



Sino Grandness Food Industry Group Limited

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

(Company Registration No. 200706801H)

56th Floor, Tower A, Lian He Plaza,

No. 5022, Bin He Road, Futian District, Shenzhen, PRC (518033)

深圳市福田区滨河大道 5022 号联合广场 A 座 56 楼 (邮编:518033)

www.grandnessgroups.com

NEWS RELEASE

SINO GRANDNESS WELCOMES STRATEGIC INVESTMENT BY THAI CONGLOMERATES THORESEN THAI AGENCIES AND PM GROUP

- Leading Thai investment conglomerates, Thoresen Thai Agencies (“TTA”) and PM Group to invest 9% and 3.77% respectively in Sino Grandness via Private Placement of newly-issued shares.
- Mr Prayudh Mahagitsiri, Honorary Chairman of TTA and the Founder and Chairman of PM Group, who is known as “*the Coffee King of Thailand*”, shall be appointed as Honorary Chairman of Sino Grandness.
- The transaction is not only to add equity funding to the high-growth Sino Grandness, but also to create a new partnership aiming towards new product developments as well as solid expansion into South East Asia market.

SINGAPORE – 02 October 2014 – 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 as well as canned food products today announced that the Company has entered into two subscription agreements with Thailand listed Thoresen Thai Agencies Public Company Limited (“**Thoresen Thai Agencies** or **TTA**”), through its wholly-owned subsidiary Soleado Holdings Pte. Ltd. (“**Soleado**”), and PM Group Company Limited (“**PM Group**”) to issue a total of 86,000,000 new ordinary shares of the Company to both subscribers at the placement price of S\$0.61 per share. TTA shall subscribe for 60,601,035 new ordinary shares of the Company and PM Group shall subscribe for 25,398,965 new ordinary share of the Company. Upon completion of the placement exercise, TTA shall become the second largest shareholder of Sino Grandness with a 9.0% stake and one board seat whilst PM Group’s stake shall be approximately 3.77%.

Honorary Chairman of TTA and PM Group’s Chairman, Mr Prayudh Mahagitsiri says, “The F&B industry in China continues to fuel exciting growth and offers growth opportunities for companies like Sino Grandness that has established a strong competitive edge. I am particularly impressed with Sino Grandness’ beverage products positioning targeting increasingly health conscious consumers through offering juices with mid-high juice content which are perceived to be more nutritional and comprising unique fruits such as loquats and hawthorns. I believe the future remains bright for Sino Grandness and I am pleased to assist them in their future journey.”

“We are excited about this, our latest transaction as it will reinforce our new vision as to be the most trusted Asian Investment Group by 2020,” said Mr. Chalermchai Mahagitsiri, President & CEO of TTA. “This deal represents our first step into the food and beverage industry sector, which has a huge growth potential. Sino Grandness has demonstrated cumulative annual growth rates of 40% since 2008, and we foresee the Company continuing to deliver stable financial performance.

Mr Huang Yupeng 黄育鹏, Chairman and CEO of Sino Grandness comments, “We are very excited about this new strategic partnership with TTA and PM Group and are utmost honored to welcome Mr Prayudh Mahagitsiri to our company as Honorary Chairman. The transaction will not only strengthen our equity base to propel our future growth, but also lead the way towards collaborations in terms of development of new products and establishing new markets for Sino Grandness in South East Asia. Mr Prayudh Mahagitsiri is a highly-reputable investor with excellent track record of investing in and managing various businesses, particularly food and beverage business, over the past few decades. We believe his massive experience will tremendously benefit our company going forward.”

About Thoresen Thai

Thoresen Thai Agencies Public Company Limited (“TTA”) is a leading strategic investment holding company listed on the Main Board of the Stock Exchange of Thailand (TTA:TB) with a market capitalization of over THB 30 billion. The company grows through a diversified portfolio of attractive long-term investments globally. TTA’s current businesses include, but not limited to, worldwide dry bulk shipping, middle-east based offshore oil & gas services, high-quality fertilizer production and distribution, and deep seaports as well as integrated logistics services and warehouses in South East Asia.

About PM Group

PM Group is one of the top, privately-held Thai conglomerates with interests in consumer products, industrial products, property development, golf courses, entertainment, education and investments. PM Group’s consumer products operations in Thailand include **Nescafé**, **Krispy Kreme** and **Coffee Gallery**. Under the leadership of its Chairman Mr. Prayudh Mahagitsiri, PM Group manages the businesses of various subsidiaries and associate companies with assets valued at over USD 2 billion.

The placement price represents a discount of approximately 7.94% over the volume weighted average price of the Company’s share price for trades done on the SGX-ST for the full market day on 30th September 2014.

Upon completion of the placement exercise, net proceeds from the placement are estimated to be approximately S\$50.5 million. Sino Grandness intends to use 60% of the net proceeds for capital expenditure and for distribution network expansion. The balance 40% of the net proceeds will be used for general working capital purposes.

Sino Grandness recently announced a sterling set of financial results for the first half ended 30 June 2014, with net profit attributable to equity holders rising 32.4% to RMB229.8 million and revenue rising 33.7% to RMB1.29 billion. This was underpinned by higher orders for own-branded products and improvement in gross profit margins for the Group.

The placement is conditional upon, *inter alia*, the approval in principle of SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST as well as approval from relevant authorities in Thailand in relation to exchange control and payments to be made out of Thailand.

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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 exporters of canned asparagus, long beans and mushrooms from the PRC. The Group's products are distributed globally across Europe, North America and in Asia, in renowned supermarkets, discount stores and convenience stores including Lidl, Rewe, Carrefour, Walmart, Huelpeden, Coles, Jusco and Metro.

With stringent quality control and procedures implemented in its manufacturing processes, Sino Grandness' manufacture and sale of 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 are strategically located in three provinces in the PRC, namely Shandong, Shanxi and Sichuan – all of which are key agricultural belts in the PRC. The production bases straddle different climatic regions so that production activities can be carried throughout the year. The Group's new plant in Hubei Province is expected to commence mass production of juices in 2014.

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 the PRC. 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.

For further information please contact:

Mr. Parry Ng

VP, Corporate Communications & Investor Relations

Sino Grandness Food Industry Group Limited

Tel: +65-96647316

Email: parry@grandnessgroups.com