



Sino Agro Food

Interim Report Third Quarter 2017

- Positive EPS growth to USD 0.15 EPS quarter-on-quarter

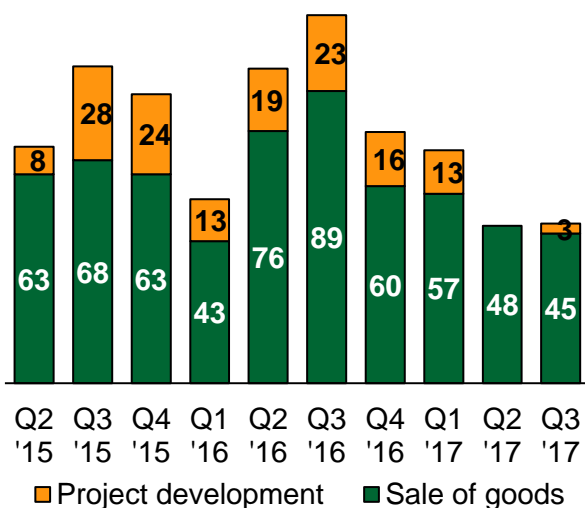
July – September 2017

- Revenue for the period: USD 48.4M (111.7)
- Gross profit for the period: USD 6.5M (30.2)
- Net Income attributable to SIAF for the period: USD 3.5M (21.3)
- Diluted earnings per share: USD 0.15 (0.95)

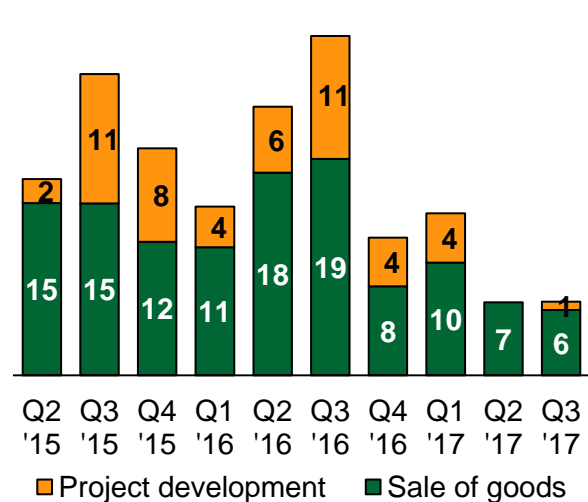
Key figures

(USD M, except per share data)	Q3 '17	Q3 '16	%
Revenue	48,4	111,7	-57%
Gross profit	6,5	30,2	-78%
Gross profit margin	13,5%	27,0%	
Net income	4,3	25,7	-83%
Net income attributable to SIAF	3,5	21,3	-84%
Earnings per share (USD) - fully diluted	0,15	0,95	-84%
Book value per share (USD) - fully diluted	25,7	25,0	3%
Diluted weighted average number of shares (millions)	26,3	22,8	15%

Revenue (USD M)



Gross profit (USD M)



Third quarter 2017 highlights

Revenue

Results reflect the carve-out of aquaculture operations announced March 2, 2017. Income from Sino Agro's interest in the carved-out company, Tri-Way Industries Ltd. is reported as "income on investment." Revenue from the sale of goods from the former aquaculture business segment is no longer reported.

Excluding discontinued aquaculture revenue from Q3 2016, revenue from the sale of goods decreased USD 42.8M, or 48.5%, to USD 45.4M for the quarter ended September 30, 2017 year over year ("YoY"). Contrasted to Q2 2017, revenue from the sale of goods decreased USD 2.5M or 5%.

Compared to Q2 2017, total revenue increased USD .7M or 1.5% to USD 48.4M, including project development revenue of USD 3.0M versus no revenue in the prior quarter.

Key Points

- Q3 2017 income from investment was USD 1.4M. This figure was based on a 23.9% equity interest in Tri-way, prior to registration and finalization of SIAF's effective 36.6% interest.
- As of September 30 2017, the Company had net working capital of USD 315.4M, a quarterly increase of USD 1.5M.
- Stockholders' equity increased in the quarter by USD 6.4M to USD 636.3M.

Revenue (USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16
Integrated Cattle Farm (SJAP)	19,4	43,4	-55%	61,7	108,4
Organic Fertilizer (HSA)	1,7	5,2	-68%	5,4	15,6
Cattle Farms (MEIJI)	7,3	9,7	-25%	23,1	21,6
Plantation	1,5	6,7	-78%	3,6	12,2
Seafood & Meat Trading	15,6	23,2	-33%	56,8	49,3
Sale of goods total	45,4	88,3	-49%	150,6	207,1
Aquaculture	3,0	23,4	-87%	16,2	55,8
Cattle Farms	-	-	<i>n.a.</i>	-	-
Seafood & Meat Trading	-	-	<i>n.a.</i>	-	-
Project development total	3,0	23,4	-87%	16,2	55,8
Group total	48,4	111,7	-57%	166,7	262,8

CEO commentary

“Our year over year results continued to reflect the impact of increased competition from imported beef on the local beef raising industry, as well as the marked decrease in aquaculture sales that are no longer conducted by the Company, but rather by its investee, Tri-way Industries. However, we are pleased to see a leveling off in the revenue decline, with total sales of USD 48.4 million in Q3 2017, (versus USD 47.7 million in Q2 2017) and gross profit of USD 6.5 million in Q3 2017, consistent with Q2 2017.

“Even though an immediate solution for SJAP is not expected, we are hopeful that one materializes in the near future since SJAP’s business is directly associated with the livelihood of thousands of farmers. It is a major concern and responsibility of the Government to secure an ultimate and practical solution for the farmers, with SJAP available to assist when it can do so profitably.

“Under current circumstances, we believe our most significant growth opportunities will come from:

- Tri-Way, which is focused on ramping its seafood production for domestic sales, and on utilizing its marketing network and global connections to increase sales on imported frozen seafood into China. As such, we are confident that the pace of revenue growth will rapidly accelerate once Tri-way secures adequate debt financing. The process to secure this funding has made significant progress, the details of which will be made public once the funding is secured and its closing in place.*
- Import sales of high grade quality meats (i.e. Wagyu beef with higher overall margins) will continue to improve, achieving better performance as we secure additional high quality products from new reputable suppliers and from loyal, consistent customers.*

“Adjusting to the current spectrum of external agricultural market conditions, we are pleased to have achieved USD 0.15 earnings per share during the third quarter, a meaningful improvement compared with USD 0.03 in Q2 2017. This result is a testimony to our agility to execute even under unfavorable conditions, establishing a positive baseline for improved results, when external conditions return to more “normal” levels.

“We continue to believe that there is a major opportunity to capitalize on the growth of China’s economy as the disposable income of China’s middle class continues rising and demand for premium seafood increases. We will continue to tailor our strategy to leverage this growth, mindful of the shorter term macro trends affecting agriculture in China, while Tri-way continues its efforts to secure financing to accelerate production expansion.”

“During the quarter we also continued several initiatives aimed at improving financial discipline across the business to support a sustainable and cost-efficient business model, such as concentrating on increasing free cash flow at Tri-way by optimizing operations at each aquafarm in terms of product mix and APRAS performance, and retrofitting HSA’s second production plant’s fertilizer processor to allow for better cost savings in raw material.”

“I would like to again thank our loyal shareholders as we implement these steps and work through this transition period toward building long-term value at the Company, while at the same time, continuing with positive momentum on our carve-out and spinoff strategies.”

Gross profit (USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16
Integrated Cattle Farm (SJAP)	2,4	10,2	-76%	9,7	29,0
Organic Fertilizer (HSA)	0,4	2,2	-80%	1,6	6,2
Cattle Farms (MEIJI)	1,0	0,5	78%	3,5	1,2
Plantation	0,2	3,7	-94%	1,2	6,5
Seafood & Meat Trading	1,7	2,7	-35%	6,3	5,9
Sale of goods total	5,8	19,3	-70%	22,3	48,7
Aquaculture	0,7	10,9	-93%	5,2	20,4
Cattle Farms	-	-	<i>n.a.</i>	-	0,0
Seafood & Meat Trading	-	-	<i>n.a.</i>	-	0,0
Project development total	0,7	10,9	-93%	5,2	20,4
Group total	6,5	30,2	-78%	27,5	69,1

Integrated Cattle Farm (SJAP)

Gross profit for the Integrated Cattle segment totaled USD 2.0M, a 54% decline from Q3 2016, and a 14% decline from Q2 2017. Fertilizer, and bulk and concentrated livestock feed contributed USD 1.9M or almost 95% of gross profit.

The cattle market has endured depressed pricing for well over 12 months. The Company had already dramatically reduced the sale of live domestic cattle due to unprofitable conditions. Continuing increased competition in the third quarter had a materially negative impact on gross margins, filtering through to deboning and packaging, as competitive pricing for final product became increasingly challenged. During the quarter, gross margin for the deboning of imported beef deteriorated to the unsustainable level of 2.8%. In addition, the Central Government has instituted new environmental regulations that would require significant additional capital expenditure at SJAP. For these reasons, SJAP management has suspended QZH's abattoir operations until an effective solution can be found, likely deriving from either a marked turnaround in market forces or government policies to stimulate domestic beef production and local value-added processing.

The local government realizes the serious situation the cattle industry faces in the region, and is looking at various options to assist, while waiting and working with the Central Government to produce a concrete revitalized plan to rebuild the industry.

As reported last quarter, SJAP's plan in the interim is to:

- Restrict capital spending and to reserve its cash as much as possible to buy enough time while working through the interim planning process until the Central and Local Government's revitalization plan is adopted and implemented.
- Continue limiting operations of the adversely affected aspects of its business.
- Continue discussions with other operators in wholesaling, logistics, value-added processing, general trading, etc. to negotiate an overall plan/solution in line with the government's strategic plan.

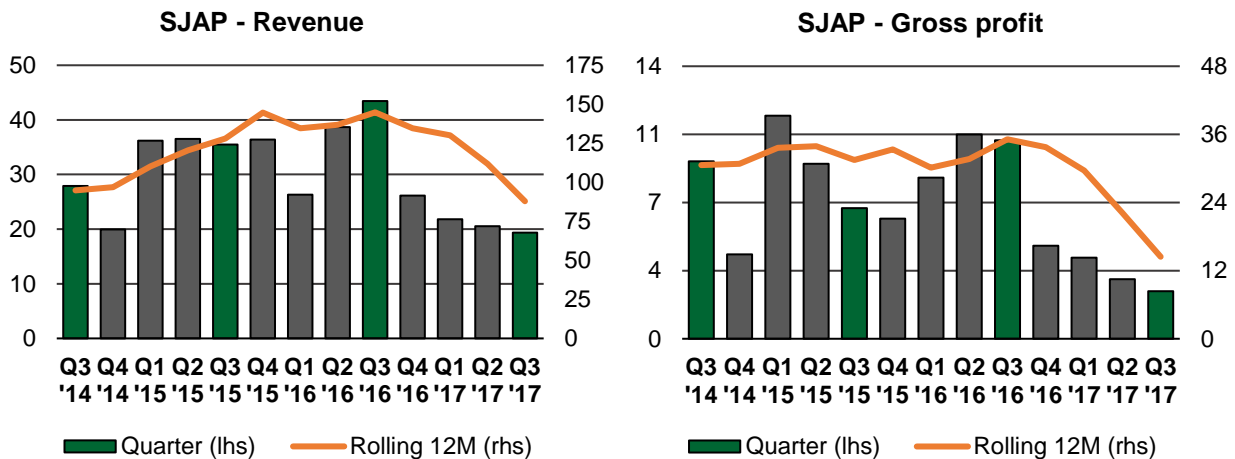
As previously noted, decisions are to be governed by stricter discipline on return on capital employed ("ROCE") in support of SJAP's advised carve-out and spinoff plans.

SJAP is fortunate to enjoy excellent working relationships with various government agencies. These private company/state agency relationships are perhaps more important in China than in western countries. For instance, SJAP has successfully created a local cooperative farmer network mutually beneficial for many years. Indeed, it is still viable; albeit, severely more challenging with the influx of highly competitive imported beef due to relaxed import restrictions.

Government agencies recognize the mutual benefit of public/private cooperation. Support for the beef industry awaits a full assessment of forces to determine market equilibrium,

before likely indicating a proper and effective stimulation to be supplied to local markets in the interest of all parties.

The Company continues to work through these challenges yet cannot provide a timeframe on when or if these endeavors will provide a successful return or outcome.



Cattle Operation

Sales volume per product (SJAP live beef cattle)	Q3 '17	Q3 '16	9M '17	9M '16
Beef cattle (#)	853	3 230	2 954	6 463
- o/w sold externally as live cattle	853	2 274	2 954	6 463
- o/w sold internally for valued added processing	0	956	0	0
ASP per head (USD)	2 331	2 204	2 436	2 453
Gross profit margin	5%	17%	8%	16%

Q3 live cattle revenue decreased by 60% to USD 2.0M (5.0), with live cattle sales amounting to 853 head in Q3 2017 versus 2 274 in Q3 2016. Gross profit decreased by 85% to USD 0.1M (0.8) equivalent to a margin of 5% (16.6%).

Fertilizer and feed

SJAP fertilizer and animal feed	Q3 '17	Q3 '16	9M '17	9M '16
Organic fertilizer (MT)	3 420	6 341	9 775	13 108
ASP / MT (USD)	190	181	182	162
Gross profit margin	33%	33%	36%	33%
Bulk livestock feed (MT)	5 627	9 013	19 619	27 583
ASP / MT (USD)	180	167	176	180
Gross profit margin	54%	55%	55%	55%
Concentrated livestock feed (MT)	6 330	9 967	21 350	27 958
ASP / MT (USD)	447	437	434	448
Gross profit margin	43%	45%	44%	44%
Total feed volume (MT)	11 957	18 980	31 125	41 066

Q3 fertilizer and feed revenue decreased by 38% to USD 4.3M (6.9). Gross profit decreased by 39% to USD 1.9M (3.1) equivalent to a margin of 44% (45%).

(USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16	%
Live cattle	2,0	7,1	-72%	7,2	15,9	-55%
Bulk livestock feed	1,0	1,6	-39%	3,5	5,0	-31%
Concentrated livestock feed	2,7	4,5	-39%	9,3	12,5	-26%
Fertilizer	0,6	0,8	-30%	1,8	2,1	-17%
Revenue	6,3	14,1	-55%	21,7	35,5	-39%
Live cattle	0,1	1,2	-92%	0,6	2,6	-77%
Bulk livestock feed	0,5	0,9	-40%	1,9	2,7	-31%
Concentrated livestock feed	1,2	2,0	-41%	4,1	5,6	-27%
Fertilizer	0,2	0,3	-32%	0,6	0,7	-15%
Gross profit	2,0	4,3	-54%	7,2	11,6	-38%
Live cattle	4,5%	16,6%		8,5%	16,4%	
Bulk livestock feed	54,0%	55,0%		54,9%	55,0%	
Concentrated livestock feed	43,4%	44,5%		43,9%	44,4%	
Fertilizer	32,3%	33,3%		33,9%	33,4%	
Gross profit margin	31,7%	30,9%		33,1%	32,7%	

SJAP Value added processing (VAP)

Sales volume per product (SJAP VAP)	Q3 '17	Q3 '16	9M '17	9M '16
Packaged meat - local cattle (MT)	361	478	611	1 191
ASP / kg (USD)	3,3	9,3	5,0	8,4
- Gross profit margin	10%	24%	13%	22%
Packaged meat - imported beef (MT)	1 653	2 707	5 009	7 114
ASP / kg (USD)	7,2	9,1	7,3	8,8
- Gross profit margin	3%	19%	13%	22%
Total volume processed	2 014	3 185	5 620	8 305

Q3 revenue from VAP decreased by 55% to USD 13.1M (29.4), with processing volumes decreasing to 2 014 MT (3 185). Gross profit decreased by 92% to USD 0.5M (5.9) equivalent to a margin of 3.4% (19.9%)

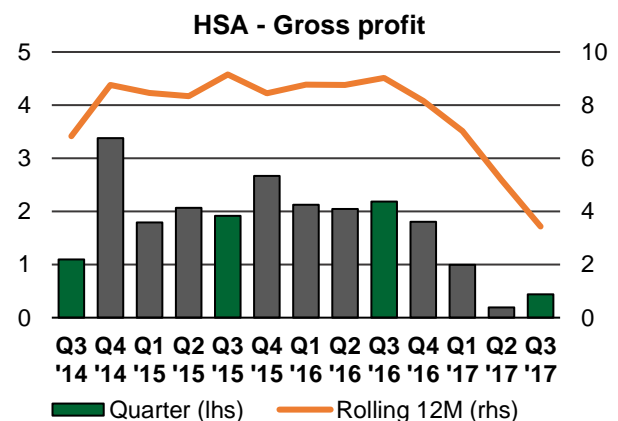
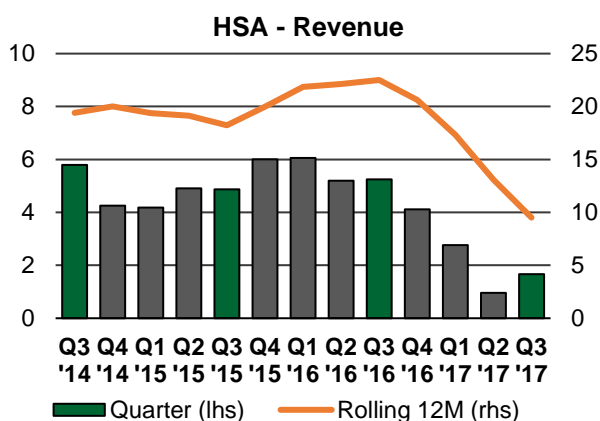
(USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16	%
Slaughter	-	0,3	-100%	0,2	0,3	-26%
VAP of local beef cattle	1,2	4,5	-73%	3,1	10,0	-69%
VAP of imported beef	11,9	24,6	-52%	36,7	62,7	-41%
Other	-	0,0	n.a.	-	0,0	n.a.
Revenue	13,1	29,4	-55%	40,0	73,0	-45%
Slaughter	-	0,2	n.a.	0,1	0,2	-26%
VAP of local beef cattle	0,1	1,1	-88%	0,4	2,2	-83%
VAP of imported beef	0,3	4,6	-93%	2,0	15,0	-87%
Other	-	0,0	n.a.	-	0,0	n.a.
Gross profit	0,5	5,9	-92%	2,5	17,4	-86%
Slaughter	n.a.	56,7%		57,0%	56,7%	
VAP of local beef cattle	10,2%	23,6%		12,5%	22,1%	
VAP of imported beef	2,8%	18,7%		5,4%	23,9%	
Other	n.a.	n.a.		n.a.	n.a.	
Gross profit margin	3,4%	19,9%		6,2%	23,8%	

Organic Fertilizer (HSA)

(USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16	%
Organic fertilizer	0,9	0,9	2%	2,8	2,9	-4%
Organic mixed fertilizer	0,7	4,3	-83%	2,6	13,6	-81%
Revenue	1,7	5,2	-68%	5,4	16,5	-67%
Organic fertilizer	0,1	0,2	-39%	0,5	0,6	-22%
Organic mixed fertilizer	0,3	2,0	-84%	1,1	5,7	-80%
Gross profit	0,4	2,2	-80%	1,6	6,4	-74%
Organic fertilizer	13,5%	22,7%		17,6%	21,8%	
Organic mixed fertilizer	42,6%	45,6%		43,2%	42,0%	
Gross profit margin	26,4%	41,6%		30,2%	38,5%	

Q3 revenue from HSA decreased by 68% to USD 1.7M (5.2). Gross profit decreased by 80% to USD 0.4M (2.2) equivalent to a margin of 26.4% (41.6%). The reason for the decrease is the big drop in sales of Organic Mixed Fertilizer due mainly to the production plant being retrofitted during the quarter. During Q3 2017, HSA improved its production and sales of organic fertilizer by 69% compared to Q3 2016. Without incurring further capital expenditure at this juncture until such time its self-generated results will allow; HSA improved its sales by 0.7M from Q2 2017's 0.9M to 1.6M with improved gross profit by 0.3M from 0.17M to 0.48M.

HSA fertilizer	Q3 '17	Q3 '16	9M '17	9M '16
Organic fertilizer (MT)	6 082	3 593	13 552	11 326
ASP / MT (USD)	153	245	200	247
Gross profit margin	14%	22%	17%	21%
Organic mixed fertilizer (MT)	1 796	10 040	6 476	29 998
ASP / MT (USD)	412	432	408	423
- Gross profit margin	42%	46%	43%	44%
Total fertilizer volume (MT)	7 878	13 633	20 028	41 324



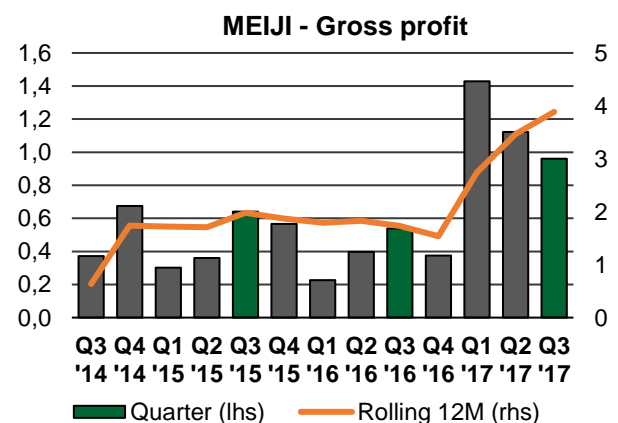
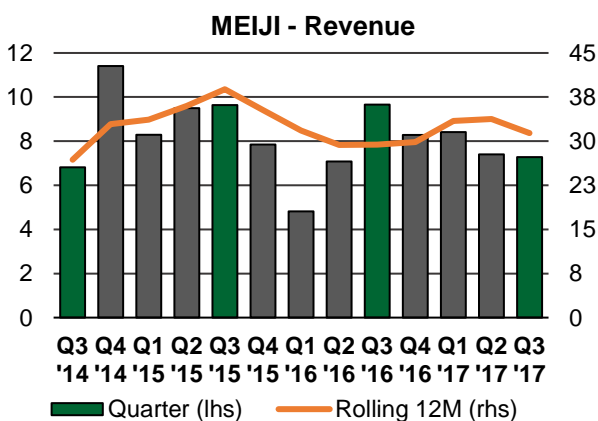
Cattle Farms (MEIJI)

(USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16	%
Sale of live cattle	7,3	9,7	-25%	23,1	21,6	7%
Revenue	7,3	9,7	-25%	23,1	21,6	7%
Sale of live cattle	0,96	0,54	78%	3,5	1,2	202%
Gross profit	0,96	0,54	78%	3,5	1,2	202%
Sale of live cattle	13,2%	5,6%		15,2%	5,4%	
Gross profit margin	13,2%	5,6%		15,2%	5,4%	

Q3 revenue from MEIJI decreased by 25% to USD 7.3M (9.7), with live cattle sales amounting to 4 731 head (4 417). Gross profit increased by 78% to USD 0.96M (0.54) equivalent to a margin of 13.2% (5.6%).

There is still significant demand for our locally bred “Yellow Cattle,” which are garnering approximately USD 36 / kg (live weight) in sales, which when compared to SJAP’s average of RMB26 / Kg for Angus and Simmental, provides perspective on the benefits from having adjusted the breed of cattle being raised. 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.

Sales volume per product (MEIJI)	Q3 '17	Q3 '16	9M '17	9M '16
Head of beef cattle (#)	4 731	4 417	13 244	11 686
ASP per head (USD)	1 539	2 187	1 744	1 845
- <i>Gross profit margin</i>	13,2%	5,6%	15,2%	5,4%



HU Plantation (JHST)

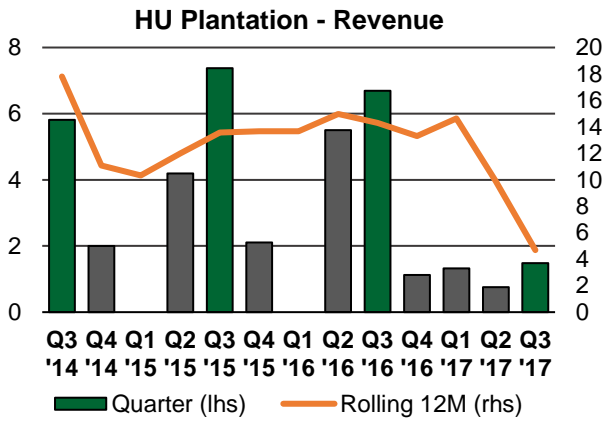
(USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16	%
Fresh HU-flowers	0,0	0,5	-95%	0,0	1,0	-97%
Dried HU-flowers	0,6	5,2	-88%	0,9	7,2	-87%
Immortal vegetables	-	-	n.a.	-	1,7	-100%
Vegetable products	0,8	1,0	-20%	2,6	2,3	13%
Revenue	1,5	6,7	-78%	3,6	12,2	-71%
Fresh HU-flowers	0,0	0,3	-99%	0,0	0,6	-99%
Dried HU-flowers	0,0	3,1	-99%	0,0	4,4	-99%
Immortal vegetables	-	-	n.a.	-	0,9	-100%
Vegetable products	0,2	0,4	-40%	1,2	0,6	84%
Gross profit	0,2	3,7	-94%	1,2	6,5	-81%
Fresh HU-flowers	8,8%	58,6%		10,6%	60,4%	
Dried HU-flowers	3,7%	59,0%		4,8%	60,9%	
Immortal vegetables	n.a.	n.a.		n.a.	52,9%	
Vegetable products	25,4%	33,8%		45,6%	27,9%	
Gross profit margin	16,0%	55,0%		34,5%	53,5%	

Q3 revenue from HU Plantation decreased by 78% to USD 1.5M (6.7), with dried HU-flower sales amounting to 125 MT (446). Revenue and gross profit suffered from a poor quality of flowers due to root diseases caused by years of excessive rain. While gross profit of USD 238K declined YoY by 94%, it was almost a 100% improvement over Q2, indicating the start of remediation results.

JHST is experimenting with a variety of crops that may prove less susceptible to the vagaries of weather in Guangdong province, as well as new processes aimed to mitigate the same issues. During the quarter an experimental crop of Passion Fruit had a good reception with reasonable and stable prices. The Company plans to improve the yield per acre while targeting 100 acres for commercial production in the spring of 2018. In addition, Immortal Fruit has attracted the interest of a health plant operator. The company plans to repackage this product, aiming to launch sales programs to meet next season's commercial harvests beginning in the spring of 2018.

The Company anticipates that these changes will accelerate the sales results toward 2016 results, with less dependence on fair weather.

Sales volume per product (JHST)	Q3 '17	Q3 '16	9M '17	9M '16
Fresh HU flowers (million pieces)	,2	3,3	0,4	6,2
ASP / MT (USD)	0,09	0,14	0,09	0,16
- Gross profit margin	11%	59%	11%	62%
Dried HU flowers (MT)	125	446	178	584
ASP / MT (USD)	5 025	11 599	5 285	12 372
- Gross profit margin	4%	59%	5%	61%
Vegetable products (MT)	776	1 381	2 440	978
ASP / MT (USD)	1 077	756	1 062	1 353
- Gross profit margin	25%	34%	46%	66%



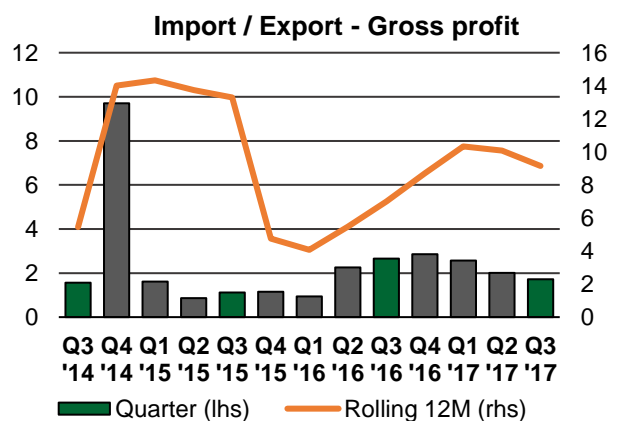
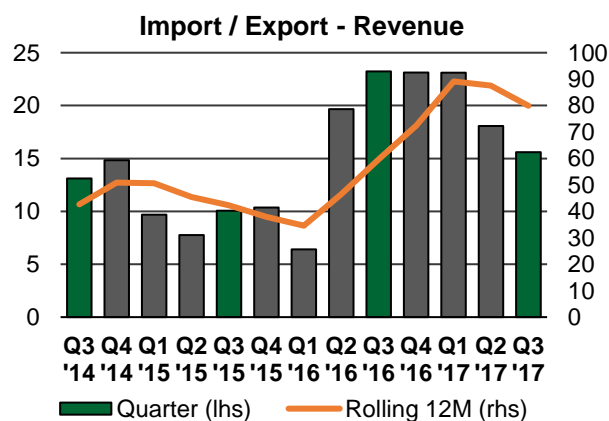
SIAF Corporate (Import / Export)

(USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16	%
Seafood	7,5	10,1	-26%	22,4	16,8	33%
Beef & mutton	8,1	13,1	-38%	34,4	32,5	6%
Revenue	15,6	23,2	-33%	56,8	49,3	15%
Seafood	0,8	1,2	-32%	2,5	2,0	23%
Beef & mutton	0,9	1,5	-38%	3,8	3,8	0%
Gross profit	1,7	2,7	-35%	6,3	5,9	8%
Seafood	10,9%	11,8%		11,0%	12,0%	
Beef & mutton	11,1%	11,1%		11,1%	11,8%	
Gross profit margin	11,0%	11,4%		11,1%	11,9%	

Q3 revenue from Import / Export decreased by 33% to USD 15.6M (23.2). The decrease was primarily due to our decision to trade in selective products that could maintain certain profit margins developed with selective clients. Gross profit decreased by 35% to USD 1.72M (2.66) equivalent to a margin of 11.0% (11.4%).

The Company is increasing import sales on quality Wagyu beef from Australia with support from reliable producers and suppliers that have granted the Company exclusive distribution rights. Imported Wagyu beef carries a higher profit margin, and has seen increasing market acceptance in China.

Traded volume per product (SIAF)	Q3 '17	Q3 '16	9M '17	9M '16
Mixed seafood (MT)	400	542	1 066	814
ASP / kg (USD)	19	19	21	21
Gross profit margin	11%	12%	11%	12%
Beef & lamb (MT)	417	1 239	2 549	3 535
ASP / kg (USD)	20	11	13	9
Gross profit margin	11%	11%	11%	12%
Total volume traded	817	1 781	3 615	4 349

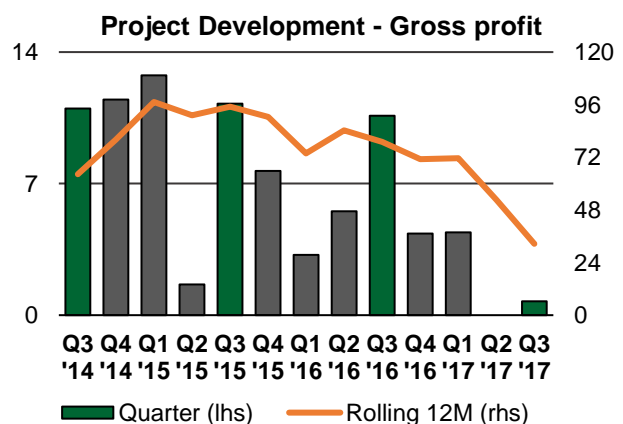
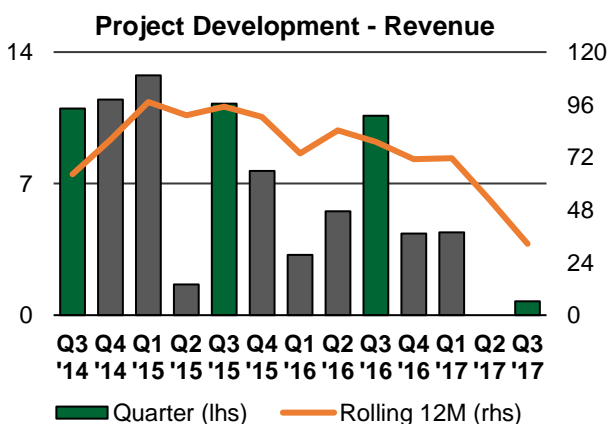


Aquaculture Project Development

(USD M)	Q3 '17	Q3 '16	%	9M '17	9M '16	%
Revenue	3,0	23,1	-87%	13,2	0,0	<i>n.a.</i>
Gross profit	0,7	10,6	-93%	4,4	0,0	<i>n.a.</i>
Gross profit margin	25,0%	46,0%		33,4%	#DIV/0!	

Q3 revenue from Aquaculture decreased by 87% to USD 3.0M (23.2). Gross profit decreased by 93% to USD 0.7M (10.6) equivalent to a margin of 25.0% (46.0%). Revenue and profit from this segment is not expected to return to precedent levels until cash flow helping to finance capital expenditures are available to carry out Tri-way's fishery development and Vigor's wholesale development. Meanwhile, during Q3 Tri-way funded necessary development work from cash flow resources totaling USD 3.0M after having curtailed any development during Q2.

In the interim, Capital Award ("CA") has continued to explore opportunities in Southeast Asia (i.e. India, Vietnam, Indonesia, Malaysia and other countries), having been introduced to interested parties during the quarter. CA aims to expand its segment operations in technology transfer, related consulting services, and plant and equipment development outside of China, while simultaneously developing mutually beneficial partnerships with other aquaculture technology companies, as demonstrated by the recent MOU signed with Utah, USA based CibusDx.



Key figures

USD M (except for share data)	Q3 2017	Q3 2016	%	9M 2017	9M 2016	%
Earnings						
Revenue	48,4	111,7	-57%	166,7	262,8	-37%
Gross profit	6,5	30,2	-78%	27,5	69,1	-60%
EBITDA	6,5	27,1	-76%	20,7	60,6	-66%
Net income attributable to SIAF	3,5	21,3	-84%	12,5	48,7	-74%
Share data						
Earnings per share (USD) – basic	0,14	1,04	-87%	0,4	2,5	-84%
Earnings per share (USD) – fully diluted	0,15	0,95	-84%	0,4	2,2	-83%
Weighted average number of shares (million)	24,2	20,4	19%	23,4	19,9	17%
Diluted weighted average number of shares (millions)	26,3	22,8	15%	25,6	22,8	12%
Cash flow						
Net cash provided by operating activities	12,9	24,2	-47%	27,5	62	-56%
Net cash used in investing activities	-5,9	-22,5	-74%	-21,6	-57,8	-63%
Net cash provided by (used in) financing activities	-2,4	2,6	-192%	-3,4	-5,6	-39%
Financial position*						
Total assets	816,3	715,9	14%			
Total liabilities	74,2	75,4	-1%			
Total stockholder's equity	742,1	640,6	16%			
Net debt	26,1	31,3	-17%			
Capital employed	768,2	645,0	19%			
Ratios						
Gross margin (%)	13,5%	27,0%		16,5%	26,3%	
EBITDA margin (%)	13,4%	24,3%		12,4%	23,0%	
Return on capital employed (%)	2,5%	16,6%		3,2%	12,1%	
Total equity ratio (%)	90,9%	89,5%				

*Closing balance for relevant period

Consolidated income statement

(USD M)	Q3 2017	Q3 2016	9M 2017	9M 2016
Sale of goods	45,4	88,3	150,6	207,1
Consulting and service income from development contracts	3,0	23,1	16,2	54,7
Commission and management fee	-	0,3	-	1,0
Total revenue	48,4	111,7	166,7	262,8
Sale of goods	-39,6	-69,0	-128,2	-158,4
Consulting and service income from development contracts	-2,2	-12,5	-11,0	-35,4
Commission and management fee	-	-	-	-
Cost of goods sold and services	-41,8	-81,5	-139,2	-193,7
Sale of goods	5,8	19,3	22,3	48,7
Consulting and service income from development contracts	0,7	10,6	5,2	19,3
Commission and management fee	-	0,3	-	1,0
Total gross profit	6,5	30,2	27,5	69,1
General and administrative expenses	-3,3	-4,7	-15,1	-12,4
Net income from operations	3,3	25,4	12,4	56,6
Government grant	-	-	0,5	0,3
Other income	0,0	1,3	0,0	1,5
Gain of extinguishment of debts	-	-	-	-
Interest expense	-0,3	-1,0	-1,6	-3,2
Net income (expenses) before income taxes	3,0	25,7	11,3	55,3
Provision for income taxes	-	-	-	-
Share of income from unconsolidated equity investee	1,4	-	5,5	-
Net income	4,3	25,7	16,7	55,3
Less: Net (income) loss attributable to the NCI	-0,9	-7,2	-4,2	-18,2
Net income from discontinued operations	-	2,9	-	12,0
Net gain from disposal of subsidiaries, TRW and JFD	-	-	-	-
Less: Net (income) loss attributable to the NCI	-	-0,1	-	-0,5
Net income attributable to SIAF	3,5	21,3	12,5	48,7
Foreign currency translation gain (loss)	0,6	-1,8	8,6	-5,0
Less: other comprehensive income attributable to the NCI	-1,0	0,2	-2,0	1,0
Comprehensive income attributable to SIAF	3,0	19,7	19,1	44,7
Earnings per share attributable to SIAF: from continuing and discontinued operations:				
Basic (USD per share)	0,14	1,04	0,39	2,45
Diluted (USD per share)	0,15	0,95	0,38	2,24
Weighted average number of shares outstanding:				
Basic (in million shares)	24,2	20,4	23,4	19,9
Diluted (in million shares)	26,3	22,8	25,6	22,8

Consolidated balance sheet

(USD M)	30-sep 2017	30-jun 2017
Cash and cash equivalents	1,9	3,6
Inventories	80,3	75,3
Costs and estimated earnings in excess of billings on uncompleted contracts	1,2	1,2
Deposits and prepayments	93,9	94,0
Accounts receivable net of allowance for doubtful accounts	105,2	105,6
Other receivables	58,8	60,7
Total current assets	341,3	340,5
Plant and equipment net of accumulated depreciation	207,6	200,9
Construction in progress	41,5	40,4
Land use rights net of accumulated amortization	54,5	54,0
Total plant and equipment	303,6	295,2
Goodwill	0,7	0,7
Investment in unconsolidated equity investee	144,5	143,1
Proprietary technologies net of accumulated amortization	9,7	9,8
Long term investment	0,8	0,7
Temporary deposits paid to entities for investments in SFJV companies	15,6	15,6
Total other assets	171,4	170,1
TOTAL ASSETS	816,3	805,8
Accounts payable and accrued expenses	12,6	14,5
Billings in excess of costs and estimated earnings on uncompleted contracts	5,6	5,6
Due to a director	0,9	0,3
Other payables	9,9	3,5
Borrowings - Short term bank debts	1,5	1,5
Negotiable promissory note	0,4	1,2
Income tax payable	0,0	0,0
Current liabilities	30,8	26,6
Other payables	17,4	17,4
Borrowings - Long term debts	6,0	5,9
Convertible notes payables	20,1	22,0
Non-current liabilities	43,5	45,3
TOTAL LIABILITIES	74,2	71,9
Common stock: \$0.001 par value	0,0	0,0
Additional paid - in capital	168,2	164,9
Retained earnings	467,1	463,7
Accumulated other comprehensive income	2,2	2,6
Treasury stock	-1,3	-1,3
Total SIAF stockholders' equity	636,3	629,9
Non - controlling interest	105,8	103,9
TOTAL STOCKHOLDER'S EQUITY	742,1	733,8
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	816,3	805,8

Consolidated statement of cash flows

(USD M)	Q3 2017	Q3 2016	9M 2017	9M 2016
Net income for the period	4,3	28,6	16,7	67,7
Adjustments to reconcile net income from operations to net cash from operations:				
Share of income from unconsolidated equity investee	-	-	-5,5	-
Depreciation	2,5	1,1	7,0	3,4
Amortization	0,7	0,5	2,0	1,5
Gain on deemed disposal of subsidiaries	-	-	-	-
Common stock issued for services	0,1	-0,4	4,1	-
Gain on extinguishment of debts	-	2,4	-	2,4
Other amortized cost	0,7	0,4	2,1	2,5
Cash flow from operating activities before change in wc	8,4	32,7	26,4	77,4
Change in inventories	-5,0	0,6	-17,8	-2,2
Change in costs and estimated earnings in excess of billings on uncompleted contracts	-	-	-0,5	-
Change in deposits and prepaid expenses	2,1	-4,1	-2,4	-9,2
Change in due to a director	0,6	-0,2	-1,2	0,3
Change in accounts payable and accrued expenses	-2,0	-0,1	3,8	5,7
Change in other payables	6,4	12,4	10,1	14,6
Change in accounts receivable	0,4	-7,2	17,8	-0,1
Costs and estimated earnings on uncompleted contracts	-0,0	-6,1	3,0	-7,1
Change in other receivables	1,9	-3,6	-11,7	-17,2
Change in working capital	4,5	-8,5	1,1	-15,4
Cash flow from operating activities	12,9	24,2	27,5	62,1
Purchases of property and equipment	-5,2	-3,7	-14,6	-9,8
Investment in unconsolidated equity investee	-	-	-	-0,2
Payment for construction in progress	-0,8	-18,8	-7,1	-47,8
Net cash used in investing activities	-5,9	-22,5	-21,6	-57,8
Proceeds from short term debt	-	6,7	-	6,7
Repayment of short term bank debt	-1,4	-3,8	-1,4	-3,8
Series F Non-convertible preferred stock redemption	-	-	-	-
Proceeds from convertible note payable	-	-	-	-
Repayment of convertible note payable	-	-	-	-
Convertible note payable repaid through director's account	-1,5	-	-1,5	-7,7
Bond payable (repaid)/raised	-	-	-	-
Proceeds from negotiable promissory notes	-0,9	0,5	-0,9	-
Repayment of long term debts	1,5	-0,8	-	-0,8
Capital contribution from non-controlling interest	-	-	0,4	-
Net cash (used in) provided by financing activities	-2,4	2,6	-3,4	-5,6
Effects on exchange rate changes on cash	-4,9	1,5	-3,2	3,1
Increase in cash and cash equivalents	-0,4	5,7	-0,7	1,8
Cash and cash equivalents, beginning of period	3,6	3,3	2,6	7,2
Cash and cash equivalents, end of period	1,9	9,1	1,9	9,1

5-year summary

USD million (except for share data)	2016	2015	2014	2013	2012
<u>Earnings</u>					
Revenue	342,9	429,1	404,3	261,4	138,6
Gross profit	83,9	111,2	129,3	101,5	69,8
EBITDA	102,6	97,3	119,6	98,3	63,8
Net income attributable to SIAF	115,0	65,3	92,1	74,2	57,5
<u>Share data</u>					
Earnings per share (USD) – basic	5,46	3,63	5,81	6,14	6,93
Earnings per share (USD) – fully diluted	5,00	3,59	5,56	5,76	6,24
Weighted average number of shares (million)	18,0	18,0	15,8	12,1	8,3
Diluted weighted average number of shares (millions)	23,2	18,3	16,6	12,9	9,3
<u>Cash flow</u>					
Net cash provided by operating activities	92,5	44,6	22,0	84,2	44,4
Net cash used in investing activities	-59,2	-59,2	-31,5	-93,3	-44,4
Net cash provided by (used in) financing activities	8,2	2,6	9,9	0,9	6,9
<u>Financial position*</u>					
Total assets	765,7	639,5	532,7	367,5	243,1
Total liabilities	61,7	70,6	70,5	35,9	26,0
Total shareholders equity	703,9	568,9	462,2	331,6	217,1
Net debt (cash)	28,5	39,0	24,2	7,8	-4,1
Capital employed	732,4	607,9	486,4	339,4	213,0
<u>Ratios</u>					
Gross margin (%)	24,5%	25,9%	32,0%	38,8%	50,4%
EBITDA margin (%)	29,9%	22,7%	29,6%	37,6%	46,0%
Return on capital employed (%)	13,5%	12,2%	23,7%	26,9%	33,1%
Total equity ratio (%)	91,9%	89,0%	86,8%	90,2%	89,3%

*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 2017	Q3 2016	9M 2017	9M 2016
Net income from operations	3,3	25,4	12,4	56,6
Depreciation and Amortization	3,2	1,6	8,3	3,9
EBITDA (Non-U.S. GAAP Measure)	6,5	27,1	20,7	60,6

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 2017	Q3 2016	9M 2017	9M 2016
Numerator				
Net income	4,3	25,7	16,7	55,3
Interest Expense	0,3	1,0	1,6	3,2
ROCE Earnings (Non-U.S. GAAP Measure)	4,7	26,7	18,3	58,5
Denominator				
Capital employed* (Non-U.S. GAAP Measure)	761	645	761	645
ROCE (Non-U.S. GAAP Measure)	2,5%	16,6%	3,2%	12,1%

*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)	30-sep 2017	30-jun 2016	
Borrowings - Short term bank debts	1,5	1,5	
Negotiable promissory note	0,4	1,2	
Borrowings - Long term debts	6,0	5,9	
Convertible notes payables	20,1	22,0	
Cash and cash equivalents	-1,9	-3,6	
Net Debt (Non-U.S. GAAP Measure)	26,1	27,0	

This is Sino Agro Food

SIAF is a specialized investment company focused on protein food. 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. SIAF 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 revenue of USD 343 million in 2016. Operations are located in Guangdong, Qinghai, and Hunan provinces, and in 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.

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.

Aquaculture Project Development

Aquaculture Project Development refers to the operations of Capital Award Inc. (CA) covering its engineering, technology and consulting service management of fishery operations. 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”).

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 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-K report, available on the Company's website.

Press and analyst conference

Sino Agro will host a conference call on December 8, 2017 at 16.00 CET. The conference call can be accessed via our home page www.sinoagrofood.com. The annual and quarterly reports are also published on sinoagrofood.com.

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