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NEWS RELEASE

SINO GRANDNESS REPORTS NET PROFIT OF RMB233.4M ON 24.7% RISE IN REVENUE TO RMB2.8B IN FY14.

- FY14 Group revenue increased 24.7% year on year (yoy) to RMB2,819.4m (FY13: RMB2,261.0m)
- FY14 gross profit grew 28.9% yoy to RMB1,127.9m. (FY13:RMB875.1m)
- FY14 gross profit margin ("GPM") improved 1.3 ppt to 40.0%.
- FY14 beverage segment revenue up by 35.8% yoy to a record high of RMB1,876.7m from RMB1,382.3m in FY13 due to strong orders for Garden Fresh juices
- Stronger financial position with cash and cash equivalents more than doubling to RMB223.6m as at end of FY14 compared to RMB91.3m as at end of FY13.

Financial Highlights RMB (million)	FY14	FY13	FY14 VS FY13
Revenue	2,819.4	2,261.0	+24.7%
Gross profit	1127.9	875.1	+28.9%
Gross profit margin	40.0%	38.7%	+1.3ppt
Distribution & selling expenses	(378.7)	(218.2)	+73.5%
Administrative expenses	(97.2)	(94.8)	+2.5%
Finance costs*	(145.4)	(118.4)	+22.8%
Changes in fair value of the option derivatives in relation to convertible bonds	(112.2)	(14.0)	+699.3%
Net profit attributable to shareholders	233.4	287.7	-18.9%
Adjusted earnings**	451.0	418.2	+7.8%

*Non-cash interest expenses related to convertible bonds in FY14 amounted to RMB105.5m (FY13:RMB116.5m)
**Adjusted earnings = Net profit attributable to shareholders + non-cash interest expenses of convertible bonds + changes in fair value of the option derivatives in relation to convertible bonds

SINGAPORE – 27 February 2015 – Mainboard-listed Sino Grandness Food Industry Group Limited 中华食品工业集团有限公司 ("Sino Grandness" or "the Company" and together with its subsidiaries, the "Group"), a Shenzhen, China based integrated producer

and distributor of own-branded juices and canned fruits and vegetables today reported its unaudited results for the twelve months ended 31 December 2014 ("FY14").

In FY14, the Group recorded a net profit of RMB233.4 million, down 18.9% from the same period last year ("FY13") due mainly to a sharper rise in distribution and selling expenses as well as a non-cash charges in relation to convertible bonds. Distribution and selling expenses rose 73.5% in FY14 to RMB378.7 million, accounting for 13.4% of Group revenue (FY13 : 9.7% of Group revenue) mainly due to higher advertising and promotional expenses attributed to domestic sales of beverage and canned products in the PRC market.

Excluding the impact of non-cash interest expenses of convertible bonds and changes in fair value of the option derivatives in relation to convertible bonds, adjusted earnings would have risen 7.8% in FY14 to RMB451.0 million compared with RMB418.2 million in FY13.

Mr Huang Yupeng 黄育鹏, Chairman and CEO of Sino Grandness said, "Although the net profit of FY14 was affected by the higher distribution and selling expenses as well as non-cash accounting charges in relation to convertible bonds, I am glad to see continuous growth in the Group's revenue and gross profit. The record high revenue achieved in FY14 reflected sustainable growth momentum of both our own-branded business segments namely beverage and domestic canned products. Besides, in FY14 we see the Group's own-branded Garden Fresh fruit juices ventured out to its first overseas market, Hong Kong. Garden Fresh fruit juices had been distributed into *wellcome* stores, one of the largest supermarket chains in Hong Kong with more than 200 retail points. We are working towards distributing Garden Fresh fruit juices into other reputable retail channels such as 7-Eleven convenience stores in Hong Kong in 2015. Apart from Hong Kong, we are evaluating the feasibility of distributing our own-branded products in other overseas markets such as South East Asia markets."

Revenue analysis by segments:

	4Q			12-months (FY)		
	Oct – Dec 2014	Oct – Dec 2013	Change	Jan – Dec 2014	Jan – Dec 2013	Change
Product segment	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Canned products						
- overseas	70,430	135,891	(48.2)	635,164	689,533	(7.9)
- domestic	48,269	46,498	3.6	307,547	189,208	62.5
Beverage	384,910	366,887	4.9	1,876,738	1,382,277	35.8
Total	503,609	549,276	(8.3)	2,819,449	2,261,018	24.7

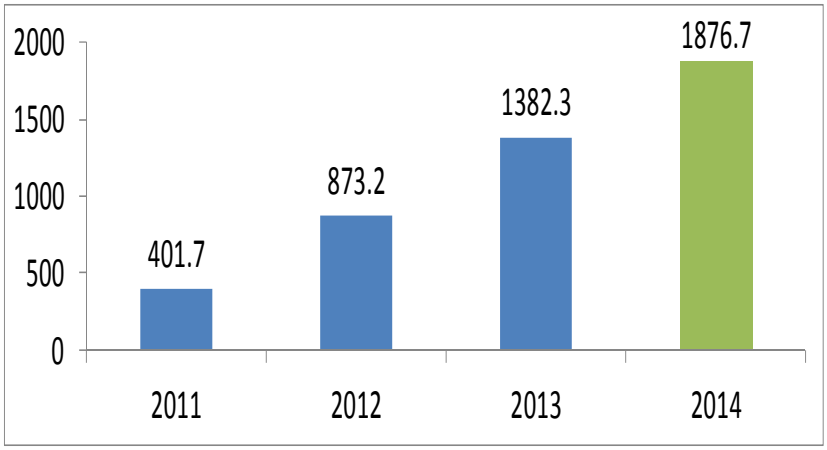
In FY14, revenue of the Group's beverage segment, which comprised of Garden Fresh juices, recorded a 35.8% yoy growth to RMB1,876.7 million (FY13:RMB1,382.3 million). Domestic canned products segment, which comprised of Grandness canned fruits, chalked a 62.5% yoy jump in revenue to RMB307.5 million (FY13:189.2 million). Domestic demand for the Group's own-branded products grew significantly in FY14, due

to increased production capacities, growing consumer acceptance and continued expansion of distribution network within the PRC market.

In FY14, revenue of overseas canned products dropped 7.9% yoy to RMB635.2 million (FY13:RMB689.5 million). As the Group distributes its overseas canned products such as asparagus, long beans and mushroom across major discount stores and supermarkets in various countries across Europe and Australia, the unfavorable performance of this product segment can be attributed to the sluggish economic conditions in these regions.

Strong growth momentum of beverage segment

Beverage revenue in RMB million



In FY14, revenue of beverage segment which comprised of Garden Fresh bottled juices grew 35.8% yoy, reaching a new high of RMB1,876.7 million (FY13:RMB1,382.3 million) due to further expansion of retail points in the PRC market and positive response to the expanded range of Garden Fresh juices including loquat and mixed loquat juices. In FY14, revenue of Garden Fresh loquat juice product lines has exceeded RMB1.4 billion, accounting for about 75% of the total sales of the beverage segment. The strong growth also reflected the successful outcome of participations at the trade exhibition held in March 2014 in Chengdu, Sichuan Province, PRC as well as the trade exhibition held in October 2014 in Chongqing PRC.

Gross Profit Margin

In FY14, the Group's gross profit increased by 28.9% yoy to RMB1127.9 million on the back of a 24.6% growth in revenue. Overall gross profit margin ("GPM") for the Group in FY14 improved to 40.0% from 38.7% recorded in FY13, mainly due to improvement in profit margin of beverage segment as well as positive shirt in product mix.

Stronger Cash Position

As a result of the successful completion of placement of 86 million new shares in December 2014, the Group exited the year with a stronger financial position with cash

and cash equivalents more than doubling to RMB223.6m as at end of FY14 compared to RMB91.3m as at end of FY13.

Outlook

National Bureau of Statistic of China (NBSC) reported that China's Gross Domestic Product ("GDP") increased by 7.4% year-on-year to approximately RMB63,646.3 billion in 2014. Compared to the 7.7% GDP growth achieved in 2013, the slower growth in 2014 was mainly due to the slowdown in fixed investment, especially in real estate and manufacturing investment which faced oversupply problems. However, unemployment rate remained under control at 4.1% while national per capital disposable income grew 8.0% in real term. Total retail sales of consumer goods in 2014 rose 12.0% to RMB26,239.4 billion with retail sales in rural area rising 12.9% while retail sales in urban area rising at a relatively slower pace of 11.8%.

Chinese consumers, as a result of improved living standards, have shown increasing awareness on health and wellness. They have become more concerned about the quality and safety of food consumed. Both sustained growth in consumer spending and heightened health and wellness awareness augur well for the fruit juice and canned fruit industry in China. As such, the Group remains optimistic about the growth prospects of its own-branded products including 鲜绿园® ("Garden Fresh") juices and 振鹏达® ("Grandness") canned fruits.

To capitalize on the potential growth opportunities ahead for Garden Fresh juices and Grandness canned fruits, the Group will continue to focus on four key areas to drive growth, namely:-

1. Advertising and promotional activities to further increase awareness and brand value of our in-house brands in particular Garden Fresh and Grandness;
2. Sales and marketing efforts to expand our distribution network for domestic and export markets;
3. Expansion of production capacity at strategic locations and
4. Research and development efforts to expand its range of products in order to appeal to a broader group of consumers.

During a business update released on 23 October 2014, the Group announced that the new juice production facilities in Hubei Province, PRC ("Hubei Plant") had secured all the relevant permits and approvals in September 2014 and the Hubei Plant has officially commenced production in October 2014. The Hubei Plant is strategically located in the centre region of the PRC and is expected to have a maximum production capacity of approximately 240,000 tons of juices per annum.

Barring unforeseen circumstances, the Group remains optimistic about its operating performance for FY2015.

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About Sino Grandness Food Industry Group Limited

Headquartered in Shenzhen the PRC, Sino Grandness is an integrated manufacturer and distributor of own-branded 鲜绿园® (Garden Fresh) juices as well as canned fruits and vegetables. Since its establishment in 1997, the Group has rapidly grown to become one of the leading brands for loquat fruit juice in China as well as top exporters of canned asparagus, long beans and mushrooms from China. The Group's products are distributed globally across Europe, North America and in Asia, in renowned supermarkets, discount stores and convenience stores including as Lidl, Rewe, Carrefour, Walmart, Huepeden, Coles, Jusco and Metro.

With stringent quality control and procedures implemented in its manufacturing processes, Sino Grandness' canned products are compliant with international standards, including Hazard Analysis and Critical Control Point ("HACCP") food safety system, British Retail Consortium ("BRC"), International Food Standard ("IFS") and International Organization for Standardization ("ISO") certifications. As such, Sino Grandness is able to export its canned products to customers globally including the European Union, which has enforced import restrictions (commonly known as "Green Barriers") since 2000 on the grounds of environmental and food safety issues.

Sino Grandness' production plants in China are strategically located in four provinces, namely Shandong, Shanxi, Sichuan and Hubei – all of which are key agricultural belts. The production bases straddle different climatic regions so that production activities can be carried throughout the year.

In 2010, the Group successfully launched its own-branded bottled juices Garden Fresh, comprising unique fruits such as loquat and hawthorn to target the huge domestic consumer base in China. In recognition of the Group's R&D and brand building efforts, Garden Fresh juices have been accorded the "Innovative, Outstanding and Nutritious Award" by the PRC Food Industry in 2010 as well as "Top 100 Brand in China" by the joint agency of Global times, Asia Brand Association and China Economic Herald in 2013.

Note :
This release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operating expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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