



2018 Q3 Q&A

December 14, 2018

Dilution and Cash Dividend

1. Can the Company give an estimate of the outstanding share count end of year 2018 and 2019? Can the Company foresee committing to a share count cap?

The Company will approach the authorized share capital by the end of 2018, but it has no present intention of increasing the authorized shares.

As stated in the prepared remarks, the Company has taken measures, and plans measures it believes are sufficient to end raising capital through the issuance of common equity shares throughout 2019. Restructured businesses have already reduced new capital development; businesses are beginning to perform more efficiently; the Company has embarked on several initiatives that have begun to generate incremental positive cash flow. With all SIAF owned business segments stabilized or on a modest revenue growth trend, the Company is dedicated to managing toward positive cash flow, concentrating its efforts on improving aquafarm efficiency, increasing aquafarm production, and then raising aquafarm capacities. Tri-way began its own trading business during Q4, and will generate incremental cash flow during 2019.

At present, adopted measures appear sufficient to capitalize the Company and service its current debt without common share issuance and without new long-term debt. The Company could be required to reevaluate this position depending on the occurrence of presently unforeseeable events.

2. Previously, you've indicated that a \$.05 dividend would be declared with a record date (and possibly payment date) within 2018. When do you now foresee the cash dividend being declared and paid? Has the process with FINRA been started? What are the remaining procedures? Will funds come from positive operational income?

In retrospect the dividend announcement was made prematurely. While made in good faith, the announcement did not foresee some continued obstacles in 2018. Although much progress was made in 2018, in consideration of creditor priorities and better use of funds, the Board of Directors does not deem it prudent to pay a cash dividend at this time.

The Company maintains the intention to pay the dividend, in concert with its carve-out/spin off strategy. The Board will reevaluate the dividend after positive cash flow and cash balances demonstrate a greater than current cushion, and more progress is made paying down or re-financing existing credit lines or debt.

At present, with the agreement of Tri-way's management, the Board believes the best use of discretionary funds is for working capital and project investment that contributes to sustainable growing medium-term and long-term income at Tri-way.

Loans

3. For several quarters you've updated the status of a large syndicated loan, indicating cautious optimism on the last conference call due to solving the collateral obstacle and dealing with a preferred new lead bank. Is such a loan really realistic at this point? If so, can you provide a timetable? What are the remaining obstacles?

The large long-term loan for which Tri-way applied was hampered by the banking scandals in India involving some of the lending syndicate banks. This ground progress to a halt through Q2. Then, Tri-way encountered problems when the Indian Authority changed the policy of "local securities pledged against loans applied by foreign entities" to include the owner entity of the local security to have corresponding value of net worth. This issue was rectified and overcome during November, 2018.

We have learned that we cannot rely on the timetables agreed with the banks, nor even that the list of application deliverables from our end is exhaustive, nor on occasion even relevant throughout the process. With this caveat, the long-term loan is again now making progress, generally maintaining the verbal understandings that both parties expect to close the transaction, once all agreed application processes and evaluations verify during the process.

With this in mind, going forward the Company will announce milestone achievements after they occur, rather than communicating in good faith the path, timetable, and probability expected to occur, no matter the confidence expressed by the banks or believed by the Company.

4. Two or three smaller standby lines of credit have been mentioned. Is there any short-term optimism and/or time frame for these? Last quarter, you were optimistic, but the target date for the first loan has already passed. Are these funds needed to curtail share issuance?

The short-term loans ("STL") also encountered difficulty in getting clearance from Foreign Exchange Control Authority of China during late Q2 2018, delaying their progress. That situation resolved recently such that we finally got the approval from the security provider to issue the SBLC by a local bank in local currency instead of offshore foreign currency. So the first STL, which provides the blueprint for follow-on STLs is now again making progress.

As with the larger long-term loan, it is hard to rely on a final outcome or timetable, due to changing variables that may need further attention. Again, going forward we will report material events or accomplishing milestones after the fact rather than good faith prospective plans, regardless of confidence.

5. Can you please explain how you plan to pay all Company debt, including convertible notes, ECAB, an extended \$6M loan, and any others?

The Company has been and is assessing, discussing, and negotiating various plans to address the repayments of “Legacy Debts” the Company incurred during the past years, before and during the brunt of the business down turn. Some of the results are encouraging yet they cannot be assessed with certainty right now. This uncertainty was a factor in the Board of Directors decision to postpone the dividend.

The most practical way to pay down the debt – absent a financing that may or may not materialize and may or may not allow partial funds to pay down existing debt – is to eliminate or resolve some operational and mismanagement issues at Aquafarms 4 and 5, while refining some at Aquafarms 1 -3. We have begun this process.

6. How and when will SIAF become cash flow positive? Why won't you sell any assets to pay debt and avoid diluting the value of the company to almost nothing?

As stated earlier, the Company does not intend to issue any new common shares in 2019.

Let us be patient and look ahead a year. Management will dedicate most of its energy and time on assisting Tri-way to improve profits, working with the team at Aquafarms 4 and 5 to produce fish more efficiently and in more tanks. Let us not forget that APRAS is still by far the most practical technology system for the growing of seafood in developing countries, where demand is high. We've identified several specific areas to improve production simply by overcoming some obstacles to reach existing capacity. This is the area SIAF can derive the best return on investments of both time and money, most of which has already been spent.

Tri-way's new trading platform will create incremental positive cash flow in 2019, compared to zero through November of 2018.

The SIAF owned businesses are more efficient, stable or growing due to efforts made during 2018. Some new non-operational income has been created, mostly leasing land or facilities. So without the time and manpower demands required this year, we expect a gradual, consistent upturn as we stress efficiency and optimize product mixes.

Tri-way

7. Please update the status of the Tri-way distribution and IPO. Can you be specific about remaining steps, anticipated record dates, value per SIAF share, and a roadmap toward liquidity or income for new shareholders?

The distribution of Tri-way shares will require Form F-1 to be presented to the SEC. With Tri-way management, we are near completion to submit the F-1, which will include detailed information about Tri-way facilities, operations, and financials through the end of its fiscal year, September 30, 2018.

While the F-1 is being evaluated, it is inadvisable to comment further.

The intended IPO process is not really affected by the distribution delay, as the process can proceed as it would have, had the distribution already been made. In either case, the IPO would likely occur in 2020.

8. Tri-way surely needs a larger production before an IPO? What are Tri-way's plans to increase production at Aquafarms 4 & 5? Will there be increased production through increased ODRAS capacity? Can you give any projection for 2019 revenue?

Tri-way has always intended to demonstrate a history of growth before beginning any IPO road shows. We believe that the new trading business will jumpstart growth. We cannot project revenue for 2019 before the F-1 process, which will inhibit what we can say.

However, as explained before, we plan to concentrate efforts toward operational excellence. Within the confines of the F-1 being reviewed, which will entail a restriction on forward looking statements and projections, we do plan to provide an update of ongoing and new production processes, with an FAQ akin to this Q&A, and with new pictures or videos.

We also intend to provide updates in quarterly production in the 10-Qs, and intend to publish periodic updates of tonnage by species after the F-1 process.

9. Please provide an update on the trading business at Tri-way? Has working capital been arranged? Have sales begun? Can you provide target projections for Q4 and 2019 revenue and profit margins?

Yes, the trading business has begun. Remember that this business is Tri-way's, separate and apart from SIAF's trading division. So they will run it. Sales started in November and December totaling in the low millions. Financing has been arranged. Tri-way intends to ramp the business starting in the first quarter of 2019. It's difficult to project 2019 revenue, but Tri-way's ambitions are low nine figures in the first full fiscal year.

As already stated, this will provide incremental income to Tri-way, comparing to zero in the first ten months of 2018, and will flow through to SIAF on SIAF's income statement proportionate to its equity interest.

Other

10. Can you please provide some color regarding the recently announced Angola partnership MOU? Do you fully expect this project to be built out? If so, what is the timetable? And what would be the projected revenues? Does this project promote a spin out of the Capital Award business in the future?

It is premature to predict and or to assess how far this project will go or if financed, when stage(s) might commence.

At present our MOU covers consulting, project specification, and costing resulting in a report

to be used in essence as an application for project funding.

SIAF will announce progress after material events or major milestones are reached.

11. What are your plans to replace Mr. Sandberg on the Board of Directors and hire a new CFO?

Candidates are being considered and assessed presently. Mr. Sandberg wanted me to convey that his retiring has nothing to do with SIAF, nor his opinions about the Company, which have not changed. The feeling is mutual. Nils remains a valued member of the Sino Agro family.

Mr. Ritchey's untimely passing is a personal tragedy for SIAF management. From a business point of view, we remain indebted to him for long-term valuable contributions, and for some works in progress that we will continue. As stated in the prepared remarks, we have identified the traits we would like for a new incoming CFO, and are actively seeking candidates.

12. Will there be further penalties from the Oslo stock exchange due to releasing the distribution ex-date prematurely?

So far we have not. If we do encounter difficulties, our lawyers will be informed and we will address any situation to reach an acceptable accord, as we have in the past.