

SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200706801H)

PLACEMENT – COMPLETION OF THE PLACEMENT AND ISSUE OF 86,000,000 PLACEMENT SHARES

Unless otherwise defined, capitalised terms used in this announcement, shall have the meaning ascribed to them in the announcements released on 8 October 2014, 29 October 2014, 6 November 2014, 9 December 2014, 11 December 2014, 26 December 2014 and 30 December 2014, unless otherwise stated or the context requires otherwise.

Further to the announcements released by the Company on 8 October 2014, 29 October 2014, 6 November 2014, 9 December 2014, 11 December 2014, 26 December 2014 and 30 December 2014 in relation to the Placement, the Board of Directors of the Company is pleased to announce that Completion of the Placement has taken place today.

Pursuant to the Supplemental Deeds, the Issue Price of each Placement Share is to be:

- (a) S\$0.50 per Placement Share; or
- (b) the volume weighted average price per Share traded on the SGX-ST on the last market day immediately preceding the date of Completion,

whichever is the lower, and provided that if the price per Share set out in paragraph (b) above is less than S\$0.40, the Subscribers and the Company (collectively referred to as the “Parties”) will proceed to Completion of the Placement if it is mutually agreed between the Parties and at a price per Placement Share to be mutually agreed on.

The volume weighted average price per Share traded on the SGX-ST on 29 December 2014, being the last market day immediately preceding the date of Completion (being 30 December 2014), was S\$0.4035 per Share. The Parties have mutually agreed to proceed to complete the Placement based on the Issue Price of S\$0.4035 per Placement Share. Based on the Issue Price of S\$0.4035 per Placement Share, the gross proceeds of the Placement is S\$34,701,000.

The Company has today allotted and issued a total of 86,000,000 Placement Shares, comprising 25,398,965 Placement Shares to PM Group and 60,601,035 Shares to Soleado.

Pursuant to the Soleado Subscription Agreement, Soleado has undertaken that for the duration of the 10-Year Period, Soleado, TTA and/or the subsidiaries of TTA in aggregate shall continue to hold at least 47,134,138 issued Shares and shall not sell or transfer to any third party (apart from Soleado and/or its related corporations) such number of Shares resulting in their aggregate shareholding in the Company falling below 47,134,138 Shares.

Following the Completion of the Placement, the Company's issued and paid-up share capital has increased from 587,344,828 Shares to 673,344,828 Shares.

The Company will make periodic announcement(s) as to the use of the proceeds from the Placement as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the net proceeds from the Placement in the Company's interim and full-year financial statements issued under Rule 705 of the Listing Manual and the Company's annual report. Where the net proceeds from the Placement have been used for working capital purposes, the Company will provide a breakdown with specific details on how such net proceeds have been applied

in the announcements and status report. Pending the deployment of the proceeds from the Proposed Placement, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

It is expected that the Placement Shares will be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 2 January 2015.

The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Placement, the Placement Shares, the Company and/or its subsidiaries.

By Order of the Board

Huang Yupeng
Chairman and CEO
30 December 2014