

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

USE OF INITIAL PUBLIC OFFERING PROCEEDS

The Company refers to its prospectus dated 7 April 2010 ("**Prospectus**") in relation to the initial public offering of the Shares on the SGX-ST on 15 April 2010 ("**IPO**"). The defined terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Prospectus.

The Company wishes to announce that the Group had entered into various agreements (collectively, the "**Agreements**") to invest an aggregate of approximately **RMB281.7 million** (approximately equivalent to **S\$56.2 million***), of which an amount of **S\$30.9 million** has since been funded by the Group's internal resources. The Company intends to fund the remaining amount of approximately **RMB127.2 million** (approximately equivalent to **S\$25.3 million***) from the net proceeds from the IPO of approximately **RMB657.2 million** (approximately equivalent to **S\$135.5 million**) as stated in the Prospectus.

The details of the Agreements are summarised as follow:

(i) Expansion of Cultivation Land, Renewal of Existing Lease and Improvement to Cultivation Land in Putian City, Fujian Province, PRC

The Group has leased new farmland amounting to 2,000 mu** and renewed the lease of an existing farmland amounting to 3,095 mu. The total investment, including associated land improvement costs on the farmlands, amounts to approximately **RMB96.2 million** (approximately equivalent to **S\$19.2 million***), of which approximately **RMB36.3 million** (approximately equivalent to **S\$7.2 million***) will be funded from the net proceeds from the IPO. This increase in cultivation capacity is in line with the Group's target to expand its cultivation base by 15,000 to 25,000 mu** per annum for the next three years.

(ii) Construction of New Mushroom Cultivation Facility in Tianjin City, PRC

The Group has leased a plot of land comprising approximately 210 mu** for a term of fifteen years commencing from 1 May 2010 for the construction of a cultivation facility. The total investment amounts to approximately **RMB89.1 million** (approximately equivalent to **S\$17.8 million***), of which approximately **RMB27.8 million** (approximately equivalent to **S\$5.5 million***) will be funded from the net proceeds from the IPO. The new cultivation facility will increase the Group's cultivation capacity of king oyster mushrooms.

(iii) Expansion of Mushroom Cultivation Facility in Shanghai, PRC

The Group intends to expand the mushroom cultivation facilities located in Shanghai to increase the cultivation capacity of king oyster mushrooms. The total expansion cost amounts to approximately **RMB38.0 million** (approximately equivalent to **S\$7.6 million***), of which approximately **RMB8.0 million** (approximately equivalent to **S\$1.6 million***) will be funded from the net proceeds from the IPO.

*Based on the exchange rate of RMB5.0137 : SGD1.00 as at 22 August 2010
**1 mu is equivalent to 666.67 square metres

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

USE OF INITIAL PUBLIC OFFERING PROCEEDS

(iv) Construction of New Processing Facility in Putian City, Fujian Province, PRC

The Group is expected to acquire the land use rights for a plot of land comprising approximately 287 mu** in Putian City, Fujian Province, PRC, for the construction of a new processing facility. The processing facility will be capable of performing various processes, including air-drying, freeze-drying, fresh-packing, and brining. The total cost for the expansion amounts to approximately **RMB58.4 million** (approximately equivalent to **S\$11.6 million***), of which approximately **RMB55.1 million** (approximately equivalent to **S\$11.0 million***) will be funded from the net proceeds from the IPO. The construction of the first phase of the new processing facility expected to be completed by June 2011.

The following table summarises the use of the net proceeds from the IPO to-date:

Future Plans	Proposed	Utilisation pursuant to the Agreements	Utilised
	SGD	SGD	SGD
Increase of production and processing capacity	56.9 million	11.0 million	-
Increase cultivation capacity by acquiring or leasing new farmlands and for the related land improvements costs	51.5 million	14.3 million	-
General working capital	27.1 million	-	27.1 million
Total	135.5 million	25.3 million	27.1 million

The above utilisations are in accordance with the intended use of the proceeds from the IPO and in accordance with the percentage allocated, as stated in the Prospectus.

The Company will make further announcements via SGXNET when the remaining proceeds of the Company's initial public offering are materially disbursed.

*Based on the exchange rate of RMB5.0137 : SGD1.00 as at 22 August 2010
**1 mu is equivalent to 666.67 square metres

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

USE OF INITIAL PUBLIC OFFERING PROCEEDS

By order of the Board

Lin Guo Rong
Executive Chairman and Chief Executive Officer

25 August 2010

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.