Sino Agro Food

12 April 2018

Updated Response to Finansavisen Articles

An article was published April 3rd in Finansavisen in Norway. The article misrepresented several of Sino Agro's business arrangements. A second article appeared April 8th. Again, inaccurate statements were made. Shareholders are encouraged to compare the assertions to information in SIAF's SEC filings, press releases, and conference calls. SIAF regards these articles as evidently lacking credibility, and will not respond further, or in the future, after pointing out below several of the errors in the articles.

The centerpiece of the first article concerned issues related to "collateral shares," which were originally presented in a letter from certain shareholders to the Company and the Oslo Bors in January 2018. SIAF had been working with its attorney and the Oslo Bors stock exchange toward a statement in response to these allegations to be published on the exchange's Newsweb distribution facility. In fact, the statement was published April 6th, and explains the collateral share arrangements for both a Trade Facility and two additional loans, both of which have been reduced. Finansavisen should have known that this clarifying statement was to be distributed shortly, or at least given the Company the opportunity to review its article for accuracy prior to publication.

Shareholders interested in an accurate understanding of the collateral share loan arrangements are encouraged to read the statement:

http://www.newsweb.no/newsweb/search.do?messageId=448264

Of note,

- Pursuant to the loan agreements, the lenders shall not sell any shares unless there is an event of default. The loan agreements also stipulate that the lenders are forbidden from borrowing against these shares for short-selling purposes at any time. The shares issued under the collateral arrangements are not placed on any escrow account or otherwise subject to any lock-up arrangement.

- The Company resolved in December 2017 to reduce the maximum credit line of the Facility from USD 20 million to USD 15 million as an alternative measure to the issuance of further top-up shares, since it was the Company's view that reduction of the credit line (instead of issuance of additional security shares) would better serve the interests of the Company and its shareholders.

- The Additional Loans have also been partially repaid and now stands at USD 4,694,829 (from USD 10,428,044)

- Whereas the above three bullet points do not guarantee that collateral shares haven't or won't be sold, they also demonstrate that the Company has taken actions to limit same.
- Newly issued shares have been reported in a timely and compliant manner after discussions with OSE
- The collateral shares do not carry any dividend or voting rights. Therefore, the Finansavisen statement, "… lenders have been issued Sino Agro shares as collateral, which worsens the value of the (anticipated Tri-Way) dividend" is not accurate.

18.3% of Tri-Way shares will be distributed directly to SIAF shareholders, once tax and regulatory hurdles have been surmounted, such that the transaction is cost-effective and structurally facilitates an IPO in the longer term. This has been communicated to shareholders in past filings and on conference calls.

Considerable detail about this distribution is presented in the upcoming 10-K filing.

The second Finansavisen article asserts that SIAF shareholders "have lost ownership of the company Tri-Way." Actually, Tri-Way was separated as part of SIAF's carve-out and spinoff strategy, as press released and further detailed below.

http://sinoagrofood.investorroom.com/SIAF_completes_aquaculture_carve-out

http://sinoagrofood.investorroom.com/COSO-FAQ

Questions 2 & 3 specifically explain SIAF's 36.6% ownership interest in Tri-Way.

The article speculates inaccurately about the remaining 63.4% interest in Tri-Way. Ownership percentages were published on page 38 of the following 10—Q:

https://www.sec.gov/Archives/edgar/data/1488419/000114420416134428/v451724_10q.htm

The Hong Kong Registry provides a public record of ownership, as below:

Owner	No. of Shares	Ownership in %
Sino Agro Food (OTCBB:SIAF)	36,590,000	36,6%
Ample Rise Limited	2,750,000	2,8%
Fortune Legend Investments Limited	2,750,000	2,8%
Sino Agro Food (HK) Limited	31,998,572	32%
Good Sea Limited	4,250,000	4,3%
Green & Natural Limited	3,250,000	3,3%
Lucky Shine Development Limited	2,750,000	2,8%
Yongfeng Agricultural Investment Co	4,180,068	4,2%
The Business Advocate	4,521,360	4,5%
Fine Happy Limited	2,750,000	2,8%
Flying Cristal Limited	4,200,000	4,2%

Referred to as investors (32%) in the referenced 10-Q, Sino Agro Food (HK) Limited is a holding company for certain outside owners (ownership interests in Aquafarms 2-5, other than the Company) that when combined with the ownership of the Company provides a majority voting block (68.6%) necessary to meet minimum listing requirements in Hong Kong for adequate "continuation of ownership, management/operations." The Company (SIAF) has no ownership in Sino Agro Food (HK) Limited.

These articles distort many of SIAF's business arrangements, as disputed here, and, in the Company's opinion, would not have been published without material changes or additions had proper due diligence been performed, and/or SIAF been given the opportunity to review the article to confirm or disconfirm accuracy before publication. Because many assertions are not credible, if any further articles appear, SIAF advises interested parties to consider the source. The Company will continue to present all material information in its SEC filings, Oslo Bors newsweb, press releases, and conference calls.

Again, the Company encourages shareholders interested to understand any and all of its business arrangements, financings, and operations to peruse its quarterly and audited yearly SEC filings, which reflect accurate, detailed snapshots of all, the next to be reported by April 17th, and available on the Company's website:

http://sinoagrofood.investorroom.com/sec-filings