

**SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED**

(Company Registration No. 200706801H)

(Incorporated in the Republic of Singapore)

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**RESPONSE TO SGX-ST QUERY IN RELATION TO THE RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE IN THE CAPITAL OF THE COMPANY**

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The Board of Directors (the “**Board**” or “**Directors**”) of Sino Grandness Food Industry Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide the following information in response to the query received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 12 May 2017 in relation to the number of excess rights shares allocated to Mr Goh Seng Hui and the basis of allocation, pursuant to the renounceable non-underwritten rights issue in the capital of the Company:

**SGX-ST's Query:**

*On 17 February 2017, the Company announced that Mr Goi Seng Hui (“**Mr. Sam Goi**”) had undertaken to subscribe for 145,500,000 excess Rights Shares. On 9 March 2017, the Company announced the results of the right issue. Pursuant to the announcements made on 17 February 2017 and 9 March 2017, please clarify the number of excess rights shares allocated to Mr Sam Goi and the basis of allocation.*

**The Company's Response:**

In response to the SGX-ST's Query regarding the basis of allocation:

1. The first round involves the rounding up based on holdings after rights accepted to board lot of 1,000 for all applicants, subject to the number of excess rights applied. Those already with board lots will not be allotted rights shares for this round.
2. The second round involves the allotment of additional rights to applicants. For Mr. Sam Goi, his holdings after rights accepted is in the range of 1,000 to 20,000 and excess allotted is up to 2,000, subject to the number of excess shares applied.
3. The balance of 3,439 excess rights after the above round will be allotted to the individual applicant with the largest excess shares applied, being Mr Sam Goi.
4. No preference is given to directors and substantial shareholders. No excess rights shares have been allotted to any directors or substantial shareholders.

In response to the SGX-ST's Query regarding the number of excess rights shares allocated to Mr. Sam Goi:

Round	Allotment Basis	Number of Shares
1 <sup>st</sup> round	Round up to board lots	546
2 <sup>nd</sup> round	Holding after rights accepted in the range of “1,000 to 20,000” – excess allotted was 2,000	2,000
3 <sup>rd</sup> round	Balance to largest excess shares applied	3,439
	<b>Total</b>	<b>5,985</b>

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Accordingly, the total number of excess rights shares allocated to Mr. Sam Goi is 5,985 excess rights shares.

**BY ORDER OF THE BOARD**

Huang Yupeng  
Chairman and CEO  
15 May 2017