

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**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of the Company wishes to announce that its indirect subsidiary, Garden Fresh Group Holding Co., Ltd. (the “**Vendor**”) had on 28 December 2025, entered into a sale and purchase agreement (“**SPA**”) with Ideutsch Health Technology Group (HK) Co., Ltd. (the “**Purchaser**”) for the disposal of its entire shareholding interest in Garden Fresh Beverage Group Co., Ltd. (the “**Target Company**”) and the direct and indirect subsidiaries of the Target Company (collectively, the “**Target Group**”) (the “**Proposed Disposal**”).

The indicative ballpark aggregate consideration payable by the Purchaser to the Vendor will be in the region of RMB800 million (the “**Floor Amount**”) to RMB1.1 billion (the “**Indicative Consideration Range**”).

2. INFORMATION RELATING TO THE TARGET COMPANY AND THE PURCHASER

2.1. Information on the Target Company

The Target Company (Garden Fresh Beverage Group Co., Ltd.) is incorporated in the British Virgin Islands.

The Target Company has an issued share capital of USD10,000 divided into 10,000 ordinary shares (the “**Sale Shares**”), all of which are directly held by the Vendor.

Please refer to **Appendix A** for the corporate structure of the Group as at the date of this Announcement.

2.2. Information on the Purchaser

The Purchaser (Ideutsch Health Technology Group (HK) Co., Ltd.) is a company incorporated in Hong Kong. Its principal business is investment holding.

The sole and direct shareholder of the Purchaser is Mr Huang Yupeng (“**Mr Huang**”), who is also the Chairman, Chief Executive Officer (“**CEO**”), director and controlling shareholder of the Company holding approximately 30.64% of the total number of issued shares in the Company.

2.3. Relationship between the Company and the Purchaser

As explained above, Mr Huang is the Chairman, Chief Executive Officer and controlling shareholder of the Company.

The Vendor is a wholly owned subsidiary of Grandness (HK) Industry Co., Ltd, which is in turn a wholly owned subsidiary of the Company. In other words, the Vendor is a wholly owned

indirect subsidiary of the Company.

Under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “**Listing Manual**”), the Vendor, being an indirect subsidiary of the Company as the issuer, is an “entity at risk” and the Purchaser is, by virtue of it being wholly owned and controlled by Mr Huang, an “interested person”. The Proposed Disposal is accordingly classified as an interested person transaction under the Listing Manual, further details of which are set out in Section 7 of this Announcement.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1. Overview of the Proposed Disposal

Subject to the terms and conditions of the SPA, the Vendor shall sell the Sale Shares to the Purchaser on an as-is-where-is basis. No representation or warranty of any kind in respect of the Sale Shares and the Target Group is provided by the Vendor.

3.2. Novation of debts

As at 30 September 2025, certain subsidiaries of the Company and the Company itself (collectively, the “**Debtors**”) are indebted to Mr Huang, in an aggregate amount of approximately RMB118.73 million (the “**Relevant Debts**”) as follows:

No.	Name of Debtor	Total amount owed to Huang as at 30 Sep 2025
1	Sino Grandness Food Industry Group Limited	RMB83,082,593
2	Garden Fresh (Shenzhen) Fruit & Vegetable Beverage Co., Ltd.	RMB597,929
3	Grandness (HK) Industry Co., Ltd.	RMB16,078,036
4	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	RMB6,585,004
5	Shenzhen Grandness Industry Group Co., Ltd.	RMB12,383,596
		Total: <u>RMB118,727,158</u>

In connection with the Proposed Disposal:

- (a) Mr Huang has assigned all his rights, title and interest in the Relevant Debts to the Purchaser;
- (b) the Relevant Debts will be novated to the Vendor, pursuant to which the Debtors will be fully released from their respective obligations to repay the Relevant Debts; and
- (c) the Vendor will assume the obligation to repay the Relevant Debts to the Purchaser in substitution for Mr Huang.

3.3. Consideration

As mentioned above, the Indicative Consideration Range for the Proposed Disposal will be in the region of RMB800 million (i.e., the Floor Amount) to RMB1.1 billion. The Indicative Consideration Range is indicative only and is subject to adjustment based on the a preliminary valuation report (in the draft form) and further negotiations Provided That any adjustment shall not result in the Final Consideration (as defined below) falling below the Floor Amount.

The final amount of the aggregate consideration (the “**Final Consideration**”) shall be subsequently agreed between the Purchaser and the Vendor taking into account, inter alia, the finalised valuation report to be issued by the valuer, and shall not be less than the Floor Amount. Accordingly, a supplemental agreement (“**Supplemental Agreement**”) will be subsequently entered into among parties when the Final Consideration is agreed upon, among other things.

The Final Consideration shall, subject to the conditions precedent being satisfied, be payable as follows:

- (a) 10% of the Final Consideration (the “**Initial Payment**”) less the amount of the Relevant Debts (the “**Set-Off**”) which has been novated to the Vendor shall be payable in cash (if any) on completion of the Proposed Disposal;
- (b) The remaining 90% of the Final Consideration (the “**Deferred Payment**”) shall be paid in instalments by way of cash over four (4) tranches as follows:
 - (i) **Deferred Payment Tranche 1:** 25% of the Deferred Payment to be paid in cash on the 365th day after Completion Date (inclusive);
 - (ii) **Deferred Payment Tranche 2:** 25% of the Deferred Payment to be paid in cash on the 730th day after Completion Date (inclusive);
 - (iii) **Deferred Payment Tranche 3:** 25% of the Deferred Payment 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 to be paid in cash on the 1460th day after Completion Date (inclusive).

As the Final Consideration for the Proposed Disposal has not been determined as at the date of this announcement, the Company is presently unable to quantify the gain or loss on disposal. The gain or loss on disposal will be computed and disclosed upon determination of the Final Consideration and completion of the Proposed Disposal.

3.4. Guarantee by Mr Huang

In connection with the Proposed Disposal, Mr Huang has provided an irrevocable and unconditional guarantee in favour of the Vendor for the due and punctual payment by the Purchaser of the Final Consideration (including the Initial Payment and the Deferred Payment).

Under the terms of the guarantee, Mr Huang will be jointly and severally liable with the Purchaser for all payment obligations under the SPA, and the Vendor may enforce the guarantee directly against Mr Huang without first taking action against the Purchaser. The guarantee constitutes a continuing guarantee and will remain in force until all amounts payable by the Purchaser under the SPA have been paid and discharged in full.

3.5. Conditions Precedent

Completion of the Proposed Disposal is conditional upon, among other things, the fulfilment

and satisfaction of the following conditions precedent:

- (a) the Vendor having received the requisite approval from its board of directors and its shareholders for the sale of the Sale Shares and the transactions contemplated under the SPA at an extraordinary general meeting to be convened by the Vendor for, *inter alia*, seeking the approval of the shareholders for the sale of the Sale Shares;
- (b) all material approvals, authorisations, clearances, confirmations, consents, exemptions, grants, licenses, orders, permissions, recognitions and waivers as may be required or appropriate for or in connection with the sale of the Sale Shares by the Vendor to the Purchaser and all other transactions in connection therewith and incidental thereto on the terms set out in the SPA from all relevant agreements, deeds, government, governmental, quasi-governmental, supranational, statutory, regulatory, administrative, fiscal or judicial agency, authority, body, court, commission, department, exchange (including, without limitation, the SGX-ST) or tribunal in any jurisdiction having been obtained and not withdrawn or revoked as at Completion Date;
- (c) no relevant authority taking, instituting, implementing or threatening to take, institute or implement any action or proceeding, that will make the sale and purchase of the Sale Shares and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same; and
- (d) all other consents and approvals required under any and all applicable laws and relevant agreements and documents for the sale of the Sale Shares and to give effect to the transactions contemplated hereunder (including, without limitation, such consent and waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Vendor or any member of the Target Group is a party or by which they or their respective assets are bound) being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Purchaser.

3.6. Completion

Subject to all the conditions precedent set out in Section 3.5 having been fulfilled (or waived) by the Purchaser, completion shall take place within ten (10) Business Days commencing from the date on which the last condition precedent is fulfilled (or waived), or such other date as the Parties may agree in writing but in any event, no later than 31 December 2026 (the “**Long Stop Date**”).

The Target Group will cease to be part of the Group upon completion.

Please refer to **Appendix B** for the corporate structure of the Group immediately after the completion of the Proposed Disposal.

4. RATIONALE FOR THE PROPOSED DISPOSAL

Trading in the shares of the Company had been suspended since 7 December 2020. The Company is undertaking a restructuring of its businesses and assets with a view to meeting the requirements for the resumption of trading of its shares on the SGX-ST. The Proposed Disposal forms part of the Company’s broader restructuring efforts and is intended to streamline the

Group's operations and strengthen its balance sheet. Following the completion of the Proposed Disposal, the Group will continue to retain its canned vegetable and fruits business, which is expected to form a sustainable operating basis to support the Company's efforts towards the resumption of trading of its shares.

In addition, the Proposed Disposal is expected to provide the Company with cash proceeds which will enhance the Group's liquidity position and financial flexibility. The proceeds from the Proposed Disposal are intended to be utilised to support the Group's remaining businesses and working capital requirements, and for future expansion of the remaining business. The Board is of the view that this will place the Group in a better position to pursue its plans for the resumption of trading and the sustainable operation of its remaining businesses.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1. Assumptions

The 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 pro forma financial effects in this section are based on the consolidated audited financial statements of the Group for the financial year ended 31 December 2023 ("FY2023") (the date of the latest available consolidated financial statements of the Group). The 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 2023;
- (ii) The Proposed Disposal had been completed on 31 December 2023 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 2023 for the purposes of computing the pro forma financial effects on the earnings per Share ("EPS") of the Group;
- (iv) The Final Consideration is RMB950 million (average of the Indicative Consideration Range) is paid by the Purchaser to the Vendor; and
- (v) costs and expenses in connection with the Proposed Disposal are disregarded for the purposes of calculating the financial effects.

5.2. Effects on NTA per Share

	Before the completion of the Proposed Disposal	After the completion of the Proposed Disposal
NTA (RMB'000)	:	1,667,492

Number of Shares	:	1,149,410,658	1,149,410,658
NTA per Share (Fen)	:	145	122

5.3. Effects on EPS

	Before the completion of the Proposed Disposal	After the completion of the Proposed Disposal
Profit attributable to Shareholders (RMB'000)	79,457	67,690
Number of Shares	1,149,410,658	1,149,410,658
EPS (Fen)	6.91	5.89

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.	72.5% ⁽¹⁾
(b) Net profits attributable to the assets disposed of, compared with the Group's net profits/losses.	14.8% ⁽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.	626-860% ⁽³⁾
(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 2023 (being the Company's latest audited consolidated accounts) is RMB1,210 million and RMB1,667 million, respectively.
- (2) "Net profits" mean profit or loss after income tax and minority interests. The net profits of the Target Group and the Group for the year ended 31 December 2023 (being the Company's latest audited consolidated accounts) is RMB11,761,000 and RMB79,457,000, respectively.
- (3) Based on the Indicative Consideration Range (being in the region of RMB800 million to RMB1.1 billion) 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. PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

As stated above, the Vendor is a wholly-owned indirect subsidiary of the Company. This means the Vendor is the "entity at risk" in accordance with Rule 904(2)(b) of the Listing Manual.

The Purchaser is solely owned and controlled by Mr Huang, who is also the CEO, director, chairman and the controlling Shareholder of the Company. Mr Huang owns approximately 30.64% of the total issued and paid up share capital of the Company. This means the Purchaser is an associate of Mr Huang and is thus an "interested person" under Rule 904(4) (a) (ii) of the Listing Manual. Accordingly, the Proposed Disposal, which is a transaction between the Purchaser (the "interested person") and the Vendor (the "entity at risk"), constitutes an interested person transaction under Rule 904 (5) of the Listing Manual.

The current indicative value of the Proposed Disposal, which is the Indicative Consideration Range (i.e., between RMB800 million to RMB1.1 billion), represents approximately 47.9% of the Group's latest audited NTA as at 31 December 2023, which is RMB1,667 million assuming the Floor Amount (being RMB800 million) is the ultimately agreed Final Consideration.

As the value of the Proposed Disposal exceeds 5% of the Group's latest audited NTA, the Proposed Disposal is, pursuant to Rule 906 of the Listing Manual, subject to the approval of the independent Shareholders being obtained at an EGM of the Company to be convened.

Save for the Proposed Disposal as disclosed above, the Group has not entered into any transactions with the Purchaser during the financial year ended 31 December 2023 up to the date of this Announcement.

As at the date of this Announcement, the aggregate value of all interested person transactions entered into by the Group for the financial year ending 31 December 2025 is approximately USD3,000,000 (equivalent to approximately RMB21,000,000), which pertains to accrued interest charge on a shareholder's loan.

8. OTHER FINANCIAL INFORMATION

The net proceeds from the Proposed Disposal will be used by the Group for its general working capital requirements and future business expansion.

As the Final Consideration has not been agreed and determined as at the date of this announcement, the excess or deficit of the proceeds over the book value of the assets disposed of cannot be determined at this stage. It will be disclosed upon entering into the Supplemental Agreement.

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

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.

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. INDEPENDENT FINANCIAL ADVISER

The Company has appointed Evolve Capital Advisory Private Limited as the independent financial adviser ("IFA") to advise the Directors who are considered independent of the Proposed Disposal ("Independent Directors") and the audit committee of the Company ("Audit Committee") for the Proposed Disposal as an interested person transaction.

A copy of the letter from the IFA to the Independent Directors and the Audit Committee will be set out in the Circular (as defined below) to be despatched to Shareholders in due course.

12. AUDIT COMMITTEE'S STATEMENT

The Audit Committee will be obtaining an opinion from the IFA before forming its view on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

13. VALUATION OF THE DISPOSAL GROUP

RSM SG Corporate Advisory Pte. Ltd. has been commissioned by the Company to prepare a valuation report on the Target Group..

14. 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.

15. DOCUMENTS FOR INSPECTION

A copy of the SPA 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.

16. EXTRAORDINARY GENERAL MEETING AND CIRCULAR

A circular (“**Circular**”) to the Shareholders containing further details of the Proposed Disposal and enclosing a notice of EGM to be convened in connection with the Proposed Disposal and the opinion of the IFA, will be despatched by the Company to the Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares in the Company which may be prejudicial to their interests until they or their advisers have considered the information and recommendations to be set out in the Circular.

17. 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 and other matters contemplated in this Announcement. Shareholders are advised to read 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

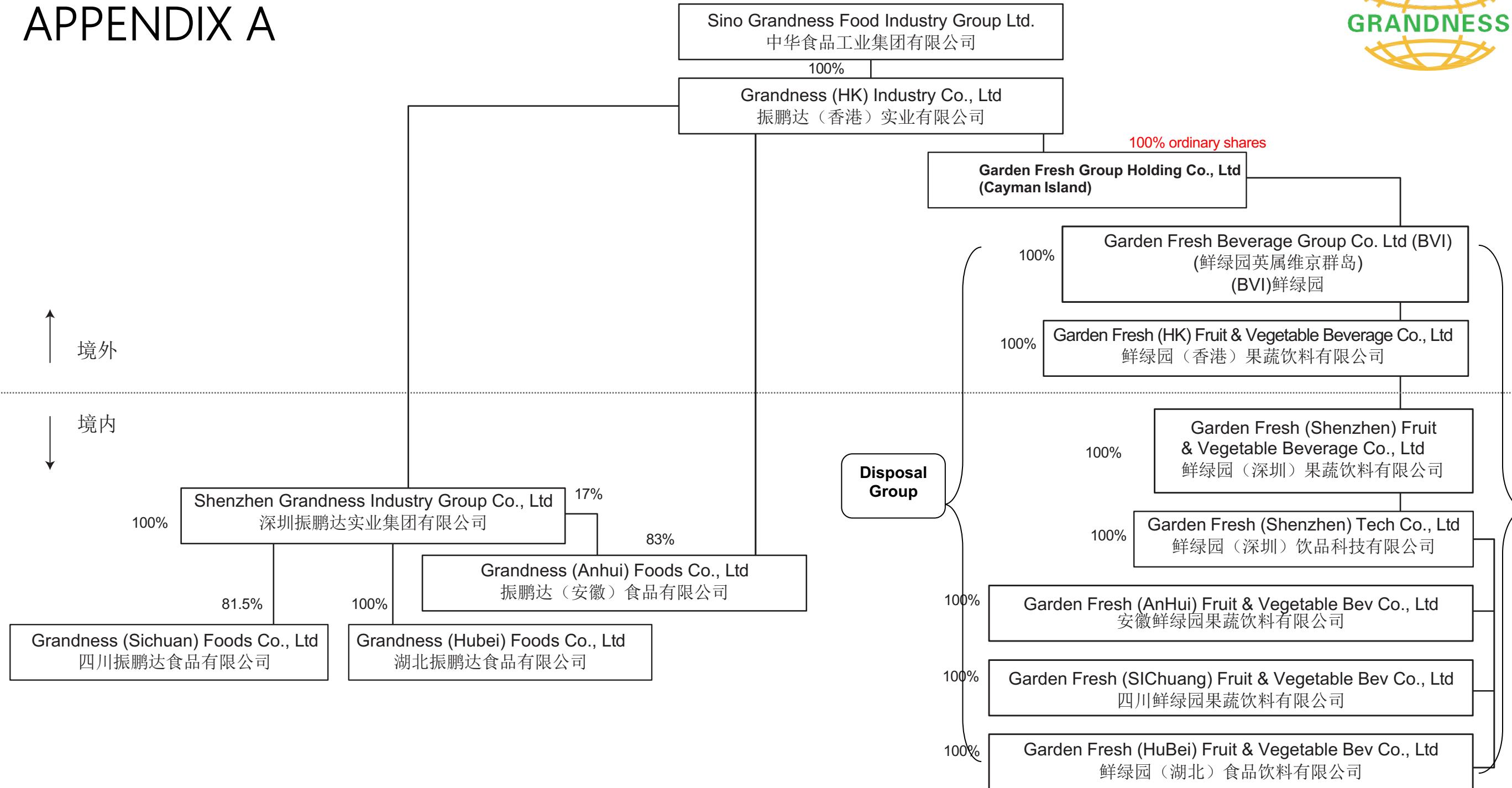
Li Xueying
Independent Director
30 December 2025

APPENDIX A

GROUP STRUCTURE (INCLUSIVE OF TARGET GROUP TO BE DISPOSED OF) AS AT THE DATE HEREOF

(see next page)

APPENDIX A



APPENDIX B

GROUP STRUCTURE IMMEDIATELY AFTER THE COMPLETION OF THE PROPOSED DISPOSAL

(see next page)

APPENDIX B

