



Sino Grandness Food Industry Group Limited

(Incorporated in the Republic of Singapore on 20 April 2007)

(Company Registration No. 200706801H)

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NEWS RELEASE

SINGAPORE – 9 March 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 food and beverage company principally involved in the production and distribution of fruit juices under in-house brand “Garden Fresh” as well as canned food products would like to provide the following updates to its shareholders and the investment community after receiving enquiries from a number of its shareholders about the Group’s balance sheet items and status of the proposal to spin-off its beverage business segment following the recent weakness in the Company’s share price.

Update on Proposed Spin-Off

In July 2013, the Group announced that it is proposing to spin-off its beverage business segment under its wholly-owned subsidiary, Garden Fresh (HK) Fruit & Vegetable Beverage Co., Limited and its group of subsidiaries for a listing on an internationally recognised stock exchange (“Proposed Spin-Off”).

The Proposed Spin-Off is a complex corporate exercise as it involves extensive work to be done by multiple external professional parties. As part of the on-going Proposed Spin-Off, the Group announced in January 2015 the incorporation of Garden Fresh Group Holding Co., Ltd (鲜绿园集团控股有限公司) in Cayman Islands as well as Garden Fresh Group Co., Limited (鲜绿园集团股份有限公司) in Hong Kong.

As of today, the Proposed Spin-Off is still progressing and the Company will keep shareholders updated on material developments as and when appropriate.

Commissioned Euromonitor International to conduct independent market research

The Company has commissioned international research company Euromonitor International in January 2015 to conduct independent assessment of the fresh juice and loquat juice market in mainland China (“Industry Overview Report”). The Industry Overview Report shall include industry trends and competitive landscape with market shares and ranking.

Update on key balance sheet items :

Trade Receivables update

As at 31 December 2014, the Group's trade receivable amount was approximately RMB1.1 billion. As at 31 January 2015, approximately RMB301 million of the outstanding sum has been received from the Company's customers.

Cash balance update

As at 31 December 2014, the Group's cash balance was approximately RMB223.6 million. As at 31 January 2015, the Group's cash balance has improved to approximately RMB297.7 million.

Banking facilities

As part of its normal business operations, the Group is in regular contact with various banks to secure, extend or renew its banking facilities. The Group presently has un-used banking facilities of approximately RMB149.6 million extended by various banks in the PRC. The Group is also in discussions with various international banks to secure additional long term bank loans. The Group shall make further announcements as and when any significant long term bank loans have been secured.

Net gearing ratio

As at 31 December 2014, the Group's net gearing ratio has improved to 35.1% from 37.9% in the previous financial year. The Group's net debt as at 31 December 2014 was RMB552.7 million, comprising bank loans of RMB54.2 million, convertible bonds ("CBs") sum of RMB722.1 million and offsetting against cash and cash equivalents of RMB223.6 million. The CBs sum included both the straight bond and conversion option components.

Actively monitor and manage cash flows

While continuing to move ahead with its plan with the Proposed Spin-Off, the Group's management will also actively monitor and manage its cash flow positions, banking facilities, trade receivables and capital investment plans. If required, the senior management shall revise its capital investment plans in the new plant in Anhui Province in order to strengthen its cash flow position further.

The management shall also continue to actively monitor and manage its sales growth momentum and trade receivable amount which is more than the CBs redemption sum as at 31 December 2014 assuming the outstanding trade receivables of RMB1.1 billion as at 31 December 2014 are fully collected.

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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, Huelpeden, 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 assumptions, 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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