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

SINO GRANDNESS NET PROFIT UP 16.3% TO RMB 193.3M IN 3Q17

- 3Q17 Group revenue increased by 10.8% to RMB 1,227.9m from RMB 1,108.3m due to higher orders from beverage segment and domestic canned products segment
- 3Q17 gross profit declined 1.2% to RMB 451.5m from RMB 456.9m
- Cash and cash equivalents increased significantly to RMB567.0m as at 30 September 2017 compared with RMB297.7m as at 31 December 2016 as a result of higher net cash generated from operations and completion of rights issue

Financial Highlights RMB (million)	3Q17	3Q16	3Q17 VS 3Q16	9M17	9M16	9M17 VS 9M16
Revenue	1,227.9	1,108.3	10.8%	2,803.0	2,960.7	(5.3)%
Gross profit	451.5	456.9	(1.2)%	1,053.2	1,225.1	(14.0)%
Gross profit margin	36.8%	41.2%	(4.4)ppt^	37.6%	41.4%	(3.8)ppt^
Other operating (expenses) / income	3.0	(1.0)	N.M	9.3	133.1	(93.0)%
Distribution & selling expenses	(142.5)	(169.3)	(15.8)%	(428.4)	(450.1)	(4.8)%
Administrative expenses	(35.3)	(32.8)	7.6%	(90.9)	(125.9)	(27.8)%
Finance costs	(13.8)	(17.3)	(20.1)%	(42.2)	(35.7)	18.2%
Changes in fair value of the option derivatives in relation to convertible bonds	-	(7.1)	N.M	(7.1)	113.4	N.M
Net profit attributable to shareholders	193.3	166.2	16.3%	351.1	684.1	(48.7)%
Adjusted net profit*	193.3	173.3	11.5%	358.1	471.0	(24.0)%

^ppt means percentage point

*Adjusted net profit excludes the impact of changes in fair value of the option derivatives in relation to convertible bonds ("CBs"), gain on restructuring of CBs and fair value gain on straight debt component of CBs

SINGAPORE – 10th Nov 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 and canned fruits and vegetables today reported its unaudited results for the third quarter period ended 30 September 2017 (“3Q17”) as well as first 9 months ended 30 September 2017 (9M17”).

In 3Q17, net profit attributable to shareholders for the Group increased by 16.3% to RMB193.3 million from RMB166.2 million in the same period last year (“3Q16”). The increase in net profit was mainly due to higher sales in domestic canned products and beverage products. In 9M17, net profit attributable to shareholders for the Group decreased by 48.7% to RMB 351.1 million in 9M17 from RMB 684.1 million in the same period last year (“9M16”). The decrease in net profit in 9M17 was mainly due to lower gross profit margin, absence of gain on restructuring of convertible bonds (“CBs”) and changes in fair value of CBs.

Earnings per share (“EPS”) in 3Q17 decreased to SGD 4.7 cents from SGD 5.1 cents in 3Q16 while net asset value (“NAV”) per share decreased to SGD 64.6 cents as at 30 September 2017 from SGD 73.2 cents as at 31 December 2016 due to enlarged share base upon completion of rights issue. (EPS calculations in 3Q17 and 3Q16 based on weighted average number of ordinary shares of 843,231,000 and 673,345,000 respectively. NAV calculations as at 30 September 2017 and 31 December 2016 based on 979,410,658 shares and 673,344,828 shares respectively. Exchange rate used SGD1=RMB4.87)

Mr Huang Yupeng 黄育鹏, Chairman and CEO of Sino Grandness said, “I am pleased to note that our operating performance has improved in 3Q17 with double digit growth in net profit as well as growth in sales from domestic canned products segment and beverage segment. Having completed the rights issue and generated RMB185.6 million in net cash from operating activities during 9M17, we exited the quarter with a healthy balance sheet, as our cash and cash equivalents increased to RMB567.0 million as at 30 September 2017 compared with RMB297.7 million as at 31 December 2016.”

“Going forward, we will continue to invest in various advertising and promotional activities as well as sales and marketing initiatives in order to enhance our brand visibility and expand our distribution network. I am also glad to report that in September 2017, our wholly-owned subsidiary, Garden Fresh (Shenzhen) Fruit & Vegetable Beverage Co., Ltd. was accorded the prestigious **Asia Brands Top 500** award during the 12th Asia Brand Ceremony held in Hong Kong with a brand appraisal value of RMB12.83 billion. This is the third time we received this prestigious title and listed amongst other leading brands in Asia.”

Revenue analysis by segments:

	3Q			9 months (9M)		
	Jul –Sept 2017	Jul – Sept 2016	Chang e	Jan – Sept 2017	Jan – Sept 2016	Chang e
Product segment	RMB’000	RMB’000	%	RMB’000	RMB’000	%
Canned products						
- overseas	174,552	176,896	(1.3)	453,300	474,537	(4.5)
- domestic	167,987	146,988	14.3	368,976	360,306	2.4
Beverage	885,395	784,405	12.9	1,980,694	2,125,896	(6.8)
Total	1,227,934	1,108,289	10.8	2,802,970	2,960,739	(5.3)

The Group's revenue decreased by 5.3% in 9M17 to RMB 2,803.0 million from RMB 2,960.7 million in 9M16 due to changes in consumption environment of the domestic beverage market and lower sales for overseas canned products segment. Sales of overseas canned products decreased by 4.5% to RMB 453.3 million in 9M17 from RMB 474.5 million in 9M16. Beverage segment sales which comprised Garden Fresh juices dropped by 6.8% to RMB 1,980.7 million in 9M17 from RMB 2,125.9 million in 9M16. Domestic canned products sales increased by 2.4% to RMB 369.0 million in 9M17 from RMB 360.3 million in 9M16.

In 9M17, distribution and selling expenses decreased by 4.8% to RMB 428.4 million from RMB 450.1 million in 9M16 primarily due to the decrease in advertising and promotional expenses. Administrative expenses decreased by 27.8% to RMB 90.9 million in 9M17 from RMB 125.9 million in 9M16 partly due to a decrease in exchange losses and lower professional expenses in relation to the proposed listing of the Group's beverage business.

The Group's gross profit in 9M17 decreased by 14.0% to RMB 1,053.2 million from RMB 1,225.1 million in 9M16 as a result of lower Group revenue and lower gross profit margin ("GPM"). GPM for the Group in 9M17 decreased to 37.6% from 41.4% in 9M16 due to higher cost of raw materials for the canned products segments and change in product mix for the beverage segment.

Outlook

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

In July and August 2017, the Group entered into separate agreements with 北京京东世纪信息技术有限公司 ("Jingdong") for the distribution of the Group's canned products and beverage products respectively on Jingdong's distribution network across China. Additionally, the Group has also commenced online sales of its beverage products on *www.JD.com*, which is the e-commerce platform of Jingdong.

In September 2017, the Group announced that during the official launch event in Shenzhen, PRC by 深圳市微信食品股份有限公司 ("Wechat Food") for a new distribution network called "物联网-云平台" ("cloud platform for online products") on 19 September 2017, the Company has entered into an agreement with Wechat Food to distribute the Group's own-branded Garden Fresh beverage products on the new distribution network comprising automatic vending machines to be rolled out across China using Wechat Food's cloud platform. When the vending machines are fully rolled out across China, covering multiple cities, in buildings, hotels and even offices, the Group's products will become highly visible and easily accessible to consumers.

In October 2017, the Group announced that its own-branded Garden Fresh loquat juices have been procured by China Southern Airlines Company Limited ("CSA") (中国南方航空股份有限公司) and being served in CSA's premium lounge for business and first class

travelers within Shenzhen airport (深圳机场明珠贵宾厅) since September 2017. The two Garden Fresh beverage products currently being served in CSA's lounge are 250ml loquat juice in soft-pack and 310ml loquat juice in tin can. The Group also updated that China's three other major airlines namely Air China Limited (中国国际航空股份有限公司), China Southwest Airlines (中国西南航空公司) and Sichuan Airlines Co., Ltd. (四川航空股份有限公司) have been procuring Grandness canned fruits to be served in their respective lounges as well as during flights for the third year running. The two popular canned fruits that are being procured by the airlines are yellow peach and pineapple.

Barring unforeseen circumstances, the Group remains optimistic about its operating performance in FY2017.

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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.

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 five provinces, namely Shandong, Shanxi, Sichuan, Hubei and Anhui. 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 has been accorded the prestigious "Asian Brands Top 500 Award", "Innovative, Outstanding and Nutritious Award" and "Top 100 Brand in China Award". Garden Fresh is ranked as the leading loquat juice brand in China based on a 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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