



## 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

## **SINO GRANDNESS TO ESTABLISH COLLABORATION WITH WECHAT FOOD TO EXPAND DISTRIBUTION NETWORK THROUGH MOBILE INTERNET**

- Using mobile internet to distribute the Company's full range of own-branded products, including *Garden Fresh* beverage products, *Grandness* canned food and *Hao Tian Yuan* snack food

**SINGAPORE – 4 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 is pleased to announce that it has entered into an agreement with 深圳市微信食品股份有限公司 (“Wechat Food”) to distribute the Company's full range of own-branded products, including *Garden Fresh* beverage products, *Grandness* canned food and *Hao Tian Yuan* snack food through a mobile internet platform developed by Wechat Food.

With an established track record and various certifications 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”), the Group is committed to and has established a high benchmark in producing safe food for its customers. Since its establishment in 1997, the Group has made sustained efforts and invested resources to build its 3 in-house brands namely *Grandness*, *Garden Fresh* and *Hao Tian Yuan* and has grown into one of the leading enterprises of the PRC food and beverage industry.

Mr Huang Yupeng 黄育鹏, Chairman and CEO of Sino Grandness said, “Our collaboration with Wechat Food is in line with the PRC government initiatives to promote the new economy whereby online and offline business models work together to achieve synergies in cost savings and to generate greater turnover. Even though Sino Grandness' revenue presently is still generated predominantly through offline transactions, I am aware of the rapid growth in recent years of retail e-commerce sales in China as a result of the improvement in internet speed and internet coverage as well as the introduction of smart phones and supporting mobile applications. As such, we are positioning for this new trend through working with partners with established platforms such as Wechat Food which has launched their mobile app, to connect the supply chain from the farms to the retail points with a fast, convenient and secure platform to market a wide range of food and beverage products to the increasing numbers of consumers who make purchases using mobile phones.”

According to a market report by CBNDData, the percentage of Chinese internet users who purchased products online has increased rapidly from 35.6% in 2011 to 60.0% in 2015\*. Over the next few years, retail e-commerce sales in China are expected to grow from approximately USD298.9 billion in 2015 to USD839.5 billion in 2021\*\*.

Through the collaboration, Sino Grandness aims to expand its reach and turnover further in the PRC market through assisting Wechat Food to build a comprehensive distribution network comprising tens of thousands of retail points covering hundreds of cities which connects suppliers of safe and healthy food items with consumers through mobile internet.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the above agreement with Wechat Food save for their shareholdings in the Company.

### **Signing ceremony between Sino Grandness and Wechat Food**



**Sino Grandness Chairman Mr Huang Yupeng**



**Sino Grandness Chairman Mr Huang Yupeng (left) and Wechat Food Chairman Mr Tan Wei (right)**

\* <http://www.cbndata.com/report/87>

\*\* <https://www.statista.com/statistics/246041/forecast-of-b2c-e-commerce-sales-in-china/>

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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.

### **About 深圳市微信食品股份有限公司 ("Wechat Food")**

Wechat Food's business operations include research and development of food technology, investment in food related companies and marketing of food products. Wechat Food has successfully launched a mobile application called 微信食品 (Wechat Food App) to build a comprehensive online distribution network connecting tens of thousands of retail shops covering hundreds of cities. Wechat Food is owned by three individuals namely, 谭双贵 (Tham Shuang Gui), 张燕 (Zhang Yan) and 王柳 (Wang Liu).

#### *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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