

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE IN THE CAPITAL OF THE COMPANY – RESULTS OF RIGHTS ISSUE

1. INTRODUCTION

1.1 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 following:

- (a) Its earlier announcement entitled "*Proposed Renounceable Non-Underwritten Rights Issue in the Capital of the Company*" dated 13 December 2016;
- (b) its earlier announcement entitled "*Receipt of Approval In-Principle from the Singapore Exchange Securities Trading Limited for the Proposed Renounceable Non-Underwritten Rights Issue in the Capital of the Company*" dated 4 February 2017;
- (c) its earlier announcement entitled "*Notice of Record Date for the Rights Issue*" dated 6 February 2017;
- (d) its earlier announcement entitled "*Proposed Renounceable Non-Underwritten Rights Issue in the Capital of the Company*" dated 14 February 2017;
- (e) the offer information statement dated 17 February 2017 in relation to the Rights Issue (“**Offer Information Statement**”);
- (f) its earlier announcement entitled "*Renounceable Non-Underwritten Rights Issue in the Capital of the Company – Lodgement of Offer Information Statement*" dated 17 February 2017;
- (g) its earlier announcement entitled "*Proposed Renounceable Non-Underwritten Rights Issue in the Capital of the Company*" dated 17 February 2017; and
- (h) its earlier announcement entitled "*Renounceable Non-Underwritten Rights Issue in the Capital of the Company – Despatch of Offer Information Statement*" dated 20 February 2017.

1.2 Unless otherwise defined here, all capitalised terms herein shall bear the same meanings ascribed to them in the Offer Information Statement.

2. SUBSCRIPTION RESULTS

2.1 The Board wishes to announce that, as at the close of the Rights Issue on 6 March 2017 (the “**Closing Date**”), valid acceptances and excess applications for 565,236,530 Rights Shares were received. This includes the following:

- (a) 108,757,527 Rights Shares required to be subscribed for by Mr Huang Yupeng, pursuant to the Shareholder’s Irrevocable Undertaking; and

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- (b) 454 Rights Shares and 145,500,000 excess Rights Shares required to be subscribed for and/or for which subscriptions were required to be procured by Mr Sam Goi pursuant to the Investor Irrevocable Undertaking.
- 2.2 For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement, ARE and PAL have not been, and will not be, despatched to Foreign Shareholders. Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue.
- 2.3 Based on the Company's existing issued share capital of 673,344,828 Shares as at the Record Date, a total of 306,065,830 Rights Shares were available for issue under the Rights Issue. Details of the valid acceptances and excess applications received are as follows:

	Number of Rights Shares	As a percentage of the total number of Rights Shares
Valid acceptances	298,326,897	97.47%
Excess applications	266,909,633	87.21%

- 2.4 Excluding the Rights Shares required to be subscribed for and/or to be procured pursuant to the Shareholder's Irrevocable Undertaking and the Investor Irrevocable Undertaking, valid acceptances for Rights Shares and applications for excess Rights Shares were received for 310,978,549 Rights Shares from non-undertaking Shareholders, representing approximately 157.61% of the total number of non-undertaking Shareholders' pro-rata entitlements of 197,307,849 Rights Shares.

3. EXCESS APPLICATIONS

- 3.1 A total of 7,738,933 Rights Shares which were not validly taken up by Entitled Shareholders and/or Purchasers under the Rights Issue were allotted to satisfy excess applications.
- 3.2 In the allotment of Excess Rights Shares, the Company had given preference to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the 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 of the Company had ranked last in priority.

4. FOREIGN SHAREHOLDERS

- 4.1 A total of 8,241,381 Nil-paid Rights which would otherwise have been provisionally allotted to Foreign Shareholders were sold "nil-paid" on the SGX-ST.
- 4.2 The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled 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 by means of a crossed cheque drawn on a bank and sent to them at their own risk by ordinary post to their mailing addresses as recorded with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions.
- 4.3 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 amount as the Directors may, in their absolute discretion, deem fit in the interests of the Company and

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Foreign Shareholders shall not have any claim whatsoever against the Company, the Directors, the Share Registrar or CDP in connection therewith.

5. CREDITING OF THE RIGHTS SHARES INTO SECURITIES ACCOUNTS

5.1 In respect of Entitled Depositors, Purchasers and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL), with valid acceptances and/or successful applications of Excess Rights Shares, the Rights Shares is expected to be credited to the relevant Securities Accounts of the Entitled Depositors, Purchasers and Entitled Shareholders by 13 March 2017.

5.2 Thereafter, CDP will send a notification letter to the relevant subscribers, at their own risk, stating the number of Rights Shares that have been credited to their respective Securities Accounts.

6. REFUND AND PAYMENT

Where any acceptance of and/or excess application for the Rights Shares is unsuccessful or invalid, the amount paid on acceptance and/or application or the surplus applications monies (as the case may be) will be refunded to such applicants at their own risk, without interest or any share or revenue or other benefit arising therefrom as follows:

- (a) where the acceptance and/or application had been made through CDP, 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 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;
- (b) where the acceptance and/or application had been made through the Share Registrar, 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 addresses in Singapore as maintained with the Share Registrar; and
- (c) where the acceptance and/or application had been made through Electronic Applications, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the Company and CDP of their obligations.

7. ALLOTMENT OF RIGHTS SHARES

7.1 All 306,065,830 Rights Shares will be allotted and issued by the Company on 10 March 2017. Based on the foregoing, the gross proceeds raised by the Company from the Rights Issue are approximately S\$64.27 million.

7.2 The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then 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.

7.3 In the case of Entitled Depositors, Purchasers and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL), with valid acceptances and/or successful applications of Excess Rights Shares, physical Share certificate(s) representing such number of Rights Shares have been registered in the name of CDP or its nominee and despatched to CDP today.

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CDP will then credit such number of Rights Shares to their relevant Securities Accounts. Thereafter, CDP will send a notification letter to the relevant subscribers, at their own risk, stating the number of Rights Shares that have been credited to their respective Securities Accounts.

- 7.4 In the case of other successful subscribers, share certificates representing such number of Rights Shares validly subscribed for by them will be sent, by ordinary post and at their own risk, within ten (10) Market Days after the Closing Date.

8. ISSUE AND LISTING OF RIGHTS SHARES

- 8.1 The Rights Shares are expected to be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 14 March 2017.
- 8.2 Approval in-principle has been obtained from the SGX-ST on 3 February 2017 for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions. The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

9. TRADING OF ODD LOTS

- 9.1 For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of the Shares (that is, 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.
- 9.2 The Company wishes to take this opportunity to thank Shareholders for their support towards the successful completion of the Rights Issue.

BY ORDER OF THE BOARD

Huang Yupeng
Chairman and CEO
9 March 2017