

SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED
(Company Registration No. 200706801H)
(Incorporated in Singapore)
(the “**Company**”, and together with its subsidiaries, the “**Group**”)

THE PROPOSED DISPOSAL OF GARDEN FRESH BEVERAGE GROUP CO., LTD. TO AN INTERESTED PERSON

- ENTRY INTO SUPPLEMENTAL AGREEMENT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of the Company refers to the announcement made by the Company on 30 December 2025 (the “**Previous Announcement**”).

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Previous Announcement.

2. SUPPLEMENTAL AGREEMENT

The Board wishes to announce that after discussions with the Purchaser, the Company has agreed to enter into the supplemental agreement dated 2 February 2026 to amend the terms and conditions of the SPA. The key amendments are as follows:

2.1. Final Consideration

As mentioned in Section 4.2 of the Previous Announcement, the Final Consideration shall be subsequently agreed between the Purchaser and the Vendor.

The Final Consideration has been agreed between the parties to be RMB850,000,000. The amount was arrived at taking into account, *inter alia*, the valuation report (draft form) dated 29 January 2026 (“**Draft Valuation Report**”) prepared by the valuer.

2.2. Payment terms

The Final Consideration (being RMB850,000,000) shall, subject to the relevant conditions precedent being satisfied, be payable as follows:

- (a) 10% of the Final Consideration (the “**Initial Payment**”) (being RMB85,000,000) shall be payable by way of offsetting the Relevant Debts (being RMB118,727,158) on Completion Date in accordance with Clause 7.4. Upon completion of the payment of the Initial Payment, the amount of the Relevant Debts will be reduced to RMB33,727,158 (“**Outstanding Debts**”).
- (b) The remaining 90% of the Final Consideration (the “**Deferred Payment**”) shall be paid in instalments over four (4) tranches as follows:
 - (i) **Deferred Payment Tranche 1:** 25% of the Deferred Payment (being RMB191,250,000) to be paid (i) partly by way of offsetting the Outstanding

Debts (being RMB33,727,158) and (ii) partly in cash (amounting to RMB157,522,842) on the 365th day after Completion Date (inclusive);

- (ii) **Deferred Payment Tranche 2:** 25% of the Deferred Payment (being RMB191,250,000) to be paid in cash on the 730th day after Completion Date (inclusive);
- (iii) **Deferred Payment Tranche 3:** 25% of the Deferred Payment (being RMB191,250,000) to be paid in cash on the 1095th day after Completion Date (inclusive); and
- (iv) **Deferred Payment Tranche 4 (Final Tranche):** 25% of the Deferred Payment (being RMB191,250,000) to be paid in cash on the 1460th day after Completion Date (inclusive).

3. VALUATION OF DISPOSAL GROUP

Based on the Draft Valuation Report, the market value of the Sale Shares is estimated to be between RMB842 million to RMB1,108 million as at 31 December 2025 (being the valuation date set out in the Draft Valuation Report).

4. GAIN OR LOSS ON DISPOSAL

Based on the unaudited consolidated management accounts of the Group for financial year ended 31 December 2025 and the Final Consideration of RMB850 million, the Company expects to recognise a one-off non-cash loss on proposed disposal of approximately RMB365 million which represents the deficit of the proceeds over the book value of the Sale Shares.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1. Assumptions

The updated *pro forma* financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not reflect the future financial position of the Company or the Group after Completion.

The updated *pro forma* financial effects in this section are based on the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2025 (“**FY2025**”). The updated *pro forma* financial effects of the Proposed Disposal have been prepared based on the following assumptions:

- (i) The number of shares is based on the 1,149,410,658 issued and paid-up ordinary shares in the capital of the Company (“**Shares**”) as at 31 December 2025;
- (ii) The Proposed Disposal had been completed on 31 December 2025 for the purposes of computing the *pro forma* financial effects on the net tangible assets (“**NTA**”) of the Group;
- (iii) The Proposed Disposal had been completed on 1 January 2025 for the purposes of computing the *pro forma* financial effects on the earnings per Share (“**EPS**”) of the Group;

- (iv) The Final Consideration of RMB850,000,000 is paid by the Purchaser to the Vendor;
- (v) Costs and expenses in connection with the Proposed Disposal are disregarded for the purposes of calculating the financial effects; and
- (vi) The one-off non-cash loss of RMB365 million arising from the Proposed Disposal has not been taken into account in the calculation of the financial effects.

5.2. Effects on NTA per Share

		Immediately before the completion of the Proposed Disposal	Immediately after the completion of the Proposed Disposal
NTA (RMB'000)	:	1,835,703	1,469,878
Number of Shares	:	1,149,410,658	1,149,410,658
NTA per Share (Fen)	:	160	128

5.3. Effects on EPS

		Immediately before the completion of the Proposed Disposal	Immediately after the completion of the Proposed Disposal
Profit attributable to Shareholders (RMB'000)		55,894	68,255
Number of Shares		1,149,410,658	1,149,410,658
EPS (Fen)		4.86	5.94

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the latest announced financial statements of the Group, the relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Listing Manual and the audited consolidated financial information of the Group for FY2023 are as follows:

- (a) Net asset value of the assets to be disposed of, compared with the group's net asset value. 66%⁽¹⁾
- (b) Net profits attributable to the assets disposed of, compared with the Group's net profits/losses. -22%⁽²⁾
- (c) Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares. 665%⁽³⁾

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| (d) | The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue. | Not applicable ⁽⁴⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved 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 ⁽⁵⁾ |

Notes:

- (1) "Net assets" means total assets less total liabilities. The net asset value of the Target Group and the Group for the year end 31 December 2025 (being the Company's latest unaudited consolidated accounts) is RMB1,215 million and RMB1,835 million, respectively.
- (2) "Net profits" means profit or loss after income tax and minority interests. The Target Group recorded a net loss of approximately RMB12 million for the financial year ended 31 December 2025. The net profits of the Group for the financial year ended 31 December 2025 is approximately RMB55,447,000.
- (3) It is calculated based on the agreed Final Consideration (being RMB850,000,000) for the Proposed Disposal. Under Rule 1002(5), "market capitalisation" is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on the market day preceding the date of the SPA. However, trading in the Company's shares had been halted on 25 November 2020, and suspended with effect from 7 December 2020. Accordingly, the market capitalisation of the Company is based on 1,149,410,658 Shares in issue and the weighted average price of SGD0.020 of the Shares transacted on 25 November 2020, being the last market date preceding the date of the SPA that the Shares were traded, and as such the market capitalisation for the purposes of the Proposed Disposal is SGD22,988,000 or equivalent to approximately RMB127,712,000 based on an exchange rate of SGD1.00 : RMB5.56.
- (4) Rule 1006(d) of the Listing Manual is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed above on the bases set out in Rule 1006 above exceed 20%, the Proposed Disposal constitutes a major transaction under Rule 1014 of the Listing Manual. Therefore, the Proposed Disposal is conditional upon the approval of Shareholders at an extraordinary general meeting ("EGM") to be convened. A circular will be despatched to Shareholders in due course.

7. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS OR THEIR ASSOCIATES IN THE PROPOSED DISPOSAL

As disclosed in the Previous Announcement, save for Mr Huang and Ms Huang Yushan who is Mr Huang's sister, none of the Directors (other than in his/her capacity as a Director), substantial Shareholders of the Company or their associates has any interest, direct or indirect, in the Proposed Disposal.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company 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 Disposal, 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 this 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.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA, the Supplemental Agreement and the Draft Valuation Report will be made available for inspection during normal business hours at the registered office of the Company at 8 Marina View, #11-11 Asia Square Tower 1, Singapore 018960 for a period of three (3) months from the date of this Announcement.

10. CAUTIONARY STATEMENT

There is no certainty or assurance that the Proposed Disposal will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Disposal, the SPA (as may be amended, supplemented and/or modified from time to time) and other matters contemplated in the Previous Announcement and this Announcement. Shareholders are advised to read the Previous Announcement, this Announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Li Xueying
Independent Director
2 February 2026