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

QUERY REGARDING TRADING ACTIVITY

The Board of Directors of Sino Grandness Food Industry Group Limited (the "**Company**") refers to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") via Announcement for Query Regarding Trading Activity (Announcement Reference: SG160801OTHRM5UA) on 1 August 2016.

The Board wishes to respond as follows:-

SGX-ST's Query 1:

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples. If yes, the information shall be announced immediately.

Company's Response 1:

The Company is not aware of any news which may cause the volatility of its share price except that the Company received several enquiries from shareholders and investment communities in relation to the article appearing in the following link, which they have misread to suggest that the Company's beverage and canned products had failed some quality tests in China recently:-

http://www.cqn.com.cn/ms/content/2016-07/25/content_3190897.htm.

The Company wishes to clarify that the article contained two lists relating to a random quality test being conducted on a routine basis by Hubei Provincial Food and Drug Administration (湖北省食品药品监督管理局) on products of various food and beverage companies in China. The first list referred to a small sample consisting 11 items which failed the quality test while the second list referred to a larger sample of 299 items which had successfully passed the tests. The Company wishes to highlight that 4 of its products tested were categorised under the second list of 299 products which had passed the test successfully. Shareholders may wish to refer to items 163 and 164 (for Grandness (Hubei) Foods Co., Ltd (湖北振鹏达食品有限公司)) and items 268 and 269 (for Garden Fresh (Hubei) Food & Beverage Co., Limited (鲜绿园（湖北）食品饮料有限公司)) under the list of products which passed the quality test.

Saved as disclosed above, the Company is not aware of any information not previously announced concerning the Company or its subsidiaries which, if known, might explain the trading of the Company's shares.

SGX-ST's Query 2:

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's Response 2:

Saved as disclosed above, the Company is not aware of any other possible explanation for the trading.

SGX-ST's Query 3:

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

Company's Response 3:

The Company confirms that it has complied with the listing rules and, in particular, Mainboard Rule 703.

The Board of Directors collectively and individually takes responsibility for the accuracy of the aforesaid replies to the queries by the SGX-ST.

BY ORDER
By Order of the Board

Huang Yupeng
Chairman and CEO
1 August 2016