

CHINA MINZHONG FOOD CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 200402715N)
("Company")

CHINA MINZHONG DOUBLES KING OYSTER MUSHROOM CULTIVATION CAPACITY

Pursuant to the announcement on 21 July 2010 for the incorporation of subsidiary (Tianjin Minzhong Ecological Agriculture Development Co., Ltd), China Minzhong Food Corporation Limited (the "Company") is pleased to announce the successful commencement of operations at its new king oyster mushroom cultivation facility in Tianjin City, PRC. The new facility adds another 4 tons/day capacity to the Company's existing king oyster mushroom capacity in Shanghai, bringing the total capacity to 8 tons/day. Given the closed-room, temperature and humidity controlled environment in both facilities, the Company is capable of cultivating king oyster mushrooms throughout the year. Both facilities in Tianjin and Shanghai are currently operating at full capacity.

King oyster mushrooms are considered a delicacy in many Chinese cuisines. Because of the technical expertise required in cultivation and an industry supply shortage during off-peak summer production periods, king oyster mushrooms are able to fetch higher selling prices and better gross margins than other mushrooms. The Company targets to increase its total king oyster mushroom cultivation capacity to 15 tons/day by end 2011 and 24 tons/day by end 2012.

Mr. Lin Guo Rong, Executive Chairman and CEO of the Company, views the opening of the new Tianjin facility as a platform to expand the Company's market share in affluent markets such as Tianjin as well as nearby Beijing. On the back of the Company's positive corporate developments, Mr. Lin also wishes to use this opportunity to shed more light on the recent shares transactions of its private equity shareholders.

- 1) Olympus Leaf Holdings Limited and High Focus International Limited are both substantial shareholders of the Company and are wholly owned by private equity funds managed by Olympus Capital Holdings Asia ("Olympus") and CMIA Capital Partners Pte. Ltd. ("CMIA") respectively. CMIA funded the Company's privatization in 2004 while Olympus has been vested in the Company since 2006. Given the closed end nature of the funds, it is a natural progression for private equity firms to liquidate their investments post IPO and return capital to their investors.
- 2) Apart from the recent placement of 40 million shares, Olympus has not sold any shares since the Company's IPO in April 2010. Post-placement, Olympus continues to hold a 10.3% stake in the Company and remains confident in the Company's prospects.
- 3) The Board of Directors also wishes to highlight that the recent share placements have helped to lighten the "shares overhang" issue due to its existing private equity shareholders. The Company also notes that the recent share placements have attracted both new institutional shareholders as well as existing institutional shareholders who have increased their shareholdings in the Company.

Board representatives from Government Investment Corporation of Singapore ("GIC"), Olympus, and CMIA continue to express optimism in the Company's expansion plans and remain confident in its business prospects.

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By order of the Board

Lin Guo Rong
Executive Chairman and Chief Executive Officer

31 May 2011

The initial public offering of the Company was sponsored by J.P. Morgan (S.E.A.) Limited, Kim Eng Corporate Finance Pte. Ltd. and Macquarie Capital (Singapore) Pte. Limited (the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this announcement.