

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

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**THE PROPOSED DISPOSAL AND/OR MATERIAL DILUTION OF 20% OR MORE OF  
THE COMPANY'S SHAREHOLDING INTEREST IN A PRINCIPAL SUBSIDIARY OF  
THE COMPANY UNDERTAKING THE BEVERAGES BUSINESS, PURSUANT TO  
THE PROPOSED LISTING**

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*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 circular to Shareholders dated 5 February 2016 (the "**Proposed Listing Circular**").*

**1. Introduction**

Sino Grandness Food Industry Group Limited (the "**Company**") refers to the Proposed Listing Circular, the EGM held on 23 February 2016, the announcement pursuant to Rule 704(16) of the Listing Manual of the SGX-ST dated 23 February 2016, the announcement dated 29 February 2016 in relation to the incorporation of a wholly-owned subsidiary, Garden Fresh Beverage Group Co., Ltd. in the British Virgin Islands (the "**New BVIco**"), and the announcement dated 1 March 2016 in relation to the restructuring of the 2011 Bonds and 2012 Bonds (the "**Bonds Restructuring Announcement**").

**2. Update on the Bonds Restructuring Announcement**

- 2.1 For the purpose of the Proposed Listing, the Company had disclosed in the Bonds Restructuring Announcement that it intends to carry out the Reorganisation by superimposing Garden Fresh Group Holding Co., Ltd (the "**New Cayco**") and New BVIco as holding companies of the HK Issuer, and use New Cayco as the proposed listing entity. To effect the Reorganisation, the Company's wholly owned subsidiary Grandness (HK) Industry Co., Limited has on 1 March 2016, transferred 100% of the issued shares of the HK Issuer to the New BVIco pursuant (the "**HK Issuer Share Transfer**"). The consideration paid by New BVIco for the HK Issuer Share Transfer was HK\$100. Following the completion of the HK Issuer Share Transfer, the HK Issuer has become an indirect wholly owned subsidiary of the New Cayco.
- 2.2 On 29 March 2016, the Company also effected the transfer of 100% of the issued shares of Garden Fresh Group Co., Limited ("**Garden Fresh Groupco**") from the New Cayco to Grandness (HK) Industry Co., Ltd., a wholly-owned subsidiary of the Company (the "**Groupco Share Transfer**"). The consideration paid by Grandness (HK) Industry Co., Ltd. for the Groupco Share Transfer was HK\$1.00. Following the completion of the Groupco Share Transfer, Garden Fresh Groupco has become a direct wholly owned subsidiary of Grandness (HK) Industry Co., Ltd. The Company intends to change the name of Garden Fresh Groupco in due course to "Grandness Group Co., Limited" or such other name as the Company

deems appropriate and will announce the completion of name change accordingly.

- 2.3 The HK Issuer Share Transfer and the Groupco Share Transfer (collectively, the **“Transactions”**) are not expected to have any material impact on the earnings or net tangible asset value of the Company and the Group for the financial year ending 31 December 2016. The Transactions were funded entirely through internal sources.
- 2.4 None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Transactions save for their shareholdings in the Company.

### **3. Submission to The Stock Exchange of Hong Kong (“HKSE”)**

- 3.1 The Company wishes to announce that its wholly owned subsidiary Garden Fresh Group Holding Co., Ltd (**“Garden Fresh”**) has submitted an application to the HKSE for the Proposed Listing on 31 March 2016 (**“HKSE Application”**). In addition, Garden Fresh has submitted a draft prospectus (the Application Proof) (**“AP Prospectus”**) as part of the HKSE Application and the AP Prospectus will be published on the website of the HKSE and is accessible at:

<http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>.

- 3.2 The Company wishes to highlight that there can be no assurance that the approval for the Proposed Listing will be granted by the HKSE. In the event that the approval for the Proposed Listing is not granted by the HKSE, the Company will not be able to proceed with the Proposed Listing. The Proposed Listing is subject to, inter alia, the approval of the HKSE, on terms and conditions satisfactory to the Company, as well as the prevailing market conditions. Subject to the listing rules of the SGX-ST and the HKSE, the Company will announce any material updates in connection with the Proposed Listing.
- 3.3 **Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company, and should consult their professional advisers in the event that they have any doubt about the actions they should take.**

#### **BY ORDER**

By Order of the Board

Huang Yupeng  
Chairman and CEO  
31 March 2016