

**SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED**

(Company Registration No. 200706801H)

(Incorporated in Singapore)

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**PROPOSED PLACEMENT OF 170,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY – ENTRY INTO SIDE LETTER**

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The Board of Directors of Sino Grandness Food Industry Group Limited (the “**Company**”) refers to its announcements dated 25 March 2019, 3 May 2019, 24 May 2019, 14 June 2019 and 20 June 2019 in relation to the proposed placement of 170,000,000 new ordinary shares in the share capital of the Company (the “**Earlier Announcements**”).

Unless otherwise defined, the capitalized words and phrases used herein shall have the same meaning as ascribed to them in the Earlier Announcements.

The Company wishes to update shareholders that the Company and the Placee have on 2 August 2019 entered into a side letter, which provides, inter alia, the following:

- (a) The Company and the Placee agree that the issue price in respect of the Second Tranche Placement Shares be revised from S\$0.04 to S\$0.043 per share, representing a discount of 6.11% to the volume weighted average price of S\$0.0458 for trades done on the Shares on the Mainboard of the SGX-ST on 2 August 2019 (being the full market day immediately preceding the signing of the side letter);
- (b) The Company acknowledging the receipt of S\$3,655,000 from the Placee as issue consideration for the Second Tranche Placement Shares, based on the revised issue price of S\$0.043;
- (c) The Company’s obligation to proceed to complete the Second Tranche Placement Shares shall continue to be subject to the conditions precedents as set out in the Placement Agreement and the grant by the Singapore Exchange of the extension of approval in principle of the listing of the Second Tranche Placement Shares and, if such grant is subject to other conditions, such conditions being fulfilled by the Company;
- (d) The Long Stop Date under the Placement Agreement be extended to 30 September 2019.

**USE OF PROCEEDS FROM SECOND TRANCHE PLACEMENT SHARES**

The Company intends to apply the net proceeds from the Second Tranche Placement Shares as follows:

Use of Net Proceeds	Amount (S\$)	Percentage of Net Proceeds
1) Repayment of outstanding sums due to Soleado	2,193,000	60%
2) General working capital purpose	1,462,000	40%
Total	3,655,000	100%

The Company will make the necessary announcement(s) when there are further developments on the same.

Shareholders are advised to exercise caution when dealing with the Company’s securities. Shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the action that they should take.

**BY ORDER OF THE BOARD**

Huang Yupeng  
Chairman and CEO  
2 August 2019