

**SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED**  
(Company Registration No. 200706801H)  
(Incorporated in Singapore)

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**LOAN TRANSACTION BETWEEN  
SOLEADO HOLDINGS PTE. LTD. AND  
SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED**

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The board of directors (the “**Board**”) of Sino Grandness Food Industry Group Limited (the “**Company**”) refers to the announcement dated 13 April 2016 (the “April 2016 Announcement”) and the announcement dated 17 May 2016 in relation to the convertible loan granted by Soleado to the Company. Unless otherwise defined, capitalized terms herein shall have the same meaning as ascribed to them in the 2016 April Announcement.

**SGX-ST APPROVAL-IN-PRINCIPLE**

The Board wishes to announce that the Company has, on 15 May 2017, received the in-principle approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the proposed allotment and issue of up to 72,727,272 new ordinary shares (“**Conversion Shares**”) in the capital of the Company at the adjusted maximum conversion price of S\$0.444 for each Conversion Share pursuant to the Conversion Option in accordance with the Soleado Loan Agreement (the “**Proposed Issue**”)

The approval in-principle of the SGX-ST for the Proposed Issue was granted subject to the following conditions:-

- a) Compliance with the SGX-ST’s listing requirements;
- b) Independent Shareholders’ approval for the Proposed Issue at an extraordinary general meeting of the Company to be convened;
- c) Submission to the SGX-ST of the following: (i) A written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Soleado Loan Agreement and (ii) where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for the working capital in the Company’s announcements on use of proceeds and in the Company’s annual report.

The Company will be providing the abovementioned confirmation and undertakings to the SGX-ST in due course. The approval in-principle issued by SGX-ST for the Proposed Issue is not to be taken as indication of the merits of the Soleado Loan Agreement, the Conversion Shares, the Company and/or its subsidiaries.

**BY ORDER OF THE BOARD**

Huang Yupeng  
Chairman and CEO  
15 May 2017