



**Sino Agro Food**

**Interim Report Third Quarter 2016**

- Revenue of USD 124.1M Remains Level with Q3 2015
- Gross Profit Increases 3% with Gross Margin of 26.9%
- EPS of USD 0.95 Falls Short of Q3 2015, but Increases 16% over Q2 2016
- First Phase of Zhongshan Aquaculture Farm 50% Stocked

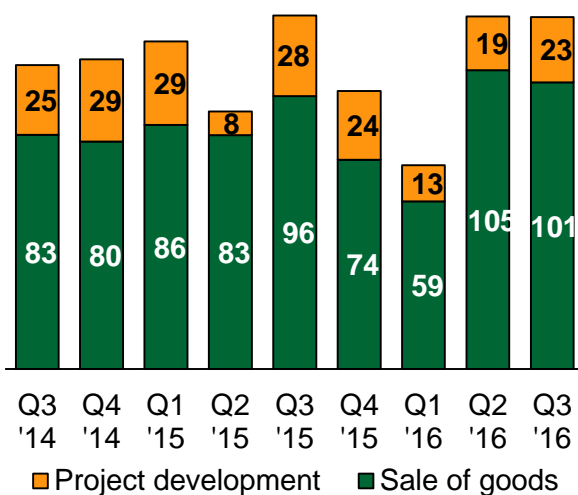
### July – September 2016

- Revenue for the period: USD 124.1M (124.7)
- Gross profit for the period: USD 33.4M (32.3)
- Gross profit margin: 26.9% (25.9%)
- Net Income attributable to SIAF for the period: USD 21.3M (21.5)
- Diluted earnings per share: USD 0.95 (1.14)

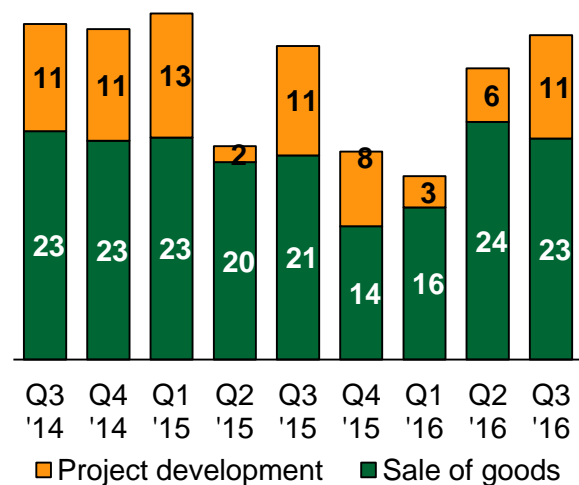
### Key figures

(USD M, except per share data)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Revenue	124,1	124,7	0%	320,3	331,0	-3%
Gross profit	33,4	32,3	3%	82,2	89,8	-8%
Margin	26,9%	25,9%		25,7%	27,1%	
Net income	28,6	27,7	3%	67,7	73,5	-8%
Margin	23,1%	22,2%		21,1%	22,2%	
Net income attributable to SIAF	21,3	21,5	-1%	48,7	54,6	-11%
Earnings per share (USD) - fully diluted	0,95	1,14	-17%	2,24	3,02	-26%
Book value per share (USD) - fully diluted	23,5	25,6	-8%	n.a.	n.a.	n.a.

### Revenue per quarter (USD M)



### Gross profit per quarter (USD M)



## Second quarter 2016 highlights

- Overall financial results were stable as compared to Q3, 2015. Compared to Q2, 2016 gross profits increased by 11% to USD 33.4M (30.0), and earnings per share increased by 16% to USD 0.95 (0.82). Most business segments showed growing results.
- Revenue for the quarter ending September 30, 2016 totaled USD 124.1M (124.7). Revenue from the sale of goods increased by 5% (y-o-y) to USD 100.7M (96.0), while revenue from project development and management fees decreased by 18% to USD 23.4M (28.6).
- Cash and equivalents increased from USD 3.3M at the end of Q2 2016 to USD 9.1M September 30, 2016.
- G&A expenses increased by 27% in Q3 2016 to USD 5.0M (4.0). The increase was mainly due to corporate exercises associated with the carve-outs.
- As of September 30 2016, the Company had net working capital of USD 342.8M (304.3)
- Stockholders' equity increased by 15% to USD 535.3M (464.3) or USD 23.5 per share, based on the weighted average number of fully diluted outstanding shares in the quarter. The increase of USD 1.71 per share versus Q2, 2016 is due to the sequential increase of USD 19.7M and a small reduction in fully diluted shares.

Revenue (USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15
Aquaculture	12,5	28,6	-56%	57,5	75,0
Integrated Cattle Farm (SJAP)	43,4	35,5	22%	108,4	108,2
Organic Fertilizer (HSA)	5,2	4,9	8%	15,6	14,0
Cattle Farms (MEIJ)	9,7	9,6	0%	21,6	27,4
Plantation	6,7	7,4	-9%	12,2	11,6
Seafood & Meat Trading	23,2	10,1	131%	49,3	27,5
<b>Sale of goods total</b>	<b>100,7</b>	<b>96,0</b>	<b>5%</b>	<b>264,5</b>	<b>263,6</b>
Aquaculture	23,4	28,6	-18%	54,7	62,3
Cattle Farms	-	-	<i>n.a.</i>	-	-
Seafood & Meat Trading	-	-	<i>n.a.</i>	-	3,8
<b>Project development total</b>	<b>23,4</b>	<b>28,6</b>	<b>-18%</b>	<b>54,7</b>	<b>66,1</b>
<b>Group total</b>	<b>124,1</b>	<b>124,7</b>	<b>0%</b>	<b>319,3</b>	<b>329,7</b>

## Core businesses

Gross profit growth stemmed mainly from a minor increase in gross margin and solid sales performance in value added processing of imported beef, concentrated livestock feed, and trading of seafood and imported beef. Capital investments were made in SJAP and Aquaculture to allow for further capacity expansion and growth in Value Added Processing and to complete the first phase of the new Zhongshan aquaculture farm.

- **Aquaculture (CA):** Revenue from the sale of goods decreased 56% to USD 12.5M (28.6), while gross profit decreased 42% to USD 3.2M (5.5). Facilities at AF1 began extensive renovation upgrades during Q3. These will continue through the end of November. Production is fully curtailed until completion. Also, retrofitting and modifications were performed at AF2 and AF3 during the quarter and are scheduled to continue throughout the remainder of the year. Whereas production will be reduced during this interim period, grow-out facilities for tiger prawns at AF2 and a tripling of harvests per year at AF3 are expected to dramatically improve 2017 production.
- **Integrated Cattle (SJAP):** Total revenue for the segment increased 22% to USD 43.4M (35.5), resulting in a 52% increase in gross profits to USD 10.2M (6.7). The gains were spearheaded by revenue increases of 196% in value added processing of imported beef to USD 24.6M (8.3) and 65% in concentrated livestock feed to USD 4.5M (2.7). Together these areas contributed gross profit of USD 6.6M (3.5). Value added processing production increased 146% in Q3 to a record 3,185 metric tons (1,297).
- **Seafood and Meat Trading:** Revenue increased by 131% to USD 23.2M (10.1) with import volume growing to 1,782 metric tons (1,087). Gross margins averaged 11.4% creating a 138% gain in gross profit to USD 2.7M (1.1). Import of seafood almost doubled from the previous quarter to USD 10.1M, accounting for 44% of revenue and 45% of gross profit. This business is meeting original production and margin targets. The Company is confident increases will continue as the revolving Trade Credit Facility for the Shanghai Distribution Center is fully and efficiently utilized and possibly increased as lucrative opportunities become available, and as the disposable income of China's middle class continues to rise.

Gross profit (USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15
Aquaculture	3,2	5,5	-42%	13,1	17,1
Integrated Cattle Farm (SJAP)	10,2	6,7	52%	29,0	27,2
Organic Fertilizer (HSA)	2,2	1,9	14%	6,2	5,8
Cattle Farms (MEIJ)	0,5	0,6	-16%	1,2	1,3
Plantation	3,7	4,9	-25%	6,5	8,0
Seafood & Meat Trading	2,7	1,1	138%	5,9	3,6
<b>Sale of goods total</b>	<b>22,4</b>	<b>20,8</b>	<b>8%</b>	<b>61,8</b>	<b>62,9</b>
Aquaculture	10,9	11,5	-5%	19,3	23,3
Cattle Farms	-	-	n.a.	-	0,0
Seafood & Meat Trading	-	-	n.a.	-	2,4
<b>Project development total</b>	<b>10,9</b>	<b>11,5</b>	<b>-5%</b>	<b>19,3</b>	<b>25,7</b>
<b>Group total</b>	<b>33,4</b>	<b>32,3</b>	<b>3%</b>	<b>81,1</b>	<b>88,5</b>

## Outlook and subsequent events

- **Aquaculture (CA):** The first two buildings housing 72 APM units at AF4 (“MegaFarm”) are complete, and have been stocked to 50% of capacity, expected to increase to 75% by year-end. Stocking consists of the following varieties for full grow-out and post harvesting: Giant Freshwater Prawns, Grass Prawns, Sleepy Cod, Jade Perch, Murray Cod, and various higher priced fresh water mixed fish.

As part of the aquaculture carve-out, the Company has submitted all relevant documents for the transfer of all fishery assets to Jiangmen City A Power Fishery Development Co., Ltd. (“JFD”). JFD is in the process of becoming a Wholly Foreign Owned Enterprise (“WFOE”) under the ownership of Triway Industries Limited. (Hong Kong), (“Triway”). SIAF and Triway auditors are reviewing financial data treatments and procedures with the intended official carve-out date for reporting purposes recorded as October 1, 2016.

Despite renovation, upgrading, modernization and supporting transformation work, the Company expects overall improvement in sales in the fourth quarter due to commencement of sales at AF4. With AF1 coming back on line; with AF2 and AF3 recommencing toward former capacity or expanded capacity; and with AF4 expanding facility use, the Company is optimistic about aquaculture prospects for Q1 2017 and beyond.

Management chose this time to perform supporting work and upgrades for several reasons, as follows:

- Production ramp at AF4 is expected to overcome production reduction at AF1 - AF3 in Q4, due in part to support work to integrate other aqua farms.
  - All facilities are best served by continual improvement to optimize yields, margins, quality, and longevity, with particular attention paid to insuring AF4 performs optimally before full commercial scaling before AF4 and AF5 install and develop similar, expanded support facilities within their own complexes.
  - The upcoming carve-out has been aligned with the Company modernizing its aquaculture facilities into integrated high-yielding stations, increasing value from both asset and projected income perspectives.
- **Group:** The Company has secured a loan commitment from a group of third party lenders in the amount of USD 8.2M to fund intra-company lending from SIAF to Triway for short-term working capital. The first intra-company loan agreement between the Company and Triway for USD 6M was entered July 5, 2016 with funds disbursed between July 15 and August 6, 2016. The remaining USD 2.2M will be disbursed before the end of the year. The company continues to pursue other value accretive financing options for Triway, including its on-going application to a reputable bank for a working capital loan facility still progressing.

### **Carve-out exercises**

The Company believes that the sum of its parts is worth considerably more than the market value of the whole. Accordingly, it has undertaken efforts to carve out its major businesses, establishing each as a standalone corporate entity. These carve-out enterprises will seek to establish value within the same financial measures afforded peer group companies, in part through private placement prior to applying to higher value market exchanges for IPO, utilizing market industry experts to assist those efforts in securing the best market(s) for listing.

Having had extensive discussions with consultants and underwriting banks and brokers, as a general proposition, the process involves three steps:

- Issue to SIAF shareholders a sustainable portion of equity interest of the carve-out based on a value equal to the entity's net tangible assets ("NTA").
- Seek and complete pre-IPO stages of private placements, aiming to establish a value approximating 2 times NTA, providing an exit opportunity to said existing shareholders.
- Seek listings on recognized exchanges with the intention of establishing IPO valuations of approximately 3-4 times NTA, or approximately 12 -16 times earnings.

### **CEO commentary**

*"During the third quarter of 2016 we made significant inroads executing on our strategic plan to restructure the business and maximize value for shareholders. Overall, it was a very positive quarter, exhibited through improved gross margins, a stronger cash balance and significant operational progress in both the aquaculture and the cattle/beef businesses.*

*To recap our high-level strategy, we are undertaking a series of initiatives to transition Sino Agro Food into an investment vehicle with positions in multiple independent, public companies operating within China's agricultural industry. To this end, Sino Agro Food's two largest and fast growing subsidiaries – the aquaculture and beef businesses – will be carved out from the parent company and listed on stock exchanges where we believe their shares will be able to trade at a market value commensurate with peers and substantially higher than their embedded values. As part of this carve out and IPO process, we are raising growth capital for these subsidiaries to accelerate their development, with Sino Agro Food expected to retain significant stakes in each of the companies after the spin offs have occurred.*

*One key focus right now is our aquaculture business, which we believe has the potential to develop into an extremely profitable and sustainable business model of much larger size. Through its proprietary indoor recirculating aquaculture systems ("RAS") technology, the aquaculture business produces disease-free, superior quality and higher-margin seafood to the China markets all year-round. With aquaculture the fastest growing food production system in the world, and currently accounting for nearly 45% of world seafood supply, we are confident that our superior production methods position the aquaculture subsidiary as a competitive and significant player in a rapidly growing market.*

*By transferring all the assets from our wholly-owned subsidiary, Capital Awards, into a standalone entity, we expect to attract institutional investors who specialize in investing in high-growth business opportunities, spurring higher valuations for the "new" entities, as well as SIAF. We strongly believe this strategy is the most efficient way to enable the aquaculture business to grow rapidly, benefiting all shareholders.*

*During the third quarter, we took necessary steps to commence work at the aqua-farms. This has curtailed production in the short term, but is expected to expand capacity, and therefore revenues, as early as Q4 2016. The Company was able to secure \$8.2 million in working capital to facilitate these efforts while continuing to work closely with a major Asian bank toward securing a larger loan to accelerate the growth of the company. The larger loan is taking longer to complete since the prospective lender is agreeing to help underwrite the IPO as well. Thus, while the overall review and approval process for the “entire package” consumes more time, it also provides the Company’s shareholders a much greater return on investment than would other available alternatives, at this time. In the interim we will continue to develop the aquaculture farms organically via internally generated cash flow. With our plan to develop the world’s largest RAS farm, we are confident the aquaculture business can grow into a highly profitable company, driven by demand from the burgeoning middle classes in China.*

*SJAP, our cattle and beef subsidiary, is also undergoing several strategic changes to maximize its value. Specifically, we are restructuring the business with the goal of listing it on a stock exchange in early 2017. As with the aquaculture business, the carve-out will make it easier to more accurately value the company and is expected to attract more investors at a higher valuation.*

*SJAP is transitioning toward production of higher quality beef which, as well as generating improved margins for the company, allows us to tap into an underserved niche. Currently, there is limited supply of premium quality beef in China and products on the market are typically imported from abroad. However, as Chinese consumers become wealthier and more discerning about food quality, the consumption of premium beef is expected to grow significantly. Sino Agro Food is one of the foremost players in this market and our leadership position in the industry provides an advantage going forward.*

*During the quarter, we continued to transition toward premium cattle breeds. Coupled with higher prices for domestic beef, the transition led to a marked improvement in gross margins. In the short term our cash flow is constrained by ongoing investments in these business segments; yet, results from our strategy have already begun to materialize. As obscure as it may seem, the Company is reaching an inflection point in its growth trajectory and reiterates its appreciation to shareholders who remain confident in the Company’s mission going forward.”*



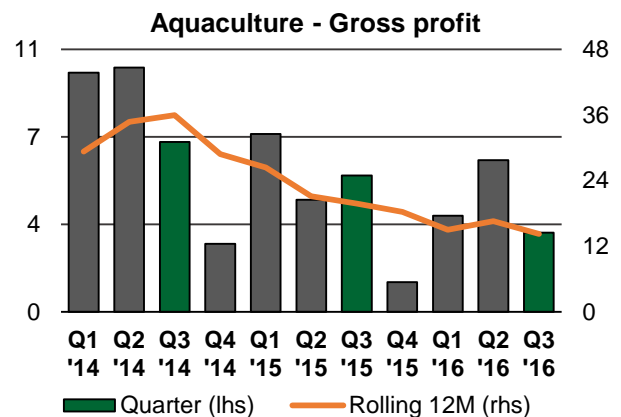
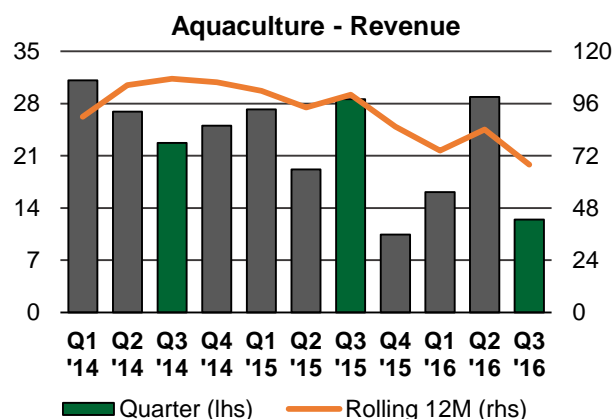
## Aquaculture (CA & Tri-Way)

(USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Sleepy cod	2,9	2,5	18%	3,6	6,2	-41%
Eels	-	8,9	-100%	5,9	29,8	-80%
Prawns	4,5	11,1	-60%	22,9	31,9	-28%
Lower value finfish	5,1	6,1	-17%	57,5	75	-23%
<b>Revenue</b>	<b>12,5</b>	<b>28,6</b>	<b>-56%</b>	<b>89,9</b>	<b>142,8</b>	<b>-37%</b>
Sleepy cod	0,8	0,5	51%	0,9	1,2	-28%
Eels	-	0,2	-100%	1,4	7,3	-81%
Prawns	0,7	2,9	-74%	4,8	6,4	-25%
Lower value finfish	1,7	1,8	-10%	6,0	2,1	189%
<b>Gross profit</b>	<b>3,2</b>	<b>5,5</b>	<b>-42%</b>	<b>13,1</b>	<b>17,1</b>	<b>-23%</b>
Sleepy cod	26,3%	20,6%		24,7%	20,2%	
Eels	n.a.	2,5%		23,3%	24,6%	
Prawns	16,6%	26,0%		21,2%	20,2%	
Lower value finfish	32,7%	30,2%		10,4%	2,7%	
<b>Gross profit margin</b>	<b>25,4%</b>	<b>19,1%</b>		<b>14,5%</b>	<b>11,9%</b>	

Revenue from Aquaculture decreased by 56% to USD 12.5M (28.6), with a harvest volume of 2 385 MT (2 855). Gross profit decreased by 42% to USD 3.2M (5.5) equivalent to a margin of 25.4% (19.1%), in line with the commentary provided on page 5.

The Company is interchanging the species of seafood and prawns at its various farms such that referring to each as “aquaculture farms (“AF”)” is now more accurate. Fish Farm 1 becomes AF1 and Prawn Farms 1 through 4 become AF2 - 5. These labels will be forthcoming in the Company’s financial reports as the carve-out materializes.

Sales volume per product (Aquaculture)	Q3 '16	Q3 '15	9M '16	9M '15
<b>Sleepy cod (MT)</b>	<b>280</b>	<b>145</b>	<b>321</b>	<b>397</b>
ASP / kg (USD)	10,5	17,1	11,3	15,6
- Gross profit margin	26%	21%	25%	20%
<b>Giant mottled eel (MT)</b>	-	<b>425</b>	<b>265</b>	<b>1 349</b>
ASP / kg (USD)	-	21,1	22,4	22,1
- Gross profit margin	n.a.	2%	23%	25%
<b>Prawn (MT)</b>	<b>562</b>	<b>676</b>	<b>1 844</b>	<b>2 082</b>
ASP / kg (USD)	8,0	16,4	12,4	15,3
- Gross profit margin	17%	26%	21%	20%
<b>Lower-value finfish (MT)</b>	<b>1 543</b>	<b>1 609</b>	<b>6 569</b>	<b>1 609</b>
ASP / kg (USD)	3,3	3,8	3,8	-
- Gross profit margin	33%	30%	24%	30%
<b>Total harvest volume</b>	<b>2 385</b>	<b>2 855</b>	<b>8 999</b>	<b>5 437</b>

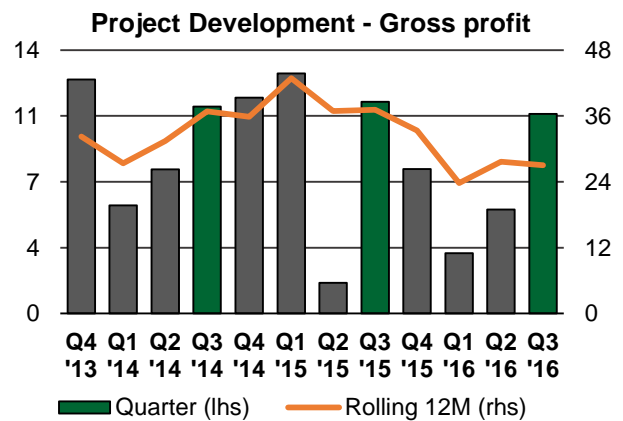
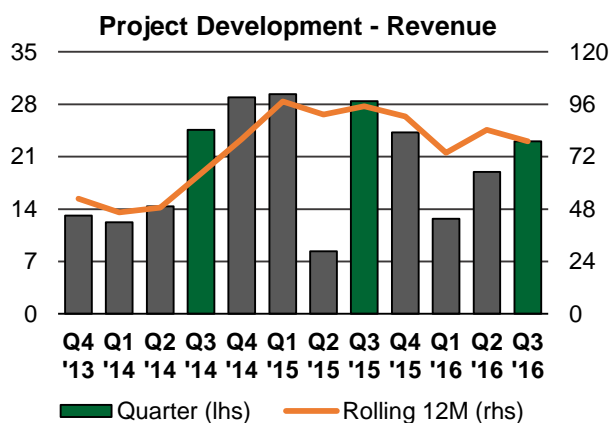




## Project Development

(USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Revenue	23,4	28,6	-18%	55,0	62,3	-12%
Gross profit	10,9	11,5	-5%	19,7	23,3	-15%
Gross profit margin	46,7%	40,1%		35,7%	37,3%	

Revenue from Project Development decreased by 18% to USD 23.4M (28.6), equivalent to a margin of 46.7% (40.1%). Capital Award deferred billing of Q3 work performed at AF3 until Q4, due to the injection of assets into Triway. This deferred revenue approximates the shortfall between Q3 2016 and Q3 2015.



## Integrated Cattle Farm (SJAP)

### Cattle Operation

(USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Live cattle	7,1	16,4	-56%	15,9	48,7	-67%
Bulk livestock feed	1,6	1,6		5,0	5,1	-3%
Concentrated livestock feed	4,5	2,7	65%	12,5	9,5	32%
Fertilizer	0,8	0,6	43%	2,1	1,8	21%
<b>Revenue</b>	<b>14,1</b>	<b>21,3</b>	<b>-34%</b>	<b>35,5</b>	<b>65,1</b>	<b>-45%</b>
Live cattle	1,2	1,1	8%	2,6	8,1	-68%
Bulk livestock feed	0,9	0,9	3%	2,7	2,7	2%
Concentrated livestock feed	2,0	1,1	74%	5,6	3,9	44%
Fertilizer	0,3	0,2	36%	0,7	0,6	11%
<b>Gross profit</b>	<b>4,3</b>	<b>3,3</b>	<b>31%</b>	<b>11,6</b>	<b>15,3</b>	<b>-24%</b>
Live cattle	16,6%	6,7%		16,4%	16,6%	
Bulk livestock feed	55,0%	53,6%		55,0%	52,3%	
Concentrated livestock feed	44,5%	42,1%		44,4%	40,6%	
Fertilizer	33,3%	35,0%		33,4%	36,3%	
<b>Gross profit margin</b>	<b>30,9%</b>	<b>15,6%</b>		<b>32,7%</b>	<b>23,5%</b>	

Revenue decreased 34% to USD 14.1M (21.3), solely explained by a lower sales of live cattle to 3 230 head in Q3 2016 versus 5 136 in Q3 2015 and due to lower beef prices during the quarter. Gross profit increased by 31% to USD 4.3M (3.3) equivalent to a margin of 30.9% (15.6%) due to higher beef cattle prices and a higher share concentrated livestock feed sold.

Live cattle sales decreased 56% to USD 7.1M (16.4), as the Company continues to transition to premium cattle breeds. Average sales prices for the quarter were CNY 30/kg, continuing the upward trend from a low price of CNY 20/kg in Q1. As prices steady or continue to increase, the Company expects to grow its inventory of fattening cattle, commensurate with expected margins and dependent on new contracts with cooperative farmers. The inventory was reduced when the pricing trough rendered live cattle sales unprofitable earlier in the year. Replenishing inventory will progress over several months.

All other divisions within SJAP were either steady or improving during Q3 2016, which is encouraging.

Sales volume per product (SJAP live beef cattle)	Q3 '16	Q3 '15	9M '16	9M '15
<b>Beef cattle (#)</b>	<b>3 230</b>	<b>5 136</b>	<b>6 463</b>	<b>15 206</b>
- o/w sold externally as live cattle	3 230	3 936	6 463	15 206
ASP per head (USD)	2 204	3 185	2 453	3 203
<i>Gross profit margin</i>	<i>17%</i>	<i>7%</i>	<i>16%</i>	<i>17%</i>

## Feed and fertilizer

Revenue from feed and fertilizer increased by 41% to USD 6.9M (4.9), attributable to the strong growth in feed sales as well as fertilizer.

Sales volume per product (SJAP Animal feed)	Q3 '16	Q3 '15	9M '16	9M '15
<b>Bulk livestock feed (MT)</b>	<b>9 013</b>	<b>8 939</b>	<b>27 583</b>	<b>29 499</b>
ASP / MT (USD)	180	167	180	174
Gross profit margin	55%	54%	55%	32%
<b>Concentrated livestock feed (MT)</b>	<b>9 967</b>	<b>6 000</b>	<b>27 958</b>	<b>21 564</b>
ASP / MT (USD)	447	437	448	441
Gross profit margin	45%	44%	44%	23%
<b>Organic fertilizer (MT)</b>	<b>6 341</b>	<b>3 000</b>	<b>13 108</b>	<b>9 449</b>
ASP / MT (USD)	190	181	162	186
Gross profit margin	33%	35%	33%	36%
<b>TOTAL FEED VOLUME (MT)</b>	<b>18 980</b>	<b>14 939</b>	<b>41 066</b>	<b>31 013</b>

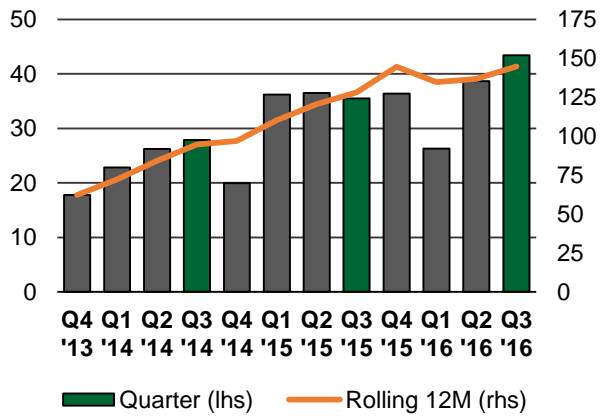
## Value added processing (VAP)

(USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Slaughter	0,3	0,4	-25%	0,3	0,9	-65%
VAP of local beef cattle	4,5	3,4	31%	10,0	9,1	9%
VAP of imported beef	24,6	8,3	197%	62,7	30,9	103%
<b>Revenue</b>	<b>29,4</b>	<b>14,2</b>	<b>107%</b>	<b>73,0</b>	<b>43,1</b>	<b>69%</b>
Slaughter	0,2	0,2	-16%	0,2	0,5	-63%
VAP of local beef cattle	1,1	0,8	37%	2,2	2,3	-2%
VAP of imported beef	4,6	2,3	97%	15,0	9,0	66%
<b>Gross profit</b>	<b>5,9</b>	<b>3,4</b>	<b>72%</b>	<b>17,4</b>	<b>11,9</b>	<b>46%</b>
Slaughter	56,7%	50,9%		56,7%	53,4%	
VAP of local beef cattle	23,6%	22,7%		22,1%	24,7%	
VAP of imported beef	18,7%	28,2%		23,9%	29,2%	
<b>Gross profit margin</b>	<b>19,9%</b>	<b>23,9%</b>		<b>23,8%</b>	<b>27,5%</b>	

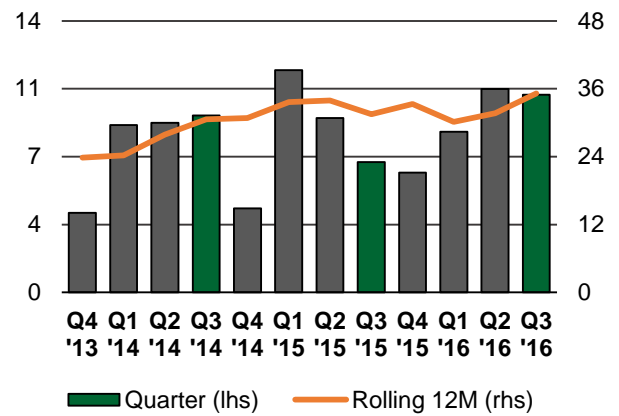
SJAP's integration into VAP continues to bear fruit with VAP revenue growing 107% to USD 29.4M (14.2). Volume processed grew by 146% to a record 3 185 MT (1 287). Margin declined slightly to 19.9% (23.9%) due to slightly lower sales prices, however per kg costs was also reduced substantially during the quarter.

Sales volume per product (SJAP VAP)	Q3 '16	Q3 '15	9M '16	9M '15
<b>Packaged meat - local cattle (MT)</b>	<b>478</b>	<b>301</b>	<b>1 191</b>	<b>798</b>
ASP / kg (USD)	9,3	11,3	8,4	11,5
- Gross profit margin	24%	23%	22%	15%
<b>Packaged meat - imported beef (MT)</b>	<b>2 707</b>	<b>996</b>	<b>7 114</b>	<b>3 548</b>
ASP / kg (USD)	9,1	11,3	8,8	9,6
- Gross profit margin	19%	23%	22%	15%
<b>TOTAL VOLUME PROCESSED</b>	<b>3 185</b>	<b>1 297</b>	<b>8 305</b>	<b>4 346</b>

**SJAP - Revenue**



**SJAP - Gross profit**



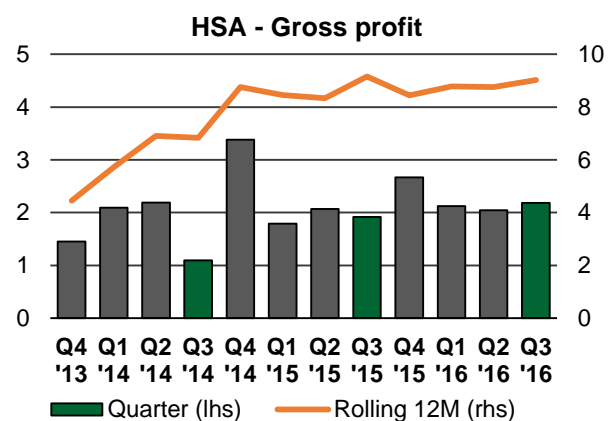
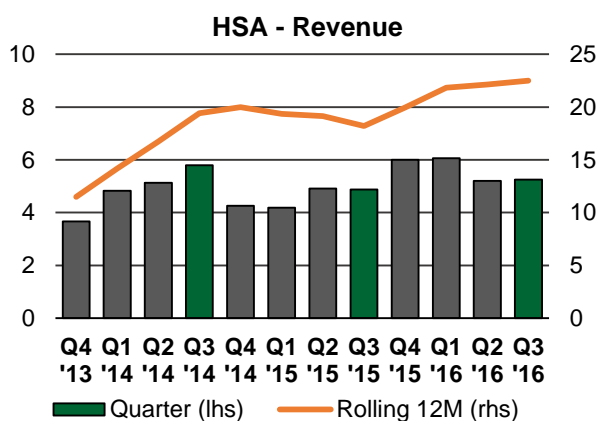
## Organic Fertilizer (HSA)

(USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Organic fertilizer	0,9	0,9	-2%	2,0	1,7	19%
Organic mixed fertilizer	4,3	3,9	10%	9,3	7,4	25%
<b>Revenue</b>	<b>5,2</b>	<b>4,9</b>	<b>8%</b>	<b>11,3</b>	<b>9,1</b>	<b>23,8%</b>
Organic fertilizer	0,2	0,2	-6%	0,4	0,4	-2%
Organic mixed fertilizer	2,0	1,7	17%	3,8	3,4	9%
<b>Gross profit</b>	<b>2,2</b>	<b>1,9</b>	<b>14%</b>	<b>4,2</b>	<b>3,9</b>	<b>8,1%</b>
Organic fertilizer	22,7%	23,9%		21,3%	25,8%	
Organic mixed fertilizer	45,6%	43,0%		40,4%	46,1%	
<b>Gross profit margin</b>	<b>41,6%</b>	<b>39,3%</b>		<b>37,1%</b>	<b>42,4%</b>	

Revenue from HSA increased by 8% to USD 5.2M (4.9). Gross profit increased by 14% to USD 2.2M (1.9) equivalent to a margin of 41.6% (39.3%), mainly due to cost savings in raw materials compared to Q3 2015.

Overall sales volume of fertilizer increased by 11% to 13,633 MT primarily due to HSA having increased the number of its customers steadily throughout the past months. Average sales price has fallen USD 48 / MT due to an increase in competition entering into the regional market.

Sales volumes per product (HSA)	Q3 '16	Q3 '15	9M '16	9M '15
<b>Organic fertilizer (MT)</b>	<b>3 593</b>	<b>3 355</b>	<b>11 326</b>	<b>9 432</b>
ASP / MT (USD)	245	264	247	265
Gross profit margin	22%	23%	21%	16%
<b>Organic mixed fertilizer (MT)</b>	<b>10 040</b>	<b>8 884</b>	<b>29 998</b>	<b>24 782</b>
ASP / MT (USD)	432	444	423	459
- Gross profit margin	46%	43%	44%	31%
<b>Total fertilizer volume</b>	<b>13 633</b>	<b>12 239</b>	<b>41 324</b>	<b>34 214</b>



## Cattle Farms (MEIJI)

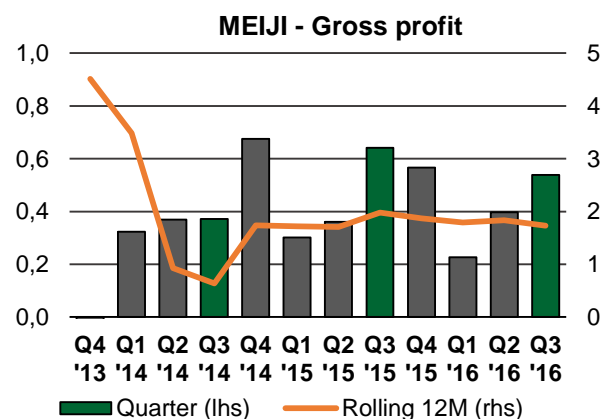
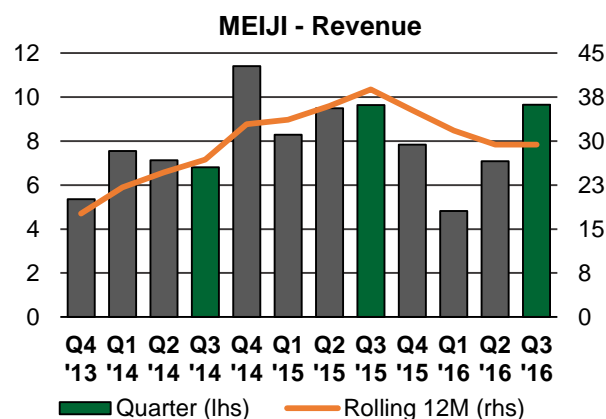
(USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Sale of live cattle	9,7	9,6	0%	21,6	27,4	-21%
<b>Revenue</b>	<b>9,7</b>	<b>9,6</b>	<b>0%</b>	<b>21,6</b>	<b>27,4</b>	<b>-21%</b>
Sale of live cattle	0,54	0,64	-16%	1,2	1,3	-11%
<b>Gross profit</b>	<b>0,54</b>	<b>0,64</b>	<b>-16%</b>	<b>1,2</b>	<b>1,3</b>	<b>-11%</b>
Sale of live cattle	5,6%	6,6%		5,4%	4,8%	
<b>Gross profit margin</b>	<b>5,6%</b>	<b>6,6%</b>		<b>5,4%</b>	<b>4,8%</b>	

Revenue, gross profit and sales volumes from MEIJI was virtually unchanged compared to the comparable quarter with sales prices recovered to the levels realized one year ago.

Market prices of MEIJI's Yellow Cattle breed do not exhibit the same sensitivity to beef imports, since the imported beef origins from other, more common breeds. Compared to Q1, which experienced the lowest cattle prices recorded in the company's history, prices recovered by circa 5% to USD 1 671 /head of cattle in Q2.

The lower ASP per head of cattle in 9M 2016 compared to 9M 2015 is partially caused by the Yellow Cattle breed being significantly smaller in size and live weight (average of 350 kg /head) compared to the more common beef cattle breeds such as Angus and Simmental that average over 600 kg /head which also were bred in 2015.

Sales volume per product (MEIJI)	Q3 '16	Q3 '15	9M '16	9M '15
<b>Head of beef cattle (#)</b>	<b>4 417</b>	<b>4 449</b>	<b>11 686</b>	<b>10 627</b>
ASP per head (USD)	2 187	2 166	1 845	2 581
- Gross profit margin	6%	7%	5%	5%

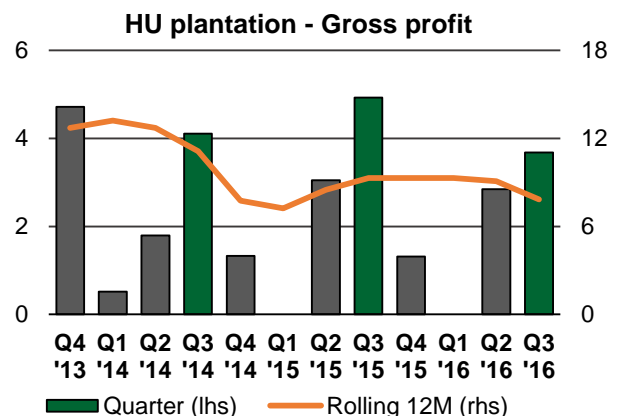
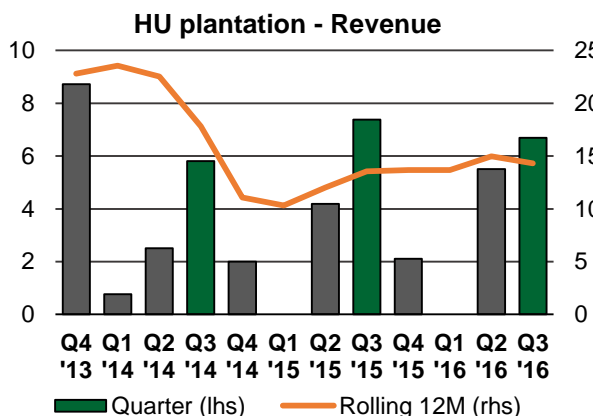


## HU Plantation (JHST)

(USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Fresh HU-flowers	0,5	0,5	-10%	1,0	1,0	-2%
Dried HU-flowers	5,2	6,5	-20%	7,2	8,7	-17%
Immortal vegetables	-	0,3	-100%	1,7	1,8	-7%
Vegetable products	1,0	0,1	1624%	2,3	0,1	3704%
<b>Revenue</b>	<b>6,7</b>	<b>7,4</b>	<b>-9%</b>	<b>12,2</b>	<b>11,6</b>	<b>5%</b>
Fresh HU-flowers	0,3	0,3	-13%	0,6	0,7	-13%
Dried HU-flowers	3,1	4,4	-30%	4,4	6,1	-27%
Immortal vegetables	-	0,2	-100%	0,9	1,2	-26%
Vegetable products	0,4	0,0	976%	0,6	0,0	1859%
<b>Gross profit</b>	<b>3,7</b>	<b>4,9</b>	<b>-25%</b>	<b>6,5</b>	<b>8,0</b>	<b>-18%</b>
Fresh HU-flowers	58,6%	60,5%		60,4%	67,8%	
Dried HU-flowers	59,0%	67,5%		60,9%	69,7%	
Immortal vegetables	n.a.	66,3%		52,9%	66,2%	
Vegetable products	33,8%	54,2%		27,9%	54,2%	
<b>Gross profit margin</b>	<b>55,0%</b>	<b>66,8%</b>		<b>53,5%</b>	<b>68,9%</b>	

Revenue from JHST decreased by 9% to USD 6.7M (7.4). Gross profit decreased by 25% to USD 3.7M (4.9) equivalent to a margin of 55.0% (66.8%). The decrease was primarily due to lower prices both in fresh flowers by USD 0.04 /piece and dried flowers by USD 4 700 /MT caused by poorer quality of flowers excessive, in turn due to rain and stormy weather during the harvest season.

Sales volume per product (JHST)	Q3 '16	Q3 '15	9M '16	9M '15
<b>Fresh HU flowers (million pieces)</b>	<b>3,3</b>	<b>3,0</b>	<b>6,2</b>	<b>5,5</b>
ASP / MT (USD)	0,14	0,18	0,16	0,18
- Gross profit margin	59%	61%	62%	69%
<b>Dried HU flowers (MT)</b>	<b>446</b>	<b>398</b>	<b>584</b>	<b>550</b>
ASP / MT (USD)	11 599	16 294	12 372	15 823
- Gross profit margin	59%	67%	61%	70%
<b>Vegetable products (MT)</b>	<b>1 381</b>	-	-	-
ASP / MT (USD)	756	-	-	-
- Gross profit margin	34%	54%	0%	0%



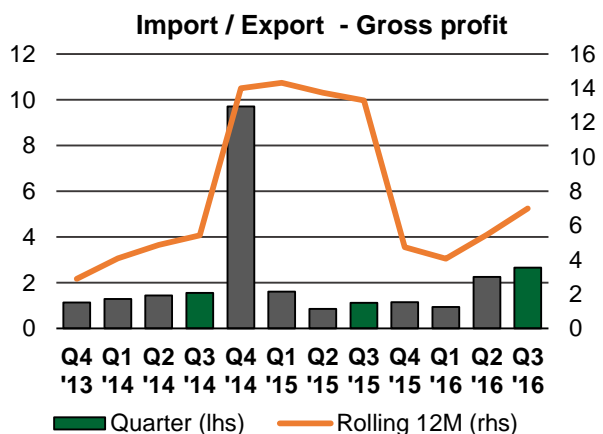
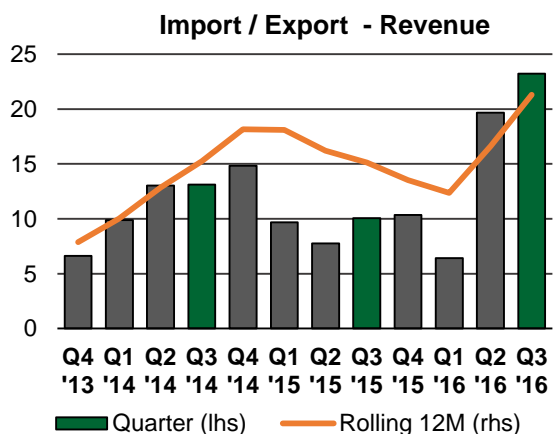


## SIAF Corporate (Import / Export)

(USD M)	Q3 '16	Q3 '15	%	9M '16	9M '15	%
Seafood	10,1	2,7	269%	16,8	12,4	36%
Beef & mutton	13,1	7,3	79%	32,5	15,1	115%
<b>Revenue</b>	<b>23,2</b>	<b>10,1</b>	<b>131%</b>	<b>49,3</b>	<b>27,5</b>	<b>79%</b>
Seafood	1,2	0,3	293%	2,0	1,4	46%
Beef & mutton	1,5	0,8	79%	3,8	2,2	73%
<b>Gross profit</b>	<b>2,7</b>	<b>1,1</b>	<b>138%</b>	<b>5,9</b>	<b>3,6</b>	<b>63%</b>
Seafood	11,8%	11,1%		12,0%	11,1%	
Beef & mutton	11,1%	11,1%		11,8%	14,7%	
<b>Gross profit margin</b>	<b>11,4%</b>	<b>11,1%</b>		<b>11,9%</b>	<b>13,1%</b>	

Revenue from Import / Export increased by 131% to USD 23.2M (10.1), mainly due to the strong growth in seafood imports and weak sales in Q3 2015. Gross profit increased by 138% to USD 2.7M (1.1) equivalent to a margin of 11.4% (11.1%).

Traded volume per product (SIAF)	Q3 '16	Q3 '15	9M '16	9M '15
<b>Mixed seafood (MT)</b>	<b>542</b>	<b>132</b>	<b>814</b>	<b>710</b>
ASP / kg (USD)	18 702	20 787	20 712	17 481
Gross profit margin	12%	11%	12%	11%
<b>Beef &amp; lamb (MT)</b>	<b>1 239</b>	<b>955</b>	<b>3 535</b>	<b>1 657</b>
ASP / kg (USD)	10 578	7 663	9 181	9 111
Gross profit margin	11%	11%	12%	15%
<b>Total volume traded</b>	<b>1 781</b>	<b>1 087</b>	<b>4 349</b>	<b>2 367</b>



## Key figures

USD M (except for share data)	Q3 2016	Q3 2015	%	9M 2016	9M 2015	%
<b>Earnings</b>						
Revenue	124,1	124,7	0%	320,3	331,0	-3%
Gross profit	33,4	32,3	3%	82,2	89,8	-8%
EBITDA	29,3	29,7	-1%	66,8	73,2	-9%
Net income attributable to SIAF	21,3	21,5	-1%	48,7	54,6	-11%
<b>Share data</b>						
Earnings per share (USD) – basic	1,04	1,14	-9%	2,5	3,0	-19%
Earnings per share (USD) – fully diluted	0,95	1,14	-17%	2,2	3,0	-26%
Weighted average number of shares (million)	20,4	18,8	8%	19,9	18,1	10%
Diluted weighted average number of shares (millions)	22,8	18,8	21%	22,8	18,1	26%
<b>Cash flow</b>						
Net cash provided by operating activities	24,2	-9,2	-364%	62,1	37	69%
Net cash used in investing activities	-22,5	-7,4	206%	-57,8	-44,5	30%
Net cash provided by (used in) financing activities	2,6	12,8	-80%	-5,6	9,7	-158%
<b>Financial position*</b>						
Total assets	715,9	625,8	14%			
Total liabilities	67,1	80,8	-17%			
Total stockholder's equity	640,6	544,9	18%			
Net debt	24,8	33,4	-26%			
Capital employed	665,4	578,3	15%			
<b>Ratios</b>						
Gross margin (%)	26,9%	25,9%		25,7%	27,1%	
EBITDA margin (%)	23,6%	23,8%		20,8%	22,1%	
Return on capital employed (%)	17,8%	18,0%		14,2%	15,9%	
Total equity ratio (%)	89,5%	87,1%				

\*Closing balance for relevant period

## Consolidated income statement

(USD M)	Q3 2016	Q3 2015	9M 2016	9M 2015
Sale of goods	100,7	96,0	264,5	263,6
Consulting and service income from development contracts	23,1	28,4	54,7	66,1
Commission and management fee	0,3	0,2	1,0	1,3
<b>Total revenue</b>	<b>124,1</b>	<b>124,7</b>	<b>320,3</b>	<b>331,0</b>
Sale of goods	-78,3	-75,3	-202,8	-200,8
Consulting and service income from development contracts	-12,5	-17,2	-35,4	-40,5
Commission and management fee	-	-	-	-
<b>Cost of goods sold and services</b>	<b>-90,8</b>	<b>-92,4</b>	<b>-238,1</b>	<b>-241,2</b>
Sale of goods	22,4	20,8	61,8	62,9
Consulting and service income from development contracts	10,6	11,3	19,3	25,7
Commission and management fee	0,3	0,2	1,0	1,3
<b>Total gross profit</b>	<b>33,4</b>	<b>32,3</b>	<b>82,2</b>	<b>89,8</b>
General and administrative expenses	-5,0	-4,0	-13,2	-13,9
<b>Net income from operations</b>	<b>28,3</b>	<b>28,3</b>	<b>69,0</b>	<b>75,9</b>
				-5,0%
Government grant	1,3	0,7	1,6	0,9
Other income	-	-	0,2	0,2
Gain of extinguishment of debts	-	-	-	-
Interest expense	-1,0	-1,3	-3,2	-3,4
<b>Net income (expenses) before income taxes</b>	<b>28,6</b>	<b>27,7</b>	<b>67,7</b>	<b>73,5</b>
Provision for income taxes	-	-	-	-
<b>Net income</b>	<b>28,6</b>	<b>27,7</b>	<b>67,7</b>	<b>73,5</b>
Less: Net (income) loss attributable to the NCI	-7,3	-6,2	-19,0	-18,9
<b>Net income attributable to SIAF</b>	<b>21,3</b>	<b>21,5</b>	<b>48,7</b>	<b>54,6</b>
Foreign currency translation gain (loss)	-1,8	-4,6	-5,0	-3,8
Less: other comprehensive income attributable to the NCI	0,2	-0,6	1,0	-0,8
<b>Comprehensive income attributable to SIAF</b>	<b>19,7</b>	<b>16,2</b>	<b>44,7</b>	<b>50,0</b>
<b>Earnings per share attributable to SIAF:</b>				
Basic (USD per share)	1,04	1,14	2,45	3,02
Diluted (USD per share)	0,95	1,14	2,24	3,02
<b>Weighted average number of shares outstanding:</b>				
Basic (in million shares)	20,4	18,8	19,9	18,1
Diluted (in million shares)	22,8	18,8	22,8	18,1

## Consolidated balance sheet

(USD M)	September 30, 2016	June 30, 2016
Cash and cash equivalents	9,1	3,3
Inventories	65,1	65,7
Costs and estimated earnings in excess of billings on uncompleted contracts	1,6	1,3
Deposits and prepayments	95,3	95,5
Accounts receivable, net of allowance for doubtful accounts	135,8	128,6
Other receivables	74,1	73,4
<b>Total current assets</b>	<b>380,9</b>	<b>367,8</b>
Plant and equipment, net of accumulated depreciation	110,4	107,2
Construction in progress	115,8	99,0
Land use rights, net of accumulated amortization	55,9	56,6
<b>Total plant and equipment</b>	<b>282,0</b>	<b>262,8</b>
Goodwill	0,7	0,7
Investment in unconsolidated equity investee	0,1	-
Proprietary technologies, net of accumulated amortization	10,3	10,4
Long term investment	0,7	0,9
Temporary deposits paid to entities for investments in SFJV companies	41,1	41,1
<b>Total other assets</b>	<b>53,0</b>	<b>53,2</b>
<b>TOTAL ASSETS</b>	<b>715,9</b>	<b>683,8</b>
Accounts payable and accrued expenses	15,1	15,2
Billings in excess of costs and estimated earnings on uncompleted contracts	1,6	7,7
Due to a director	0,6	0,7
Other payables	6,2	6,9
Borrowings - Short term bank debts	7,4	4,4
Negotiable promissory note	0,9	0,9
<b>Current liabilities</b>	<b>31,7</b>	<b>35,9</b>
Other payables	19,4	4,8
Borrowings - Long term debts	0,7	1,0
Convertible notes payables	23,5	28,3
<b>Non-current liabilities</b>	<b>43,6</b>	<b>34,1</b>
<b>TOTAL LIABILITIES</b>	<b>75,4</b>	<b>70,0</b>
Common stock: \$0.001 par value	0,0	0,0
Additional paid - in capital	150,8	150,8
Retained earnings	388,3	367,0
Accumulated other comprehensive income	-2,6	-1,0
Treasury stock	-1,3	-1,3
<b>Total SIAF stockholders' equity</b>	<b>535,3</b>	<b>515,6</b>
Non - controlling interest	105,3	98,2
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>640,6</b>	<b>613,8</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>715,9</b>	<b>683,8</b>

## Consolidated statement of cash flows

(USD M)	Q3 2016	Q3 2015	9M 2016	9M 2015
Net income for the period	28,6	27,7	67,7	73,5
<b>Adjustments to reconcile net income from operations to net cash from operations:</b>				
Depreciation	1,1	0,5	3,4	2,1
Amortization	0,5	0,4	1,5	1,5
Common stock issued for services	-0,4	0,2	-	1,9
Gain on extinguishment of debts	2,4	-	2,4	-
Other amortized cost	0,4	1,2	2,5	2,8
<b>Cash flow from operating activities before change in wc</b>	<b>32,7</b>	<b>30,1</b>	<b>77,4</b>	<b>81,9</b>
Change in inventories	1	-1,0	-2,2	-5,2
Change in costs and estimated earnings in excess of billings on uncompleted contracts	-0	-	-0,3	-1,3
Change in deposits and prepaid expenses	-4	1,0	-9,2	-1,8
Change in due to a director	-0	-16,7	0,3	1,6
Change in accounts payable and accrued expenses	-0	0,8	5,7	-1,7
Change in other payables	12	-3,2	14,6	4,5
Change in accounts receivable	-7	-22,8	-0,1	-24,8
Change in billings in excess of costs and estimated earnings on uncompleted contracts	-6	-0,8	-7,1	-4,2
Change in other receivables	-4	3,3	-17,2	-12,4
<b>Change in working capital</b>	<b>-8,5</b>	<b>-39,2</b>	<b>-15,4</b>	<b>-45,2</b>
<b>Cash flow from operating activities</b>	<b>24,2</b>	<b>-9,2</b>	<b>62,1</b>	<b>36,7</b>
Purchases of property and equipment	-3,7	-0,0	-9,8	-3,9
Investment in unconsolidated equity investee	-	-	-0,2	-
Payment for construction in progress	-18,8	-7,3	-47,8	-40,6
<b>Net cash used in investing activities</b>	<b>-22,5</b>	<b>-7,4</b>	<b>-57,8</b>	<b>-44,5</b>
Proceeds from short term bank debt	6,7	-	6,7	-
Repayment of short term bank debt	-3,8	-4,1	-3,8	-4,1
Series F Non-convertible preferred stock redemption	-	-	-	-3,1
Proceeds from convertible note payable	-	13,4	-	13,4
Convertible note payable repaid through director's account	-	-	-7,7	-
Proceeds from negotiable promissory notes	0,5	3,5	-	3,5
Repayment of long term debts	-0,8	-	-0,8	-
Payment for cancellation of piecemeal shares	-	0,0	-	-
<b>Net cash (used in) provided by financing activities</b>	<b>2,6</b>	<b>12,8</b>	<b>-5,6</b>	<b>9,7</b>
Effects on exchange rate changes on cash	1,5	4,1	3,1	4,7
<b>Increase in cash and cash equivalents</b>	<b>5,7</b>	<b>0,4</b>	<b>1,8</b>	<b>6,5</b>
Cash and cash equivalents, beginning of period	3,3	9,2	7,2	3,0
Cash and cash equivalents, end of period	9,1	9,6	9,1	9,6

## Consolidated balance sheet - breakdown per segment

<b>CURRENT ASSETS Q3 2016 (USD M)</b>	<b>CA + TRW</b>	<b>SJAP</b>	<b>HSA</b>	<b>MEIJI</b>	<b>HU-plant</b>	<b>SIAF</b>	<b>Group</b>
<b>Cash</b>	5	3	0	0	1	0	9
Aquatic	6						6
Bread grass		3					3
Beef cattle		4		1			5
Organic fertilizer		11	4				15
Forage for cattle and consumable		7		3			10
Raw material for bread grass and organic fertilizer		2	11				13
Beef and mutton		11					11
Immature seeds					1		1
<b>Inventories</b>	6	38	15	4	1	-	65
<b>Costs in excess of billings on uncompleted contracts</b>						2	2
Deposit for purchase of equipment		3	1	1	1		7
Acquisition of LUR			3				3
Inventory purchases	6	8	0	4	2	2	21
Aquaculture contracts	2						2
Consulting and service providers	9						9
Construction in progress	11	6			5		22
Prepayments - debt discounts and others						14	14
Collaterals of shares						11	11
Shares issued for employee compensation						6	6
<b>Deposits and prepayments</b>	27	17	5	5	8	33	95
Project development	33						33
Sale of produced aquatic (CA)	21						21
Imported seafood (SIAF)						17	17
Cattle and beef meats (MEIJI)				2			2
HU Flowers					8		8
Fertilizer, Bulk stock feed, Cattle		17					17
Fertilizer			8				8
Sale of Beef (QZH)		31					31
<b>Accounts receivable</b>	54	48	8	2	8	17	136
Advance to employees		0				1	1
Advance to customers,	2	4			1	6	13
Advance to suppliers	9	3	1			20	32
Loan to unincorporated companies	15					13	28
Advance to convertible bondholder						0	-
<b>Other receivables</b>	26	8	1	-	1	39	74
<b>CURRENT ASSETS</b>	<b>113</b>	<b>110</b>	<b>28</b>	<b>11</b>	<b>18</b>	<b>91</b>	<b>381</b>
<b>NON-CURRENT ASSETS Q3 2016 (USD M)</b>	<b>CA + TRW</b>	<b>SJAP</b>	<b>HSA</b>	<b>MEIJI</b>	<b>HU-plant</b>	<b>SIAF</b>	<b>Group</b>
Plant and machinery	1	2	2		2	0	6
Structure and leasehold improvements	11	45	19	7	10	0	91
Mature seeds and herbage cultivation	0	16	1		2		19
Furniture and equipment	0	0		0			1
Motor vehicles	0	0	0	0	0		1
Accumulated depreciation	-2	-3	-2	-1	-2	0	-10
<b>Plant &amp; Equipment</b>	<b>10</b>	<b>60</b>	<b>20</b>	<b>7</b>	<b>11</b>	<b>0</b>	<b>107</b>
Office, warehouse and organic fertilizer plant in HSA			32				32
Oven room, road for production of dried flowers					3		3
Organic fertilizer and feed production plant and office building		16					16
Rangeland for beef cattle and office building		35					35
Fish pond	6					7	14
<b>Construction in progress</b>	<b>6</b>	<b>50</b>	<b>32</b>	<b>-</b>	<b>3</b>	<b>7</b>	<b>99</b>
<b>Land use rights</b>	<b>4</b>	<b>0</b>	<b>32</b>	<b>4</b>	<b>16</b>	<b>0</b>	<b>57</b>
<b>Goodwill</b>							1
<b>Proprietary technologies</b>	6	2	0	1	0	2	10
<b>Investment in unconsolidated equity investee</b>		0					0
<b>Long term investment</b>		1					1
<b>Deposits paid to entities for investments in SFJV</b>	30			6		5	41
<b>NON-CURRENT ASSETS</b>	<b>56</b>	<b>113</b>	<b>84</b>	<b>17</b>	<b>30</b>	<b>15</b>	<b>316</b>

## Consolidated statement of cash flows - breakdown per segment

9M 2016 (USD M)	CA + TRW	SJAP	HSA	MEIJI	HU-plant	SIAF	Eliminations	Group
Net income for the period	29	30	4	3	5	-3		67,7
<b>Reconciliation of net income to net cash from ops.</b>								
Depreciation	0,4	1,5	0,7	0,2	0,5	0,08		3,4
Amortization	0,3	0,07	0,4	0,2	0,3	0,07		1,5
Common stock issued for services								-
Gain on extinguishment of debts						2		2,4
Other amortized cost						3		2,5
<b>CF from op. activities before change in WC</b>	<b>30</b>	<b>32</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>-</b>	<b>77,4</b>
Change in inventories	-3	-3	0	0	0	4		-2,2
Change in costs and estimated earnings in excess of billings on uncompleted contracts	0							-0,3
Change in deposits and prepaid expenses	-2	1	0	-2	-2	-7	2	-9,2
Change in due to a director						0,30		0,3
Change in accounts payable and accrued expenses	4	1	-3	0	0	3		5,7
Change in other payables	-6,0	0,5	-	-	-	14,7	5	14,6
Change in accounts receivable	-10	0	4	9	4	-8		-0,1
Increase (decrease) in billings in excess of costs on uncompleted contracts	-7							-7,1
Change in other receivables	-5	-5	0	0	0	-4	-3	-17,2
<b>Change in working capital</b>	<b>-30</b>	<b>-5</b>	<b>1</b>	<b>7</b>	<b>2</b>	<b>4</b>	<b>4,9</b>	<b>-15,4</b>
<b>Net cash provided by operating activities</b>	<b>-0</b>	<b>27</b>	<b>6</b>	<b>11</b>	<b>8</b>	<b>6</b>	<b>4,9</b>	<b>62,1</b>
Purchases of plant and equipment	0	-8	0	0	0	-1		-9,8
Investment in unconsolidated equity investee		-0,15						-0,2
Payment for construction in progress	-8	-21	-10	0	-1	-3	-5	-47,8
<b>Net cash used in investing activities</b>	<b>-8,0</b>	<b>-30,0</b>	<b>-9,7</b>	<b>-</b>	<b>-0,7</b>	<b>-4,4</b>	<b>-4,9</b>	<b>-57,8</b>
Short term debts repaid		-3,8						-3,8
Short term debts raised		6,7						6,7
Long term debts repaid		-0,8						-0,8
Convertible note repaid through director account						-8		-7,7
<b>Net cash from financing activities</b>	<b>-</b>	<b>2,1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-7,7</b>	<b>-</b>	<b>-5,6</b>
Effects on exchange rate changes on cash	0,20	1,48	0,82	0,29	0,35	-		3,1
<b>Change in cash and cash equivalents</b>	<b>-7,9</b>	<b>0,3</b>	<b>-3,0</b>	<b>10,8</b>	<b>7,5</b>	<b>-5,8</b>	<b>-0,0</b>	<b>1,8</b>
Cash and cash equivalents, beginning of period	4,66	2,13	0,02	0,02	0,02	0,38		7,2
Cash and cash equivalents, end of period	5,15	2,48	0,25	0,02	0,78	0,37		9,1

9M 2016 (USD M)	CA & TRW	SJAP	HSA	MEIJI Plantation	SIAF	Eliminations	Group	
OP CF before change in NWC	29,6	31,9	4,9	3,5	5,6	2,0	-	77,4
Change in working capital	-29,7	-5,2	1,0	7,1	2,3	4,3	4,9	-15,4
<b>Net cash provided by operating activities</b>	<b>-0,1</b>	<b>26,7</b>	<b>5,9</b>	<b>10,5</b>	<b>7,9</b>	<b>6,3</b>	<b>4,9</b>	<b>62,1</b>
Net cash used in investing activities	-8,0	-30,0	-9,7	-	-0,7	-4,4	-4,9	-57,8
<b>Cash flow before financing</b>	<b>-8,1</b>	<b>-3,3</b>	<b>-3,8</b>	<b>10,5</b>	<b>7,1</b>	<b>1,9</b>	<b>-</b>	<b>4,3</b>
Net cash from financing activities	-	2,1	-	-	-	-7,7	-	-5,6
Effects on exchange rate changes on cash	0,2	1,5	0,8	0,3	0,4	-	-	3,1
<b>Change in cash and cash equivalents</b>	<b>-7,9</b>	<b>0,3</b>	<b>-3,0</b>	<b>10,8</b>	<b>7,5</b>	<b>-5,8</b>	<b>-</b>	<b>1,8</b>
<i>Cash conversion</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>80%</i>



## 5-year summary

USD million (except for share data)	2015	2014	2013	2012	2011
<b><u>Earnings</u></b>					
Revenue	429.1	404.3	261.4	138.6	51.9
Gross profit	111.2	129.3	101.5	69.8	24.9
EBITDA	97.3	119.6	98.3	63.8	21.1
Net income attributable to SIAF	65.3	92.1	74.2	57.5	15.7
<b><u>Share data</u></b>					
Earnings per share (USD) – basic	3.63	5.81	6.14	6.93	1.87
Earnings per share (USD) – fully diluted	3.59	5.56	5.76	6.24	1.87
Weighted average number of shares (million)	18.0	15.8	12.1	8.3	6.1
Diluted weighted average number of shares (millions)	18.3	16.6	12.9	9.3	6.8
<b><u>Cash flow</u></b>					
Net cash provided by operating activities	44.6	22.0	84.2	44.4	4.6
Net cash used in investing activities	-54.1	-31.5	-93.3	-44.4	-5.4
Net cash provided by (used in) financing activities	8.9	9.9	0.9	6.9	-0.6
<b><u>Financial position*</u></b>					
Total assets	639.5	532.7	367.5	243.1	151.8
Total liabilities	70.6	70.5	35.9	26.0	16.4
Total shareholders equity	568.9	462.2	331.6	217.1	135.4
Net debt (cash)	39.0	24.2	7.8	-4.1	-1.2
Capital employed	607.9	486.4	339.4	213.0	134.2
<b><u>Ratios</u></b>					
Gross margin (%)	25.9%	32.0%	38.8%	50.4%	48.0%
EBITDA margin (%)	22.7%	29.6%	37.6%	46.0%	40.7%
Return on capital employed (%)	15.8%	23.7%	26.9%	33.1%	13.3%
Total equity ratio (%)	89.0%	86.8%	90.2%	89.3%	89.2%

\*Closing balance for relevant period

## RECONCILIATION OF NON-U.S. GAAP MEASURES TO U.S. GAAP

In this report we sometimes refer to non-U.S. GAAP measures that we and securities analysts use in measuring Sino Agro Food's performance. We believe that these measures assist investors and management in analyzing trends in the Company's business for the reasons given below. Investors should not consider these non-U.S. GAAP measures as substitutes, but rather as additions, to financial reporting measures prepared in accordance with U.S. GAAP. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies.

### Use of non-U.S. GAAP financial information

Sino Agro Food's ("SIAF") financial information includes information prepared in conformity with U.S. Generally Accepted Accounting Principles (US GAAP) as well as non-U.S. GAAP information. It is management's intent to provide non-U.S. GAAP financial information to enhance understanding of our consolidated financial information as prepared in accordance with U.S. GAAP. This non-U.S. GAAP information should be considered by the reader in addition to, but not instead of, the financial reporting measures prepared in accordance with U.S. GAAP. The non-U.S. GAAP financial information presented may be determined or calculated differently by other companies.

### Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

EBITDA is a non-U.S. GAAP measurement. Management uses EBITDA because it believes that such measurements are widely accepted financial indicators used by investors and analysts to analyze and compare companies on the basis of operating performance and that these measurements may be used by investors to make informed investment decisions.

(USD M)	Q3 2016	Q3 2015	9M 2016	9M 2015
Net income from operations	28,3	28,3	69,0	75,9
Depreciation and Amortization	1,0	1,4	-2,3	-2,7
<b>EBITDA (Non-U.S. GAAP Measure)</b>	<b>29,3</b>	<b>29,7</b>	<b>66,8</b>	<b>73,2</b>

### Return on Capital Employed ("ROCE")

SIAF believes Return on Capital Employed (ROCE) is a good indicator of long-term company and management performance, both absolute and relative to SIAF's primary peer group. ROCE is a measure of the profitability of SIAF's capital employed in its business compared with that of its peers. SIAF calculates ROCE as a ratio, the numerator of which is Net income plus Interest expense, and the denominator of which is average Total stockholder's equity plus total interest bearing liabilities.

(USD M)	Q3 2016	Q3 2015	9M 2016	9M 2015
<b>Numerator</b>				
Net income	28,6	27,7	67,7	73,5
Interest Expense	1,0	1,3	3,2	3,4
<b>ROCE Earnings (Non-U.S. GAAP Measure)</b>	<b>29,6</b>	<b>29,0</b>	<b>70,8</b>	<b>76,9</b>
<b>Denominator</b>				
<b>Capital employed* (Non-U.S. GAAP Measure)</b>	<b>664</b>	<b>645</b>	<b>664</b>	<b>645</b>
<b>ROCE (Non-U.S. GAAP Measure)</b>	<b>17,9%</b>	<b>18,0%</b>	<b>14,2%</b>	<b>15,9%</b>

\*Closing balance of Total stockholder's equity and Net Debt

**Net Debt**

Management uses Net Debt, along with other factors, to evaluate SIAF's financial condition. Management believe that Net Debt is an appropriate supplemental measure of financial condition and may be useful to investors because it provides a more complete understanding of our financial condition before the impact of our decisions regarding the appropriate use of cash and liquid investments.

Net Debt include the aggregate interest bearing debt obligations in SIAF's consolidated balance sheet, less the balance sheet line item Cash and cash equivalents.

(USD M)	September 30, 2016	June 30, 2016	
Borrowings - Short term bank debts	7,4	4,4	
Negotiable promissory note	0,9	0,9	
Borrowings - Long term debts	0,7	1,0	
Convertible notes payables	23,5	28,3	
Cash and cash equivalents	-9,1	-3,3	
<b>Net Debt (Non-U.S. GAAP Measure)</b>	<b>23,4</b>	<b>31,3</b>	

## **This is Sino Agro Food**

Sino Agro Food develops and operates protein food production facilities in the People's Republic of China. The Company produces, distributes, markets, and sells sustainable seafood and beef to the rapidly growing middle class in China. Activities also include production of organic fertilizer and produce. The Company is a global leader in developing land based recirculating aquaculture systems ("RAS"), and with its partners is the world's largest producer of sustainable RAS prawns.

Founded in 2006 and headquartered in Guangzhou, the Company had over 550 employees and a revenue of over USD 425M. Operations are located in the provinces of Guangdong, Qinghai, Hunan, and Shanghai. Sino Agro Food is a public company listed on OTCQX U.S. Premier in the United States and on the Oslo Børs' Merkur Market in Norway.

### **Aquaculture (CA and Tri-Way)**

Aquaculture refers to the operations of Capital Award Inc. (CA) and Tri-way (holding company of Fish Farm 1) covering its engineering, technology and consulting service management of fishery farms and seafood sales operations and marketing. CA generates revenue as the sole marketing, sales and distribution agent of the fishery farms (covering both of the fish, prawns and eel farms) developed by CA itself in China. Also, it generates sales to and derived from the unincorporated companies EBAPCD and ZSAPP (Prawn Farm 1 & Prawn farm 2). In addition, CA sells Engineering and Technology Services via Consulting and Service Contracts for the development, construction, and supply of plant and equipment, and management of fishery (and prawn or shrimp) farms and related business operations, including the Zhongshan New Prawn Project ("ZSNP").

### **Integrated Cattle (SJAP)**

Integrated Cattle Farm refers to the operation of SJAP in manufacturing and sales of Organic Fertilizer, bulk livestock feed, concentrated livestock feed, and the sales of live cattle inclusive of:

(b). Cattle that are not being slaughtered in our own slaughterhouse operated by Qinghai Zhong He Meat Products Co., Limited ("QZH". These are sold live to third party livestock wholesalers.

(a). Cattle that are sold to QZH and slaughtered, deboned and packed by QZH. The sales of deboned and packed meats by QZH are sold to various meat distributors, wholesalers and super market chains and our own retail butcher stores

### **Organic Fertilizer (HSA)**

Hunan Shenghua A Power Agriculture Co. Ltd. ("HSA") manufactures and sells Organic Fertilizer.

### **Cattle Farms (MEIJI)**

Cattle Farm refers to the operations of Cattle Farm (1) under Jiangmen City Hang Mei Cattle Farm Development Co. Ltd ("JHMC"). Cattle are sold live to third party livestock wholesalers who in turn resell them mainly in Guangzhou and Beijing livestock wholesale markets. The financial statements of JHMC are consolidated into MEIJI as one entity along with MEIJI's operation in the consulting and service for development of other Cattle Farms (i.e., Cattle Farm 2) or related projects.

### **HU Plantation (JHST)**

Plantation refers to the operations of Jiangmen City Heng Sheng Tai Agriculture Development Co. Ltd. ("JHST") The HU Plantation business grows, harvests and sells dragon fruit flowers (dried and fresh) and immortal vegetables to wholesale and retail markets JHST's financial statements are consolidated into the financial statements of Macau EIJI Company Ltd. ("MEIJI") as one entity.

### **SIAF Corporate / Seafood & Meat Trading**

SIAF Corporate / Seafood & Meat Trading refers to the business operations of Sino Agro Food, Inc., including import / export business and consulting and service operations provided to projects that are not included in the above categories, and are not limited to corporate affairs.



## **Definitions and SEC filings**

Please refer to our Form 10-K for definitions of terms used in this report. Filings with the SEC of Sino Agro Food's annual report to stockholders, annual report on Form 10-K, quarterly reports on Form 10-Q, proxy statements, management certifications, press releases, current reports on Form 8-K and other documents are available at the SEC's website [www.sec.gov](http://www.sec.gov) and at Sino Agro Food's corporate website.

## **Accounting policies**

Sino Agro Food prepares its financial statements in accordance with the Generally Accepted Accounting Principles (US-GAAP) as adopted by the Financial Accounting Standards Board.

## **Safe Harbor Statement**

This report contains statements that are not historical facts but rather forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include those that address activities, events or developments that Sino Agro Food, Inc. or its management believes or anticipates may occur in the future. All forward-looking statements, including without limitation, management's examination of historical operating trends and data, as well as estimates of future sales, operating margin, cash flow, effective tax rate or other future operating performance or financial results, are based upon our current expectations, various assumptions and data available from third parties. Our expectations and assumptions are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that such forward-looking statements will materialize or prove to be correct as forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors which may cause actual future results, performance or achievements to differ materially from the future results, performance or achievements expressed in or implied by such forward-looking statements. Because these forward-looking statements involve risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statements for a variety of reasons, including without limitation, changes in global light vehicle production; fluctuation in vehicle production schedules for which the Company is a supplier, changes in general industry and market conditions, changes in and the successful execution of our capacity alignment, restructuring and cost reduction initiatives discussed herein and the market reaction thereto; loss of business from increased competition; higher raw material, fuel and energy costs; changes in consumer and customer preferences for end products; customer losses; changes in regulatory conditions; customer bankruptcies or divestiture of customer brands; unfavorable fluctuations in currencies or interest rates among the various jurisdictions in which we operate; component shortages; market acceptance of our new products; costs or difficulties related to the integration of any new or acquired businesses and technologies; continued uncertainty in pricing negotiations with customers, our ability to be awarded new business; product liability, warranty and recall claims and other litigation and customer reactions thereto; higher expenses for our pension and other postretirement benefits; work stoppages or other labor issues; possible adverse results of pending or future litigation or infringement claims; negative impacts of antitrust investigations or other governmental investigations and associated litigation (including securities litigation) relating to the conduct of our business; tax assessments by governmental authorities and changes in our effective tax rate; dependence on key personnel; legislative or regulatory changes limiting our business; political conditions; dependence on and relationships with customers and suppliers; and other risks and uncertainties identified under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Reports and Quarterly Reports on Forms 10-K and 10-Q and any amendments thereto. The Company undertakes no obligation to update publicly or revise any forward-looking statements in light of new information or future events. For any forward-looking statements contained in this or any other document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we assume no obligation to update any such statement.

## **Additional information**

### **Financial information**

Additional financial information and notes to the financial statements is available in the Company's 10-Q report, available on the Company's website.

### **Press and analyst conference**

Sino Agro will host a conference call on December 6, 2016 at 16.00 CET. The conference call can be accessed via our home page [www.sinoagrofood.com](http://www.sinoagrofood.com). The annual and quarterly reports are also published on [www.sinoagrofood.com](http://www.sinoagrofood.com).

### **The Company**

#### **Peter Grossman**

Investor Relations

+1 (775) 901-0344137

[peter.grossman@sinoagrofood.com](mailto:peter.grossman@sinoagrofood.com)

### **Nordic countries**

+46 (0)760 495 885

[se-info@sinoagrofood.com](mailto:se-info@sinoagrofood.com)

### **KCSA**

Todd Fromer / Elizabeth Barker

+1 (212) 896-1215 / 212-896-1203

[SIAF@kcsa.com](mailto:SIAF@kcsa.com)

