

SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED

(Company Registration No. 200706801H)

(Incorporated in Singapore)

PROPOSED PLACEMENT OF 170,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY – PARTIAL COMPLETION OF THE PLACEMENT

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company's announcements dated 22 March 2019, 3 May 2019 and 24 May 2019 in relation to the proposed placement of 170,000,000 new ordinary shares in the share capital of the Company (the "**Earlier Announcements**").

1. PARTIAL COMPLETION OF THE PLACEMENT

Further to the Earlier Announcements, the Board wishes to announce that the Company has on 13 June 2019 completed (the "**Partial Completion**") the issue and allotment of 85,000,000 Placement Shares ("**First Tranche Placement Shares**") out of the 170,000,000 Placement Shares.

Following the Partial Completion,

- (a) the Company's issued and paid-up share capital has increased from 979,410,658 Shares to 1,064,410,658 Shares.
- (b) the First Tranche Placement Shares will rank pari passu with and shall carry all rights similar to the existing Shares.

2. USE OF PROCEEDS FROM THE PARTIAL COMPLETION

The Company intends to apply the net proceeds from the Partial Completion, after deducting estimated expenses pertaining to the Proposed Placement of approximately S\$50,000 as follows:

Use of Net Proceeds	Amount (S\$)	Percentage of Net Proceeds
1) Repayment of outstanding sums due to Soleado	2,010,000	60%
2) General working capital purpose	1,340,000	40%
Total	3,350,000	100%

3. FURTHER EXTENSION OF TIME FOR COMPLETION OF THE PLACEMENT OF THE REMAINING PLACEMENT SHARES

While the Placement Agreement was for the issue of 170,000,000 Placement Shares for an aggregate amount Issue Consideration of S\$6,800,000, the Placee has notified the Company that its application to the relevant authorities in the People's Republic of China ("**PRC**") for the remittance out of the Issue Consideration is taking more time than expected due to capital controls. As such, the Placee was of the date of this Announcement only able to remit out part of the Issue Consideration, amounting to S\$3,400,000, for which the Company has proceeded to Partial Completion.

At the request of the Placee for more time to arrange for remittance of the remaining Issue Consideration of S\$3,400,000, the Company wishes to update shareholders that the Company and the Placee have on 13 June 2019 entered into a side letter, pursuant to which the parties agreed that the Completion Date under the Placement Agreement in respect of the remaining 85,000,000 Placement Shares ("**Second Tranche Placement Shares**") be extended to 15 July 2019, subject to the approval of the SGX-ST.

Upon receipt of the balance consideration, the Company will make a fresh application for the listing and quotation of the Second Tranche Placement Shares. The Company will prior to such application consult the SGX on any additional actions to be taken in connection with such application, including but not limited to entry into of a new supplemental or placement agreement and/or varying the terms of such placement.

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

4. OTHER UPDATES

The Company refers to the Company's earlier announcements dated 16 January 2019, 21 January 2019, 23 January 2019, 7 February 2019 and 1 March 2019. Further to these earlier announcements, the Company wishes to update Shareholders that:

- (a) the Company is still in negotiation with Soleado Holdings Pte. Ltd. on the extension of repayment of the sum demanded and to settle the matter amicably;
- (b) the Company is concurrently preparing to repatriate funds back from China by way of dividend which require the approval of the PRC regulators. The application to the State Administration of Foreign Exchange of the People's Republic of China (SAFE) had been submitted on 26 February 2019 for repatriation of funds by way of dividends and is still pending the approval of SAFE.

The Company would make the necessary announcement as and when there is any material developments on the foregoing.

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

14 June 2019