – RMB0.5 mil Dec 2020 – RMB6.0 mil Mar 2021 – RMB5.0 mil

- 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”)

After discussion with the management of Nongfu, the Group would expect full recovery of deposit by 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 has been fully received as of 31 March 2021.

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. Furthermore, the Audit Committee will be recommending a special investigation into the inconsistencies noted above in due course.

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

Given most corporations have resumed business activities by adapting the “new normal” environment, the Group would monitor and review its strategies, and continue to put in effort towards resolving the audit issues.

- 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.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 March 2021.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") and all new and revised standards does not have any material financial impact on the Group's and Company's financial statements for the current financial period.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	3 months ended		12 months ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RMB	RMB	RMB	RMB
PROFIT/(LOSS) PER ORDINARY SHARE				
(i) Based on weighted average number of ordinary shares in issue				
- For profit (loss) for the period	(0.003)	(0.35)	(0.03)	(0.42)
- For profit (loss) from continuing operations for the period	(0.003)	(0.35)	(0.03)	(0.42)
(ii) On a fully diluted basis				
- For profit (loss) for the period	(0.002)	(0.29)	(0.03)	(0.34)
- For profit (loss) from continuing operations for the period	(0.002)	(0.29)	(0.03)	(0.34)

- (i) Profit/(loss) per ordinary share on the existing issued share capital is computed based on the weighted average number of shares in issue during three and twelve months ended 31 March 2021 of 187,902,647 shares (three and twelve months ended 31 March 2020 of 187,902,647 and 175,607,047 shares respectively).
- (ii) There were potential dilutive ordinary shares in existence for the three and twelve months ended of 31 March 2021, diluted number of shares of 226,478,954, and diluted number of shares of three and twelve months ended 31 March 2020 of 226,478,954 and 214,183,354 respectively.
- (iii)a. The Acquisition was approved at the SGM held on 20 July 2018, and completed in end September 2018. Per the Acquisition circular dated 8 July 2018, the balance purchase price of RMB85,000,000 will be paid by issuance of convertible bond in three tranches subject to the aggregate net profit after tax of the companies shall not be less than RMB25,000,000 for each of FY2019, FY2020, and FY2021 (collectively).

- b. The Company had entered into the 2019 Supplemental Agreement. The key amendments of the 2019 Supplemental Agreement amongst others including each of the First Bond Subscription Date, Second Bond Subscription Date, and Third Bond Subscription Date to be the date falling not more than 120 days from the financial year end of FY2020, FY2021, and FY2022 respectively. Assuming a full conversion of the principal amount of RMB85,000,000 in bonds to be issued, the 38,576,307 Conversion Shares will be issued in FY2023.

7. Net asset value (for the issuer and group) per ordinary share based on the total number issued share excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	RMB	RMB	RMB	RMB
NET ASSETS VALUE PER ORDINARY SHARE				
Net asset backing per ordinary share based on existing issued share capital as at the end of the period report on	0.95	1.00	0.55	0.58

The net asset value for the Group and the Company per ordinary share were calculated based on 187,902,647 shares in issue as at 31 March 2021 and 31 March 2020.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Performance Review

(A) Revenue

The Group recorded revenue of RMB1.8 million in the Fourth quarter ended 31 March 2021 ("4Q2021") compared to RMB9.8 million in 4Q2020, representing a decrease of 81.9%. The revenue of RMB1.8 million was mainly from the Group's Additives Related Segment.

The Group recorded revenue of RMB9.9 million for the year ended 31 March 2021 ("FY2021") compared to RMB30.3 million in FY2020, representing a decrease of 67.4%. The revenue of RMB9.9 million was mainly from the Group's Additives Related Segment.

The revenues generated from the newly acquired subsidiaries, CDPR and HBXR/Benchmark were RMB9.9 million for the year ended 31 March 2021. Revenue from CDPR which was mainly derived from the animal feed/traditional medicine segment had adversely affected by the African swine fever as majority of the products were sold to the poultry industry. Revenue from HBXR/Benchmark which was mainly derived from L-Ascorbyl Palmitate or anti-oxidant manu factory machineries related selling, had also adversely affected by the lack of supply of natural gas from the local government, environmental regulation during the winter period, and Covid-19 impact.

(B) Gross profit

The Group recorded a gross profit margin of 15.1% for the continuing operations in FY2021 which was mainly contributed by Additive Related Segment.

(C) Other income

Other income of RMB296,000 was recorded in FY2021 comprised mainly interest income and tax refund, as compared to RMB17.02 million in FY2020 mainly derived from changes in fair value of contingent consideration of acquired subsidiaries, CDPR and HBXR/Benchmark, representing a decrease of 98.3%. A breakdown of the other income is as follows:-

	12 months ended	12 months ended
	31 March 2021	31 March 2020
	RMB'000	RMB'000
Changes in fair value of contingent consideration	-	16,831
Others	296	189
	<u>296</u>	<u>17,020</u>

(D) Administrative expenses

Administrative expenses decreased by RMB28.1 million or 95.5% in 4Q2021 compared to 4Q2020, mainly due to the decrease in expenses in 4Q2020 resulted from the Covid-19 impact.

(E) 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 RMB64.4 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 the same is being reviewed by the Auditors.

(F) 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 audit.

(G) 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 RMB70 million, which will become part of the consideration after the completion of the acquisitions and/or refundable after the cancellation of the acquisitions.

(H) Non-controlling interest.

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

(I) 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, CDPR. 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 31 March 2021.

(J) 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 the same is being reviewed 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 CDPR, HBXR and Benchmark under the profits warranty given by the vendors in the Sales and Purchase Agreement.

(K) Cash flow statement

Net cash flow of RMB3.1 million was generated in FY2021, in which net cash of RMB55.0million was used in operating activities, net cash of RMB55.0 million was generated from investing activities, and net cash of RMB3.1 million was used in financing activities.

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

N/A.

10. A commentary at the date of the announcement of the 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 local government was scheduled to resume the supply of natural gas, but the Company has yet to receive any formal notification of the resumption in natural gas supply as of March 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.

11. Dividend

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

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared as the Company has incurred a net loss for 4Q2021 and year ended 31 March 2021.

13. Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

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.

14. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed

For the 4Q2021, funds from the Net Proceeds raised from the Placement of 30,001,263 new ordinary shares have been fully utilized and the details were as depicted in table below:-

Table showing utilization of Net Proceeds

Intended use of proceeds	Amount allocated	Amount utilized	Balance
Exploration of investments, acquisitions, strategic alliances and/or joint ventures	S\$1,649,970.70	S\$1,649,970.70	Nil
General working capital	S\$707,130.30	S\$707,130.30	Nil

As at to date, the utilization of the net proceeds arising from the Placement is consistent with the intended use as disclosed in the announcements released on 5 July 2019, 13 August 2019, 23 August 2019 and 29 August 2019.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

For the 12 months period ended 31 March 2021	Continuing operations				
	Trading	Additive related	Animal feed/ traditional medicine	Others	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Net sales to external customers	-	9,884	8	-	9,892
Segment results (EBITDA)	1,468	526	(1,463)	(3,802)	(3,271)
Bank interest income					35
Bank interest cost					(1,130)
Depreciation of PPE					(918)
Depreciation of ROU assets					(1,146)
Amortisation of intangible assets					(124)
Loss before tax					(6,554)
For the 12 months period ended 31 March 2020	Continuing operations				
	Trading	Additive related	Animal feed/ traditional medicine	Others	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Net sales to external customers	13,068	17,045	192	-	30,305
Segment results (EBIDTA)	(14,993)	(48,103)	(32,820)	12,958	(82,958)
Bank interest income					189
Bank interest cost					(1,079)
Depreciation of PPE					(1,094)
Depreciation of ROU assets					(1,106)
Amortisation of intangible assets					(13,913)
Loss before tax					(99,961)

Geographical information

	Group		
	12 months ended	12 months ended	Change
	31 March 2021	31 March 2020	
Revenues	RMB'000	RMB'000	%
Mainland China	9,892	17,237	(42.61)
Hong Kong	-	13,068	N/M
	<u>9,892</u>	<u>30,305</u>	<u>(67.36)</u>

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Items 8 and 14.

17. Analysis of sales

Analysis of sales	12 months ended	12 months ended	Change
	31 March 2021	31 March 2020	
	RMB'000	RMB'000	%
Revenue reported for 1st half year (April - September)	778	14,251	(94.54)
Operating loss after tax before deducting minority interest reported for 1st half year (April - September)	(4,573)	(6,964)	(34.33)
Revenue reported for 2nd half year (October - March)	9,114	16,054	(43.23)
Operating loss after tax before deducting minority interest reported for 2nd half year (October - March)	(1,981)	(89,209)	(97.78)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

N/A

19. Aggregate Value of Interested Person Transactions Entered Into For The Twelve Months Ended 31 March 2021

Pursuant to Rule 920 of the SGX-ST's Listing Manual, details of the aggregate value of interested person transactions entered into for the twelve months ended 31 March 2021, were as follows: -

The Company does not have an IPT Mandate.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, the Group would like to confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company

**BY ORDER OF THE BOARD
UNITED FOOD HOLDINGS LIMITED**

**Wu Xiaoran
Director
28 May 2021**