



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 SECURES EXCLUSIVE MARKETING RIGHTS FOR BREAKTHROUGH INNOVATIVE BIO-NUTRITIONAL PRODUCT P80 LONGAN ESSENCE FROM PM GROUP

SINGAPORE – 26 October 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, canned fruits and vegetables is pleased to announce that it has entered into an agreement (“Agreement”) with PM Group Company Limited (“PM Group”) to secure the exclusive marketing rights for mainland China 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”). Upon expiration of the Term, the Exclusive Rights may be extended subject to mutual agreement.

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 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 Natural Essence has shown various health benefits including invigorated vitality, long lasting stamina, better sleep quality and normalizing blood pressure.

With this unique and powerful extraction process, 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.

Mr Joseph Chia, director of marketing for P80 Natural Essence commented, “PM Group has an exclusive agreement with Chiang Mai University for the development, production, marketing and distribution of P80 Natural Essence. We are excited about the global prospects of P80 Natural Essence once we commence mass production from Thailand, from the second half of 2017. The P80 Natural Essence is a health supplement with superior health functions compared to other health products and beverages in the market. The ready-to-drink natural essence will have mass market appeal as it will deliver noticeable health benefit upon regular consumption. Energy drink has taken the market by storm, but it has since been inundated with competition. This P80 Natural Essence will be a new category of functional drink which is all natural with no chemicals which the market is waiting for. P80 Natural Essence has shown various benefits including invigorated

vitality, long lasting stamina, improving sleep quality and relieving stress through normalizing blood pressure after 25 days of consumption. P80 Natural Essence may come in different packaging and sizes in order to appeal to a broader customer base. Single dose ready-to-drink packaging will be the flagship product targeted at the mass market and has enormous potential to become the next “big drink” in China.”

“We are in discussions with various food and beverage companies in various countries for distribution rights. For China and Hong Kong, we are excited to work with our business partner Sino Grandness as it has a proven distribution network which we can leverage on in China and Hong Kong to expand our foot print beyond Thailand rapidly. We have no doubt that the P80 Natural Essence will be a big success for Sino Grandness,” Mr Chia added.

Mr Huang Yupeng 黄育鹏, Chairman and CEO of Sino Grandness said, “Functional health food is a multi-billion dollar market in China. According to the statistics of Hong Kong Trade Development Council, China’s health food and nutritional supplement market is worth more than RMB1 trillion*. As a result of the people’s rising health awareness, it can be expected that this market will continue to grow. Based on the data from the National Bureau of Statistics of China, the country is facing an aging population issue as the number of people above 65 years old has exceeded 137 million**. In addition, from the Assessment Report of China Aging Population and Health Condition prepared by the World Health Organization, 66.9% of the elderly over 60-year old in China have high blood pressure***. Therefore, it is a huge and growing market as the population ages, disposable income rises and the number of people with deteriorating health conditions increase due to the change in lifestyles. As such, given the proper sales and marketing strategies, P80 Natural Essence can potentially grow to become another growth driver within the ever expanding product range of Sino Grandness.”

The Agreement is subject to shareholders’ approval and is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company and the Group for the current financial year ending 31 December 2016

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 include **Nescafé**, **Krispy Kreme** and **Coffee Gallery**. Under the leadership of its Chairman Mr. Prayudh Mahagitsiri, PM Group manages the businesses of various subsidiaries and associate companies with assets valued at over USD 2 billion.

*HKTDC: <http://china-trade-research.hktdc.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, 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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