

SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED

(Company Registration No. 200706801H)

(Incorporated in Singapore)

UPDATE ON LOAN TRANSACTION BETWEEN SOLEADO HOLDINGS PTE. LTD. AND SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED – EXTENSION OF REPAYMENT

The Board of Directors (the “**Board**” or “**Directors**”) of Sino Grandness Food Industry Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the earlier announcement entitled “*Loan Transaction between Soleado Holdings Pte. Ltd. and Sino Grandness Food Industry Group Limited*” dated 13 April 2016 (the “**Earlier Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings ascribed to them in the Earlier Announcement.

Pursuant to the terms of the Loan Agreement, the Loan shall be repaid in full by the Company to the Lender on the date falling 24 months from the Closing Date, being 16 May 2018 (the “**Maturity Date**”). As at the Maturity Date, the aggregate amount due and payable by the Company to the Lender is the principal sum of US\$20,000,000 (“**Outstanding Loan**”). As the Company has not made payment of the Outstanding Loan on the Maturity Date, the Company has been in negotiations with the Lender on the extension of time for repayment of the Outstanding Loan.

The Company has today entered into a repayment framework agreement with the Lender to set out the repayment arrangement (the “**Repayment Framework Agreement**”).

The salient terms of the repayment arrangement under the Repayment Framework Agreement are as follows:

- (a) The due date of the Outstanding Loan shall be extended to 6 January 2019 (the “**Final Maturity Date**”);
- (b) The interest rate of 15% per annum shall accrue on the Outstanding Loan from 17 May 2018 until the Final Maturity Date or such date the Lender receives full payment of the Outstanding Loan from the Company, whichever is earlier (“**Applicable Interest rate**”);
- (c) The interest calculated at the Applicable Interest Rate shall be payable in quarterly instalments from 17 May 2018 to the Final Maturity Date or such date the Lender receives the full payment of the Outstanding Loan from the Company; and
- (d) The Personal Guarantee and Group Guarantee granted in favour of the Lender pursuant to the Loan Agreement shall continue to remain in full force and shall expire and be released only on such date the Outstanding Loan and all amounts due and payable by the Company to the Lender has been repaid in full in accordance with the Repayment Framework Agreement.

Save as amended by the Repayment Framework Agreement, all other terms and conditions of the Loan Agreement remain unchanged and in full force and effect.

The Board is of the view that the Repayment Framework Agreement will allow more time for the Company to repay its debts and to manage its short-term liabilities.

Copies of the following documents may be inspected at the office of the Company in Singapore at 6 Battery Road #10-01 Singapore 049909 during normal business hours for a period of three (3) months from the date of this announcement: (a) the Loan Agreement; and (b) the Repayment Framework Agreement.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (the "**Directors**") collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Repayment Framework Agreement and all transactions set out in this announcement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

CAUTION IN TRADING

Shareholders of the Company ("**Shareholders**") are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Huang Yupeng
Chairman and CEO
20 July 2018