

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FIRST QUARTER RESULTS

Issuer & Securities

Issuer/ Manager

UNITED FOOD HOLDINGS LIMITED

Securities

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Wu Xiaoran

Designation

Executive Director

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Please see attached.

Additional Details

For Financial Period Ended

30/06/2019

Attachments

[United%20Food%20-%201Q2020%20Results.pdf](#)

Total size =243K MB

UNITED FOOD HOLDINGS LIMITED

First Quarter Financial Statements for the Three Months Ended 30 June 2019

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 THREE MONTHS ENDED 30 JUNE 2019

	Note	Group		Change %
		3 months ended 30 June 2019	3 months ended 30 June 2018	
		RMB'000	RMB'000	
CONTINUING OPERATIONS				
Revenue	(A)	6,819	18,971	(64.1)
Cost of sales		(6,175)	(17,449)	(64.6)
Gross profit	(B)	644	1,522	(57.7)
Other income, net	(C)	57	27,366	N/M
Selling and distribution costs	(D)	(373)	-	N/M
Administrative expenses	(E)	(3,092)	(1,586)	95.0
Finance expenses		(292)	-	N/M
Other expenses, net		(29)	-	N/M
Profit/(loss) before tax from continuing operations		(3,085)	27,302	N/M
Income tax expenses		-	-	N/M
Profit/(loss) for the period from continuing operations		(3,085)	27,302	N/M
DISCONTINUED OPERATION				
Loss for the period from a discontinued operation		-	(4,230)	N/M
Profit/(loss) for the period		(3,085)	23,072	N/M
Attributable to :				
Owners of the Company		(2,613)	22,801	N/M
Non-controlling interest		(472)	271	N/M

Note: For Notes (A) – (E), 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 THREE MONTHS ENDED 30 JUNE 2019**

	Group			Change %
	3 months ended	3 months ended		
	30 June 2019	30 June 2018		
	RMB'000	RMB'000		
Profit/(loss) for the period	(3,085)	23,072	N/M	
Other comprehensive income/(loss)				
Exchange differences on translation of financial statements of foreign operation	941	235	300.4	
Total comprehensive profit/(loss) for the period	<u>(2,144)</u>	<u>23,307</u>	N/M	
Attributable to :				
Owners of the Company	<u>(1,666)</u>	<u>23,388</u>	N/M	
Non-controlling interest	<u>(478)</u>	<u>(81)</u>	490.1	
The Group's profit before tax is arrived at after charging:				
	Group			Change %
	3 months ended	3 months ended		
	30 June 2019	30 June 2018		
	RMB'000	RMB'000		
Depreciation of property, plant and equipment				
- Continuing operations	564	-	N/M	
- Discontinuing operations	-	1,469	N/M	
	<u>564</u>	<u>1,469</u>		
Amortisation of land use rights and intangible assets	79	717	N/M	
Gain on disposal of subsidiary	-	27,178	N/M	
Finance cost	292	-	N/M	

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 30 JUNE 2019**

	Note	Group		Company	
		30/6/2019 RMB'000	31/3/2019 RMB'000	30/6/2019 RMB'000	31/3/2019 RMB'000
ASSETS					
Non-current assets					
Investment in subsidiary		-	-	9	9
Property, plant and equipment	(F)	19,590	20,148	-	-
Land use rights	(F)	10,964	11,010	-	-
Intangible asset - patents	(F)	141,653	141,687	-	-
Goodwill	(G)	12,742	12,742	-	-
		<u>184,949</u>	<u>185,587</u>	<u>9</u>	<u>9</u>
Current assets					
Inventories		2,375	1,518	-	-
Trade receivables	(H)	21,203	14,655	-	-
Other receivables	(I)	79,734	88,121	15,112	15,109
Amount due from subsidiaries		-	-	98,843	98,809
Cash and cash equivalents		73,946	73,832	472	226
		<u>177,258</u>	<u>178,126</u>	<u>114,427</u>	<u>114,144</u>
Total assets		<u>362,207</u>	<u>363,713</u>	<u>114,436</u>	<u>114,153</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital		15,975	15,975	15,975	15,975
Reserves		230,922	232,588	83,355	83,362
Equity attributable to owners of the company		246,897	248,563	99,330	99,337
Non-controlling interest	(J)	30,163	30,641	-	-
		<u>277,060</u>	<u>279,204</u>	<u>99,330</u>	<u>99,337</u>
LIABILITIES					
Current liabilities					
Trade and other payables	(K)	50,517	49,879	858	898
Amounts due to subsidiaries		-	-	14,248	13,918
Current tax payable		919	919	-	-
Bank loan		10,000	10,000	-	-
Contingent considerations	(L)	17,519	17,519	-	-
		<u>78,955</u>	<u>78,317</u>	<u>15,106</u>	<u>14,816</u>
Non-current liabilities					
Deferred tax liabilities		6,192	6,192	-	-
		<u>6,192</u>	<u>6,192</u>	<u>-</u>	<u>-</u>
Total equity and liabilities		<u>362,207</u>	<u>363,713</u>	<u>114,436</u>	<u>114,153</u>

Note: For Notes (F) to (L), 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 30/6/2019		As at 31/3/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
10,000	23,088	10,000	21,940

Amount repayable after one year

As at 30/6/2019		As at 31/3/2019	
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 10 million is secured by a charge on certain land use right and building

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 THREE MONTHS ENDED 30 JUNE 2019**

	Group	
	3 months ended 30 June 2019 RMB'000	3 months ended 30 June 2018 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax		
From continuing operations	(3,085)	27,302
From a discontinued operation	-	(4,230)
Adjustments for:		
Amortisation of land use rights and intangible assets - patents	79	717
Depreciation of property, plant and equipment	564	1,469
Translation difference	941	-
Gain on disposal of subsidiary	-	(27,178)
Finance cost	292	-
Bank interest income	(57)	(187)
Cash flow used in operating activities before working capital changes	(1,266)	(2,107)
Change in inventories	(857)	3,026
Change in trade and other receivables	1,839	(14,355)
Change in trade and other payables	(509)	17,771
Cash used in operations	(793)	4,335
Tax paid	-	-
Net cash (used in) / generated from operating activities	(793)	4,335
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received for disposal of a subsidiary	-	40,000
Cash used for disposal of a subsidiary	-	(53)
Cash used for property, plant and equipment	(5)	-
Interest received	57	187
Net cash generated from / (used in) investing activities	52	40,134
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of advance to a shareholder	1,147	374
Proceeds from issue of new shares	-	-
Finance cost	(292)	-
Net cash (used in) / generated from financing activities	855	374
NET INCREASE IN CASH AND CASH EQUIVALENTS	114	44,843
Exchange differences	-	235
Cash and cash at the beginning of period	73,832	62,140
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	73,946	107,218

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 capitalisation 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	Statutory reserves	Capital redemption reserve	Non-controlling interest	Total
	RMB'000	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	(214,377)	(1,887)	-	2,982	30,641	279,204
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	-	-	-	(2,613)	-	-	-	(472)	(3,085)
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	947	-	-	(6)	941
Total comprehensive profit/(loss) for the period	-	-	-	(2,613)	947	-	-	(478)	(2,144)
Balance at 30 June 2019	15,975	48,729	397,141	(216,990)	(940)	-	2,982	30,163	277,060
Group									
	Issued capital	Share premium	Contributed surplus	Accumulated losses	Exchange translation reserve	Statutory reserves	Capital redemption reserve	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2018	15,975	48,729	397,141	(311,505)	(1,677)	19,431	2,982	1,545	172,621
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	-	-	-	22,801	-	-	-	271	23,072
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	587	-	-	(352)	235
Total comprehensive loss for the period	-	-	-	22,801	587	-	-	(81)	23,307
Balance at 30 June 2018	15,975	48,729	397,141	(288,704)	(1,090)	19,431	2,982	1,464	195,928

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	-	-	-	-	-	-	-	-
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-
Total transactions with the owners recognised directly in equity	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Loss for the period	-	-	-	(674)	-	-	(674)	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	667	-	667	
Total comprehensive income for the period	-	-	-	(674)	667	-	(7)	
Balance at 30 June 2019	15,975	48,729	397,141	(363,996)	(1,501)	2,982	99,330	
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 2018	15,975	48,729	397,141	(432,322)	(4,219)	2,982	28,286	
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 for the period	-	-	-	73,723	-	-	73,723	
Exchange differences on translation of financial statements of foreign operation	-	-	-	-	1,552	-	1,552	
Total comprehensive loss for the period	-	-	-	73,723	1,552	-	75,275	
Balance at 30 June 2018	15,975	48,729	397,141	(358,599)	(2,667)	2,982	103,561	

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 may be issued on conversion of any outstanding convertibles as at 30 June 2019 and 31 March 2019.

The acquisition of Hebei XingrunShengwuKejiGufen Co., Ltd. ("HBXR"), Chengde PurunShengwuZhiyao 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. The balance purchase price of RMB85,000,000 payable to Vendors will be issued three tranches of convertible bond subject to the aggregate net profit after tax of the companies shall not 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) 2019	Number of ordinary shares (par value of HK\$0.10 each) 2018
Issued and fully paid:		
At 1 April	157,901,384	157,901,384
At 30 June	<u>157,901,384</u>	<u>157,901,384</u>

The Company did not hold any treasury shares as at 30 June 2019 and 30 March 2019.

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

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.

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.

N/A

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.

N/A

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)

N/A

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 2019.

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 new or revised IFRS that are mandatory for financial year beginning on or after 1 January 2018, and such adoption has no significant impact on the Group's consolidated financial statements.

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	3 months ended
	30 June 2019	30 June 2018
	RMB	RMB
PROFIT/(LOSS) PER ORDINARY SHARE		
(i) Based on weighted average number of ordinary shares in issue		
- For profit (loss) for the period	(0.02)	0.14
- For profit (loss) from continuing operations for the period	(0.02)	0.17
- For (loss) from discontinued operations for the period	-	(0.03)
(ii) On a fully diluted basis		
- For profit (loss) for the period	(0.01)	0.12
- For profit (loss) from continuing operations for the period	(0.01)	0.14
- For (loss) from discontinued operations for the period	-	(0.02)

- (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 months ended 30 June 2019 of 157,901,384 shares (three months ended 31 June 2018 of 157,901,384 shares).
- (ii) There were potential dilutive ordinary shares in existence for the three months ended 30 June 2019 and 30 June 2018, respectively, diluted number of shares three months ended 30 June 2019 of 196,477,691 shares (three months ended 30 June 2018 of 196,477,691 shares).
- (iii) a. The Acquisition was approved at the SGM held on 20 July 2018, and completed in end September 2018. The balance purchase price of RMB85,000,000 payable to Vendors will be issued three tranches of convertible bond subject to the aggregate net profit after tax of the companies shall not 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	
	30/6/2019	31/3/2019	30/6/2019	31/3/2019
	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	1.56	1.57	0.63	0.63

The net asset value for the Group and the Company per ordinary share were calculated based on 157,901,384 shares and 157,901,384 shares in issue as at 30 June 2019 and 30 June 2018 respectively.

- 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 RMB6.8 million in the first quarter ended 30 June 2019 ("1Q2020") compared to RMB19.0 million in 1Q2018/2019, representing a decrease by 64% mainly from the Trading Segment. The decrease in revenue was due to drop in sales as well as unfavourable currency exchange rate of RMB against USD for Trading Segment of the Group.

(B) Gross profit/(loss) margin

The Group recorded a gross profit margin of 9.4% for the continuing operations in 1Q2020 which was mainly contributed by the trading segment, compared to gross profit margin of 8.0% in 1Q2018/2019.

(C) Other income

Other income of RMB57 thousand in 1Q2020 comprised mainly interest income, while RMB27.4 million in 1Q2018/2019 was mainly the gain on disposal of subsidiary resulted from the disposal of Post-Ante Trading Limited, Globe Bright Limited, Linyi Shengquan GreaseCo., Ltd ("SQ Grease") and Linyi Jiang Tian Trading Limited related to the soybean processing, feed production and pig rearing operating segments, which are classified as assets held for sale at 31 December 2017 as the Group has received approval at the SGM on 29 March 2018 to dispose of the operations. The disposal was completed on 10 May 2018.

(D) Selling and distribution costs

Approximately RMB0.4 million was incurred as selling and distribution costs in 1Q2020. In the prior year, such expenses were classified under discontinued operations.

(E) Administrative expenses

Administrative expenses increased by 95.0% in 1Q2020 compared to 1Q2018/2019, mainly due to the increase expenses incurred with the consolidation of the administrative expenses of newly acquired subsidiaries, CDPR and HBXR/Benchmark

(F) PPE, land use rights, intangible assets

The increase in PPE, land use rights and intangible assets due to the Acquisition, was approved at the SGM held on 20 July 2018 and completed in end September 2018.

(G) Goodwill

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

(H) Trade receivables

Trade receivables are mainly the receivables from Really Time Trading Limited.

(I) Other receivables

Other receivables include deposits paid to the vendors of one 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. The potential acquisition projects have business operations which are similar in scope to the Group. The proceeds from disposal of SQ Grease of RMB15 million is expected to be received in September 2019.

(J) Non-controlling interest.

Non-controlling interest is the Minority shareholder interest from Really Time Trading Limited, HBXR, CDPR and Benchmark.

(K) 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 is a cash purchase consideration from acquisition of new subsidiaries of RMB10 Million which have not yet paid as at 30 June 2019.

(L) Amount due to a shareholder

Amount due to a shareholders are denominated in Hong Kong dollars, unsecured, non- interest bearing and repayable on demand.

(M) Cash flow statement

Net cash flow of RMB0.114 million was generated in 1Q2020.

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

The announcement is in line with the profit guidance announcement of 12 August 2019.

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

With the ongoing trade war between China and United States of America, the Group expects to be affected by the business operating landscape of the major economies.

Trading Segment

The Group expects the trading segment to slow down due to the volatile currency exchange rate of RMB against USD as a result of the trade war.

Animal Pre-mixed Segment

The production of the newly acquired subsidiaries have not been operated to full capacity. The Group is actively sourcing new customers and venturing other means of new income stream for its L-Ascorbyl Palmitate license.

The Group will continue to review and manage its investment portfolios, actively explore new business opportunities for growth and expansion so as to maximize shareholders value.

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

N/A

(d) Books Closure Date

N/A

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

No dividend has been declared as the Company has incurred a loss for 1Q2020.

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. Aggregate Value Of Interested Person Transactions Entered Into For The Three Months Ended 30 June 2019

Pursuant to Rule 920 of the SGX-ST's Listing Manual, details of the aggregate value of interested person transactions entered into for the three months ended 30 June 2019, were as follows: -

The Company does not have an IPT Mandate.

15. Confirmation by Directors pursuant to Clause 705(5) of the Listing Manual of the SGX-ST

On behalf of the Board of Directors of the Company, we, Song Yanan and Wu Xiaoran, , 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 2019 to be false or misleading in any material aspect.

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

**Wu Xiaoran
Director
14 August 2019**