

OFFER INFORMATION STATEMENT DATED 17 FEBRUARY 2017

(Lodged with the Monetary Authority of Singapore on 17 February 2017)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the Section entitled “**Definitions**” of this offer information statement (the “**Offer Information Statement**”) issued by Sino Grandness Food Industry Group Limited (the “**Company**”).

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”), has been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST, subject to certain conditions being fulfilled. The Rights Shares will be admitted to the Official List of the SGX-ST and the official listing of and quotation for the Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. The approval in-principle granted by the SGX-ST for admission to the Official List of the SGX-ST and the dealing in, listing of and quotation for the Rights Shares is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Shares, the Rights Shares, the Nil-paid Rights, the Company, its subsidiaries and/or their securities.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement with the Authority. Your attention is drawn to the section entitled “Risk Factors” of this Offer Information Statement which you should read carefully.



SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED

(Company Registration No.: 200706801H)
(Incorporated in the Republic of Singapore)

THE RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 332,336,283 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.210 FOR EACH RIGHTS SHARE ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR EVERY ELEVEN (11) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“SHARES”) HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS, IF ANY, TO BE DISREGARDED (THE “RIGHTS ISSUE”)

IMPORTANT DATES AND TIMES:

Last date and time for splitting	: 28 February 2017 at 5.00 p.m.
Last date and time for acceptance and payment	: 6 March 2017 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for renunciation and payment	: 6 March 2017 at 5.00 p.m.
Last date and time for excess application and payment	: 6 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications)

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the Section entitled “Definitions” of this Offer Information Statement.

For Entitled Depositors (which excludes Entitled Scripholders, CPFIS Shareholders, SRS Investors and investors who hold Shares through a finance company or a Depository Agent), acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through CDP or by way of Electronic Application at any ATM of the Participating Banks.

For Entitled Scripholders, acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #11-02 Singapore 068898.

For CPFIS Shareholders who had subscribed for or purchased Shares using CPF Funds, acceptances of provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares can only be made, subject to CPF rules and regulations, using their CPF Funds. CPFIS Shareholders who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective CPF Approved Banks, where such Shareholders hold their CPF Investment Accounts, to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Shareholders would have to top up cash into their CPF Investment Accounts before instructing their respective CPF Approved Banks to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. CPF Funds cannot, however, be used for the purchase of Nil-paid Rights directly from the market. Any acceptance and/or application by CPFIS Shareholders to accept the Rights Shares and (if applicable) apply for Excess Rights Shares made or purported to be made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

SRS Investors who had purchased Shares using funds in their SRS Accounts and who wish to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. SRS Investors who wish to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks with which they hold their SRS Accounts to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. SRS Investors who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their respective approved banks before instructing their respective approved banks to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. SRS Investors are advised to provide their respective approved banks with which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application by the Closing Date of the Rights Issue. Any acceptance and/or application by SRS Investors to accept the Rights Shares and (if applicable) apply for Excess Rights Shares made or purported to be made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of Nil-paid Rights directly from the market.

For Entitled Shareholders who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their relevant approved banks with which they hold their SRS Accounts, respective finance companies or Depository Agents, and in the case of CPFIS Shareholders, their respective CPF Approved Banks. Such investors should provide their relevant approved banks with which they hold their SRS Accounts, respective finance companies, Depository Agents or CPF Approved Banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date of the Rights Issue. Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

Information herein relating to investors who hold Shares through finance companies or Depository Agents (including but without limitation those who have paid for their Shares using CPF Funds or funds in their SRS Accounts) is provided in general terms only and such investors should consult their relevant approved banks with which they hold their SRS Accounts, respective finance companies, Depository Agents or CPF Approved Banks.

The existing Shares are quoted on the Official List of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, amongst others, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, the merits of the Rights Issue and the rights and liabilities attaching to the Nil-paid Rights and the Rights Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial or other projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons consult their legal, financial, tax or other professional adviser before deciding whether to acquire any Nil-paid Rights or the Rights Shares or invest in any Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue and/or the allotment and issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as may be expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the offer or issue of the Nil-paid Rights or the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders, renounees and Purchasers should take note of any such announcement or supplementary or replacement document and upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company makes no representation or warranty to any person regarding the legality of an investment in the Nil-paid Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the Nil-paid Rights, the Rights Shares and/or the Shares.

The Company makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Nil-paid Rights, the Rights Shares, the Shares, the Company and/or the Group or any other matter relating thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or acquire the Nil-paid Rights, the Rights Shares and/or the Shares.

Notwithstanding anything in this Offer Information Statement, this Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any person (other than Entitled Shareholders, their renounees and the Purchasers who are in each case entitled to accept and/or apply for Rights Shares in accordance with the terms and conditions of the Rights Issue), or to whom these documents have been despatched by the Company, or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or unauthorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without any liability whatsoever on the part of the Company.

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DEFINITIONS

In this Offer Information Statement, including the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

General

“9M2015”	:	Nine months ended 30 September 2015
“9M2016”	:	Nine months ended 30 September 2016
“Announcement”	:	The announcement made by the Company on 13 December 2016 in relation to the Rights Issue
“ARE”	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to Purchasers in respect of their purchase of Nil-paid Rights under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine(s) of a Participating Bank
“Board”	:	The Board of Directors of the Company as at the date of this Offer Information Statement
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	(i) 5.00 p.m. on 6 March 2017 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the latest time and date for acceptance and/or excess application and payment for (and in the case of Entitled Scripholders), renunciation and payment for the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (ii) 9.30 p.m. on 6 March 2017 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the latest time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified and/or supplemented from time to time
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified and/or supplemented from time to time
“Company”	:	Sino Grandness Food Industry Group Limited
“Constitution”	:	The constitution of the Company as may be amended, modified and/or supplemented from time to time
“Control”	:	The power, directly or indirectly, to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by contract or otherwise

DEFINITIONS

“Controlling Interest”	:	The interest of Controlling Shareholder(s)
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (subject to the SGX-ST determining that such person is not a Controlling Shareholder), or a person who in fact exercises Control over the Company
“CPF”	:	The Central Provident Fund
“CPF Approved Bank”	:	Any bank appointed by the CPF Board to be an agent bank under the CPF Regulations
“CPF Board”	:	The Board of the CPF established pursuant to the Central Provident Fund Act, Chapter 36 of Singapore, as amended, modified and/or supplemented from time to time
“CPF Funds”	:	The monies standing to the credit of the CPFIS Shareholders’ respective CPF Investment Account(s)
“CPF Investment Account”	:	An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, amongst others, payment for the Rights Shares pursuant to the Rights Issue
“CPF Regulations”	:	The Central Provident Fund (Investment Schemes) Regulations and any other applicable regulations issued from time to time by the CPF Board or other relevant competent authority
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Shareholders”	:	Shareholders who have purchased Shares pursuant to the CPFIS
“Directors”	:	The directors of the Company as at the date of this Offer Information Statement
“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP were in Singapore as at the Record Date or who have provided CDP with addresses in Singapore for the service of notices and documents at least three (3) Market Days prior to the Record Date
“Entitled Scripholders”	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title for registration up to the Record Date and, in each case, whose registered addresses with the Company were in Singapore as at the Record Date or who have provided the Share Registrar with addresses in Singapore for the service of notices and documents at least three (3) Market Days prior to the Record Date

DEFINITIONS

“Entitled Shareholders”	:	Collectively, the Entitled Depositors and Entitled Scripholders
“Ex-Rights Trading Date”	:	The date on which the Shares commence trading on the SGX-ST on the basis that such Shares do not carry any right to participate in the Rights Issue
“Excess Rights Shares”	:	The provisional allotments of Rights Shares which are not taken up by the Entitled Shareholders as at the Closing Date, and which may be applied for by the Entitled Shareholders in excess of the number of Rights Shares provisionally allotted to such Entitled Shareholders
“Exercisable Share Options”	:	Up to 7,795,000 share options issued under the Sino Grandness Employee Share Option Scheme which may be exercised on or prior to the Record Date, assuming that the Record Date is set before 9 April 2017
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company of 673,344,828 Shares (excluding treasury shares) as at the Latest Practicable Date
“Foreign Purchasers”	:	Persons purchasing the Nil-paid Rights through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore at the time of purchase
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ending or ended (as the case may be) 31 December
“Garden Fresh”	:	鲜绿园®, the Group’s in-house brand of fruit juices
“Garden Fresh (HK)”	:	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Limited, a wholly-owned subsidiary of the Company
“Garden Fresh Cayco”	:	Garden Fresh Group Holding Co., Ltd, a wholly-owned subsidiary of the Company
“Garden Fresh Group HK”	:	Garden Fresh Group Co., Limited, a wholly-owned subsidiary of the Company
“Goldman Sachs”	:	Goldman Sachs Investments Holdings (Asia) Limited
“Grandness”	:	振鹏达®, the Group’s in-house brand of canned fruits and vegetables
“Grandness (HK)”	:	Grandness (HK) Industry Co., Ltd., a direct wholly-owned subsidiary of the Company
“Grandness (Shanxian)”	:	Grandness (Shanxian) Food Co., Ltd., a wholly-owned subsidiary of the Company
“Group”	:	The Company and its subsidiaries, collectively

DEFINITIONS

“Hao Tian Yuan”	:	好田园®, the Group’s in-house brand of snack food
“Issue Price”	:	The issue price of S\$0.210 for each Rights Share
“Latest Practicable Date”	:	11 February 2017, being the latest practicable date prior to the printing of this Offer Information Statement
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified and/or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MAS” or “Authority”	:	The Monetary Authority of Singapore
“Maximum Scenario”	:	Please refer to the section on “ Principal Terms of the Rights Issue ” under “ Determination of Minimum Scenario and Maximum Scenario ” of this Offer Information Statement for details relating to the Maximum Scenario
“Minimum Scenario”	:	Please refer to the section on “ Principal Terms of the Rights Issue ” under “ Determination of Minimum Scenario and Maximum Scenario ” of this Offer Information Statement for details relating to the Minimum Scenario
“Mr Huang Entitled Rights Shares”	:	108,757,527 Rights Shares, being the pro rata entitlement of Mr Huang Yupeng based on his shareholding interest in the Company
“NAV”	:	Net asset value
“Net Proceeds”	:	The estimated net proceeds from the Rights Issue, after deducting estimated expenses such as professional fees and related expenses incurred in connection with the Rights Issue
“Nil-paid Rights”	:	The “nil-paid” provisional entitlements to subscribe for the Rights Shares
“Offer Information Statement”	:	This document dated 17 February 2017 issued by the Company in respect of the Rights Issue, including (where the context admits) the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents (where applicable) issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company in respect of the Rights Issue
“PAL”	:	The provisional allotment letter to be issued to the Entitled Scripholders setting out the provisional allotments of Rights Shares to such Entitled Scripholder under the Rights Issue
“Participating Banks”	:	DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
“PM Group”	:	PM Group Company Limited

DEFINITIONS

“PRC”	:	The People’s Republic of China, excluding Taiwan, the Hong Kong Special Administrative Region and the Macau Special Administrative Region, for the purpose of this Offer Information Statement
“Purchasers”	:	Persons purchasing the Nil-paid Rights traded on the SGX-ST through the book-entry (scripless) settlement system during the Rights Trading Period
“Record Date”	:	5.00 p.m. (Singapore time) on 15 February 2017, being the time and date at and on which the Register of Members and the share transfer books of the Company were closed for the purpose of determining the provisional allotments of Rights Shares to Entitled Shareholders under the Rights Issue In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	The register of members of the Company
“Rights Issue”	:	The renounceable non-underwritten rights issue by the Company of up to 332,336,283 Rights Shares at the Issue Price, on the basis of five (5) Rights Share for every eleven (11) existing Shares held as at the Record Date, fractional entitlements (if any) to be disregarded, on the terms and conditions of this Offer Information Statement
“Rights Shares”	:	Up to 332,336,283 new Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue
“Rights Trading Period”	:	The trading period of the Nil-paid Rights commencing from 9.00 a.m. on 20 February 2017 and ending at 5.00 p.m. on 28 February 2017
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified and/or supplemented from time to time
“Shanxi Yongji”	:	Shanxi Yongji Huaxin Food Co., Ltd., a wholly-owned subsidiary of the Company
“SFR”	:	The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, as amended, modified and/or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST

DEFINITIONS

“Share Registrar”	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company or where CDP is the registered holder, the term “Shareholders” shall in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Shareholder’s Irrevocable Undertaking”	:	The irrevocable undertaking dated 13 December 2016 given by Mr Huang Yupeng to the Company to, amongst others, subscribe and pay for the Mr Huang Entitled Rights Shares, further information of which is set out in Paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“Sino Grandness Employee Share Option Scheme”	:	The Sino Grandness Employee Share Option Scheme which was approved by Shareholders on 23 September 2013
“Soleado”	:	Soleado Holdings Pte. Ltd.
“Soleado Conversion Option”	:	The option for Soleado to convert the Soleado Loan or the outstanding balance thereof, as the case may be, into the Soleado Conversion Shares by sending a prior-written notification to the Company
“Soleado Conversion Shares”	:	A maximum of 50 million new Shares in the capital of the Company to be issued pursuant to the exercise by Soleado of the Soleado Conversion Option
“Soleado Loan”	:	The loan of US\$20 million granted by Soleado to the Company
“Soleado Loan Agreement”	:	The convertible loan agreement dated 13 April 2016 and entered into by the Company with its indirect wholly owned subsidiaries, Grandness (Shanxian), Shanxi Yongji and Huang Yushan (as guarantors) and Soleado (as lender) for the grant by Soleado to the Company of the Soleado Loan
“SRS”	:	Supplementary Retirement Scheme
“SRS Account”	:	An account opened by a participant in the SRS from which monies may be withdrawn for, amongst others, payment for the subscription of Rights Shares under the Rights Issue
“SRS Investors”	:	Investors who have purchased Shares pursuant to the SRS
“Subscription Agreements”	:	The two (2) conditional subscription agreements dated 1 October 2014 and entered into between the Company and (a) PM Group and (b) Thoresen Thai Agencies Public Company Limited, through its wholly-owned subsidiary, Soleado, respectively for the issuance and subscription of an aggregate of 86,000,000 new Shares at S\$0.4035 for each new Share

DEFINITIONS

“Substantial Shareholder”	:	In relation to the Company, a person who has an interest in one (1) or more voting shares included in one (1) of the classes of shares in the Company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares included in that class
“Thai Investors”	:	Collectively, PM Group and Soleado
Currencies, Units and Others		
“%” or “per cent.”	:	Per centum or percentage
“RMB” and “fen”	:	PRC Renminbi and cents, the lawful currency of the PRC, respectively
“S\$” and “cents”	:	Singapore dollars and cents, the lawful currency of Singapore, respectively
“US\$”	:	United States dollars, the lawful currency of the United States of America

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term **“acting in concert”** shall have the meaning ascribed to it in the Code.

The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time of day or date in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the SFR, the Companies Act, the Listing Manual or the Code or any amendment or modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the SFR, the Companies Act, the Listing Manual or the Code or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to **“announcement”** of or by the Company in this Offer Information Statement includes announcements by the Company posted on the SGXNET.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

DEFINITIONS

Any reference in this Offer Information Statement to “**we**”, “**our**” and “**us**” shall refer to the Company and its subsidiaries.

Any discrepancy in the figures included in this Offer Information Statement between the amounts listed and the totals thereof is due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference in this Offer Information Statement to Shares being allotted to a person includes allotment to CDP for the account of that person.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

CORPORATE INFORMATION

Honorary Chairman	:	Prayudh Mahagitsiri	
Board of Directors	:	Huang Yupeng Huang Yushan Zeng Ming Zhu Jun Chalermchai Mahagitsiri Soh Beng Keng Wong Chee Meng, Lawrence Liu Ling	Executive Chairman Executive Director Executive Director Executive Director Non-Executive Director Lead Independent Director Independent Director Independent Director
Executive Officers	:	Huang Yupeng Goh Cze Khiang Li Tuanbo Zhang Guoming	Chief Executive Officer Chief Financial Officer Chief Technical Officer Deputy Chief Production Officer
Company Secretaries	:	Chew Kok Liang (LLB)(Hons) Wong Chuen Shya (Huang Chunxia) (ACIS)	Joint Company Secretary Joint Company Secretary
Registered Office	:	Six Battery Road #10-01 Singapore 049909	
Share Registrar	:	Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02 Singapore 068898	
Solicitors to the Company in relation to the Rights Issue	:	Harry Elias Partnership LLP SGX Centre 2, #17-01 4 Shenton Way Singapore 068807	
Auditors of the Company	:	Foo Kon Tan LLP 24 Raffles Place, #07-03 Clifford Centre, Singapore 048621 Partner-in-charge: Chang Fook Kay (appointed since financial year ended 2012) a member of the Institute of Singapore Chartered Accountants	

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

Summary of Principal Terms of the Rights Issue

Basis of provisional allotment of Rights Shares : Five (5) Rights Shares for every eleven (11) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements (if any) to be disregarded.

Number of Rights Shares to be issued : Up to 332,336,283 Rights Shares to be allotted and issued.

Under the Maximum Scenario, up to 332,336,283 Rights Shares will be issued pursuant to the Rights Issue.

Under the Minimum Scenario, up to 10,000,000 Rights Shares will be issued pursuant to the Rights Issue.

Determination of Minimum Scenario and Maximum Scenario : Pursuant to the Sino Grandness Employee Share Option Scheme, there are 32,703,750 outstanding share options as at the date of the Announcement, each carrying the right to subscribe for one (1) new Share. From the date of the Announcement and up to 9 April 2017, up to 7,795,000 share options may be exercised on or prior to the Record Date, assuming that the Record Date is set before 9 April 2017 (the “**Exercisable Share Options**”).

In addition, on 13 April 2016, the Company announced that it had entered into the Soleado Loan Agreement with its indirect wholly owned subsidiaries, Grandness (Shanxian), Shanxi Yongji and Huang Yushan (as guarantors) and Soleado (as lender) for the grant by Soleado to the Company of the Soleado Loan.

Subject to the approval of the Shareholders being obtained at an extraordinary meeting to be convened pursuant to Rules 803 and 811 and Chapter 9 of the Listing Manual and the fulfilment of certain conditions, the terms of the Soleado Loan include a Soleado Conversion Option, exercisable by Soleado to convert the Soleado Loan or the outstanding balance thereof, as the case may be, into the Soleado Conversion Shares, being a maximum of 50 million new Shares in the capital of the Company.

For illustrative purposes only, based on the Existing Share Capital and assuming that:

- (a) all the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares in full; and
- (b) (i) all of the Exercisable Share Options are exercised and 7,795,000 new Shares are issued; and (ii) all of the Soleado Conversion Option are exercised and 50,000,000 new Shares are issued (collectively, the “**New Shares**”), on or before the Record Date, an additional 26,270,453 Rights Shares will be issued in respect of the New Shares,

up to 332,336,283 Rights Shares will be issued pursuant to the Rights Issue (the “**Maximum Scenario**”). In the Maximum Scenario, the share capital of the Company will increase from 673,344,828 Shares to 1,063,476,111 Shares.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

For illustrative purposes only, based on the Existing Share Capital and assuming that:

- (a) none of the Exercisable Share Options and the Soleado Conversion Option are exercised and no New Shares are issued on or before the Record Date;
- (b) none of the other Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares; and
- (c) only Mr Huang Yupeng (pursuant to Shareholder's Irrevocable Undertaking) subscribes for only 10,000,000 Rights Shares to avoid incurring an obligation to make a mandatory offer under the Code,

up to 10,000,000 Rights Shares will be issued pursuant to the Rights Issue (the "**Minimum Scenario**"). In the Minimum Scenario, the share capital of the Company will increase from 673,344,828 Shares to 683,344,828 Shares.

Status of the Rights Shares : The Rights Shares, upon allotment and issue, will rank *pari passu* in all respects with the then existing Shares and with each other, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares.

Issue Price : S\$0.210 for each Rights Share, payable in full upon acceptance and/or application.

The Issue Price represents a discount of approximately:

- (a) 28.8% to the closing price of S\$0.295 per Share on the SGX-ST on 13 December 2016, being the last trading day of the Shares on the SGX-ST prior to the date of the Announcement; and
- (b) 28.5% to the theoretical ex-rights price⁽¹⁾ of S\$0.294 per Share.

Rationale of the Rights Issue : The Company is proposing to undertake the Rights Issue as a strategic initiative to raise additional funding to strengthen the financial position of the Group by enlarging the Group's working capital and capital base and enhance the financial flexibility of the Group to capitalise on potential growth opportunities.

General Mandate for the issue of the Rights Shares : The Rights Shares will be issued pursuant to the general share issue mandate ("**General Mandate**") given by the Shareholders at the last annual general meeting of the Company held on 25 April 2016 ("**2016 AGM**"). As at the date of the 2016 AGM, the issued share capital of the Company comprised 673,344,828 Shares (excluding treasury shares).

(1) The theoretical ex-rights price per Share is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on (A) the sum of (i) the Company's market capitalisation based on the closing price of S\$0.295 per Share on the SGX-ST on 13 December 2016; and (ii) the gross proceeds of the Rights Issue under the Minimum Scenario, divided by (B) the enlarged total number of Shares in issue following the completion of the Rights Issue under the Minimum Scenario.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

Pursuant to the General Mandate, the Directors are authorised to issue up to an aggregate of 336,672,414 Shares, on a pro rata basis to existing Shareholders. No Shares had previously been issued pursuant to the General Mandate, and the proposed allotment and issuance of the Rights Shares is within the limit of the General Mandate.

Estimated Net Proceeds : Under the Maximum Scenario, the estimated Net Proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.4 million, is expected to be approximately S\$69.4 million.

Under the Minimum Scenario, the estimated Net Proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.4 million, is expected to be approximately S\$1.7 million.

Use of proceeds : Please refer to Paragraph 3 of Part IV of the Sixteenth Schedule of the SFR entitled “**Key Information**” of this Offer Information Statement.

Eligibility to participate in the Rights Issue : Please refer to the section entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” of this Offer Information Statement.

Acceptance, excess application and payment procedures : Entitled Shareholders shall be at liberty to accept (in full or in part), decline, or otherwise renounce in part or in whole or (in the case of Entitled Depositors) trade their provisional allotments of Rights Shares and are eligible to apply for Excess Rights Shares under the Rights Issue. Entitled Depositors will be able to trade their provisional allotments of Rights Shares on the SGX-ST during the Rights Trading Period. For the avoidance of doubt and notwithstanding anything in this Offer Information Statement, only Entitled Shareholders (and not the Purchasers or renounees of Entitled Shareholders) shall be entitled to apply for Excess Rights Shares.

Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the entitlements of Entitled Shareholders and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders, the original allottees or their respective renounee(s) or the Purchasers, any unsold Nil-paid Rights of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions contained in the PAL, the ARE, the ARS and/or any other application for Rights Shares, be aggregated and issued to satisfy applications for Excess Rights Shares (if any) or otherwise disposed of or otherwise dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

In the allotment of any Excess Rights Shares, preference will be given to the Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares.

The Company will not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for acceptance, excess application and payment by Entitled Depositors and the procedures for acceptance, splitting, renunciation, excess application and payment by Entitled Scripholders are set out in Appendices B and C to this Offer Information Statement and in the PAL, the ARE and the ARS.

Listing of the Rights Shares

- : On 3 February 2017, the SGX-ST granted its approval in-principle for the dealing in, listing of and quotation for up to 332,336,283 Rights Shares on the Official List of the SGX-ST, subject to certain conditions, details of which are set out in the Section entitled “**Trading**” of this Offer Information Statement.

Please note that the approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for up to 332,336,283 Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Nil-paid Rights, the Company, its subsidiaries and/or their securities.

Trading of the Rights Shares and Odd Lots

- : Upon the listing of and quotation for the Rights Shares on the Official List of the SGX-ST, the Rights Shares will be traded on the Official List of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares. Please refer to the section entitled “**Trading**” of this Offer Information Statement for further details.

Use of CPF Funds

- : CPFIS Shareholders may use, subject to the CPF Regulations, CPF Funds to pay for the subscription of their Nil-paid Rights and (if applicable) the application for Excess Rights Shares, if they had previously bought their Shares using CPF Funds. Such Entitled Shareholders who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using their CPF Funds will need to instruct their respective CPF Approved Banks, where they hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for the Excess Rights Shares on their behalf in accordance with this Offer Information Statement.

CPF Funds cannot be used for the purchase of the Nil-paid Rights directly from the market.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

CPFIS Shareholders should note the following:

- (a) The subscription of their provisional allotments of Rights Shares arising from Shares acquired under the CPF Investment Account must be done through the respective CPF Approved Banks. Any application made directly to CPF, the Share Registrar, the Company or by way of Electronic Application at any ATM will be rejected.
- (b) Subscription of their provisional allotments of Rights Shares arising from Shares acquired under the CPF Investment Account, where the Rights Shares are of a type included under the CPF Investment Account, can only be made using CPF Funds. In the case of insufficient CPF Funds or stock limit, the CPFIS Shareholder should top-up cash into his CPF Investment Account.

- Use of SRS Accounts** : SRS Investors who wish to accept their provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using the monies standing to the credit of their respective SRS Accounts. SRS Investors who wish to accept their provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares using the SRS Accounts, must instruct their relevant SRS approved banks in which they hold their SRS Accounts to accept their provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Any acceptance and/or application made directly through CDP, the Share Registrar, the Company or by way of Electronic Application at any ATM will be rejected. The SRS funds cannot be used for the purchase of Nil-paid Rights directly from the market.
- Shareholder's Irrevocable Undertaking** : Please refer to Paragraph 1(f) of Part X of the Sixteenth Schedule of the SFR "**Additional Information Required for Offer of Securities by way of Rights Issue**" of this Offer Information Statement for details relating to the Shareholder's Irrevocable Undertaking.
- Governing law** : Laws of the Republic of Singapore.
- Risk factors** : Investing in the Nil-paid Rights and Rights Shares involves risks. Please refer to the section entitled "**Risk Factors**" of this Offer Information Statement.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE NIL-PAID RIGHTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR, IN THE CASE OF ENTITLED DEPOSITORS ONLY, TRADED ON THE SGX-ST DURING THE RIGHTS TRADING PERIOD.

INDICATIVE TIMETABLE OF KEY EVENTS

An indicative timetable for the Rights Issue is set out below (all references are to Singapore dates and times). For the events listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Notice of Record Date	:	6 February 2017
Shares trade ex-rights	:	13 February 2017 from 9.00 a.m.
Record Date	:	15 February 2017 at 5:00 p.m.
Despatch of Offer Information Statement (together with the ARE or PAL, as the case may be) to the Entitled Shareholders	:	20 February 2017
Commencement of trading of “nil-paid” rights	:	20 February 2017 from 9.00 a.m.
Last date and time for splitting rights	:	28 February 2017 at 5.00 p.m.
Last date and time for trading of “nil-paid” rights	:	28 February 2017 at 5.00 p.m.
Last date and time for acceptance and payment of Rights Shares	:	6 March 2017 at 5.00 p.m. (9.30 pm for Electronic Applications via ATM of Participating Banks)
Last date and time for acceptance of and payment for Rights Shares by renounees	:	6 March 2017 at 5.00 p.m.
Last date and time for application and payment of excess Rights Shares	:	6 March 2017 at 5.00 p.m. (9.30 pm for Electronic Applications via ATM of Participating Banks)
Expected date for issuance of Rights Shares	:	13 March 2017
Expected date for crediting of Rights Shares	:	14 March 2017
Expected date for refund of unsuccessful applications (if made through CDP)	:	14 March 2017
Expected date for commencement of trading of Rights Shares	:	14 March 2017

The above timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the SGX-ST and CDP, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce the same through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Notes:

- (1) Investors who hold Shares through finance companies or Depository Agents (including but without limitation those who have paid for their Shares using CPF Funds or funds in their SRS Accounts), where applicable, will receive notification letter(s) from their relevant CPF Approved Banks, SRS approved banks, respective finance companies and/or Depository Agents and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective CPF Approved Banks, SRS approved banks, finance companies and/or Depository Agents. Any acceptance and/or applications made or purported to be made by these investors directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive this Offer Information Statement and/or the ARE may obtain them from CDP, the Share Registrar or any stockbroking firm during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and/or the PAL may obtain them from the Company or the Share Registrar for the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares under the Rights Issue on the basis of their shareholdings as at the Record Date, fractional entitlements (if any) to be disregarded. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade their Nil-paid Rights on the SGX-ST during the Rights Trading Period prescribed by the SGX-ST and are eligible to apply for Excess Rights Shares.

All dealings in and transactions of the Nil-paid Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which are to be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all notices and documents will be sent to their last registered address with CDP. Entitled Depositors are reminded that any request to CDP to update its records or to effect any change in address must reach CDP at #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588, at least three (3) Market Days prior to the Record Date.

Entitled Scripholders should note that all notices and documents will be sent to their last registered address with the Share Registrar. Shareholders who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue may provide such a Singapore address by notifying the Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02 Singapore 068898, at least three (3) Market Days prior to the Record Date.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP prior to the Record Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Rights Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the Nil-paid Rights and the application for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in **Appendices B, C and D** to this Offer Information Statement and in the ARE, the ARS and the PAL.

Any Entitled Shareholders (including, without limitation, custodians, nominees and trustees) who have a contractual obligation to forward this Offer Information Statement to a jurisdiction outside Singapore should read the Section entitled “**Transfer and Selling Restrictions**” of this Offer Information Statement.

2. Foreign Shareholders and Foreign Purchasers

This Offer Information Statement and its accompanying documents relating to the Rights Issue have been lodged with the Authority in Singapore. This Offer Information Statement and its accompanying documents have not been and will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents, and the purchase, exercise of or subscription for Nil-paid Rights and/or the Rights Shares may be prohibited or restricted (either absolutely or subject to various

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. For practical reasons and in order to avoid any violation of the legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or to any jurisdictions outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance of Rights Shares or application for Excess Rights Shares by Foreign Shareholders will be valid.

This Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the Nil-paid Rights credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore and who has not furnished the Share Registrar with an address in Singapore, will not be entitled to accept the Nil-paid Rights renounced to him.

The Company further reserves the right, but shall not be obliged, to treat as invalid any acceptance or purported acceptance of the provisional allotment of Rights Shares and (if applicable) application or purported application for Excess Rights Shares or to decline such acceptance or purported acceptance and (if applicable) such application or purported application which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes or has reason to believe may violate any applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any representation or warranty or confirmation, whether express or deemed, to be given by such person.

Shareholders (not being Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue should provide an address in Singapore not later than three (3) Market Days prior to the Record Date by notifying the Company c/o the Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02 Singapore 068898, not later than three (3) Market Days before the Record Date.

If it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the Nil-paid Rights which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the Nil-paid Rights commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales (after deducting any applicable brokerage, commissions and expenses, including goods and services tax) will be aggregated and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Record Date and sent to them at their own risk by ordinary post to their mailing address as maintained with CDP, or in such other manner as the Foreign Shareholders may have agreed with CDP for the payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and/or their respective officers in connection therewith.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Where the Nil-paid Rights are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP and/or the Share Registrar and/or their respective officers in respect of such sales or the proceeds thereof, the Nil-paid Rights or the Rights Shares represented by such provisional allotments.

If the Nil-paid Rights cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Nil-paid Rights, the Rights Shares represented by such provisional allotments will be issued and allotted to satisfy applications for Excess Rights Shares (if any) or otherwise disposed of or dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP and/or the Share Registrar and/or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

The information set out in this section is not to be regarded as advice on the position of any Foreign Shareholder. Foreign Shareholders who are in doubt as to their position should consult their professional advisers without delay.

Notwithstanding the above, Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto at their own expense and without liability to the Company. No person in any jurisdiction outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any registration or other regulatory or legal requirements in those jurisdictions.

The Rights Shares which are not otherwise taken up or allotted for any reason shall be used to satisfy applications for Excess Rights Shares (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Fractional entitlements to the Rights Shares will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy application for Excess Rights Shares (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs of the Company or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares. The Company will not make any allotments and/or issue of any Excess Rights Shares that will result in a transfer of Controlling Interest in the Company unless otherwise approved by Shareholders in a general meeting.

TRADING

1. **Listing of and Quotation for the Rights Shares**

On 3 February 2017, the SGX-ST granted its approval in-principle for the dealing in, listing of and quotation for up to 332,336,283 Rights Shares on the Official List of the SGX-ST, subject to, amongst others, the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (c) the Company's audit committee instituting proper internal controls to monitor the use and disbursement of the proceeds from the Rights Issue;
- (d) independent verification on the use and disbursement of proceeds from the Rights Issue;
- (e) a written confirmation from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regards to the allotment of any Excess Rights Shares; and
- (f) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the undertaking shareholder who has given the irrevocable undertakings has sufficient financial resources to fulfil his obligations under the undertakings.

The approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for up to 332,336,283 Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Nil-paid Rights, the Shares, the Company, its subsidiaries and/or their securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

Upon the listing and quotation on the Official List of the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and the "Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

2. **Arrangements for Scripless Trading**

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept their provisional allotments of Rights Shares and/or apply for Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("**NRIC**")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

TRADING

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates in their own names for the Rights Shares allotted to them and, if applicable, the Excess Rights Shares allotted to them. Such physical share certificates for the Rights Shares, if issued, will be forwarded by ordinary post at their own risk and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from his address registered with the Share Registrar, he must inform the Share Registrar of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with the Share Registrar.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

3. Nil-paid Rights Trading

Entitled Depositors who wish to trade all or part of their Nil-paid Rights on the Official List of the SGX-ST can do so for the period commencing on 20 February 2017 from 9.00 a.m., being the date and time of commencement of the Rights Trading Period, and ending on 28 February 2017 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last date and time of the Rights Trading Period.

4. Trading of Odd Lots

Shareholders are to note that with effect from 19 January 2015, the standard board lot size of securities listed on SGX-ST was reduced from 1,000 to 100 units, and Shareholders will be able to trade Shares in board lots of 100 Shares. Shareholders who hold odd lots of the Rights Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the SGX-ST should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the Unit Share Market of the SGX-ST.

Entitled Depositors who wish to trade all or part of their Nil-paid Rights on the Official List of the SGX-ST during the Rights Trading Period should note that the Nil-paid Rights will be quoted in board lot sizes of 100 Nil-paid Rights, following the change in board lot size as described above.

Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so on the Unit Share Market of the SGX-ST during the Rights Trading Period. Such Entitled Shareholders may start trading their Nil-paid Rights as soon as dealings therein commence on the Official List of the SGX-ST.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its related corporations, Directors, officers, executives or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company’s and the Group’s expected financial position and performance, operating results, business strategies, plans and future prospects are forward-looking statements.

These forward-looking statements, including, but not limited to, statements as to the Company’s and the Group’s revenue and profitability, cost measures, expected industry trends, prospects, future plans, planned strategy and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements and information. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements as a result of, amongst others, the risks and uncertainties faced by the Company and the Group. None of the Company, or its related corporations, directors, officers, executives and employees or any other person represents or warrants that the Company’s and the Group’s actual future results, performance or achievements will be as discussed in those statements and financial information.

In light of the volatile global financial markets and global economic uncertainties, any forward-looking statement contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, the Company and its related corporations, directors, officers, executives and employees disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority but before the Closing Date and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

This Offer Information Statement may include market and industry data and information that have been obtained from, amongst others, internal studies and publicly available information such as government statistical and industry reports, and industry publications. Please note that such information is supplied to you for your personal use only. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but the accuracy and completeness of that information is not guaranteed, and may contain other disclaimers in relation to reliance on their contents. There can therefore be no assurance as to the accuracy or completeness of such information. While reasonable steps have been taken to ensure that the information is extracted accurately, the Company and its related corporations, Directors, officers, executives and employees have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein, nor have the consents of these sources been obtained for the inclusion of such data or information in this Offer Information Statement.

THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

The Code regulates the acquisition of voting shares in, amongst others, corporations with a primary listing of their equity securities in Singapore (such as the Company). In general terms, except with the consent of the SIC, where:

- (i) any person acquires whether by a series of transactions over a period of time or not, shares in a company which, taken together with shares held by persons acting in concert with him, carry 30% or more of the voting rights of the company; or
- (ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any party acting in concert with him, acquires in any six (6) month-period additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their position including obligations, if any, under the Code in connection with the acquisition of Rights Shares under the Rights Issue should consult the SIC and/or their professional advisers immediately.

For the avoidance of doubt, the Company may at its discretion scale down any Entitled Shareholder's application to subscribe for Excess Rights Shares to avoid placing such Entitled Shareholder in the position of incurring an obligation to make an offer for Shares in the Company under the Code as a result of other Entitled Shareholders not taking up their entitlements to the Rights Shares.

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PART II – IDENTITY OF DIRECTORS, ADVISORS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors of the relevant entity

Board of Directors

Names of Directors	Designation	Addresses of Directors
Huang Yupeng	Chairman and Chief Executive Officer	506, No.58, Bd.33, Jing Bei Nan, Yi Jing Road, Shenzhen City, People's Republic of China
Huang Yushan	Executive Director	No. 1072 Tinghe South Road, Block 11, Unit 3-505, Luohu District, Shenzhen City, Guangdong Province, People's Republic of China
Zeng Ming	Executive Director	59 Bei Tou Tiao Jiao Dao Kou, Dong Cheng District, Beijing City, People's Republic of China
Zhu Jun	Executive Director	34 Quan Gang District, Jie Shan Zhen, Ling Tou Village, South Quanzhou City, Fujian Province, People's Republic of China
Charlarmchai Mahagitsiri	Non-Executive Director	No. 158/7 Charusmuang Road, Kwaeng Rongmuang Khet Pathumwan, Bangkok, Thailand 10330
Soh Beng Keng	Lead Independent Director	126 Tai Keng Gardens, Singapore 535407
Liu Ling	Independent Director	227 Staff Quarter 2, 12 He Ping Li, Dong Street, Dong Cheng District, Beijing, People's Republic of China
Wong Chee Meng, Lawrence	Independent Director	2 Hillcrest Road, Hillcrest Park, Singapore 288894

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Advisers

2. Provide the names and addresses of:-

- (a) the issue manager to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal advisor to the offer, if any.
-

Role	Name and Address
Manager and Underwriter of the Rights Issue	: No manager or underwriter has been appointed for this Rights Issue
Legal Advisers to the Company in respect of the Rights Issue (as to Singapore law)	: Harry Elias Partnership LLP #17-01 SGX Centre 2, 4 Shenton Way Singapore 068807

Registrar and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

Role	Name and Address
Share Registrar and Share Transfer Agent	: Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02 Singapore 068898
Receiving Banker	: The Bank of East Asia, Limited Singapore Branch 60 Robinson Road BEA Building Singapore 068892

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PART III – OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of securities being offered.

Method of Offer	:	Renounceable non-underwritten Rights Issue
Number of Rights Shares	:	Up to 332,336,283 new Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue
Basis of allotment	:	Five (5) Rights Shares for every eleven (11) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements (if any) to be disregarded

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to -

- (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
-

Please refer to Paragraphs 3 to 7 of this Part below.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement in relation to the offer period.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may, with the approval of the SGX-ST, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce such modification to the timetable through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Please refer to Appendices B, C and D to this Offer Information Statement and the PAL, the ARE and the ARS for details of the procedures for and the terms and conditions applicable to, acceptance of and/or excess application for, and payment for the Rights Shares, including the names and addresses of the persons to whom the acceptance, application (if any) and payment are to be submitted.

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4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Rights Shares are payable in full upon acceptance and/or application. The last date and time for acceptance of and/or excess application for, Rights Shares and payment for Rights Shares and/or Excess Rights Shares is on **6 March 2017 at 5.00 p.m.** or, in the case of acceptances and/or excess application and payment through an ATM of a Participating Bank, on **6 March 2017 at 9.30 p.m.**

Please refer to Appendices B, C and D to this Offer Information Statement and the PAL, the ARE and the ARS for details of the procedures for, and the terms and conditions applicable to, acceptance of and/or excess application for, and payment for the Rights Shares, including the methods for payment for the Rights Shares.

5. State, where applicable, the methods of and time limits for –

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 20 February 2017 by crediting the Nil-paid Rights to the Securities Accounts of the respective Entitled Depositors or through the despatch of the PALs to Entitled Scripholders.

In the case of Entitled Depositors, Purchasers and Entitled Scripholders and their renounees with valid acceptances of Rights Shares and/or successful applications for Excess Rights Shares and (in the case of such Entitled Scripholders) who have furnished valid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be registered in the name of CDP or its nominee and despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers by ordinary post, at their own risk, a notification letter stating the number of Rights Shares that have been credited to their respective Securities Accounts.

In the case of Entitled Scripholders and their renounees with valid acceptances of Rights Shares and/or successful applications of Excess Rights Shares and who have, amongst others, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form in the PAL, share certificate(s) representing such number of Rights Shares will be despatched by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

Please refer to Appendices B, C and D to this Offer Information Statement and the PAL, the ARE and the ARS for further details.

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6. **In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable as no pre-emptive rights have been offered.

7. **Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

Results of Rights Issue

The Company will publicly announce, amongst others, the results of the allotment of the Rights Shares, as soon as it is practicable after the Closing Date through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Manner of Refund

If any acceptance of Rights Shares is invalid and/or if no Excess Rights Shares are allotted to Entitled Shareholders or if the number of Excess Rights Shares allotted to them is less than that applied for, the amount paid on acceptance, application and/or the surplus application monies, as the case may be, will be returned or refunded to such applicants, without interest or any share of revenue or other benefit arising therefrom within three (3) business days after the commencement of trading of Rights Shares by any one or a combination of the following:

- (a) in respect of Entitled Depositors, by crediting their bank accounts with the relevant Participating Banks at their own risk (if they accept and (if applicable) apply by way of an Electronic Application), the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque drawn down on a bank in Singapore and sent to them by ordinary post and at their own risk to their mailing addresses as maintained with CDP, or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they accept and (if applicable) apply through CDP); or
- (b) in respect of Entitled Scripholders, by means of a crossed cheque drawn on a bank in Singapore and sent to them at their mailing addresses as maintained with the Share Registrar by ordinary post and at their own risk.

Please refer to Appendices B, C and D to this Offer Information Statement, and the ARE, ARS and PAL, as the case may be, for further information on the refunding of excess amounts paid by applicants.

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PART IV – KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to Paragraphs 2 to 7 of this Part below.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

Under the Maximum Scenario, the estimated Net Proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.4 million, is expected to be approximately S\$69.4 million.

Under the Minimum Scenario, the estimated Net Proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.4 million, is expected to be approximately S\$1.7 million.

All Net Proceeds arising from the Rights Issue will go to the Company.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.

The Company intends to utilise the Net Proceeds in the following manner:

Maximum Scenario		
Use of Proceeds	Amount (S\$'million)	Percentage Allocation (%)
Capital expenditure for the Group's non-beverage business	41.6	60.0
Distribution network expansion and general working capital	27.8	40.0
Total	69.4	100.0

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Minimum Scenario		
Use of Proceeds	Amount (S\$'million)	Percentage Allocation (%)
Capital expenditure for the Group's non-beverage business	1.0	60.0
Distribution network expansion and general working capital	0.7	40.0
Total	1.7	100.0

Pending the deployment of the Net Proceeds, the Net Proceeds may be used for investment in short-term deposits, money market instruments and/or debt instruments, and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the proceeds of the Rights Issue, as and when the funds from the Rights Issue are materially disbursed or utilised. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds, its results announcement and the annual report. Where there is any material deviation from the intended use of proceeds, the Company will immediately announce the reason(s) for such deviation.

In the reasonable opinion of the Directors, no minimum amount must be raised from the Rights Issue.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

Under the Maximum Scenario, for each dollar of the gross proceeds of approximately S\$69.8 million that will be raised from the Rights Issue, the Company will allocate:

- (a) approximately 59.6 per cent will be used for the capital expenditure for the Group's non-beverage business;
- (b) approximately 39.8 per cent will be used for distribution network expansion and general working capital; and
- (c) approximately 0.6 per cent will be used for the estimated expenses in connection with the Rights Issue.

Under the Minimum Scenario, for each dollar of the gross proceeds of approximately S\$2.1 million that will be raised from the Rights Issue, the Company will allocate:

- (a) approximately 48.6 per cent will be used for the capital expenditure for the Group's non-beverage business;

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- (b) approximately 32.4 per cent will be used for distribution network expansion and general working capital; and
- (c) approximately 19.0 per cent will be used for the estimated expenses in connection with the Rights Issue.

-
- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
-

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds to be raised from the Rights Issue, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

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- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
-

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds, directly or indirectly, to acquire or refinance the acquisition of another business.

-
- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
-

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds to discharge, reduce or retire the indebtedness of the Company or the Group.

-
- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
-

Please refer to Paragraph 7 of Part VI (The Offer and Listing) of this Offer Information Statement.

Information on the Relevant Entity

- 9. Provide the following information:**
- 9(a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**
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Registered office

Registered office address : Six Battery Road
#10-00
Singapore 049909

Telephone number of registered office : +65-6381 6868

Facsimile number of registered office : +65-6381 6869

Principal place of business

Principal place of business : 56th Floor, Tower A, Lian He Plaza,
No. 5022, Bin He Road,
Futian District, Shenzhen,
PRC 518033

Telephone number of principal place of business : +86-755-82821186

Facsimile number of principal place of business : +86-755-82828869

9(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

The Company is an investment holding company and was admitted to the Official List of the SGX Mainboard on 23 November 2009.

The Group is principally engaged in the production and distribution of beverage and canned food products under its in-house brands Garden Fresh and Grandness. Since its establishment in 1997, the Group has grown to become one of the leading brands for loquat fruit juice in PRC as well as one of the top exporters of canned asparagus, long beans and mushrooms from PRC. The Group's products are distributed within PRC and globally across Europe, North America and Asia, in renowned supermarkets, discount stores and convenience stores.

9(c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –

- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

The significant developments of the business of the Group in chronological order since FY2013 to the Latest Practicable Date are set out below. The significant developments described in this section include matters extracted from the related announcements released by the Company via the SGXNET and such information presented herein is correct as at the dates of the relevant announcements. Shareholders are advised to refer to the related announcements for further details.

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FY2013

On 3 January 2013, the Company announced the change in Board composition following the resignation of Ms Xu Xihua.

On 4 March 2013, the Company announced its entry into a placement agreement with UOB Kay Hian Private Limited as placement agent in relation to the issue of 28,500,000 new ordinary shares in the capital of the Company at a placement price of S\$0.82 for each placement share. The SGX-ST granted its approval in-principle for the listing of and quotation for up to 28,500,000 placement shares on 14 March 2014. The placement was completed on 20 March 2013.

On 18 March 2013, the Company announced the changes in Board composition following the: (a) re-designation of Mr Zeng Ming from Non-Executive Director to Executive Director; and (b) appointment of Ms Liu Ling as an Independent Director.

On 19 March 2013, the Company announced the (a) cessation of Mr Sun Enxiao as the Deputy Chief Production Officer; and (b) appointment of Mr Zhang Guoming as the Deputy Chief Production Officer.

On 15 April 2013, the Company announced that the indicative orders received by the Group for Garden Fresh juices after a trade exhibition at Chengdu, PRC, have exceeded RMB290 million, representing a 45% increase from the orders received at the trade exhibition at Chengdu, PRC, the preceding year.

On 23 April 2013, the Company announced the cessation of Mr Lin Song as an Independent Director following his retirement.

On 24 April 2013, the Company announced the change in Board composition following the appointment of Mr Wong Chee Meng, Lawrence as an Independent Director of the Company. The announcement also provided for the resignation of Mr Wong Chee Meng, Lawrence as the Joint Company Secretary and the appointment of Mrs Wong Chuen Shya as Joint Company Secretary together with Mr Chew Kok Liang.

On 14 May 2013, the Company announced the appointment of Mr Goh Cze Kiang as the Chief Financial Officer of the Company.

On 1 July 2013, the Company announced that it intended to spin-off its beverage business segment under its wholly-owned foreign subsidiary, Garden Fresh (HK) together with its group of subsidiaries for a listing on an internationally recognised stock exchange with an accompanying initial public offering of shares.

On 4 July 2013, the Company announced a change of legal representative of its wholly-owned subsidiary, Garden Fresh (Sichuan) Fruit & Vegetable Beverage Co., Limited, from Mr Shi Jianyong to Mr Xu Zhenji, following the resignation of Mr Shi Jianyong.

On 26 July 2013, the Company announced that it intended to undertake a share split to split every one (1) Share into two (2) Shares, and to adopt the Sino Grandness Employee Share Option Scheme. The SGX-ST granted its approval in-principle for the dealing in, listing of and quotation for the new Shares arising from the share split and the Sino Grandness Employee Share Option Scheme on 22 August 2013, and Shareholders' approval for the share split and Sino Grandness Employee Share Option Scheme was obtained on 23 September 2013, and the share split became effective on 27 September 2013. Please refer to the announcements of the Company on 26 July 2013, 22 August 2013, 23 September 2013, and 2 October 2013, and the Company's circular dated 6 September 2013 for more information on the transactions.

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On 12 August 2013, the Company announced that the Group's products gained access into leading convenience store operators in Sichuan and Guangdong provinces in the PRC.

On 19 September 2013, the Company announced that the Group had disposed of its 51% shareholding interest in Yunnan Shizong Zhenhua Food Co., Ltd., for an aggregate consideration of approximately RMB10,000,000.

On 27 September 2013, the Company announced that the Company's wholly-owned subsidiary, Garden Fresh (Shenzhen) Fruit & Vegetable Beverage Co. Limited, had received the "Top 500 Asia Brand" award and that Mr Huang Yupeng, Chairman and CEO of the Company, was the recipient of the "Asia Brand Management Excellent Personality" Award during the 8th Asian Brand Ceremony held in Hong Kong on 9 September 2013.

On 11 October 2013, the Company announced that the Group had launched a new in-house brand, Hao Tian Yuan (好田园®), to market its latest range of snack food, including lotus seeds, dried mushrooms, peanuts, anchovies, raisins and dates.

On 22 October 2013, the Company announced that the Group had entered into a cooperation agreement with Guzhen Municipal Government of Anhui Province in relation to the construction of a production plant in the Anhui Province to produce canned products and beverages.

On 7 November 2013, the Company announced that the Garden Fresh brand (鲜绿园®) of fruit and vegetable juices had been valued at RMB3.5 billion (approximately S\$714 million based on the then exchange rate of S\$1 to RMB4.90) according to a Brand Value Data Certificate issued by Asia Brand Association Experts Committee and Asia Brand Research Centre based on the analysis of 4 indicators and targets, namely, brand performance in the market, growth potential in brand value, quality control and level of efficiency.

On 14 November 2013, the Company announced the grant of 18,460,000 share options at the exercise price of S\$0.60 pursuant to the rules of the Sino Grandness Employee Share Option Scheme. The market price on the date of the grant (weighted average price per Share) was S\$0.7532.

On 13 December 2013, the Company announced that each of Ms Huang Yushan, Mr Zhu Jun, Mr Zeng Ming, Ms Liu Ling, Mr Soh Beng Keng and Mr Wong Chee Meng, Lawrence had accepted the employee share options issued by the Company to each of them respectively.

FY2014

On 28 April 2014, an extraordinary general meeting was convened, during which Shareholders' approval was obtained for the proposed general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate.

On 13 August 2014, the Company announced that installation and trial run at the new juice production facilities in Hubei Province, PRC had been completed in the second quarter of 2014. The production facilities in Hubei Province, PRC officially commenced production in October 2014.

On 14 August 2014, the Company announced that it was engaged in discussions with a potential strategic investor for a possible investment of a substantial stake in the Company.

On 26 September 2014, the Company announced that pursuant to a group restructuring exercise, the Company's wholly-owned subsidiary, Grandness HK had transferred its 100% equity interest in Shanxi Yongji to the Company.

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On 26 September 2014, the Company also announced that it had through Grandness (HK), established a wholly-owned subsidiary, Grandness (Anhui) Food Co., Limited (“**Grandness Anhui**”) in Anhui Province, the PRC. The Company’s wholly-owned subsidiary, Grandness (HK), owns 100% equity interest in Grandness (Anhui). The principal activity of Grandness (Anhui) is that of (i) preparation, processing and production projects of canned fruits and vegetables and snack food product and (ii) food technology development.

On 8 October 2014, the Company announced that it had on 1 October 2014 entered into the two (2) Subscription Agreements with PM Group and Thoresen Thai Agencies Public Company Limited, through its wholly-owned subsidiary, Soleado, respectively for the issuance and subscription of an aggregate of 86,000,000 new Shares (“**Placement Shares**”) at S\$0.61 for each Placement Share (the “**Placement**”). On 29 October 2014, the Company announced that the Company had entered into supplemental deeds to the Subscription Agreements, pursuant to which, amongst others, the issue price of each Placement Share was amended to \$0.50 per Placement Share or 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 lower, and provided that if the volume weighted average price per Share is less than S\$0.40, the Thai Investors and the Company 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. On 26 December 2014, the Company announced that the Company had on 25 December 2014 entered into supplemental agreements to the Subscription Agreements to determine the date and place of completion of the Placement. The SGX-ST granted its approval in-principle for the dealing in, listing of and quotation for the new Shares arising from the Placement on 9 December 2014, and Shareholders’ approval was obtained on 30 December 2014. The Placement was completed on 30 December 2014.

On 8 October 2014, the Company announced developments in relation to the zero coupon rate RMB100,000,000 convertible bonds due 2014 (“**CB1 Convertible Bonds**” or “**CB1**”) pursuant to a conditional subscription agreement (“**2011 Bonds Subscription Agreement**”) entered into by Garden Fresh (HK) as issuer, the Company as guarantor and Sun Hung Kai Investment Services Limited as placement agent, that:

- (a) the CB1 bondholders representing 80.5% of the principal amount of the CB1 Convertible Bonds had indicated that they intended to exercise their right to extend the maturity date of the CB1 Convertible Bonds from 19 October 2014 to 30 June 2015.
- (b) the Company was in the process of repurchasing the remaining 19.5% of the principal amount of the CB1 Convertible Bonds (the “**Repurchase**”) and that payment for the Repurchase of approximately RMB37.9 million had been made on 6 October 2014.

The terms of the proposed issue of the CB1 Convertible Bonds, which are convertible at the option of the CB1 bondholders into fully paid common shares in Garden Fresh (HK), were set out in the announcement of the Company dated 28 September 2011. Please refer to the announcement of the Company on 28 September 2011 for more information.

The completion of the Repurchase and the reduction of the total outstanding principal amount of the CB1 Convertible Bonds from RMB100,000,000 to RMB80,500,000, together with the extension of the maturity date of the CB1 Convertible Bonds from 19 October 2014 to 30 June 2015 was announced by the Company on 29 October 2014.

On 16 October 2014, the Company announced that it commenced distribution of its in-house brand Garden Fresh fruit juices in **wellcome**, one of the largest supermarket chains in Hong Kong.

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On 23 October 2014, the Company announced that it had come to the attention of the Board of the Company that a report dated 4th September 2014 (the “**Report**”) containing negative statements relating to the sales and financial position of the Group had been circulated on the internet. The Company strongly rejected the baseless and unsubstantiated assertions made in the Report. The Company shall seek legal advice in relation to the Company’s legal position on the Report.

The Company reiterated that its financial statements have been subject to annual audits by Foo Kon Tan LLP and the independent auditor’s reports were consistently and with no exception, issued without qualifications whatsoever.

On 23 October 2014, the Company announced that the new juice production facilities in Hubei Province, PRC, has commenced production in October 2014. The Company had also, in the same announcement, announced the following: (a) that it had successfully secured encouraging indicative orders and engaged new distributors after participation at the trade exhibition and trade fair held in Chongqing, PRC between 7 and 15 October 2014; (b) that the Group had secured a new distributor in Hong Kong to distribute Garden Fresh juices into **wellcome** supermarket, which is one of the largest supermarket chains in Hong Kong; and (c) that the Garden Fresh brand is now ranked as the No.1 loquat juice brand in the PRC according to a market research report by Frost & Sullivan (“**F&S Report**”).

On 10 December 2014, the Company announced that it was selected by Forbes Asia as one of the “**Best Under A Billion**” companies in 2014.

FY2015

On 16 January 2015, the Company announced that Mr Prayudh Mahagitsiri, the Honorary Chairman of Thoresen Thai Agencies Public Company Limited and the founder and Chairman of PM Group Company Limited, had been appointed as Honorary Chairman of the Company.

On 19 January 2015, the Company announced the incorporation of a wholly-owned subsidiary, Garden Fresh Cayco in the Cayman Islands, a company with an issued and paid-up capital of HKD380,000.00. The Company’s wholly-owned subsidiary, Grandness HK, owns 100% equity interest in Garden Fresh Cayco. The principal activity of Garden Fresh Cayco is that of an investment holding company.

On 19 January 2015, the Company announced the incorporation of a wholly-owned subsidiary, Garden Fresh Group HK in Hong Kong, a company with a registered capital of HKD1.00. The Company’s wholly-owned subsidiary, Garden Fresh Cayco, owns 100% equity interest in Garden Fresh Group HK. The principal activity of Garden Fresh Group HK is that of an investment holding company.

On 13 February 2015, the Company announced the appointment of Mr Chalermchai Mahagitsiri as a Non-Executive Director.

On 9 March 2015, the Company announced that the spin-off of its beverage business segment under its wholly-owned foreign subsidiary, Garden Fresh (HK) together with its group of subsidiaries for a listing on an internationally recognised stock exchange with an accompanying initial public offering of shares was still in progress.

On 9 March 2015, the Company announced that it would be participating in the annual trade exhibition in Chengdu, Sichuan Province, PRC from 22 to 26 March 2015. The Company announced in 9 April 2015 that it had received a positive response at the Chengdu trade exhibition and the Company had secured sizeable indicative orders for Garden Fresh juices exceeding RMB470 million.

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On 9 April 2015, the Company announced the grant of the first tranche of 8,900,000 share options, which superseded the option granted on 13 November 2013, at the exercise price of S\$0.33 pursuant to the rules of the Sino Grandness Employee Share Option Scheme. The market price on the date of the grant (weighted average price per Share) of the first tranche of 8,900,000 share options was S\$0.33.

On 9 April 2015, the Company announced the grant of the second tranche of 11,550,000 share options at the exercise price of S\$0.26 pursuant to the rules of the Sino Grandness Employee Share Option Scheme. The market price on the date of the grant (weighted average price per Share) of the second tranche of 11,550,000 share options was S\$0.33.

On 5 May 2015, the Company announced that it had commenced distribution of its in-house brand, Garden Fresh fruit juice in multiple 7-Eleven stores in Hong Kong.

On 8 May 2015, the Company announced that each of Ms Huang Yushan, Ms Liu Ling, Mr Wong Chee Meng, Lawrence, Mr Soh Beng Keng, Mr Zeng Ming and Mr Zhu Jun had accepted the employee share options issued by the Company to each of them respectively.

On 26 June 2015, with reference to the CB1 Convertible Bonds, the Company announced that CB1 bondholders had notified the Company of their intention to extend the maturity date of the CB1 Convertible Bonds from 30 June 2015 to 25 July 2015.

On 22 July 2015, the Company announced developments relating to the CB1 Convertible Bonds and the RMB270,000,000 convertible bonds at zero coupon rate due 2015 (“**CB2 Convertible Bonds**”) issued pursuant to the subscription agreement dated 10 May 2012 entered into amongst Garden Fresh (HK) as issuer, the Company as guarantor, Grandness (HK) and Goldman Sachs as an investor (“**2012 Bonds Subscription Agreement**”). The Company disclosed that it was in discussions with CB1 bondholders and CB2 bondholders in relation to a potential extension of the maturity date of the convertible bonds which was 25 July 2015. Please refer to the Company’s announcements dated 28 September 2011, 8 October 2014 and 26 June 2015 for more information on the CB1 Convertible Bonds and the Company’s announcements dated 10 May 2012, 25 July 2012 and 4 September 2012 for more information on the CB2 Convertible Bonds.

On 24 July 2015, the Company announced the incorporation of a wholly-owned subsidiary, Hao Tian Yuan Industry (Shenzhen) Co., Ltd. (好田园实业(深圳)有限公司) in Shenzhen, PRC, a company with a registered capital of RMB50,000,000. The principal activity of Hao Tian Yuan Industry (Shenzhen) Co., Ltd. is that of sales and distribution of food and related products.

On 9 November 2015, the Company issued a news release announcing that it had successfully secured indicative orders for Garden Fresh beverage products exceeding RMB 380 million after the conclusion of the autumn trade show held in Nanjing, PRC, during the last week of October 2015.

On 11 November 2015, the Company issued a news release announcing that it had entered into a strategic sponsorship agreement in relation to a new television series named “Romance in the City” (饮食男女) as part of its advertising campaign to strengthen the brand equity and brand awareness of the Company’s in-house beverage brand “Garden Fresh” in PRC.

On 15 December 2015, the Company issued a news release announcing that its in-house beverage brand, “Garden Fresh”, would be the title sponsor for the second season of a new series of variety talk show named “Informal Talks” (非正式会谈).

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FY2016

On 23 February 2016, an extraordinary general meeting was convened, during which Shareholders' approval was obtained for the proposed material dilution of 20% or more of the Company's shareholding interest in Garden Fresh Cayco and the proposed disposal of part of the Company's shareholding in Garden Fresh Cayco pursuant to the proposed listing ("**Proposed Listing**"), quotation and initial public offering of the shares of Garden Fresh Cayco on an internationally recognized stock exchange (including but not limited to The Stock Exchange of Hong Kong Limited ("**HKSE**")). Details of the foregoing and of the proposed reorganisation ("**Reorganisation**") of Garden Fresh Cayco and such companies to be organised as the subsidiaries of Garden Fresh Cayco pursuant to the Reorganisation to be implemented in preparation for the Proposed Listing were set out in the Company's circular to shareholders dated 5 February 2016.

On 29 February 2016, the Company announced the incorporation of a wholly-owned subsidiary, Garden Fresh Beverage Group Co., Ltd ("**Garden Fresh BVI**") in the British Virgin Islands, a company with an issued and paid up capital of USD10,000. The principal activity of Garden Fresh BVI is that of an investment holding company.

On 1 March 2016, the Company announced its entry into a restructuring agreement ("**Restructuring Agreement**") for the restructuring of the CB1 Convertible Bonds and the CB2 Convertible Bonds with, amongst others, Goldman Sachs, CDIB Capital Investment I Limited, CDIB & Partners Investment Holding (Cayman) Ltd, Garden Fresh (HK), Garden Fresh Cayco, and Garden Fresh BVI. It was announced that the Company had decided to undertake the Reorganisation by using Garden Fresh BVI in connection with the Proposed Listing. Pursuant to the Restructuring Agreement, the Company and bondholders of the CB1 Convertible Bonds and CB2 Convertible Bonds have agreed to amend the terms and conditions of the CB1 Convertible Bonds and the CB2 Convertible Bonds to permit the bondholders of the CB1 Convertible Bonds and CB2 Convertible Bonds to exchange 60% of the principal amount of the CB1 Convertible Bonds and CB2 Convertible Bonds held by them respectively into shares in Garden Fresh Cayco, and to restructure 40% of the principal amount of the CB1 Convertible Bonds and CB2 Convertible Bonds held by them through issuing the 2011 SB1 Bonds, the 2011 SB2 Bonds, the 2012 SB1 Bonds and the 2012 SB2 Bonds to the respective bondholders on the terms and in the manner set out in the Restructuring Agreement.

On 23 March 2016, the Company announced the renunciation and cancellation of 8,810,000 options that had been granted to Huang Yushan. Immediately after the transaction, Huang Yushan now has a direct interest in 1,290,000 options, amounting to 1,290,000 unissued ordinary shares in the capital of the Company.

On 31 March 2016, the Company announced that in connection with the Proposed Listing and Proposed Reorganisation, Grandness (HK) had on 1 March 2016 transferred 100% of the shares of Garden Fresh (HK) to Garden Fresh BVI for a consideration of HK\$100. The Company also announced that on 29 March 2016, the Company had effected the transfer of 100% of the issued shares of Garden Fresh Group HK from Garden Fresh Cayco to Grandness (HK) for a consideration of HK\$1.00, and the name of Garden Fresh Group HK had been changed to Grandness Group Limited on 11 April 2016. The Company also disclosed that Garden Fresh Cayco had submitted an application to the HKSE for the Proposed Listing on 31 March 2016 which application included the submission of a draft prospectus, a copy of which is accessible at: <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>. The Company further announced on 30 September 2016 that the Company, together with DBS Asia Capital Limited as the sole sponsor of Garden Fresh in relation to the HKSE application, are continuing their ongoing efforts towards obtaining the approval for the Proposed Listing.

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On 13 April 2016, the Company announced that on 13 April 2016, it had entered into the Soleado Loan Agreement with its indirect wholly owned subsidiaries, Grandness (Shanxian), Shanxi Yongji and Huang Yushan (as guarantors) and Soleado (as lender) for the grant by Soleado to the Company of the Soleado Loan. Subject to the approval of Shareholders being obtained, the terms of the Soleado Loan include a conversion option exercisable by Soleado to convert the Soleado Loan or the outstanding balance thereof, as the case may be, into 50 million new Shares in the capital of the Company.

On 29 April 2016, the Company announced the books closure date for determining the entitlement of the Shareholders to a first and final tax exempt (one-tier) dividend of RMB0.018 per Share, such books closure date being 24 May 2016.

On 17 May 2016, the Company announced that all conditions precedent under the Loan Agreement for Soleado to make available the Soleado Loan had been satisfied, and in accordance with the terms and conditions of the Soleado Loan Agreement, the Company had drawn down on the Soleado Loan and the full amount thereof had been disbursed by Soleado to the Company on 17 May 2016.

On 20 May 2016, the Company announced the grant of 16,713,750 share options at the exercise price of S\$0.49 pursuant to the rules of the Sino Grandness Employee Share Option Scheme. The market price on the date of the grant (weighted average price per Share) was S\$0.618.

On 31 May 2016, the Company announced that Garden Fresh (HK) had on 30 May 2016, made full payment of the redemption of the 2011 SB1 Bonds and the 2012 SB1 Bonds.

On 31 May 2016, the Company announced that each of Ms Huang Yushan, Ms Liu Ling, Mr Wong Chee Meng, Lawrence, Mr Soh Beng Keng, Mr Zeng Ming and Mr Zhu Jun had accepted the employee share options issued by the Company to each of them respectively.

On 2 August 2016, the Company announced that pursuant to Garden Fresh's application to the HKSE for the Proposed Listing on 31 March 2016, Garden Fresh Cayco has submitted a draft prospectus (the Application Proof) as part of the HKSE application. The Company mentioned that it will keep Shareholders updated on the material developments relating to the proposed listing as and when appropriate.

On 31 August 2016, the Company announced that its substantial shareholder, Soleado, a wholly-owned subsidiary of Thoresen Thai Agencies Public Company Limited, had sold a total of 2.25 million Shares held by it. Thoresen Thai Agencies Public Company Limited had informed the Company that the rationale behind the sale by Soleado was undertaken as part of its portfolio management, of which such Shares were purchased in the open market in the year 2015. Thoresen Thai Agencies Public Company Limited had also reassured the Company that it remains committed to its core strategic holdings of the Company which Soleado had invested back in the year 2014 as a result of a share placement.

On 21 September 2016 the Company issued a news release announcing that its wholly-owned subsidiary, Garden Fresh (Shenzhen) Fruit & Vegetable Beverage Co., Ltd has been accorded the prestigious "Asia Brands Top 500" award (亚洲品牌500强) during the 11th Asian Brand Ceremony held in Beijing PRC on 9th September 2016.

On 30 September 2016, the Company announced the principal terms of the rights issue based on one (1) Rights Share for every three (3) existing Shares at an issue price of S\$0.310.

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On 26 October 2016, the Company issued a news release and an announcement to announce that it had entered into a distribution agreement with PM Group to secure the exclusive marketing rights for P80 Longan Health Essence for China and Hong Kong markets (“**P80 Longan Agreement**”). Subject to the approval of Shareholders being obtained, the terms of the P80 Longan Agreement include that as security for the performance by the Company of its obligations under the P80 Longan Agreement, the Company shall place with PM Group a deposit in the sum of US\$2 million in instalments.

On 30 October 2016, the Company announced that a report released by GeolInvesting (“**GI**”) on 26 October 2016 on GI’s website 26 October 2016 (the “**GI Report**”) contains allegation or comments (the “**Allegations**”) based on misconstrued, erroneous and/or inappropriate interpretation of information and reports, and conjectures which are likely to mislead the Company’s Shareholders and potential investors. The Company made clarifications in relation to the Allegations and advised its Shareholders and potential investors to take particular care when evaluating information disseminated in the market released without the Company’s authorisation, approval or endorsement. The Company reiterated that its accounts have been prepared in accordance with Singapore Financial Reporting Standards (“**SFRS**”) and audited by external auditors Foo Kon Tan LLP, and there has been no qualification in their reports over the years. Based on the clarifications, the Board is of the opinion that the Allegations in the GI Report were made without due considerations to the underlying facts, inappropriate and misleading to the Company’s Shareholders and potential investors. The Company views the GI Report as damaging the value that the Company has created for Shareholders over the years and reserves the right to consult its legal advisers on its possible recourse.

On 2 November 2016, the Company announced additional information and explanations to clarify matters in relation to the Company’s announcement dated 30 October 2016.

On 13 December 2016, the Company announced the revised principal terms of this Rights Issue.

From 1 January 2017 to the Latest Practicable Date

On 4 January 2017, the Company issued a news release announcing that it had entered into an agreement with 深圳市微信食品股份有限公司 (“**Wechat Food**”) to distribute the Company’s full range of own-branded products, including Garden Fresh beverage products, Grandness canned food and Hao Tian Yuan snack food through a mobile internet platform developed by Wechat Food.

On 9 January 2017, the Company issued a replacement announcement in relation to the news release issued on 4 January 2017 to include the statement in relation to the (i) interests of directors; and (ii) background of WeChat Food.

On 12 January 2017, the Company issued a news release announcing that, further to its announcement dated 26 October 2016, the senior management of the Company and PM Group had attended a signing ceremony on 6th January 2017 in Bangkok, Thailand to reaffirm each other’s commitment to proceed further with the exclusive distribution of P80 Longan Essence by the Company in China and Hong Kong.

On 18 January 2017, the Company issued a news release announcing that it has entered into a strategic agreement with 重庆市礼仪之邦电子商务有限公司 (“**LYZB E-Commerce**”) to distribute the Company’s full range of own-branded products, including Garden Fresh’s beverage product, Grandness’s canned food products and 福食特 snack food through LYZB E-Commerce’s mobile internet platform called 集食惠, Ji Shi Hui.

On 4 February 2017, the Company announced the receipt of the approval in-principle granted by the SGX-ST for this Rights Issue.

On 6 February 2017, the Company issued a replacement announcement in relation to its announcement dated 4 February 2017 on this Rights Issue, to update the event status and to amend the announcement title to “Outcome of Regulatory Review”.

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On 6 February 2017, the Company announced the record date of this Rights Issue.

Save as disclosed herein or as otherwise previously disclosed publicly by the Company, there has been no material change in the affairs of the Group from 1 January 2017 to the Latest Practicable Date.

9(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or
- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

Issued and Paid-Up Share Capital as at the Latest Practicable Date	:	S\$93,740,539.68
Number of Issued and Paid-Up Shares as at the Latest Practicable Date	:	673,344,828 Shares

As at the Latest Practicable Date, the Company does not have any outstanding loan capital.

9(e) where –

- (i) the relevant entity is a corporation, state the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, state the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company, were as follows:

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	(%) ⁽¹⁾	No. of Shares	(%) ⁽¹⁾
Huang Yupeng	239,266,560	35.53	–	–
Chalermchai Mahagitsiri	–	–	93,674,700 ⁽²⁾	13.91
Soleado Holdings Pte. Ltd.	68,275,735 ⁽²⁾	10.14	–	–
Thoresen Thai Agencies Public Company Limited	–	–	68,275,735 ⁽²⁾	10.14

Notes:

- (1) Based on the total issued share capital of 673,344,828 Shares as at the Last Practicable Date.
- (2) Chalermchai Mahagitsiri is deemed interested in (i) the 68,275,735 Shares held by Soleado Holdings Pte. Ltd. due to him holding more than 20% direct and deemed interest in Thoresen Thai Agencies Public Company Limited, and (ii) the 25,398,965 Shares held by PM Group Company Limited due to him holding more than 20% direct and deemed interest of PM Group Company Limited.

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- 9(f) **any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of lodgement of this Offer Information Statement and save as disclosed in Paragraph 9(c) above, the Directors are not aware of any legal or arbitration proceedings to which the Company or any of its subsidiaries is a party, including those which are pending or known to be contemplated, which may have or would have had in the twelve (12) months immediately prior to the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

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- 9(g) **where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) **if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
 - (ii) **if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests;**

On 13 April 2016, the Company announced that on 13 April 2016, it had entered into the Soleado Loan Agreement with its indirect wholly owned subsidiaries, Grandness (Shanxian), Shanxi Yongji and Huang Yushan (as guarantors) and Soleado (as lender) for the grant by Soleado to the Company of the Soleado Loan. Subject to the approval of the Shareholders being obtained at an extraordinary meeting to be convened pursuant to Rules 803 and 811 and Chapter 9 of the Listing Manual ("**Soleado Loan Conversion Approval**"), and (i) after 12 months from the closing date (being 12 months from the date on which the Soleado Loan has been fully credited into the designated account(s) of the Company) or (ii) after the date of completion of proposed spin-off relating to the Group's beverage business, whichever earlier ("**Soleado Conversion Condition**"), Soleado shall be entitled to exercise the Soleado Conversion Option to convert the Soleado Loan or the outstanding balance thereof, as the case may be, into the Soleado Conversion Shares, being a maximum of 50 million new Shares in the capital of the Company by sending a prior-written notification ("**Conversion Notice**") to the Company. The Soleado Conversion Shares shall be priced at S\$0.55 (Singapore Dollars Fifty-Five Cent) per Soleado Conversion Share or at the 20% discount to the volume weighted average price ("**VWAP**") per Share traded on the SGX-ST during the last 60 Market Days immediately preceding the date of the Conversion Notice, whichever is the lower (the "**Conversion Price**"). The balance principal amount of the Soleado Loan, which is not so converted into Soleado Conversion Shares, shall be deemed to be the outstanding Soleado Loan and subject to the interest rate of 12% per annum.

The Soleado Conversion Option is subject to certain adjustments in the event of consolidation or subdivision or reclassification of Shares, capitalisation of profits or reserves, excess distributions, rights issues of Shares or options over Shares (excluding employee stock options), rights issues of other securities, issues at less than current market price and other dilutive events.

On 17 May 2016, the Company announced that all conditions precedent under the Soleado Loan Agreement for Soleado to make available the Soleado Loan had been satisfied, and in accordance with the terms and conditions of the Soleado Loan Agreement, the Company had drawn down on the Soleado Loan and the full amount thereof had been disbursed by Soleado to the Company on 17 May 2016.

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As at the date of the Announcement, the Soleado Conversion Option and issuance of the Soleado Conversion Shares remains subject to the Soleado Loan Conversion Approval being obtained at an extraordinary general meeting to be convened and the Soleado Conversion Condition. If the Soleado Loan Conversion Approval is not obtained at such extraordinary general meeting or if the Soleado Conversion Condition is not fulfilled, the Soleado Conversion Shares will not be issued. Further details regarding the Soleado Loan may be found in the Company's announcements dated 13 April 2016 and 17 May 2016.

The Company has not issued any securities or equity interests in return for services (in the sense of service provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date. For the avoidance of doubt, from time to time, the Company has granted share options to employees of the Group.

Pursuant to the Sino Grandness Employee Share Option Scheme which was approved by the Shareholders on 23 September 2013, there are 32,703,750 outstanding share options, each carrying the right to subscribe for one (1) new Share at the date of the Announcement. From the date of the Announcement and up to 9 April 2017, the Exercisable Share Options, which constitutes up to 7,795,000 share options, may be exercised on or prior to the Record Date, assuming that the Record Date is set before 9 April 2017.

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- 9(h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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Save for the following contracts disclosed below, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of lodgement of this Offer Information Statement:

- (a) Distribution agreement dated 26 October 2016 entered into between the Company and PM Group to secure the exclusive marketing rights for P80 Longan Health Essence for China and Hong Kong markets.
- (b) Convertible Loan Agreement dated 13 April 2016 entered into between the Company with its indirect wholly owned subsidiaries, Grandness (Shanxian), Shanxi Yongji, and Huang Yushan (as guarantors) and Soleado for the grant by Soleado to the Company of a loan of US\$20 million.
- (c) Restructuring Agreement dated 1 March 2016 entered into between Goldman Sachs, CDIB Capital Investment I Limited, CDIB & Partners Investment Holding (Cayman) Ltd, the Company's indirect wholly-owned subsidiaries, Garden Fresh (HK), Garden Fresh Cayco, and Garden Fresh Beverage Group.
- (d) Supplemental Agreement dated 25 December 2014 entered into between the Company and PM Group, pursuant to which the date and place of completion of the Placement was agreed upon.
- (e) Supplemental Agreement dated 25 December 2014 entered into between the Company and Soleado, pursuant to which the date and place of completion of the Placement was agreed upon.

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PART V – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

The audited consolidated statement of comprehensive income of the Group for FY2013, FY2014 and FY2015 respectively, and the unaudited consolidated statement of comprehensive income of the Group for 9M2015 and 9M2016 are set out below:

	FY2013 (Audited) (RMB'000)	FY2014 (Audited) (RMB'000)	FY2015 (Audited) (RMB'000)	9M2015 (Unaudited) (RMB'000)	9M2016 (Unaudited) (RMB'000)
Revenue	2,261,018	2,819,449	3,313,902	2,456,574	2,960,739
Cost of Sales	(1,385,960)	(1,691,574)	(1,940,318)	(1,446,091)	(1,735,675)
Gross profit	875,058	1,127,875	1,373,584	1,010,483	1,225,064
Other operating Income	12,860	11,958	28,424	29,798	133,138
Distribution and selling expenses	(218,244)	(379,828)	(570,242)	(364,568)	(450,073)
Administrative expenses	(94,787)	(96,049)	(111,578)	(88,960)	(125,881)
Other operating expense	(238)	(39)	(631)	–	–
Finance costs	(88,818)	(85,680)	(226,996)	17,898	(35,732)
Profit before income tax and changes in fair value of the option derivatives in relation to convertible bonds	485,831	578,237	492,561	604,651	746,516
Changes in fair value of option derivatives in relation to convertible bonds	(43,638)	(155,805)	(91,915)	(136,798)	113,408
Profit before Taxation	442,193	422,432	400,646	467,853	859,924
Taxation	(155,238)	(173,756)	(194,577)	(157,274)	(176,152)
Profit for the year/period	286,955	248,676	206,069	310,579	683,772

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	FY2013 (Audited) (RMB'000)	FY2014 (Audited) (RMB'000)	FY2015 (Audited) (RMB'000)	9M2015 (Unaudited) (RMB'000)	9M2016 (Unaudited) (RMB'000)
Profit attributable to:					
Equity holders of the Company	287,743	249,497	206,673	311,179	684,146
Non-controlling interests	(788)	(821)	(604)	(600)	(374)
Profit for the year	286,955	248,676	206,069	310,579	683,772

Source: Annual reports of the Company for FY2013, FY2014, FY2015 and unaudited nine months financial statements for the periods ended 30 September 2015 and 30 September 2016.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

	FY2013	FY2014	FY2015	9M2015	9M2016
Assuming Minimum Scenario					
Earnings per Share attributable to equity holders of the Company (RMB fen)					
Basic ⁽¹⁾	50.0	42.5	30.7	46.2	101.6
Diluted ⁽²⁾	49.2	41.8	30.2	45.5	100.1
Assuming Maximum Scenario					
Earnings per Share attributable to equity holders of the Company (RMB fen)					
Basic ⁽¹⁾	50.0	42.5	30.7	46.2	101.6
Diluted ⁽³⁾	29.8	25.5	19.4	29.3	64.3
Dividends declared per Share (RMB fen)	–	–	1.8	–	–

Notes:

- (1) Basic earnings per Share is calculated based on the Group's earnings for the financial year/period attributable to equity holders of the Company and the weighted average number of Shares in issue for the corresponding financial year/period.

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- (2) Diluted earnings per Share for the Minimum Scenario is computed based on the weighted number of Shares as at the end of the respective financial year/period and assuming 10,000,000 Rights Shares were issued and the Rights Issue was completed at the beginning of each of the respective financial year/period.
- (3) Diluted earnings per Share for the Maximum Scenario is computed based on the weighted number of Shares as at the end of the respective financial year/period and assuming (i) all of the Exercisable Share Options were exercised and 7,795,000 new Shares were issued; (ii) all of the Soleado Conversion Option were exercised and 50,000,000 new Shares were issued (collectively, the “**New Shares**”); and (iii) 332,336,283 Rights Shares were issued and the Rights Issue was completed and the New Shares were issued at the beginning of each of the respective financial year/period.

3. In respect of –

- (a) **each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and**
- (b) **any subsequent period for which interim financial statements have been published,**

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Performance review of FY2014 compared to FY2013

Revenue

The Group’s revenue increased by approximately RMB558.4 million or 24.7% from RMB2.3 billion in FY2013 to RMB2.8 billion in FY2014. This increase was attributable to the increase in domestic sales of beverages by RMB494.5 million and domestic sales of canned products by RMB118.3 million, partially offset by decreased sales of canned products overseas by RMB55.4 million. The expansion of the Group’s distribution network in PRC is the main reason for the increase in domestic sales of beverages and canned products over the year.

Product Segment	FY2014 (RMB'000)	FY2013 (RMB'000)	Increase / (Decrease) (%)
Canned Products			
Overseas	634,164	689,533	(7.9)
- Domestic	307,547	189,208	62.5
- Beverage	1,876,738	1,382,277	35.8
Total	2,819,449	2,261,018	24.7

The Group registered higher sales across the board, with a strong growth momentum in the domestic canned products segment and the beverage segment, both of which saw double-digit percentage increases on a year-on-year basis.

In FY2014, revenue of beverage segment which comprised of Garden Fresh bottled juices grew 35.8% year-on-year, reaching a new high of RMB1.9 billion as compared to RMB1.4 billion in FY2013. Revenue of domestic canned products segment, which comprised of Grandness canned fruits, also surged 62.5% year-on-year to RMB307.5 million in FY2014 from RMB189.2 million in FY2013. Domestic demand for the Group’s own-branded products grew significantly in FY2014, due to increase production capacities, growing consumer acceptance and continued expansion

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of distribution network within the PRC market. The strong growth of the Group's own-branded products also reflected the successful outcome of the Group's participation at the trade exhibition held in March 2014 in Chengdu, Sichuan Province, PRC as well as the trade exhibition held in October 2014 in Chongqing, PRC.

On the other hand, revenue of overseas canned products decreased 7.9% year-on-year to RMB634.2 million in FY2014, from RMB689.5 million in FY2013. As the Group distributes its overseas canned products such as asparagus, long beans and mushroom across major discount stores and supermarkets in various countries across Europe and Australia, the unfavourable performance of this product segment can be attributed to the sluggish economic conditions in these regions.

Gross Profit

Largely in line with the increase in the Group's revenue, the Group's gross profit increased by approximately RMB252.8 million or 28.9% from RMB875.1 million in FY2013 to RMB1.1 billion in FY2014. The Group's overall gross profit margin also improved by 1.3 percentage points, from 38.7% in FY2013 to 40.0% in FY2014. The improvement of the Group's overall gross profit margin was a result of an increase in the gross profit margin of the beverage segment, partially offset by a decrease in the gross profit margin of canned products in both overseas and domestic markets. The improvements in the gross profit margin were largely attributable to lower cost of production arising partly from the commencement of the Hubei plant and the decrease in the gross profit margin was mainly due to higher cost of raw materials from FY2013 to FY2014.

Product Segment	FY2014 (RMB'000)	FY2013 (RMB'000)	Increase / (Decrease) (%)
Canned Products			
- Overseas	194,125	212,294	(8.6)
- Domestic	128,009	83,312	53.7
Beverage	805,741	579,452	39.1
Total	1,127,875	875,058	28.9

Gross profit for overseas canned food products dipped slightly by 8.6% from RMB212.3 million to RMB194.1 million in FY2014. Gross profit for domestic canned products and beverages recorded significant improvements. Gross profit for domestic canned products surged by 53.7% from RMB83.3 million to RMB128.0 million, while gross profit for the beverage segment increased by 39.1% from RMB579.5 million to RMB805.7 million.

Operating expenses

Distribution and selling expenses increased by approximately RMB161.6 million or 74.1%, from RMB218.2 million in FY2013 to RMB379.8 million in FY2014. This was mainly due to an increase of RMB17.8 million in transportation cost and RMB142.0 million in advertising, promotion, sales rebate and bar code expenses, due to expansion of distribution channels in the domestic markets.

Administrative expenses

Administrative expenses increased by approximately RMB1.2 million or 1.3%, from RMB94.8 million in FY2013 to RMB96.0 million in FY2014. This was mainly due to increase of RMB3.1 million in employee benefit costs, RMB1.8 million in depreciation, RMB2.1 million in rental expenses, RMB6.1 million in share-based payment expenses under the Sino Grandness Employee Share Option Scheme and RMB1.6 million in travelling and entertainment expenses, which was partially offset by a decrease of RMB10.7 million in exchange loss and RMB3.7 million in professional and legal fees.

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Finance costs

Finance costs decreased by approximately RMB3.1 million or 3.5%, from RMB88.8 million in FY2013 to RMB85.7 million in FY2014. The decrease was mainly due to the decrease in non-cash interest cost relating to convertible bonds decreasing from RMB86.9 million in FY2013 to RMB80.9 in FY2014 which was partially offset by the increase in interest paid on the zero coupon convertible bonds which were re-purchased in FY2015.

Profit before income tax

Profit before income tax decreased by approximately RMB19.8 million or 4.5%, from RMB442.2 million in FY2013 to RMB422.4 million in FY2014. The increase was due to an increase in revenue offset by an increase in operating expenses and changes in fair value of the option derivatives in relation to convertible bonds, partially offset by a decrease in finance costs.

Performance review of FY2015 compared to FY2014

Revenue

The Group's revenue increased by approximately RMB494.5 million or 17.5% from RMB2,819.4 million in FY2014 to RMB3,313.9 million in FY2015. This was mainly driven by strong orders for our house brands Garden Fresh beverage products and Grandness canned fruits from the canned products segment.

Product Segment	FY2015 (RMB'000)	FY2014 (RMB'000)	Increase / (Decrease) (%)
Canned Products			
- Overseas	576,224	635,164	(9.3)
- Domestic	418,628	307,547	36.1
Beverage	2,319,050	1,876,738	23.6
Total	3,313,902	2,819,449	17.5

The Group registered high sales during FY2015, with a sustained growth momentum in the beverage segment and domestic canned products segment, both of which saw double digit percentage increases on a year-by-year basis.

Revenue from the Group's domestic canned product segment rose 36.1%, from approximately RMB307.5 million in FY2014 to RMB418.6 million in FY2015. On the other hand, revenue from the overseas canned product segment decreased slightly by 9.3% year-on-year to RMB576.2 million in FY2015 from RMB635.2 million in FY2014.

Meanwhile, the Group's beverage segment registered an increase of 23.6% in revenue to RMB2,319.1 million in FY2015 from RMB1,876.7 million in FY2014. The increase in sales of both the beverage segment and domestic canned products segment was mainly driven by expansion of product range and distribution network in the PRC market.

Gross Profit

Gross profit surged by RMB245.7 million or 21.8%, increasing from RMB1,127.9 million in FY2014 to RMB1,373.6 million in FY2015. The increase in overall gross profit was a consequence of an increase in gross profit margin of beverage segment, partially offset by a decrease in gross profit margin of canned products in both overseas and domestic markets.

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Product Segment	FY2015 (RMB'000)	FY2014 (RMB'000)	Increase / (Decrease) (%)
Canned Products			
- Overseas	171,380	194,125	(11.7)
- Domestic	173,774	128,009	35.8
Beverage	1,028,430	805,741	27.6
Total	1,373,584	1,127,875	21.8

In line with the increase in sales, the Group's gross profit for domestic canned food increased 35.8% from RMB128.0 million in FY2014 to RMB173.8 million in FY2015. Gross profit for overseas canned products dipped by 11.7% to RMB171.4 million in FY2015 from RMB194.1 million during the previous corresponding period. On the other hand, gross profit in the beverage segment rose 27.6% year-on-year from RMB805.7 million to RMB1,028.4 million.

Operating expenses

Distribution and selling expenses increased by approximately RMB190.4 million or 50.1%, from RMB379.8 million in FY2014 to RMB570.2 million in FY2015. This was mainly due to an increase of RMB41.7 million in transportation costs, RMB78.5 million in advertising expenses and RMB71.3 million in promotion expenses. The increase in advertising and promotion expenses were in line with the Group's effort to invest in advertising and promotion activities as well as sales and marketing initiatives to promote its own branded products in the PRC market.

Administrative expenses

Administrative expenses increased by approximately RMB15.6 million or 16.2%, from RMB96.0 million in FY2014 to RMB111.6 million in FY2015. This was mainly due to an increase of RMB10.9 million in professional and legal fees in respect of the proposed listing of the beverage business on an internationally recognised stock exchange, RMB6.9 million in advisory fees, RMB3.2 million in employee benefit costs and RMB3.8 million in share-based payment expenses under the Sino Grandness Employee Share Option Scheme, partially offset by a decrease of RMB5.0 million in exchange loss and rental fee of RMB3.9 million.

Finance costs

Finance costs increased by approximately RMB141.3 million or 164.9%, from RMB85.7 million in FY2014 to RMB227.0 million in FY2015. Non-cash interest cost relating to convertible bonds increased from RMB80.9 million in FY2014 to RMB219.0 in FY2015. The increase in cash interest was mainly due to increased bank borrowing in FY2015 as compared to FY2014.

Profit before income tax

Profit before income tax decreased by approximately RMB21.8 million or 5.2%, from RMB422.4 million in FY2014 to RMB400.6 million in FY2015. The decrease was due to an increase in revenue offset by an increase in operating expenses, finance cost and changes in fair value of the option derivatives in relation to convertible bonds.

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Performance review of 9M2016 compared to 9M2015

Revenue

Revenue increased from RMB2,456.6 million in 9M2015 to RMB2,960.7 million in 9M2016, marking an increase of approximately RMB504.2 million or 20.5%. This was mainly attributable to an increase in sales volume of beverage and canned products in domestic and overseas markets due to expansion of distribution network in the PRC.

Product Segment	9M2016 (RMB'000)	9M2015 (RMB'000)	Increase (%)
Canned Products			
- Overseas	474,537	467,577	1.5
- Domestic	360,306	313,272	15.0
Beverage	2,125,896	1,675,725	26.9
Total	2,960,739	2,456,574	20.5

The Group registered higher sales across the board, with a strong growth momentum in the domestic canned products segment and the beverage segment, both of which saw double-digit percentage increases on a year-on-year basis.

Revenue from the Group's domestic canned product segment rose 15.0%, from approximately RMB313.3 million in 9M2015 to RMB360.3 million in 9M2016. Revenue from the overseas canned product segment increased slightly by 1.5% from RMB467.6 million in 9M2015 to RMB474.5 million in 9M2016.

Meanwhile, the Group's beverage segment registered an increase of 26.9% in revenue from RMB1,675.7 million in 9M2015 to RMB2,125.9 million in 9M2016. The increase in sales of the beverage segment was mainly driven by the expansion of distribution network in PRC.

Gross Profit

Gross profit surged by 21.2%, increasing from RMB1,010.5 million in 9M2015 to RMB1,225.1 million in 9M2016. The overall gross profit margin improved by 0.3 percentage points. From 41.1% in 9M2015 to 41.4% in 9M2016, mainly due to an increase in the gross profit margin of canned products in overseas markets, partially offset by a decrease in the gross profit margin of the beverage segment and canned products in the domestic markets. The improvement in the gross profit margin of canned products in the overseas market segment was mainly due to higher average selling price in 9M2016 compared to 9M2015. The decrease in the gross profit margin of the canned products and beverage segment was mainly due to the higher cost of raw materials in 9M2016 compared to 9M2015.

Product Segment	9M2016 (RMB'000)	9M2015 (RMB'000)	Increase (%)
Canned Products			
- Overseas	143,494	139,956	2.5
- Domestic	141,627	125,826	12.6
Beverage	939,943	744,701	26.2
Total	1,225,064	1,010,483	21.2

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In line with the increase in sales, the Group's gross profit for domestic canned food increased 12.6% from RMB125.8 million in 9M2015 to RMB141.6 million in 9M2016. Gross profit for overseas canned products increased by 2.5% from RMB139.9 million in 9M2015 to RMB143.5 million in 9M2016. Gross profit for the beverage segment rose 26.2% from RMB744.7 million in 9M2015 to RMB939.9 million in 9M2016.

Operating expenses

Distribution and selling expenses increased by approximately RMB85.5 million or 23.4%, from RMB364.6 million in 9M2015 to RMB450.1 million in 9M2016. This was mainly due to an increase of RMB44.8 million in transportation costs and RMB39.8 million in advertising and promotion expenses. Increase in transportation costs and advertising and promotion expenses in 9M2016 were mainly attributed to the Group's increased domestic sales of beverage and canned products in the PRC market.

Administrative expenses

Administrative expenses increased by approximately RMB36.9 million or 41.5%, from RMB89.0 million in 9M2015 to RMB125.9 million in 9M2016. This was mainly due to an increase in exchange loss of RMB6.2 million and share-based payment expenses under the Sino Grandness Employee Share Option Scheme of RMB14.9 million.

Finance costs

Finance costs increased by approximately RMB53.6 million or 299.6%, from an income position of RMB17.9 million in 9M2015 to an expense of RMB35.7 million in 9M2016. Non-cash interest cost relating to convertible bonds stood at RMB24.8 million in 9M2015. In view of the restructured convertible bonds and the probability factor valuation method, the movements on the straight bond and the option derivatives were accounted as change in fair value of the option derivatives in relation to convertible bonds in 9M2016 as it would not be meaningful to separately recognise the finance costs and fair value of option derivatives. The increase in cash interest was mainly due to higher bank borrowings in 9M2016 as compared to 9M2015.

Profit before income tax

Profit before income tax increased by approximately RMB392.0 million or 83.8%, from RMB467.9 million in 9M2015 to RMB859.9 million in 9M2016. The increase was due to an increase in revenue and a decrease in finance cost, partially offset by an increase in operating expenses and changes in fair value of the convertible bonds.

Financial Position

- 4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –**
- (a) the most recent completed financial year for which audited financial statements have been published; or**
 - (b) if interim financial statements have been published for any subsequent period, that period.**
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The audited consolidated statement of financial position of the Group for FY2015 and the unaudited consolidated statement of financial position of the Group for 9M2016 are set out below.

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	Audited Group FY2015 (RMB'000)	Unaudited Group 9M2016 (RMB'000)
Non-current assets		
Property, plant and equipment	939,503	905,943
Land use rights	112,688	110,889
Deferred tax assets	1,654	1,654
Deposits paid for non-current assets	595,777	657,021
Total non-current assets	1,649,622	1,675,507
Current assets		
Inventories	54,688	88,475
Trade and other receivables	1,329,361	1,577,685
Cash and cash equivalents	142,986	664,944
Total current assets	1,527,035	2,331,104
Current liabilities		
Trade and other payables	86,322	113,616
Note payables	55,500	500
Current tax payable	41,800	66,073
Bank borrowings	130,000	266,271
Convertible loan	–	128,240
Straight bonds	–	188,824
Convertible bonds	1,032,930	547,540
Total current liabilities	1,346,562	1,311,064
Net current assets	180,473	1,020,040
Non-current liabilities		
Bank borrowings	–	168,624
Deferred tax liabilities	20,241	20,241
Total non-current liabilities	20,241	188,865
Net assets	1,809,854	2,506,682
Equity		
Equity attributable to equity holders of the Parent		
Share capital	440,948	440,948
Retained profits	1,203,901	1,845,126
Other reserves	162,361	218,338
Total shareholder's funds	1,807,210	2,504,412
Non-controlling interests	2,644	2,270
Total equity	1,809,854	2,506,682

Source: Annual report of the Company for FY2015 and the unaudited nine months financial statements for the period ended 30 September 2016.

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5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

For illustrative purposes only, the following is an analysis of the financial effects of the Rights Issue on the consolidated NAV per Share of the Group, which is based on the audited consolidated financial statements of the Group for FY2015 and 9M2016:

As at 31 December 2015:

	Before the Rights Issue	After the Rights Issue (Minimum Scenario)	After the Rights Issue (Maximum Scenario)
NAV attributable to the equity holders of the Company (RMB'000)	1,809,854	1,809,854	1,809,854
Net Proceeds from the Rights Issue ⁽¹⁾ (RMB'000)	–	8,218	335,427
Proceeds from the exercise of the Exercisable Share Options ⁽¹⁾ (RMB'000)	–	–	12,434 ⁽²⁾
Adjusted NAV attributable to the equity holders of the Company (RMB'000)	1,809,854	1,818,072	2,157,716
Number of Shares	673,344,828	683,344,828	1,063,476,111
NAV per Share (RMB fen)	268.8	266.1	202.9

As at 30 September 2016:

	Before the Rights Issue	After the Rights Issue (Minimum Scenario)	After the Rights Issue (Maximum Scenario)
NAV attributable to the equity holders of the Company (RMB'000)	2,506,682	2,506,682	2,506,682
Net Proceeds from the Rights Issue ⁽¹⁾ (RMB'000)	–	8,218	335,427
Proceeds from the exercise of the Exercisable Share Options ⁽¹⁾ (RMB'000)	–	–	12,434 ⁽²⁾
Adjusted NAV attributable to the equity holders of the Company (RMB'000)	2,506,682	2,514,900	2,854,544
Number of Shares	673,344,828	683,344,828	1,063,476,111
NAV per Share (RMB fen)	372.3	368.0	268.4

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Notes:

- (1) Based on the exchange rate of S\$1.00:RMB4.8339 on the Latest Practicable Date (*Source: Bloomberg L.P.*)
- (2) The net proceeds were computed based on the Exercisable Share Option of 7,795,000 Shares issued at S\$0.33 per Share.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated cash flow statement of the Group for FY2015 and the unaudited consolidated cash flow statement of the Group for 9M2016 are set out below:

	Audited FY2015 (RMB'000)	Unaudited 9M2016 (RMB'000)
Cash flow from operating activities		
Profit before taxation	400,646	859,924
Adjustments for:		
Fair value of the convertible bonds	91,915	(113,408)
Fair value gain on convertible loan at inception		(8,132)
Depreciation of property, plant and equipment	62,614	49,168
Amortisation of land use rights	1,174	1,799
Share-based payment expense under the Sino Grandness Employee Share Option Scheme	12,142	25,256
Gain on disposal of property, plant & equipment	(58)	–
Gain on restructuring of convertible bonds	–	(91,618)
Interest expenses	226,996	35,732
Interest income	(1,999)	(1,480)
Operating cash flows before working capital changes	793,430	757,241
Decrease in deposits pledged with banks	18,490	30,147
(Increase) in inventories	(3,945)	(33,787)
Decrease/(increase) in operating receivables	42,985	(248,324)
(Decrease) in operating payables	(90,729)	(27,716)
Cash generated from operations	760,231	477,561
Income tax paid	(174,287)	(151,878)
Interest paid	(8,056)	(18,276)
Net cash generated from operating activities	577,888	307,407

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	Audited FY2015 (RMB'000)	Unaudited 9M2016 (RMB'000)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(146,668)	(15,609)
Proceeds from disposal of property, plant and equipment	4,663	–
Refund from deposit paid for non-current assets	–	70,560
Deposits paid for non-current assets	(570,777)	(131,804)
Interest received	1,999	1,480
Net cash used in investing activities	(710,783)	(75,373)
Cash flows from financing activities:		
Bank loans obtained	135,000	485,017
Bank loans repaid	(64,200)	(180,122)
Proceeds from convertible loan	–	129,178
Repayment of straight bond	–	(101,802)
Dividends paid	–	(12,200)
Net cash generated from financing activities	70,800	320,071
Net (decrease)/increase in cash and cash equivalents	(62,095)	552,105
Cash and cash equivalents at beginning of period	174,434	112,339
Cash and cash equivalents at end of period	112,339	664,444
Cash and cash equivalents comprise:		
Cash and bank balances	112,339	664,444
Fixed deposits	30,647	500
	142,986	664,944
Less Fixed deposits pledged	(30,647)	(500)
	112,339	664,444

Source: Annual report of the Company for FY2015 and the unaudited nine months financial statements for the period ended 30 September 2016.

FY2015

The Group generated net cash from operating activities of RMB577.9 million in FY2015. The operating cash flow before working capital changes amounted to RMB793.4 million and net working capital outflow of RMB33.2 million. The net working capital outflow was mainly due to an increase in inventories of RMB3.9 million, a decrease in deposit pledged with bank of RMB18.5 million, operating receivables of RMB43.0 million and operating payables of RMB90.7 million.

The Group incurred net cash used in investing activities of RMB710.8 million in FY2015. This was mainly due to acquisition of property, plant and equipment in Hubei, Anhui, Shanxian and Shanxi plants and deposit paid for non-current assets.

The Group generated net cash from financing activities of RMB70.8 million in FY2015. This was mainly due to a new bank loan obtained of RMB135.0 million partially offset by repayment of a bank loan of RMB64.2 million.

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9M2016

In 9M2016, operating cash flows before working capital changes amounted to RMB757.2 million. The Group used net cash of RMB279.7 million in its operating activities. Working capital changes comprised an increase in inventories of RMB33.8 million, operating receivables of RMB248.3 million, partially offset by a decrease in operating payable of RMB27.7 million and deposit pledged with bank of RMB30.1 million.

Net cash used in investing activities amounted to RMB75.4 million in 9M2016, which was due mainly to refund of deposit paid for non-current assets of RMB70.6 million, partially offset by acquisition of property, plant and equipment and deposit paid for non-current assets.

In addition, net cash generated from financing activities amounted to RMB320.1 million in 9M2016, which was mainly due to bank loan and convertible loan obtained, partially offset by repayment of bank loan straight bond in 9M2016.

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- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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As at the date of the lodgement of this Offer Information Statement, the Directors of the Company are of the opinion that, barring unforeseen circumstances, and after taking into account the Group's present banking facilities, operating cash flows, internal cash resources and the Net Proceeds, the Group has, as at the date of lodgement of this Offer Information Statement, sufficient working capital to meet their present requirements.

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- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
-

Not applicable. As at the Latest Practicable Date, the Directors are not aware of any breach by any entity in the Group of any of the terms and conditions or covenants associated with any credit management or bank loan which could materially affect the Company's financial position and results or business operations, or the investments by holders of securities in the Company.

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Trend Information and Profit Forecast or Profit Estimate

9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
-

Save as disclosed below and in this Offer Information Statement and the Company's annual reports, and in all public announcements made by the Company via the SGXNET, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition.

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the Section entitled "Cautionary Note on Forward-Looking Statements" of this Offer Information Statement for further information.

Business and financial prospects for the current financial year of the Company ending 31 December 2016

National Bureau of Statistics of China ("NBS") reported that PRC's gross domestic product ("GDP") increased by 6.7% year-on-year to RMB 52,997.1 billion in 9M2016. PRC's national per capita disposable income was RMB17,735, an increase of 8.4% in 9M2016 despite economic headwinds. Total retail sales of consumer goods in 9M2016 rose 10.4% to RMB23,848.2 billion with retail sales in rural area rising 10.9% while retail sales in urban area rising at a relatively slower pace of 10.3%.

(Source: http://www.stats.gov.cn/english/PressRelease/201610/t20161019_1411211.html)

In September 2016, the Company announced that its wholly-owned subsidiary, Garden Fresh (Shenzhen) Fruit & Vegetable Beverage Co., Ltd. ("**Garden Fresh**") (鲜绿园(深圳)果蔬饮料有限公司) has been accorded the prestigious "Asia Brands Top 500" award (亚洲品牌 500 强) during the 11th Asian Brand Ceremony ("**Event**") held in Beijing PRC on 9th September 2016. The Event was jointly organized by Asia Brands Net, People's Daily Overseas Edition and Xinhuanet.

In October 2016, the Group announced that it had secured the exclusive marketing rights for mainland PRC and Hong Kong ("**Exclusive Rights**") for a bio-nutritional longan essence health supplement ("**P80 Natural Essence**"). The Exclusive Rights shall be effective for approximately twenty (20) years, with the term ending on 31 August 2037 ("**Term**"). P80 Natural Essence was developed by Chiang Mai University's Faculty of Agro-Industry and endorsed by the Faculties of Medicine, Pharmacy and Food Science after more than ten (10) years of research and development. The bioavailability of polyphenols in the P80 Natural Essence includes Gallic acid, Ellagic acid and Tannic acid, which are antioxidants known to improve general wellness. The P80 Natural Essence also contains high levels of Vitamin C.

Functional health food is a multi-billion dollar market in PRC. According to the statistics of Hong Kong Trade Development Council, China's health food and nutritional supplement market is worth more than RMB1 trillion.

(Source: <http://china-trade-research.hktdc.com/business-news/article/China-Consumer-Market/Chinas-Health-Food-Market/ccm/en/1/1X000000/1X002L54.htm>)

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Based on the data from the NBS, the country is facing an ageing population issue as the number of people above 65 years old has exceeded 137 million.

(Source: <http://www.stats.gov.cn/tjsj/ndsj/2015/indexch.htm>)

As a result of rising disposable incomes, ageing population, increasing health awareness and change in lifestyles, consumers have shown increasing demand for convenient products and functional health food. The Group has responded to this trend by steadily expanding its product range in order to appeal to a broader customer base in the PRC market.

To capitalise on the growth opportunities ahead, the Group will continue to invest in various advertising and promotional activities as well as sales and marketing initiatives to enhance its brand visibility and brand recognition. The Group will also continue to expand its distribution network beyond PRC's mainland market to other markets such as Hong Kong, Macau and South East Asia.

Barring unforeseen circumstances, the Group remains optimistic about its operating performance in FY2016.

Uncertainties, events, factors and risks

To the best of the Directors' knowledge and belief, the risk factors that are material to prospective investors and Shareholders in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out in Appendix A of this Offer Information Statement. Prospective investors and Shareholders should carefully consider and evaluate each of them and all other information contained in this Offer Information Statement before deciding whether to invest in the Shares and/or the Rights Shares.

Please refer to Appendix A entitled "**Risk Factors**" to this Offer Information Statement.

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- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable. No profit forecast of the Company or the Group is disclosed in this Offer Information Statement.

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- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
-

Not applicable. No profit forecast or profit estimate of the Company or the Group is disclosed in this Offer Information Statement.

-
- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
-

Not applicable. No profit forecast of the Company or the Group is disclosed in this Offer Information Statement.

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13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast of the Company or the Group is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast of the Company or the Group is disclosed in this Offer Information Statement.

Significant Changes / Meaning of “published”

15. Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period,

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to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement and the Company's annual reports and in all public announcements made by the Company via SGXNET, the Directors are not aware of any event which has occurred from 31 December 2015 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

- 16. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.**
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Noted.

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PART VI (THE OFFER AND LISTING)

Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**
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The Issue Price for each Rights Share is S\$0.210, payable in full on acceptance and/or application.

The expenses incurred by the Company in respect of the Rights Issue will not be specifically charged to subscribers of the Rights Shares.

The Company understands based on information from the Participating Banks that a non-refundable administrative fee will be incurred for each application made through the ATMs of the respective Participating Banks. Such administrative fee shall be borne by the applicants of the Rights Shares.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
-

Not applicable. The Shares are, and the Rights Shares shall be, traded on the Official List of the SGX-ST.

3. **If -**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Save for the Rights Issue, none of the Shareholders has pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue subject to and upon the terms and conditions set out in this Offer Information Statement. Please refer to the Section entitled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement for further information.

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4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or

The highest and lowest market prices and the volume of the Shares traded on the SGX-ST for each of the last twelve (12) calendar months immediately preceding the calendar month in which the Latest Practicable Date falls and for the period from 1 February 2017 to the Latest Practicable Date, are as follows:

Month	Price Range in S\$		Volume Traded ⁽²⁾
	High ⁽¹⁾	Low ⁽¹⁾	
February 2016	0.460	0.330	82.68 million
March 2016	0.705	0.385	139.86 million
April 2016	0.730	0.605	85.17 million
May 2016	0.700	0.585	70.49 million
June 2016	0.785	0.580	138.01 million
July 2016	0.655	0.585	70.45 million
August 2016	0.590	0.420	87.93 million
September 2016	0.530	0.425	62.75 million
October 2016	0.395	0.310	86.95 million
November 2016	0.370	0.325	46.55 million
December 2016	0.340	0.210	68.49 million
January 2017	0.280	0.235	46.30 million
1 February 2017 to the Latest Practicable Date	0.325	0.260	36.34 million

Source: Bloomberg L.P. Bloomberg L.P. has not consented for the purposes of Sections 249 and 277 of the Securities and Futures Act to the inclusion of the information above which is publicly available, and is thereby not liable for these statements under Sections 253 and 254 of the Securities and Futures Act. The Company has included the above information in its proper form and context and has not verified the accuracy of the content of these statements.

Notes:

- (1) Based on the highest and lowest daily market price for the Shares in a particular month / period.
- (2) Based on the total volume of the Shares traded in a particular month / period.

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- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;

Not applicable. The Shares have been listed for quotation on the SGX-ST for more than twelve (12) months immediately preceding the Latest Practicable Date.

- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and

Save for temporary trading halts to cater for the release of announcements by the Company on the website of the SGX-ST at <http://www.sgx.com> in accordance with the requirements of the Listing Manual, there has not been any significant trading suspension of the Shares that has occurred on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.

- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

Please refer to part (a) of this paragraph for the volume of Shares traded on the SGX-ST during each of the last twelve (12) calendar months immediately preceding the Latest Practicable Date falls and for the period from 1 December 2016 to the Latest Practicable Date.

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5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide -

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.

Not applicable. The Rights Shares, upon allotment and issue, shall rank *pari passu* in all respects with the existing Shares and with each other, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares.

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Plan of Distribution

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**
-

The Rights Issue is made on a renounceable non-underwritten basis to Entitled Shareholders at the Issue Price of S\$0.210 for each Rights Share, on the basis of five (5) Rights Shares for every eleven (11) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements (if any) to be disregarded. Based on the Existing Share Capital of the Company of 673,344,828 Shares as at the Latest Practicable Date, up to 332,336,283 Rights Shares will be issued.

The Rights Shares are payable in full upon acceptance and/or application and will, on allotment and issue, rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

Entitled Shareholders shall be at liberty to accept, decline, or otherwise renounce or (in the case of Entitled Depositors) trade their provisional allotments of Rights Shares and are eligible to apply for Excess Rights Shares under the Rights Issue. Entitled Depositors will be able to trade their provisional allotments of Rights Shares on the SGX-ST during the Rights Trading Period. **For the avoidance of doubt and notwithstanding anything in this Offer Information Statement, only Entitled Shareholders (and not the Purchasers or renounees of Entitled Shareholders) shall be entitled to apply for Excess Rights Shares.**

Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the entitlements of Entitled Shareholders and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders, the original allottees or their respective renounee(s) or the Purchasers, any unsold Nil-paid Rights of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions contained in the PAL, the ARE, the ARS and/or any other application form for Rights Shares, be aggregated and issued to satisfy applications for Excess Rights Shares (if any) or otherwise disposed of or otherwise dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit.

The basis of allotting any Excess Rights Shares will be determined at the absolute discretion of the Directors. In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares. The Company will not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The Rights Shares are not offered through the selling efforts of any broker or dealer.

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As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue subject to and upon the terms and conditions set out in this Offer Information Statement.

The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, the PAL, the ARE and the ARS.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by the underwriter.

Not applicable. The Rights Issue is non-underwritten.

Please refer to Paragraph 1(f) of Part X of “**Additional Information Required for Offer of Securities by way of Rights Issue**” of this Offer Information Statement for details relating to the Shareholder’s Irrevocable Undertaking.

**DISCLOSURE REQUIREMENTS UNDER SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENT)
(SHARES AND DEBENTURES) REGULATIONS 2005**

PART VII (ADDITIONAL INFORMATION)

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

- (a) **state the date on which the statement was made;**
 - (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

Consents from Issue Manager and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
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Not applicable. No issue manager or underwriter has been appointed for this Rights Issue.

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly -**

- (a) **the relevant entity's business operations or financial position or results; or**
 - (b) **investments by holders of securities in the relevant entity.**
-

**DISCLOSURE REQUIREMENTS UNDER SIXTEENTH SCHEDULE OF
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The Company notes that the following rights were provided to the Thai Investors pursuant to the Subscription Agreements and Goldman Sachs pursuant to the 2011 Bonds Subscription Agreement and the 2012 Bonds Subscription Agreement:

(i) Dividend Policy pursuant to the Subscription Agreements

Pursuant to the Subscription Agreements, subject to the Thai Investors meeting certain shareholding requirements in the Company as set out in the respective Subscription Agreements, the Company shall have the following dividend policy, which will be announced by the Company that, whenever feasible, the Company will declare and pay dividends to the Shareholders in an amount of at least 10% of the net profits of the Company as reflected in the audited accounts of the Company.

(ii) Non-Competition

On 10 May 2012, the Company's indirect wholly-owned subsidiary, Garden Fresh (HK), entered into the 2012 Bonds Subscription Agreement for the issue of the CB2 Convertible Bonds with (among others) the Company as a guarantor, Grandness (HK), and Goldman Sachs as an investor.

Garden Fresh (HK) is wholly-owned by the Company through Grandness (HK), a direct wholly-owned subsidiary of the Company. In connection with the 2012 Bonds Subscription Agreement, the parties entered into other documents including a non-competition agreement.

Pursuant to the non-competition agreement, subject to certain allowed exceptions, the Company is bound by restrictions on its ability to compete with Garden Fresh (HK) in the beverage sector in certain territories.

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly, or indirectly the Company's business operations or financial position or investments by holders of securities in the Company.

**DISCLOSURE REQUIREMENTS UNDER SIXTEENTH SCHEDULE OF
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**PART X (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES
BY WAY OF RIGHTS ISSUE)**

1. Provide

- (a) the particulars of the rights issue;
- (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;
- (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;
- (d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;
- (e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;

Please refer to the Section entitled “**Summary of the Rights Issue**” of this Offer Information Statement.

Last date and time for splitting : 28 February 2017 at 5.00 p.m.

Last date and time for acceptance and payment : 6 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications)

Last date and time for renunciation and payment : 6 March 2017 at 5.00 p.m.

Last date and time for excess application and payment : 6 March 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications)

The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including the ARE, the ARS and the PAL.

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- 1. (f) the particulars of any undertaking from substantial shareholders or substantial equity interest holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**
-

Shareholder’s Irrevocable Undertaking

As at the date of the Announcement, Mr Huang Yupeng, the Company’s Executive Chairman and Chief Executive Officer, directly holds an aggregate of 239,266,560 Shares representing approximately 35.53% of the Existing Share Capital. Accordingly, Mr Huang Yupeng will be entitled to subscribe for an aggregate of 108,757,527 Rights Shares.

Mr Huang Yupeng had on 13 December 2016, given a revised irrevocable undertaking to the Company (“**Shareholder’s Irrevocable Undertaking**”) to, amongst others, subscribe for the Mr Huang Entitled Rights Shares, being an amount of up to 108,757,527 Rights Shares and subject to the terms and conditions of the Shareholder’s Irrevocable Undertaking. Mr. Huang Yupeng has also agreed in his Shareholder’s Irrevocable Undertaking that, depending on the level of subscription for Rights Shares under the Rights Issue, the Company shall, if necessary, scale down

**DISCLOSURE REQUIREMENTS UNDER SIXTEENTH SCHEDULE OF
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his subscription of Rights Shares (including, for the avoidance of doubt, Excess Rights Shares) by parties acting in concert (within the meaning of the Code) with him, to avoid placing himself and/or parties acting in concert (within the meaning of the Code) with him in the position of incurring an obligation to make a mandatory general offer under the Code.

Shareholder's Irrevocable Undertaking

Mr Huang Yupeng had under the Shareholder's Irrevocable Undertaking, provided an irrevocable undertaking to the Company that, amongst others:

- (a) on or prior to the Record Date, he will not sell, transfer, or otherwise dispose of, encumber or part with or instruct his nominee(s) to sell, transfer or otherwise dispose of, encumber or part with, the ownership of any of the 239,266,560 Shares owned by him;
- (b) as at the Record Date, his total shareholding in the Company will not be less than 239,266,560 Shares;
- (c) he will subscribe and pay for, or procure the subscription and payment, in full for the Mr Huang Remaining Entitled Rights Shares to be provisionally allotted to him pursuant to the Rights Issue, Provided Always, that, depending on the level of subscription for Rights Shares under the Rights Issue, the Company shall, if necessary, scale down his subscription of Rights Shares (including, for the avoidance of doubt, Excess Rights Shares) by parties acting in concert (within the meaning of the Code with him, to avoid placing himself and/or parties acting in concert (within the meaning of the Code) with him in the position of incurring an obligation to make a mandatory general offer under the Code;
- (d) he has sufficient financial resources to subscribe and pay for, in full the Mr Huang Entitled Rights Shares and will provide, promptly upon the execution of the Shareholders' Irrevocable Undertaking, a confirmation from a financial in a format that is reasonably acceptable to the Company, or such evidence as may be required by and acceptable to the Company, that he has the necessary and sufficient financial resources to fulfil obligations pursuant to the Shareholder's Irrevocable Undertaking;
- (e) as at the Record Date, he will have a registered address in Singapore as set out in the records of the Company's share transfer agent or the records of the CDP, as the case may be, or will provide to the Company or the CDP, as the case may be, an address in Singapore for the service of notices and documents in connection with the Rights Issue at least three (3) Market Days prior to the Record Date;
- (f) he will do all such things, provide all such information, confirmations, undertakings, and certificates and execute all such documents as may be required by, amongst others, the CDP, the SGX-ST and the Company for the Rights Issue;
- (g) he will not subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, or procure another person to subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, securities of the Company while he is in possession of unpublished information that is not generally available to the public, but if it were, would be likely to materially affect the price of the Company's securities, including but not limited to, information in relation to the Rights Issue ("**Price Sensitive Information**");
- (h) he will not communicate, or cause to be communicated, directly or indirectly, unpublished Price Sensitive Information to any other persons if he knows or ought to know, that the person is likely to subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell securities of the Company;

**DISCLOSURE REQUIREMENTS UNDER SIXTEENTH SCHEDULE OF
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- (i) he will not make or permit the making of any announcements concerning or in connection with the Rights Issue or any matters relating thereto without the Company's prior written consent;
- (j) he will not disclose to any person the any information concerning or in connection with the Rights Issue or any matters relating thereto and shall make every effort to prevent the use or disclosure thereof, except where such disclosure is required pursuant to any applicable laws or any requirement of any competent governmental or statutory authority; and
- (k) he acknowledges and accepts that pursuant to Rule 877(10) of the Listing Manual, he will rank last in priority in the rounding of odd lots and allotment of Excess Rights Shares which are not taken up by the other Shareholders of the Company.

Under the Maximum Scenario, Mr Huang Yupeng will have an interest, whether direct (and/or through their nominees) or indirect (as the case may be), in approximately 32.73% of the enlarged share capital of the Company.

Under the Minimum Scenario, Mr Huang Yupeng will have an interest, whether direct (and/or through their nominees) or indirect (as the case may be), in approximately 36.48% of the enlarged share capital of the Company.

On 17 February 2017, this Offer Information Statement was lodged with the Authority.

1. (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

In view of the Shareholder's Irrevocable Undertaking, the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and there being no minimum amount that must be raised from the Rights Issue, the Rights Issue will proceed on a non-underwritten basis.

Please refer to Paragraph 1(f) of Part X of the Sixteenth Schedule of the SFR "**Additional Information Required for Offer of Securities by way of Rights Issue**" of this Offer Information Statement for details relating to the Shareholder's Irrevocable Undertaking.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER
APPENDIX 8.2 OF THE LISTING MANUAL**

1. Working Capital

Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The summary of the working capital of the Group for FY2013, FY2014, FY2015 and 9M2016 are as follows:

	Audited	Audited	Audited	Unaudited
	As at 31 December 2013	As at 31 December 2014	As at 31 December 2015	As at 30 September 2016
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Total Current Assets	994,643	1,646,661	1,527,035	2,331,104
Total Current Liabilities	657,177	1,033,809	1,346,562	1,311,064
Working Capital	337,466	612,852	180,473	1,020,040

Source: Annual reports of the Company for FY2013, FY2014, FY2015 and the unaudited nine months financial statements for the period ended 30 September 2016.

A review of the working capital of the Group for the relevant periods is set out below.

FY2014 compared to FY2013

The current assets of the Group increased by RMB652.0 million as at 31 December 2014 as compared to as at 31 December 2013 mainly due to an increase in inventories of RMB4.8 million, trade and other receivables of RMB515.0 million and cash and bank balances of RMB132.2 million.

The current liabilities of the Group increased by RMB376.6 million as at 31 December 2014 compared to as at 31 December 2013 due mainly to an increase in trade and other payable of RMB82.7 million, note payable of RMB60.7 million, bank borrowing of RMB46.2 million, convertible bonds of RMB198.2 million, partially offset by a decrease in current tax payable of RMB11.2 million.

As a result of the foregoing, net current assets as at 31 December 2014 increased by RMB275.4 million, or 81.6% from net current assets of RMB337.5 million as at 31 December 2013 to net current assets of RMB612.9 million as at 31 December 2014.

FY2015 compared to FY2014

Current assets of the Group decreased by RMB119.6 million as at 31 December 2015 as compared to as at 31 December 2014 due mainly to a decrease in trade and other receivables of RMB43.0 million and cash and bank balances of RMB80.6 million, partially offset by an increase in inventories of RMB4.0 million.

Current liabilities of the Group increased by RMB312.8 million as at 31 December 2015 compared to as at 31 December 2014 due mainly to an increase in current tax payable of RMB20.3 million, bank borrowing of RMB70.8 million and convertible bonds of RMB310.9 million, partially offset by a decrease in trade and other payable of RMB82.4 million and note payable of RMB6.7 million.

As a result of the foregoing, net current assets as at 31 December 2015 decreased by RMB432.4 million, or 70.6% from net current assets of RMB612.9 million as at 31 December 2014 to net current assets of RMB180.5 million as at 31 December 2015.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

9M2016 compared to FY2015

Current assets of the Group increased by RMB804.1 million from RMB1,527.0 million as at 31 December 2015 to RMB2,331.1 million as at 30 September 2016. The increase was mainly attributable to an increase in the Group's inventories by approximately RMB33.8 million. The increase in inventories was in line with Group's increased business activities. Higher inventory was mainly due to the seasonal harvesting of asparagus and loquat which occurs in the second quarter of each year. The trade and other receivables and increased by RMB248.3 million and cash and bank balances increased by RMB522.0 million.

Current liabilities of the Group decreased by RMB35.5 million from RMB1,346.6 million as at 31 December 2015 to RMB1,311.1 million as at 30 September 2016. The decrease was mainly attributable to a decrease in note payables of RMB55.0 million, and convertible bonds of RMB485.4 million, partially offset by an increase in straight bond of RMB188.8 million, trade and other payables of RMB27.3 million, current tax payable of RMB24.3 million, bank borrowing of RMB136.3 million and convertible loan of RMB128.2 million.

As a result of the foregoing, net current assets as at 30 September 2016 increased by RMB839.6 million, or 465.2% from net current assets of RMB180.5 million as at 31 December 2015 to net current assets of RMB1,020.0 million as at 30 September 2016.

2. Convertible Securities

- (i) **Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832**
- (ii) **Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price-fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences**

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- (i) Not applicable. The Rights Issue does not involve an issue of convertible securities.
 - (ii) Not applicable.

3. Responsibility Statement by the Issue Manager

A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonably enquiry.

Not applicable. No issue manager has been appointed for this Rights Issue.

No profit forecast is contained in this Offer Information Statement.

APPENDIX A – RISK FACTORS

To the best of the Directors' knowledge and belief, all the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Prospective subscribers should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, amongst others, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.

There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develop into actual events, the business operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources and/or prospects of the Group could be materially and adversely affected. In that event, the trading price of the Shares and/or the Rights Shares could decline, and investors may lose all or part of their investment in the Shares and/or the Rights Shares.

The headings herein are inserted for convenience only. Risk factors inserted under a particular division or segment of the Group's business may not be exclusively applicable to such division or segment and may also be applicable to the other business divisions or segments of the Group.

The Group will be affected by changes in consumer food preferences and dietary habits, and discretionary consumer spending

Currently, the Group produces, amongst others, canned vegetables and fruits and beverages. The continued growth and success of the Group depends, in part, on the popularity of its canned products and beverages. Shifts in consumer preferences and dietary habits away from its canned products and beverages to other kinds of food products, canned products or beverages could adversely affect its business. In the event that the Group is unable to anticipate and react quickly and effectively to changes in consumer preferences and dietary habits, the demand for the Group's products will decline and this would have an adverse impact on the business of the Group.

In addition, the continued success of the Group is generally dependent on the level of disposable consumer income and discretionary consumer spending in the market which it exports to. These are in turn affected by any change in the economic conditions of the respective countries. In particular, the Group is vulnerable to the changes in economic conditions of the PRC, Europe and North America, which contributed to approximately 82.7%, 16.1% and 0.9% of its revenue in FY2015, respectively.

The Group's failure to produce commercially viable new products to adapt to changes in consumer food preferences and dietary habits will adversely affect its financial performance and growth prospects

The Group continually invests in research and product development to develop new canned products and beverages and to improve its production yield, production process and technologies. The amount of expenditure incurred in relation to the Group's research and product development, as a percentage of its total operating expenses, were approximately 0.2%, 0.2%, 0.2% and 0.2% in FY2013, FY2014, FY2015 and 9M2016, respectively. However, there can be no assurance that the Group's research and product development efforts will yield its desired results. Furthermore, given the long cycle and time involved in research and product development, a significant amount of time may have passed before the Group will receive any related revenue. This would have an adverse impact on the profitability and prospects of the Group.

APPENDIX A – RISK FACTORS

The Group conducts its research and product development in anticipation of developing new products that it believes have good prospects. In particular, the Group has developed various variants of its loquat juice, and has also developed new snack products under a new in house brand, “Hao Tian Yuan”. There is no assurance that these new products will be accepted by the customers or potential customers of the Group. A low level of acceptance of any of the products of the Group may therefore not yield the financial results that the Group expects. The profitability of the Group will be adversely affected by the costs incurred and the efforts spent on its research and product development and the production of such new products without a commensurate increase in revenue.

The Group is susceptible to shortages and fluctuations in the prices of its raw materials and finished goods

The cost of raw materials accounted for approximately 88.2%, 87.5%, 87.6% and 88.0% of its cost of sales in FY2013, FY2014, FY2015 and 9M2016 respectively. The Group’s main raw materials, such as asparagus, long beans, mushrooms and loquat, are purchased during their respective harvesting seasons from individual farmers and farming collectives in the PRC. The Group’s production of canned fruits and vegetables during the harvesting seasons of these raw materials is highly dependent on there being a sufficient supply of raw materials during these periods. There is also no assurance that the Group will be able to obtain an adequate supply of key raw materials at competitive prices. Market prices of such raw materials may be volatile due to factors beyond its control, including, amongst others, general economic conditions, weather conditions, changes in the level of global demand and availability of supply. Any substantial increase in the prices of these raw materials is likely to have a material adverse impact on the Group’s production costs.

The Group also purchases finished goods for resale to customers, and are affected by fluctuations in the supply and prices of the finished goods.

Should there be any significant increase in the price of raw materials or finished goods, there is no assurance that these increases in costs can be passed to the customers and/or consumers of the products of the Group. As a consequence, such substantial increase in prices of raw materials or finished goods may adversely affect the profit margins and profitability of the Group.

The Group may be affected by an inability to source for sufficient labour

The Group is dependent on its employees for its production process. Due to the seasonal nature of its products, the Group requires a large number of temporary workers, particularly during the various production periods of the different canned products. If the Group is unable to source for sufficient labour to meet its anticipated production schedules, its production activities and results of operations would be adversely affected.

The failure of the Group to maintain the relationship with its distributors and customers may adversely affect its business

The Group relies on its distribution network to sell a significant portion of its products. As of September 2016, its distribution in the PRC as well as its overseas market consisted of more than 250 distributors and customers. Although the Group has maintained a healthy relationship with its distributors, there can be no assurance that the Group will be able to maintain its existing relationships with distributors or to develop relationships with replacement distributors on favourable terms. In addition, as the Group seeks to expand into new regions and new product categories and to increase its market penetration in its existing regions and product categories, there can be no assurance that the Group will be successful in establishing relationships with new distributors in these regions on favourable terms or at all. Furthermore, there can be no assurance that it will be successful in managing its distributors and detecting non-compliance with the provisions of its distribution agreements with them. Non-compliance by its distributors could, among other things, negatively affect the Group’s brand, demand for its products and its relationships with other distributors. Any of these could have a material and adverse effect on its business, financial condition, results of operations and prospects.

APPENDIX A – RISK FACTORS

The Group may be unable to successfully compete for distributors and retail shelf space or to effectively monitor and control competition among its distributors

The Group sells its beverage products to retail customers through its distributors to various retailers. Its distribution network is vital for its current operations and future expansion. The competition for distributors and shelf space as retailers is intense in the industry in which the Group operates in PRC and many of the Group's competitors are expanding their distribution and retail networks. The Group may not be able to compete successfully against its competitors for the retention of its existing distributors or recruitment of additional distributors in the future. In addition, the Group relies on its distributors to secure shelf space at certain retailers and its distributors may not be able to continue to successfully secure the placement of its products with the various retailers. The Group may also be unable to renew its distribution agreements with its distributors, which usually have a term of one (1) year, on the same terms or at all. If the Group cannot find substitute distributors within a reasonable period of time, the costs of maintaining its distribution network may increase or it may encounter difficulties selling its beverage products, all of which could adversely affect its results of operations and financial condition. Finding replacement distributors could be time-consuming and any resulting delay may be disruptive and costly to the Group's business.

The Group may be affected by disruptions to its production facilities

The production facilities of the Group are subject to operational risks, such as industrial accidents, which could cause personal injury or loss of human life, the breakdown or failure of equipment, power supplies or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters and the need to comply with relevant regulatory and requirements. From time to time, the Group may need to carry out planned shutdowns of its processing plants for routine maintenance, statutory inspections and testing and may need to shut down various plants for capacity expansions and equipment upgrades. In addition, due to the nature of its business, and despite compliance with requisite safety requirements and standards, the production process is still subject to operational risks, including discharges or releases of hazardous substances, exposure to contamination and leakages from other factories and operations in the vicinity. These operational risks may cause personal injury or loss of human life and could result in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on the productivity and profitability of a particular production facility and on the Group's business, results of operations and financial condition.

Although the Group has taken precautions to minimize the risk of any significant operational problems at its production facilities, there can be no assurance that its business, results of operations and financial condition may not be adversely affected by disruptions caused by operational hazards at its production facilities, or at other factories and facilities in the vicinity. Moreover, the Group's production processes are continuously being modified and updated. As a result of manufacturing process updates and improvements, from time to time, the Group may experience shutdowns, and disruptions to the operations.

The occurrence of any of the above events may cause the Group to stop or suspend its processing operations and it may not be able to deliver the products to its customers on a timely basis, which would have an adverse impact on its business, financial position and profitability.

The Group may be affected by complaints, product liability claims from customers and negative publicity

The Group may, from time to time, be the subject of complaints from consumers of its products with regard to its product quality which will in turn affect its reputation. Negative publicity in connection with various food scandals in the PRC, such as the tainted milk scandal, where certain milk products were found to have been adulterated with melamine, and the more recent rotten meat scandal, where a Shanghai supplier was accused of supplying expired beef and chicken to restaurants including McDonald's and KFC, would generally affect the demand for food products produced in the PRC or which ingredients are sourced from the PRC. Although the revenue of the Group has thus far not been affected by the food scandals, there is no assurance that the Group would not in the future be negatively affected by this or any other negative publicity in relation to food products produced in the PRC.

APPENDIX A – RISK FACTORS

Further, the business of the Group may be adversely affected by negative publicity resulting from the publication of industry findings, research reports or health concerns in relation to canned products and bottled beverages. There is no assurance that there will be no complaints or negative publicity in the future. Any such complaints and negative publicity, regardless of their validity, may result in lower demand for the Group's products and hence a decline in the number of orders which the Group would otherwise receive from its customers. The results of operations of the Group will therefore be adversely affected.

While the Group has obtained product liability insurance for our main products and for exports to our main markets, there is no assurance that the insurance coverage is sufficient. Any complaints on the Group's products which escalate to become lawsuits against it, even where unsuccessful, would require the Group to divert resources to address these claims. A successful product liability claim or series of claims brought against the Group could result in judgments, fines, damages and liabilities that could have a material adverse effect on the Group's business, financial condition and/or result of operations.

The Group may not be successful in its future acquisitions and investments in companies and businesses

As part of its growth strategy, from time to time, the Group may make acquisitions and investments in companies or businesses. The success of the Group's acquisition and investment strategy depends on a number of factors, including:-

- its ability to identify suitable opportunities for investment or acquisition;
- whether it is able to reach an acquisition or investment agreement on terms that are satisfactory to it;
- the extent to which it is able to exercise control over the acquired company or business;
- the economic, business or other strategic objectives and goals of the acquired company or business compared to those of the Group; and
- its ability to successfully integrate the acquired company or business with the Group.

If the Group is unsuccessful in its acquisitions and investments, its business, financial condition, results of operations and/or prospects may be materially and adversely affected.

The Group is an international business, and is exposed to various global and local risks

The Group operates globally and procures and manufactures its products in the PRC. Consequently, the Group faces complex legal and regulatory requirements in multiple jurisdictions, which may expose the Group to certain financial and other risks, including currency fluctuations. International sales and operations are subject to a variety of risks, including:-

- (a) greater risk of uncollectible accounts;
- (b) longer collection cycles;
- (c) logistical and communications challenges;
- (d) potential adverse changes in laws and regulatory practices, including export licence requirements, trade barriers, tariffs and tax laws;
- (e) changes in labour conditions;
- (f) burdens and costs of compliance with a variety of foreign laws;
- (g) increase in duties and taxation;

APPENDIX A – RISK FACTORS

- (h) uncertainties relating to local legal systems including the protection of property rights;
- (i) greater difficulty in protecting intellectual property; and
- (j) general economic and political conditions that may result in instability in these foreign markets.

Profitability from the Group's international operations may be limited by risks and uncertainties related to regional economic conditions, regulatory approvals, competing products, infrastructure development, intellectual property rights protection and the Group's ability to implement its overall business strategy. The Group expects these risks to increase as it pursues its strategy to expand operations into new geographical markets. The Group may not succeed in developing and implementing effective policies and strategies in each location where it conducts business. Any failure to do so may harm the Group's business, financial condition and/or results of operations.

In addition, as a result of the foregoing factors, there is a potential for new federal and state laws and regulations in the PRC regarding lending and funding practices and liquidity standards, and bank regulatory agencies are expected to be very aggressive in responding to concerns and identified trends. Continued negative developments could restrict the Group's business operations, including the ability of the Group as well as its customers and suppliers to obtain loans or credit facilities. This could adversely affect the results of the Group's operations and financial condition.

The Group is exposed to foreign currency risks which could materially affect the Group's financial condition and results of operations

The Group's revenue from its overseas market is mainly denominated in US\$, which accounted for approximately 17.3% of the Group's revenue in FY2015. The purchases of the Group are mainly denominated in RMB. To the extent that its revenue and purchases are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and receipt of funds from its customers or payment to its suppliers, the Group is exposed to foreign exchange rate fluctuations which may result in foreign exchange losses that may adversely affect its financial results.

The exchange rates between the RMB and the Hong Kong dollar, the US\$ and other foreign currencies is affected by, among other things, changes in the PRC's political and economic conditions. In 2005, the PRC government changed its policy of pegging the value of the RMB to the US\$. Under the new policy, the RMB is pegged against a basket of currencies, determined by the People's Bank of China, against which it can appreciate or weaken by as much as 0.5% each day. There remains significant international pressure on the PRC government to adopt a more flexible policy, which could result in a further appreciation of the RMB against the US\$, the Hong Kong dollar or other foreign currencies.

As the Group's functional currency is RMB, such foreign currency-denominated cash and cash equivalents are exposed to fluctuations in the value of the RMB against the currencies in which these cash and cash equivalents are denominated. Any significant appreciation of the RMB against these foreign currencies may result in significant exchange losses. Furthermore, as we need to convert the proceeds from the Rights Issue and future financing into the RMB for our operations, appreciation of the RMB against the relevant foreign currencies would have an adverse effect on the RMB amount we receive from the conversion.

In FY2015 and 9M2016, the Group has foreign exchange gain in relation to currency exposure in trading transactions denominated in US\$ of approximately RMB17.1 million RMB9.1 million respectively, mainly as a result of the movement of the RMB vis-à-vis the US\$.

APPENDIX A – RISK FACTORS

The Group is exposed to liquidity risks which are caused by a mismatch of its credit periods for sales and purchases

The Group faces liquidity risks due to the timing difference between the purchase of raw materials and sale of its products. The Group's purchase of raw materials is mainly made based on cash upon delivery at its factories during the respective harvesting seasons of the raw materials. As a result, the requirement for working capital by the Group is high during these purchasing periods. Due to the nature of the Group's business, its cash conversion cycle, from the purchase of raw materials, production and sale of canned products to the collection of receivables from its customers typically range from 90 days for export sales to 150 days for domestic sales in the PRC. The Group's operations therefore require a substantial level of working capital commitments as it will affect the amount of raw materials the Group can purchase during the harvesting seasons which will in turn affect its production and financial performance.

The average trade receivables turnover days of the Group increased from 85 days in FY2013 to 113 days in FY2014 and further increased to 114 days in FY2015 and decreased to 95 days in 9M2016 whereas the average trade payables turnover days of the Group increased from 10 days in FY2013 to 21 days in FY2014 and decreased from 21 days in FY2014 to 16 days in FY2015 and to 6 days in 9M2016. The above factors had resulted in longer cash conversion cycles in FY2015 and lower levels of cash and cash equivalents as at 31 December 2015. In the event that the Group is not able to maintain its sales or if the Group is unable to collect its trade receivables on a timely basis, within the credit terms granted by the Group or at all, the Group's working capital and ability to purchase raw materials for its operations will be affected.

The Group may require additional funding for its future growth

The Group's business and the nature of the industry in which it operates may require it to make substantial capital expenditures, especially when it comes to the establishment of more production facilities. These capital expenditures will be spent in advance of any additional sales to be generated by new or upgraded production facilities as a result of these expenditures. There is a risk that the Group may in future incur operating losses if its net operating revenue does not adequately recover its capital expenditures.

There can be no assurance that external sources of liquidity will be available to fund the ongoing operations of the Group or its product development, let alone the realisation of its future plans. The failure to obtain financing would hinder the ability of the Group to make continued investments in effecting its future plans, which could materially and adversely affect its business, results of operations and financial condition.

In addition, any additional debt funding may restrict the Group's freedom to operate its business as it may have conditions that:-

- (a) increase its vulnerability to general adverse economic and industry conditions;
- (b) require it to dedicate a portion of its cash flow from operations to repayments of its debt, thereby reducing the availability of its cash flow for capital expenditures, working capital and other general corporate purposes; and
- (c) limit its flexibility in planning for, or reacting to, changes in its businesses and its industry.

The success of the Group depends in large part upon its Executive Directors, Executive Officers and other key personnel and its ability to attract and retain them

The success of the Group to date has been largely due to the efforts of its management team comprising its Executive Directors, Executive Officers and other key personnel. The Group's Chairman and CEO, Huang Yupeng, who has more than 20 years of experience in the canned products industry, has been instrumental in formulating its business strategies and spearheading the growth of the Group's business while Zeng Ming is responsible for overseeing the marketing and sales of the Group's products. The Executive Officer of the Group, Zhang Guoming, is also experienced in the canned food and beverages industry with more than 20 years of experience in the industry.

APPENDIX A – RISK FACTORS

The continued success of the Group is dependent, to a large extent, on its ability to retain the services of its management team, who are responsible for charting and implementing the overall business strategy of the Group and its corporate development. The loss of the services of key members of the Group's management team without suitable replacements may lead to the loss or deterioration of important business relations which would have an adverse impact on the business operations and the future prospects of the Group.

Fire, drought or other natural calamities might disrupt the operations of the Group and adversely affect its financial condition, results of operations and profitability

The Group has 5 factories located in 4 provinces in the PRC, namely Shandong, Shanxi, Sichuan and Hubei Provinces. Natural calamities, such as drought, snowstorm, flood or other natural disasters, resulting in significant damage to any of its facilities, major disruptions to its production processes and damages to the infrastructure which affect the transport of raw materials and products to and from its factories, would have significant adverse effects on its business, financial condition and results of operations.

On May 2008, a major earthquake with its epicentre in Wenchuan, Sichuan Province, occurred. Infrastructure including the transportation network was affected by the earthquake. The earthquake has caused destruction to the Group's production base in Sichuan, an increase in the cost of raw materials resulting from a shortage in supply and an increase in transportation costs in Sichuan Province, resulting in the Group facing difficulties in meeting the orders of its customers. There can be no guarantee that a similar incident in future will not have a material adverse effect on the business, operating results and financial condition of the Group.

While the Group considers its insurance policies in respect of loss and/or damage to its production equipment and facilities as well as inventories to be adequate, such insurance may not be sufficient to cover all its potential losses. In the event that such losses exceed the insurance coverage or is not covered by the insurance policies which the Group has taken up, the Group may be liable for the shortfall of the amounts claimed and would sustain financial losses, and may also incur additional costs in the event of increased insurance premiums payable in future.

The Group may be affected should it fail to comply with the conditions stipulated in its licences or permits, or in the event any of its licences or approvals are revoked, not renewed or not extended

The Group's manufacturing and other production facilities for both canned products and beverages, are subject to extensive legal and regulatory food safety requirements, including regular government inspections and governmental food processing controls, in the countries in which it operates. In accordance with the applicable PRC laws and regulations, it is required to maintain various licences and permits in order to operate its business. The Group has obtained various licences and permits such as the Hygiene Permit for Food, the Hygiene Registration Certificates, the Production License of Industrial Products and the Contamination Discharge Permits in order to carry on the business of food production, processing and export in the PRC. The Group has also obtained BRC Global Standard, IFS and the HACCP certificates, which are necessary for the export of its products to certain countries.

Loss of or failure to obtain necessary permits and licenses could delay or prevent it from meeting current product demand, introducing new products, exporting its products to certain countries, building new facilities, or acquiring new businesses and could adversely affect its operating results. If the Group is found not to be in compliance with applicable laws and regulations, particularly if it relates to or compromises food safety, it could be subject to civil remedies, including fines, injunctions, recalls or asset seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects. In addition, future material changes in food safety regulations could result in increased operating costs or affect its ordinary operations, which could also have a material adverse effect on its operations and its financial results.

APPENDIX A – RISK FACTORS

The Group may be affected by any outbreak of food-related diseases

The main raw materials for the Group's canned food products are fruits and vegetables which may be subject to environmental hazards and epidemic diseases. Any outbreak of such diseases in the Group's raw materials may render its products unsafe for consumption, affect the level of general public consumption of such products and may have a material adverse impact on the Group's business. The Group is unable to predict future occurrences of such contamination, or whether there will be any outbreak of new diseases affecting the raw materials that it requires for its canned products. Any such outbreak may also have a material adverse effect on the sources of supply of raw materials. Further, efforts to source for alternative sources for that particular raw material might be costly. These will have a negative impact on the financial results of the Group.

The Group operates in a highly competitive industry

The Group operates in a highly competitive industry and faces competition from both its existing competitors and new entrants to the market. Some of the Group's competitors may have, in comparison to the Group, lower costs of operation and greater resources to invest in product development and customer support. The Group may also face increased competition from new competitors who seek to penetrate markets where the Group has presence establishment. Some of the Group's competitors may have longer operating history, larger customer bases, better products, stronger technical and professional teams and/or stronger financial resources.

Increased competition may result in lower prices, reduced profit margins, loss of market share and/or increased difficulty in market penetration, any of which could materially and adversely affect the business and any investment in the Shares. There is no assurance that the Group will be able to remain competitive and the Group may not compete effectively with existing or new competitors in the future and this may materially and adversely affect the business and any investment in the Shares.

The Group may not be successful in its efforts to maintain and enhance its brand image and reputation in PRC's beverage and canned food industries

The Group believes that the success of its business and its competitive position depends on the level of consumer awareness of its brands. The Group's ability to enhance its business plans successfully also depends in part on its ability to further build brand recognition using its trademarks, trade secrets and other intellectual property, including its trade names and logos. Currently, the Group is seeking to expand its sales in both relevantly new markets in northern PRC as well as in more developed markets. The Group has committed significant resources to various forms of promotional and marketing activities, including trade exhibitions, event sponsorships, television commercials, various forms of outdoor advertising and advertisements at food and beverage outlets, in order to develop awareness of its products and to increase its market share in new and existing markets. The Group's advertising and promotional expenses has increased from RMB59.7 million in FY2013 to RMB351.1 million in FY2015.

However, many of the Group's competitors in the fruit and vegetable beverage and/or canned food industries have more established and widely known brands in comparison to the Group's brand and more resources for sales, marketing and promotional activities. The Group may have difficulty in successfully expanding the sales of its products in areas that have not traditionally experienced high per capita levels of consumption of its products or increasing the penetration of its products in existing markets. If the Group fails to generate sufficient sales in new markets or increase its sales in existing markets, it may not be able to recover the production, distribution, promotional, marketing and administrative costs that it has incurred in developing such markets.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Substantially all of the Group's property, assets and operations are located in the PRC. As a result, future political, economic, legal and social conditions in the PRC, as well as certain actions and policies the government of the PRC may, or may not, take or adopt could have a material adverse effect on the Group's business, financial performance, financial condition, results of operations and/or prospects.

APPENDIX A – RISK FACTORS

The Group faces risks associated with economic, political, social and legal developments and domestic demand in the PRC

The suppliers, production facilities of the Group are located in the PRC, and the Group also distributes its products in the PRC. The business, financial conditions and/or results of operations of the Group has always been vulnerable to economic, political, social and legal developments in the PRC, as well as changes in the demand for its products in that market. There can be no assurance that these factors will not adversely affect the Group's business, financial condition and/or results of operations.

Since 1978, the PRC government has undertaken various reforms of its economic systems. Such reforms have resulted in economic growth for the PRC in the last three decades. However, many of the reforms are unprecedented or experimental, and are expected to be refined and modified from time to time. Other political, economic and social factors may also lead to further readjustment of the reform measures. This refinement and adjustment process may consequently have a material impact on the Group's operations in the PRC or a material adverse impact on its financial performance. A variety of policies and measures that could be taken by the PRC government to regulate the economy, including the introduction of measures to control inflation, deflation, or reduce growth, changes in the rates or methods of taxation, or the imposition of additional restrictions on currency conversions and remittances abroad, changes in foreign exchange regulations, taxation and import and export restrictions could also materially and adversely affect the Group's business, financial condition and/or results of operations.

The Group's business is subject to certain PRC laws and regulations

The Group's business and operations in the PRC entail the procurement of licences and permits from the relevant authorities. Accordingly, the Group's business and operations in the PRC are subject to PRC government rules and regulations. From time to time, changes in the rules and regulations or the implementation thereof may require the Group to obtain additional approvals and licences from the PRC authorities for the conduct of its operations in the PRC. In such event, the Group may incur additional expenses in order to comply with such requirements. This will in turn affect the Group's financial performance as its business cost will increase. Furthermore, there can be no assurance that such approvals or licences will be granted to the Group promptly, or at all. If the Group experiences a delay in obtaining, or is unable to obtain, such required approvals or licences, its operations and business in the PRC and the Group's overall financial performance may be adversely affected.

Breaches or non-compliance with these PRC laws and regulations may also result in the suspension, withdrawal or termination of the Group's business licenses or permits, or the imposition of penalties, by the relevant authorities. The Group's PRC subsidiaries' business licences are also granted for a finite period and any extension thereof is subject to the approval of the relevant authorities. Any suspension, withdrawal, termination or refusal to extend the Group's PRC subsidiaries' business licenses or permits would cause the cessation of production of certain or all of its products, and this would adversely affect the Group's PRC subsidiaries' business, financial performance and prospects.

The PRC legal system has inherent uncertainties that could negatively impact the Group's business

The PRC legal system is based on the PRC constitution and is made up of written laws, regulations, circulars and directives. Prior court decisions may be cited for reference but have limited precedent value. Since 1979, the PRC government has promulgated laws and regulations dealing with economic matters such as foreign investment, corporate reorganisation and governance, commerce, taxation, trade, utility regulation and public health and safety, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, there is no assurance that the introduction of new laws, changes to existing laws and the interpretation or application thereof or the delays in obtaining approvals from the relevant authorities will not have an adverse impact on the Group's PRC subsidiaries' business, financial performance and prospects.

APPENDIX A – RISK FACTORS

Further, due to the limited precedents on the interpretation, implementation and enforcement of the PRC laws, and the non-binding nature of precedent cases in the courts of the PRC, any particular interpretation of PRC laws and regulations may not be definitive. The outcome of dispute resolutions may not be consistent or predictable as in the other more developed jurisdictions, and it may be difficult to obtain a swift or equitable enforcement of the laws in the PRC, or obtain enforcement of judgment by a court of another jurisdiction.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities and as such, different laws, rules, regulations and policies apply in different provinces and they may have different and varying applications and interpretations in different parts of the PRC. The PRC currently does not have any centralised register or official resources where legislation enacted by the central and local authorities is made available to the public. Legislation or regulations, particularly for local applications, may be enacted without prior notice or announcement to the public.

The Group faces risks associated with PRC government policies on foreign exchange controls

The Group's PRC subsidiaries are subject to the rules and regulations imposed by the PRC government on currency conversion. In the PRC, the State Administration for Foreign Exchange ("**SAFE**") regulates the conversion of the Renminbi into foreign currencies, and vice versa. Currently, foreign investment companies ("**FIEs**") are required to apply to SAFE for the Certificate of Foreign Exchange Registration (外汇登记证) ("**FIE Certificate**"), which allows FIEs to open foreign currency accounts. At present, the Group's PRC Subsidiaries hold their respective FIE Certificates. With the FIE Certificate, they are able to convert their RMB revenue into foreign currency and repatriate dividends and profits to other members of the Group, including the Company.

There is no assurance that the PRC regulatory authorities will not issue new rules and regulations and further interpretations which will strengthen the foreign exchange control. As the Group's PRC subsidiaries generate a significant proportion of the Group's revenue, restrictions on currency exchange may limit the ability of the Group's PRC subsidiaries to repatriate revenues derived in the PRC to members of the Group residing outside the PRC in the form of dividend income or otherwise and therefore place restrictions on the Group's ability to freely utilise its cash resources in the manner it deems fit or in the most commercially optimal manner.

RISKS RELATING TO INVESTMENT IN THE SHARES

Commercial, statutory or legal restrictions may limit the Group's ability to obtain dividends or other payments from its PRC subsidiaries

The Company is an investment holding company and its main source of income is dividends derived from its PRC subsidiaries. The ability of the Company's PRC subsidiaries to pay dividends or distribute other interests to the Company may be limited by the availability of funds and any legal or regulatory restrictions. In such event, the Company's ability to distribute dividends to the Shareholders would be materially and adversely affected.

The Group's subsidiaries, operations and assets are located outside Singapore

The Group's subsidiaries, operations and assets are located in PRC. The Group's subsidiaries are therefore subject to the relevant laws in PRC. The Companies Act may provide Shareholders with certain rights and protection which may not have corresponding or similar provisions under the laws of PRC. As such, investors in the Shares may or may not be accorded the same level of Shareholder rights and protection that would be accorded under the Companies Act.

In addition, as at the Latest Practicable Date, the majority of our Executive Directors and Executive Officers are non-residents of Singapore and the assets of these persons are mainly located outside Singapore. As such, there may be difficulty for Shareholders to effect service of process in Singapore, or to enforce a judgment obtained in Singapore against any of these persons.

APPENDIX A – RISK FACTORS

The Group may require additional funding for its future growth, which may result in the dilution of Shareholders' equity or restrictions imposed by additional debt funding

The Group's capital requirements are dependent on, among others, its business, the availability of its resources for attracting, maintaining and enlarging its customer base and the need to maintain and expand its production facilities. The Group may thus need additional capital expenditure for mergers and acquisitions or investments. An issue of Shares or other securities to raise funds will dilute shareholders' equity interests and may, in the case of a rights issue, require additional investments by shareholders.

Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by existing investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price. In addition, any additional debt funding would increase the Group's debt equity ratio and may restrict the Group's freedom to operate its business as it may have conditions that:

- (a) limit the Group's ability to pay dividends or require the Group to seek consent for the payment of dividends;
- (b) increase the Group's vulnerability to general adverse economic and industry conditions;
- (c) require the Group to dedicate a portion of its cash flow from operations to repayments of its debt, thereby reducing the availability of its cash flow for capital expenditures, working capital and other general corporate purposes; and
- (d) limit the Group's flexibility in planning for, or reacting to, changes in its businesses and the industry in which the Group operates.

If the Group fails to obtain more funds to meet its requirements for the Group's business or mergers and acquisition or investments, the Group may be unable to implement its future plans.

The prices of the Shares may be volatile, which could result in substantial losses for investors

The market price of the Shares may be highly volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond the Group's control:

- (a) variations in the Group's results of operations;
- (b) success or failure of the Group's management team in implementing business and growth strategies;
- (c) gain or loss of an important business relationship;
- (d) changes in securities analysts' recommendations, perceptions or estimates of the Group's financial performance;
- (e) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- (f) changes in market valuations and share prices of companies with similar business to the Company that may be listed in Singapore;
- (g) additions or departures of key personnel;
- (h) fluctuations in stock market prices and volume; or
- (i) involvement in litigation.

APPENDIX A – RISK FACTORS

There is no assurance that an active trading market for the Shares will develop after the Rights Issue

Although the SGX-ST has granted approval in-principle for the dealing in, listing of and quotation for up to 332,336,283 Rights Shares on the Official List of the SGX-ST, there is no assurance that an active trading market for the Company's Shares will develop, or if it develops, will be sustained after the Rights Issue. There is also no assurance that the market price for the Rights Shares will not decline below the Issue Price after the Rights Issue.

It should be noted that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they can acquire such number of Rights Shares to make up one board lot of 100 Rights Shares or to dispose of their odd lots (whether in part or whole) on the SGX-ST. Further, Entitled Shareholders who hold odd lots of less than 100 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Rights Shares.

An active trading market may not develop for the Nil-paid Rights and, if a market does develop, the Nil-paid Rights may be subject to greater price volatility than the Shares.

The Rights Trading Period has been set from **20 February 2017** to **28 February 2017**. There can be no assurance that an active trading market for the Nil-paid Rights on the SGX-ST will develop during the Rights Trading Period or that any over-the-counter trading market in the Nil-paid Rights will develop. Even if active markets develop, the trading price of the Nil-paid Rights, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to participate in the Rights Issue. The Nil-paid Rights relating to the Shares held by such ineligible Shareholders may be sold by the Company, which could make the trading price of the Nil-paid Rights fall.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors will be credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for (i) the acceptance of and payment for the provisional allotments of Rights Shares and (ii) the application and payment for Excess Rights Shares are set out in this Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of the Entitled Depositor's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last date and time for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares, in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

- 1.4 **CPFIS Shareholders who have previously bought their Shares under the CPFIS can only use, subject to applicable CPF rules and regulations, their CPF Funds for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. CPFIS Shareholders who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds will need to instruct their respective CPF Approved Banks, where such CPFIS Shareholders hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for the Excess Rights Shares on their behalf in accordance with this Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Shareholders could top-up cash into their CPF Investment Accounts before instructing their respective CPF Approved Banks to accept the Rights Shares and (if applicable) apply for Excess Rights Shares. Any acceptance and (if applicable) application made directly to CDP, Electronic Applications at ATMs of the Participating Banks, the Share Registrar and/or the Company will be rejected. CPF Funds cannot, however, be used for the purchase of provisional allotments of Rights Shares directly from the market.**

SRS investors who had purchased Shares using their SRS Accounts and who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf. Such investors who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Applications at ATMs of the Participating Bank, the Share Registrar and/or the Company will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE and/or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs of the Participating Bank to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to **Appendix D** of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE, accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
 - (i) by hand to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
 - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SINO GRAND RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE VIA THE SGX-SSH SERVICE.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances and (if applicable) applications on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor, the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this **Appendix B** which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their Nil-paid Rights on the SGX-ST during the Rights Trading Period should note that the Nil-paid Rights will be tradable in board lots, each board lot comprising provisional allotments of 100 Nil-paid Rights, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their Nil-paid Rights as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the Rights Trading Period.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to Purchasers as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the Nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. Purchasers may obtain a copy from The Central Depository (Pte) Limited. Alternatively, Purchasers may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents have not been and will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made by way of an Electronic Application through an ATM of a Participating Bank).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF FIVE (5) RIGHTS SHARE FOR EVERY ELEVEN (11) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.210)

As an illustration, if an Entitled Depositor has 11,000 Shares standing to the credit of his Securities Account as at the Record Date, the Entitled Depositor will be provisionally allotted 5,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

- | | |
|--|--|
| (a) Accept his entire provisional allotment of 5,000 Rights Shares and (if applicable) apply for Excess Rights Shares. | (1) By way of Electronic Application , accept his entire provisional allotment of 5,000 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 6 March 2017 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or |
| | (2) Through CDP , complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 5,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$1,050 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to " CDP — SINO GRAND RIGHTS ISSUE ACCOUNT " and crossed " NOT NEGOTIABLE, A/C PAYEE ONLY " for the full amount due on acceptance and (if applicable) application, by hand to SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE #01-19/20 THE METROPOLIS SINGAPORE 138588 or by post, at his own risk, in the self-addressed envelope provided to SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 5.00 p.m. on 6 March 2017 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. |

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

(b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.

- (1) **By way of Electronic Application**, accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) **Through CDP**, complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$210.00, in the prescribed manner described in alternative (a) (2) above, to CDP, so as to arrive not later than **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 4,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

(c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, reject the balance and not apply for Excess Rights Shares.

- (1) **By way of Electronic Application**, accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) **Through CDP**, complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$210.00, in the prescribed manner described in alternative (a) (2) above to CDP so as to arrive not later than **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 4,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 6 MARCH 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; AND**
- (B) 5.00 P.M. ON 6 MARCH 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance and (if applicable) excess application and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF ANY ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this **Appendix B**, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for Excess Rights Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or any other application forms for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each acceptance and/or application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and/or CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares and/or application for Excess Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within three (3) business days after the commencing of trading of the Rights Shares, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares through CDP).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SINO GRAND RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft is submitted by hand to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE #01-19/20 THE METROPOLIS SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent(s) for the Rights Shares is effected by **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned or refunded to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST** to their mailing addresses as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distribution (where acceptance and/or application has been made through CDP), or by crediting their accounts with the relevant Participating Banks (where application has been made by way of an Electronic Application through an ATM of a Participating Bank), and **AT THE ENTITLED DEPOSITORS' OR THE PURCHASERS' (AS THE CASE MAY BE) OWN RISK**.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for Excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; press '2' for Mandarin
3. Press '3' for "Corporate Actions Announcement and Transactions"
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST and the Company (the "**Relevant Persons**") for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

6. Procedures for Completion of the ARE and ARS

6.1 Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares currently held by you	XX,XXX	This is your shareholdings as at Record Date.
Number of Rights Shares provisionally allotted*	Shares as at XX January 2015 (Record Date)	This is the date to determine your rights entitlements.
Issue Price	XX,XXX S\$0.0X per Rights Share	This is your number of rights entitlement. This is price that you need to pay when you subscribe for one rights share.

6.2 Select your application options

B. SELECT YOUR APPLICATION OPTIONS

<p>1. ATM Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by XX September 2015 at 9.30 p.m. Participating Banks are XXX, XXX and XXX.</p>	This is the last date and time to subscribe for the rights share through ATM and CDP.
<p>2. MAIL Complete section below and submit this form to CDP by XX September at 5.00 p.m.</p> <p>(i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "CDP-XXXXX RIGHTS ISSUE ACCOUNT" will be accepted</p> <p>(ii) Applications using a PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER will be rejected</p> <p>(iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order</p>	You can apply your rights shares through ATMs of these participating banks. This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of participating ATM banks and payee name on the Cashier's Order.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

- 1.7 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the PAL has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete the Form of Acceptance (Form A) for the number of Rights Shares which he wishes to accept; and
- (b) forward **AT THE SENDER'S OWN RISK**, by post in the self-addressed envelope provided, the PAL in its entirety, duly completed and signed, together with a single remittance for the full amount due and payable on acceptance in the manner hereinafter prescribed to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED, C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, AT 80 ROBINSON ROAD #11-02 SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2 Insufficient Payment

The attention of the Entitled Scripholder is drawn to paragraph 2.3 of this **Appendix C** entitled "**Appropriation**" which sets out the circumstances and manner in which the Company and/or Share Registrar shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and/or the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore.

3. REQUEST FOR SPLITTING (FORM B) AND RENUNCIATION (FORM C)

- 3.1 Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed and signed Request for Splitting (Form B) together with the PAL in its entirety should then be returned, by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED, C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, AT 80 ROBINSON ROAD #11-02 SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on**

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

28 February 2017 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B together with the PAL in its entirety is received after **5.00 p.m. on 28 February 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- 3.2 The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce may be renounced by completing and signing the Form of Renunciation (Form C) before delivery to the renounee(s). Entitled Scripholders should complete and sign the Form of Acceptance (Form A) of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any. The said Split Letter(s) together with the remittance for the payment (if required) in the prescribed manner should be forwarded by post at their own risk in the enclosed self-addressed envelope provided, to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED, C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, AT 80 ROBINSON ROAD #11-02 SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.3 Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete and sign the Form of Renunciation (Form C) for the number of provisional allotments or Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

4. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

- 4.1 The renounee(s) should complete and sign the Form of Nomination (Form D) and forward the Form of Nomination (Form D), together with the PAL in its entirety, duly completed and signed, and a single remittance for the full amount due and payable in the prescribed manner by post **AT HIS/THEIR OWN RISK**, in the self-addressed envelope provided, to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED, C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, AT 80 ROBINSON ROAD #11-02 SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 4.2 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing the Form of Acceptance (Form A) and the Consolidated Listing Form in the Form of Nomination (Form D) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them.
- 4.3 A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in the Form of Nomination (Form D) of only one (1) PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them.

ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO THE FORM OF ACCEPTANCE (FORM A) OR THE FORM OF NOMINATION (FORM D) (AS THE CASE MAY BE).

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

5. PAYMENT

- 5.1 Payment in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**SINO GRAND RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed and signed PAL and remittance should be addressed and forwarded, by post in the self-addressed envelope provided and **AT THE SENDER'S OWN RISK**, to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED, C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, AT 80 ROBINSON ROAD #11-02 SINGAPORE 068898** so as to arrive not later than **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 5.2 If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance. Such provisional allotments of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST AND AT THE RISK OF THE ENTITLED SCRIPHOLDERS OR THEIR RENOUNCEE(S), AS THE CASE MAY BE**, without interest or any share of revenue or benefit arising therefrom, within three (3) business days after the commencing of trading of the Rights Shares.

6. EXCESS RIGHTS SHARES APPLICATION FORM (FORM E)

- 6.1 Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) and forwarding it together with the PAL in its entirety with a **SEPARATE SINGLE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out in paragraph 5 of this **Appendix C**, by post in the self-addressed envelope provided **AT THEIR OWN RISK**, to **SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED, C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, AT 80 ROBINSON ROAD #11-02 SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

For the avoidance of doubt and notwithstanding anything in this Offer Information Statement, only Entitled Shareholders (and not the Purchasers or renounees of Entitled Shareholders) shall be entitled to apply for Excess Rights Shares.

- 6.2 The Excess Rights Shares available for application are subject to the terms and conditions contained in the PAL, the Excess Rights Shares Application Form (Form E), this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, the Excess Rights Shares Application Form (Form E), this Offer Information Statement and (if applicable) the Constitution of the Company. In the event that

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day-to-day affairs or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under the Excess Rights Shares Application Form (Form E) in any manner as the Directors deem fit and to refuse, in full or in part, any application for Excess Rights Shares without assigning any reason whatsoever.

- 6.3 If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be returned or refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within three (3) business days after the commencing of trading of the Rights Shares, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their own risk.

7. GENERAL

- 7.1 No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.
- 7.2 **Entitled Scripholders who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser.**
- 7.3 Upon listing and quotation on the Official List of the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited**", as the same may be amended from time to time. Copies of the above are available from CDP.
- 7.4 **To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) before accepting any Rights Shares or applying for any Excess Rights Shares, in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them can be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or (if applicable) apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and, if**

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

applicable, the Excess Rights Shares allotted to them. Such physical share certificates for the Rights Shares, if issued, will be sent by ORDINARY POST to person(s) entitled thereto AT HIS/THEIR OWN RISK and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

- 7.5 If an Entitled Scripholder's address stated in the PAL is different from his address maintained in the records of CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
- 7.6 A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer (including any applicable fee) in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.
- 7.7 **THE LAST TIME AND DATE FOR ACCEPTANCES OF AND/OR (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 6 MARCH 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

8. PERSONAL DATA PRIVACY

By completing and delivering the PAL, an Entitled Shareholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the Purposes; (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (“**Steps**”). Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications through an ATM of a Participating Bank set out below before making an Electronic Application through an ATM of a Participating Bank. An ATM card issued by one Participating Bank cannot be used to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM of a Participating Bank through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications through an ATM of a Participating Bank and the Steps shall mean the Entitled Depositor or his renounee or the Purchaser of the provisional allotment of Rights Shares who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the Rights Shares through an ATM of a Participating Bank. An Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction through an ATM of a Participating Bank, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him by that Participating Bank in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) excess application liable to be rejected.

For investors who hold Shares through finance companies or Depository Agents or CPFIS Shareholders who had bought Shares under the CPFIS, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or CPF Approved Banks. Such investors and CPFIS Shareholders are advised to provide their respective finance companies, Depository Agents or CPF Approved Banks, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

For SRS investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the relevant approved banks in which they hold their SRS Accounts and the respective finance companies or Depository Agents, respectively. Such investors are advised to provide their respective approved banks in which they hold their SRS Accounts, finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application by such investors made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotments of Rights Shares must be done through their respective finance companies or Depository Agents. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

acceptances on their behalf by the Closing Date. Any acceptances of the Rights Shares by such renounees or Purchasers made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

The Electronic Application through an ATM of a Participating Bank shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

1. In connection with his Electronic Application through an ATM of a Participating Bank for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM of a Participating Bank for his Electronic Application:
 - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and
 - (b) that he authorises CDP to give, provide, divulge, disclose or reveal any information pertaining to his Securities Account maintained in CDP's record, including without limitation, his name(s), NRIC/passport number(a), address(es), nationality, CDP Securities Account number, CPF Investment Account Number, the number of Shares standing to the credit of his Securities Account(s), the number of Right Shares provisionally allotted to him, his acceptance of his provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares and any other information to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, the CPF Board, CDP, the SGX-ST and the Company (the "Relevant Parties").

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM of a Participating Bank unless he presses the "Enter" or "OK" or "Confirm" or "Yes" key (as the case may be). By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key (as the case may be) shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

2. An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date (whichever is the lesser number). In the event that the Company decides to allot any lesser number of Excess Rights Shares or not to allot any number of Excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final and binding.
4. If the Applicant's Electronic Application through an ATM of a Participating Bank is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key, as the case may be, on the ATM screen of a Participating Bank) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied for that may be allotted to him.

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

5. In the event that the Applicant accepts the Rights Shares both by way of the ARE and/or the ARS (as the case may be) and also by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS, or by way of the acceptance through Electronic Application through an ATM of a Participating Bank which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's acceptance.
6. If applicable, in the event that the Applicant applies for Excess Rights Shares both by way of the ARE and also by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE and by way of application through Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Excess Rights Shares which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE, or by way of application through Electronic Application through an ATM of a Participating Bank, which he has authorised or deemed to have authorised to be applied towards the payment in respect of his application.
7. The Applicant irrevocably requests and authorises the Company to:
 - (a) register or to procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application through an ATM of a Participating Bank in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within three (3) business days after the commencing of trading of the Rights Shares; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application through an ATM of a Participating Bank for Excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within three (3) business days after the commencing of trading of the Rights Shares.
8. **BY MAKING AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS A NOMINEE OF ANY OTHER PERSON.**

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9. The Applicant irrevocably agrees and acknowledges that his Electronic Application through an ATM of a Participating Bank is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the CPF Board, the Participating Banks, the Company and/or the Share Registrar) and any events whatsoever beyond the control of CDP, the CPF Board, the Participating Banks, the Company and/or the Share Registrar and if, in any such event, CDP, the CPF Board, the Participating Banks, the Company and/or the Share Registrar do not record or receive the Applicant's Electronic Application through an ATM of a Participating Bank by **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application through an ATM of a Participating Bank and the Applicant shall have no claim whatsoever against CDP, the CPF Board, the Participating Banks, the Company, the Directors and/or the Share Registrar and their respective officers for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
10. **Electronic Applications may only be made through ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**
11. Electronic Applications through ATMs of Participating Banks shall close at **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
12. All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application through an ATM of his Participating Bank shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application through an ATM of his Participating Bank, the Applicant shall promptly notify his Participating Bank.
13. The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application through an ATM of his Participating Bank, failing which his Electronic Application will not be completed. Any Electronic Application made through ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
14. Where an Electronic Application through an ATM of a Participating Bank is not accepted, it is expected that the full amount of the acceptance/application monies will be returned and refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within three (3) business days after the commencing of trading of the Rights Shares. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be returned and refunded on the same terms.
15. In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 6 March 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application through an ATM of a Participating Bank, the Applicant agrees that:
 - (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document referred to in Section 241 of the Securities and Futures Act is lodged with the Authority);

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

- (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP, the CPF Board, the Participating Banks nor the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) acceptance of his application for Excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement and/or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
16. The Applicant should ensure that his personal particulars as maintained in the records of both CDP and the relevant Participating Banks are correct and identical; otherwise, his Electronic Application through an ATM of a Participating Bank may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
17. The existence of a trust will not be recognised. Any Electronic Application through an ATM of a Participating Bank by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
18. In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of the ARE and/or the ARS and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded, without interest or any share of revenue or other benefit arising therefrom, within three (3) business days after the commencing of trading of the Rights Shares by any one or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST AT HIS OWN RISK** to his mailing address as maintained in the records of CDP, or in such manner as he may have agreed with CDP for the payment of any cash distributions (if he accepts and (if applicable) applies through CDP); and/or
 - (b) crediting the Applicant's bank account with the Participating Bank **AT HIS OWN RISK** (if he accepts and (if applicable) applies through an ATM of that Participating Bank), the receipt by such bank being a good discharge to the Company and the CDP of their obligations, if any, thereunder.

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19. The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and/or CDP are entitled, and the Applicant hereby authorises the Company and/or CDP, to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE and/or the ARS or any other form of acceptance (including Electronic Application through an ATM of a Participating Bank) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the “Free Balance” of the Applicant’s Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

The Applicant hereby acknowledges that the Company’s and/or CDP’s determination shall be conclusive and binding on him.

20. The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application through an ATM of that Participating Bank is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the Excess Rights Shares which the Applicant has applied for.
21. With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, (if applicable) the Constitution of the Company and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, or where the “Free Balance” of the Applicant’s Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the Closing Date, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other processes of remittance at any time after receipt in such manner as they/it may deem fit.
22. The Company and/or CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, each application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Applicant, on its own, without regard to any other application and payment that may be submitted by the same Applicant. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

APPENDIX E – LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

1. DBS Bank Ltd. (including POSB)
2. Oversea-Chinese Banking Corporation Limited
3. United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

This Offer Information Statement is dated 17 February 2017

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement constitutes full and true disclosure of all material facts relating to the Rights Issue, the Group, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement 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 this Offer Information Statement in its proper form and context.

For and on behalf of

SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED

Board of Directors

Huang Yupeng
Director

Huang Yushan
Director

Zhu Jun
Director

Zeng Ming
Director

Chalermchai Mahagitsiri
Director

Soh Beng Keng
Director

Liu Ling
Director

Wong Chee Meng, Lawrence
Director