



Sino Grandness Food Industry Group Limited

(Incorporated in the Republic of Singapore on 20 April 2007)

(Company Registration No. 200706801H)

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NEWS RELEASE

SIGNING CEREMONY WITH PM GROUP TO APPOINT SINO GRANDNESS AS SOLE DISTRIBUTOR OF P80 LONGAN ESSENCE IN CHINA AND HONG KONG

SINGAPORE – 12 January 2017 – 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, canned fruits and vegetables wishes to update that further to the announcement dated 26 October 2016, the senior management of Sino Grandness and PM Group Company Limited (“PM Group”) has attended a signing ceremony on 6th January 2017 in Bangkok, Thailand (“Ceremony”) to reaffirm each other’s commitment to proceed further with the exclusive distribution of P80 Longan Essence by Sino Grandness in China and Hong Kong (“Exclusive Rights”). The Exclusive Rights shall be effective for approximately 20 years, with the term ending on 31 August 2037 (“Term”) with committed sales target of 2 million bottles for year one and increasing thereafter.

OFFICIAL SIGNING CEREMONY BETWEEN PM GROUP AND SINO GRANDNESS



Mr Prayudh Mahagitsiri from PM Group (left) and Mr Huang Yupeng from Sino Grandness (right)



Senior management of PM Group and Sino Grandness

During the Ceremony, senior management of PM Group and Sino Grandness further confirmed the proposed packaging design of P80 Longan Essence for China and Hong Kong markets as follows:

- a. Gift pack comprising 2 bottles of 240ml P80 Longan Essence
- b. Premium pack comprising 1 bottle of 240ml P80 Longan Essence
- c. Ready to drink 60 ml bottle for mass market
- d. Sachet pack in 15ml size

P80 Longan 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 on the proprietary patent-pending extraction process creating a super anti-oxidant and high vitamin C product which may considerably improve health quality of consumers. Based on focus group studies and market research, P80 Longan Essence has shown various health

benefits including better sleep quality, normalizing blood pressure, invigorated vitality and long lasting stamina.

Mr. Prayudh Mahagitsiri, Chairman of PM Group commented, “We are excited about appointing Sino Grandness Food Industries as our sole distributor in China and Hong Kong as they have a good product range and good distribution network. We are also excited about the global prospects of P80 Longan Essence. The P80 Longan Essence has superior health functions compared to other health products and beverages in the market as it will deliver noticeable health benefits within a few days of consumption. The various packaging of P80 to be launched in China and Hong Kong in the second half of 2017 will enable us to target a wide range of consumers including mass market as well as those buying P80 as gifts for their loved ones. Single dose ready-to-drink packaging will be the flagship product targeted at the mass market and has enormous potential to become a huge success in China.”

Mr Huang Yupeng 黄育鹏, Chairman and CEO of Sino Grandness said, “We are honoured to work with our business partner PM Group who has long track record in consumer goods and has developed the P80 Longan Essence, a functional health food, for the global markets. Functional Health Food is a multi-billion-dollar market in China* because we know that China is facing an aging population issue** as well as an increasing number of people having high blood pressure***. Given the proper sales and marketing strategies, I believe P80 Longan Essence can potentially grow to become another growth driver within the ever expanding product range of Sino Grandness.”

About PM Group

PM Group is one of the top, privately-held Thai conglomerates with interests in consumer products, industrial products, property development, golf courses, entertainment, education and investments. PM Group’s consumer products operations in Thailand.

Under the leadership of its Chairman Mr. Prayudh Mahagitsiri, PM Group has established the longest joint venture partnership with Nestle till present day, producing Nescafe Coffee in Thailand. Mr Mahagitsiri believes that natural and health food is one of the megatrends developing rapidly in the world. His vision is to develop P80 Longan Essence to be one of the leading health products in line with this megatrend.

*HKTRC: <http://china-trade-research.hktrc.com/business-news/article/China-Consumer-Market/China-s-Health-Food-Market/ccm/en/1/1X000000/1X002L54.htm>

**National Bureau of Statistics of the People’s Republic of China:
<http://www.stats.gov.cn/tjsj/ndsj/2015/indexch.htm>

*** Assessment Report of China Aging Population and Health Condition:
<http://apps.who.int/iris/bitstream/10665/194271/5/9789245509318-chi.pdf>

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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, Huelpen, 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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