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NEWS RELEASE

SINO GRANDNESS 3Q16 NET PROFIT SURGES 116.3% TO RMB166.2M FROM RMB76.9M IN 3Q15

- 9M16 revenue up 20.5% on higher orders across the board
- 9M16 net profit up 119.9% to RMB684.1m from RMB311.2m
- 3Q16 gross profit rose 18.6% to RMB456.9m from RMB385.3m
- 3Q16 beverage segment revenue up by 25.0% to RMB784.4m due to strong orders for Garden Fresh juices
- Cash and cash equivalents increased to RMB664.9m as at 30 September 2016 compared to RMB143.0m as at 31 December 2015
- EPS increased to 20.7 cents SGD in 9M16 from 9.4 cents SGD in 9M15
- NAV per share increased to 76.0 cents SGD as at 30 September 2016 from 54.9 cents SGD as at 31 December 2015

Financial Highlights RMB (million)	3Q16	3Q15	3Q16 VS 3Q15	9M16	9M15	9M16 VS 9M15
Revenue	1,108.3	949.6	16.7%	2,960.7	2,456.6	20.5%
Gross profit	456.9	385.3	18.6%	1,225.1	1,010.5	21.2%
Gross profit margin	41.2%	40.6%	+0.6ppt	41.4%	41.1%	+0.3ppt
Distribution & selling expenses	(169.3)	(190.9)	(11.3%)	(450.1)	(364.6)	23.4%
Administrative expenses	(32.8)	(31.1)	5.4%	(125.9)	(89.0)	41.5%
Finance costs	(17.3)	187.1	(109.2%)	(35.7)	17.9	(299.6%)
Changes in fair value of the option derivatives in relation to convertible bonds	(7.1)	(244.4)	(97.1%)	113.4	(136.8)	(182.9)%
Net profit attributable to shareholders	166.2	76.9	116.3%	684.1	311.2	119.9%
Earnings per share in SGD cents*	5.0	2.3	117.4%	20.7	9.4	120.2%

*NAV and EPS are calculated based on exchange rate of SGD1=RMB4.90 and based on 673,344,828 shares

SINGAPORE – 11 November 2016 – Mainboard-listed Sino Grandness Food Industry Group Limited 中华食品工业集团有限公司 (“Sino Grandness” or “the Company” and together with its subsidiaries, the “Group”), a Shenzhen, China based integrated producer and distributor of own-branded juices and canned fruits and vegetables is pleased to announce its unaudited results for the first nine months ended 30 September 2016 (“9M16”).

In 9M16, net profit attributable to shareholders for the Group surged 119.9% to RMB684.1 million compared to RMB311.2 million from the same period last year (“9M15”) as a result of higher sales across the board and higher other operating income. For the third quarter ended 30 September 2016 (“3Q16”), net profit attributable to shareholders increased by 116.3% year-on-year to RMB166.2 million from RMB76.9 million a year ago (“3Q15”). Earnings per share (“EPS”) for 9M16 increased to 20.7 cents SGD from 9.4 cents SGD in 9M15 while net asset value (“NAV”) per share increased to 76.0 cents SGD as at 30 September 2016 from 54.9 cents SGD as at 31 December 2015.

Mr Huang Yupeng 黄育鹏, Chairman and CEO of Sino Grandness said, “I am pleased to report that the Group continued to perform well in 9M16 especially when the key growth drivers remain our higher margin own-branded business segments. Both beverage and domestic canned products segments continued to deliver double digit growth as we have successfully introduced new products within each business segments. In particular, beverage segment new products such as soft pack mixed loquat beverage as well as loquat yogurt drinks have received positive response from distributors. Going forward, we will continue to invest in product research and development in order to expand our product range further.”

Revenue analysis by segments:

	3Q			First 9 month of 2016		
	Jun-Sep 2016	Jun-Sep 2015	Change	Jan-Sep 2016	Jan-Sep 2015	Change
Product segment	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Canned products						
- overseas	176,896	183,833	(3.8)	474,537	467,577	1.5
- domestic	146,988	138,117	6.4	360,306	313,272	15.0
Beverage	784,405	627,646	25.0	2,125,896	1,675,725	26.9
Total	1,108,289	949,596	16.7	2,960,739	2,456,574	20.5

The Group’s revenue rose by 20.5% in 9M16 to RMB2,960.7 million from RMB2,456.6 million in 9M15. In 3Q16, the Group’s revenue increased by 16.7% to RMB1,108.3 million from RMB949.6 million in 3Q15. The growth in revenue

was mainly due strong orders for own-branded beverage products and domestic canned products.

Beverage segment sales which comprised Garden Fresh juices rose 26.9% to RMB2,125.9 million in 9M16 from RMB1,675.7 million in 9M15 while domestic canned products sales increased by 15.0% to RMB360.3 million in 9M16 from RMB313.3 million in 9M15. In 3Q16, beverage segment sales rose 25.0% to a RMB784.4 million from RMB627.6 million in 3Q15 while domestic canned products segment sales increased by 6.4% to RMB147.0 million in 3Q16 from RMB138.1 million in 3Q15. The increase in sales of beverage segment and domestic canned products segment was mainly driven by expansion of product range and distribution network in the PRC market. In 9M16, overseas canned products sales rose marginally by 1.5% to RMB474.5 million from RMB467.6 million largely due to higher demand from existing customers.

In 9M16, distribution and selling expenses increased by 23.4% to RMB450.1 million from RMB364.6 million in 9M15 primarily due to higher advertising and promotional (“A&P”) expenses and higher transportation costs. Higher A&P costs were incurred as the Group continued to invest in growing distribution network and brand value in the PRC market via various advertising and promotional activities, including TV advertising and sponsorship of TV programs. The increase in transportation costs was mainly attributed to the higher domestic sales of beverage and canned products in the PRC market.

In 9M16 the Group’s gross profit increased by 21.2% to RMB1,225.1 million from RMB1,010.5 million in 9M15. Gross profit margin (“GPM”) for the Group in 9M16 improved to 41.4% from 41.1% in 9M15 due to higher GPM for overseas canned products which more than offset the slight decrease in GPM for beverage and domestic canned products.

Cash and cash equivalents for the Group increased to RMB664.9 million as at 30 September 2016 compared to RMB143.0 million as 31 December 2015. The increase in cash and cash equivalents was mainly due to loans obtained and net cash generated from operating activities in 9M16.

Outlook

As a result of rising disposable incomes, ageing population, increasing health awareness and change in lifestyles, consumers have shown increasing demand for convenient products and functional health food. Sino Grandness has responded to this trend by steadily expanding its product range in order to appeal to a broader customer base in the PRC market.

To capitalize on the growth opportunities ahead, the Group will continue to invest in various advertising and promotional activities as well as sales and marketing initiatives to enhance its brand visibility and brand recognition. The Group will

also continue to expand its distribution network beyond PRC's mainland market to other markets such as Hong Kong, Macau and South East Asia.

In September 2016, the Company announced that its wholly-owned subsidiary, Garden Fresh (Shenzhen) Fruit & Vegetable Beverage Co., Ltd. ("Garden Fresh") (鲜绿园(深圳)果蔬饮料有限公司) has been accorded the prestigious "Asia Brands Top 500" award (亚洲品牌 500 强) during the 11th Asian Brand Ceremony ("Event") held in Beijing PRC on 9th September 2016. The Event was jointly organized by Asia Brands Net, People's Daily Overseas Edition and Xinhuanet.

In October 2016, the Group announced that it has secured the exclusive marketing rights for mainland PRC and Hong Kong ("Exclusive Rights") for a bio-nutritional longan essence health supplement ("P80 Natural Essence"). The Exclusive Rights shall be effective for approximately 20 years, with the term ending on 31 August 2037 ("Term"). P80 Natural Essence was developed by Chiang Mai University's Faculty of Agro-Industry and endorsed by the Faculties of Medicine, Pharmacy and Food Science after more than 10 years of research and development. The bioavailability of polyphenols in the P80 Natural Essence includes *Gallic acid*, *Ellagic acid* and *Tannic acid*, which are antioxidants known to improve general wellness. The P80 Natural Essence also contains high levels of Vitamin C.

Functional health food is a multi-billion dollar market in PRC. According to the statistics of Hong Kong Trade Development Council, China's health food and nutritional supplement market is worth more than RMB1 trillion*. Based on the data from the NBS, the country is facing an aging population issue as the number of people above 65 years old has exceeded 137 million**.

Barring unforeseen circumstances, the Group remains optimistic about its operating performance in FY2016.

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About Sino Grandness Food Industry Group Limited

Headquartered in Shenzhen the PRC, Sino Grandness is an integrated manufacturer and distributor of own-branded 鲜绿园® (Garden Fresh) juices as well as canned fruits and vegetables. Since its establishment in 1997, the Group has rapidly grown to become the No.1 brand for loquat fruit juice in China as well as one of the top exporters of canned asparagus, long beans and mushrooms from China. The Group's products are distributed globally across Europe, North America and in Asia, in renowned supermarkets, discount stores and convenience stores including as Lidl, Rewe, Carrefour, Walmart, Huelpeden, Jusco, 7-Eleven and Metro.

With stringent quality control and procedures implemented in its manufacturing processes, Sino Grandness' canned products are compliant with international standards, including Hazard Analysis and Critical Control Point ("HACCP") food safety system, British Retail Consortium ("BRC"), International Food Standard ("IFS") and International Organization for Standardization ("ISO") certifications. As such, Sino Grandness is able to export its canned products to

customers globally including the European Union, which has enforced import restrictions (commonly known as “Green Barriers”) since 2000 on the grounds of environmental and food safety issues.

Sino Grandness’ production plants in China are strategically located in four provinces, namely Shandong, Shanxi, Sichuan and Hubei – all of which are key agricultural belts. The production bases straddle different climatic regions so that production activities can be carried throughout the year.

In recognition of the Group’s R&D and brand building efforts, Garden Fresh juices have been accorded the “Innovative, Outstanding and Nutritious Award” by the PRC Food Industry in 2010 as well as “Top 100 Brand in China” by the joint agency of Global times, Asia Brand Association and China Economic Herald in 2013. Garden Fresh is ranked as the leading loquat juice brand in China in 2015 according to a market research report by Euromonitor.

Note :

This release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operating expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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