SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED

(Company Registration No. 200706801H)
(Incorporated In the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED ("**the Company**") will be held at Room 304, Level 3 Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard, Suntec City Singapore 039593 on Tuesday, 25 April 2017 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2016 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring pursuant to the Constitution of the Company:

Mr Zeng Ming	(Retiring under Regulation 91)	**(Resolution 2)**
Mr Huang Yupeng	(Retiring under Regulation 91)	**(Resolution 3)**
Mr Chalermchai Mahagitsiri	(Retiring under Regulation 91)	**(Resolution 4)**

[See Explanatory Note (i)]

3. To approve the payment of Directors' fees of S$145,000 for the financial year ending 31 December 2017 to be paid half-yearly in arrears. (2016: S$145,000) **(Resolution 5)**
4. To re-appoint Foo Kon Tan LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("shares") whether by way of rights or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "***Share Issue Mandate***")

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the total number of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)] **(Resolution 7)**

7. **Authority to issue shares under the Sino Grandness Employee Share Option Scheme**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant options ("Options") under the Sino Grandness Employee Share Option Scheme (the "Scheme") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 8)**

8. **Grant of Options under the Scheme to Ms Huang Yushan, an associate of a controlling shareholder of the Company**

That subject to and contingent upon the passing of Ordinary Resolution 9, the Remuneration Committee of the Company be and is hereby authorised to offer and grant Option(s) to Ms Huang Yushan, an associate of a controlling shareholder of the Company on the following terms:

(a)	Proposed Date of Grant of Option(s)	:	Any time within one (1) month from the date of this Annual General Meeting
(b)	Proposed Number of shares comprised in the proposed Option(s)	:	Up to 1,101,250 shares
(c)	Exercise Price per Share	:	Twenty per cent (20%) discount to the Market Price as at the date of grant
(d)	Exercise Period	:	At any time after the second (2nd) anniversary of the date of grant of the Options and up to the tenth (10th) anniversary therefrom.

In this Resolution, "**Market Price**" means the price equal to the average of the last dealt price for a share in the capital of the Company, as determined by reference to the daily official list or other publication published by the SGX-ST for five (5) consecutive market days immediately preceding the date of grant, rounded up to the nearest whole cent in the event of fractional prices.

[See Explanatory Note (iv)] **(Resolution 9)**

9. **Renewal of Share Purchase Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit, at such prices as may be determined by the Directors of the Company from time to time up to the Maximum Price, whether by way of:-

(i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Proposed Share Buy-back Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Proposed Share Buy-back Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Proposed Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:-

(i) the date on which the next Annual General Meeting of the Company is held or is required by law to be held;

(ii) the date on which the share buy-backs are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Proposed Share Buy-back Mandate is varied or revoked; and

(d) in this Resolution:

"**Maximum Limit**" means the number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares, if applicable) as at the date of the last Annual General Meeting before the resolution authorising the Proposed Share Buy-back Mandate is passed or as at the date on which the resolution authorising the Proposed Share Buy-back Mandate is passed, whichever is the higher;

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

in the case of a Market Purchase, 105% of the Average Closing Price of the Shares;

in the case of an Off-Market Purchase of a Share, 120% of the Average closing Price of the Shares;

"**Average Closing Price**" means (a) the average of the closing market prices of a Share over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the date of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and (b) deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

(e) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (v)] **(Resolution 10)**

By Order of the Board

Chew Kok Liang / Wong Chuen Shya (Huang Chunxia)
Company Secretaries
Singapore, 7 April 2017

Explanatory Notes:

(i) Mr Zeng Ming will, upon re-election as a Director of the Company, remain as an Executive Director of the Company.

Mr Huang Yupeng will, upon re-election as a Director of the Company, remain as the Chairman and Chief Executive Officer of the Company.

Mr Chalermchai Mahagitsiri will, upon re-election as a Director of the Company, remain as a Non-Executive Director of the Company.

(ii) Resolution 7, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

(iii) Resolution 8, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time

(iv) Ordinary Resolution proposed in resolution 9 in item 8 above if passed will empower the Directors of the Company to grant options pursuant to Sino Grandness Employee Share Option Scheme ("**Scheme**") to subscribe up to 1,101,250 ordinary shares in the capital of the Company to Ms Huang Yushan ("**Proposed Options**").

Ms Huang Yushan is the sister of Mr Huang Yupeng, a controlling shareholder of the Company. Therefore, Ms Huang Yushan is considered an associate of Mr Huang Yupeng under the SGX-ST Listing Manual.

Rationale for the grant

Ms Huang Yushan is and has been an Executive Director of the Company since 2008. Since then, she has, and continues to, contribute significantly to the performance and strategic direction of the Group. Ms Huang Yushan is an important member of the executive team of the Group and it is believed she will continue to make invaluable contributions to the Group. In the Extraordinary General Meeting of the Shareholders of the Company held on 23 September 2013, the Shareholders of the Company had approved the participation of Ms Huang Yushan in the Scheme.

As at the Notice of the 2016 AGM, Ms Huang Yushan holds outstanding options under the Scheme to which entitles her to subscribe for 3,303,750 shares (the "**Existing Options**"). As at the Notice of the 2016 AGM, she has not exercised any options granted to her under the Scheme. The Board of Directors proposes to grant further options to Ms Huang Yushan to subscribe for up to 1,101,250 shares. Based on the existing issued share capital of the Company as at the Latest Practicable Date, an aggregate of 10,100,172 options (representing 10% of the total number of shares available under the Scheme as at that date) may be held by Ms Huang Yushan pursuant to the Scheme. The said 1,101,250 shares, together with the Existing Options, amount to an aggregate of 4,405,000 shares which represent approximately 4.36% of the total number of shares available under the Scheme as at the Latest Practicable Date.

The Company is proposing to grant the Proposed Options to reward Ms Huang Yushan for her past and continuing contributions to the Group and to motivate her to further create higher shareholders' value. The exercise price of the Proposed Options is set at twenty per cent (20%) discount to the market price, which is consistent with all other options granted to other employees and directors under the Scheme. The Proposed Options, if exercised, would increase Ms Huang's cost of investment in the Company and in turn demonstrate her long term commitment to further enhance shareholders' wealth through appreciation of the share price. Additionally, as the Proposed Options may not be exercised until after the second anniversary of the date of grant, the reward from the exercise of the Proposed Options would not be immediate. The value of the Proposed Options would be realized only when the results and prospects of the Group's long term performances and growth translate into higher share price and higher shareholder value.

Directors' recommendation

All Directors who are eligible to participate in the Scheme have refrained from making any recommendation in favour of the Ordinary Resolution in respect of the proposed grant of options to subscribe for up to 1,101,250 shares to Ms Huang Yushan at the Annual General Meeting.

The Company shall procure that Mr Huang Yupeng, Ms Huang Yushan, their respective associates, and all shareholders who are eligible to participate in the Scheme ("**Eligible Shareholders**") shall abstain from voting in the Ordinary Resolution on the proposed grant of options to subscribe for up to 1,101,250 shares to Ms Huang Yushan at this Annual General Meeting.

Mr Huang Yupeng, Ms Huang Yushan and other Eligible Shareholders shall not accept nomination as proxy or otherwise vote at this Annual General Meeting in respect of the Ordinary Resolution unless shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the Ordinary Resolution.

Directors' responsibility statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, this notice constitutes full and true disclosure of all material facts about this Ordinary Resolution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statements in this notice misleading. Where information herein 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 herein in its proper form and context.

SGX-ST's disclaimer

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Notice of Annual General Meeting.

(v) Ordinary Resolution proposed in resolution 10 in item 9 above is to authorise the Directors of the Company from the date of the above meeting until the earliest of (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held, (ii) the date on which the purchases or acquisitions by the Company pursuant to this mandate are carried out to the full extent mandated; or (iii) the date on which the authority conferred by this mandate is varied or revoked by Shareholders in general meeting, to purchase or otherwise acquire issued ordinary shares in the capital of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) in the capital of the Company. For more information on this resolution, please refer to the Appendix dated 7 April 2017.

Notes:

1. A Member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified.)
3. The instrument appointing a proxy must be deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.