

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 **RMB215.8 million** (approximately equivalent to **S\$41.8 million***), of which an amount of **S\$4.1 million** has since been funded by the Group's internal resources. The Company intends to fund the remaining amount of approximately **RMB194.5 million** (approximately equivalent to **S\$37.7 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 and Improvement to Cultivation Land in Putian City, Fujian Province, PRC

The Group has leased new farmland amounting to 8,300 mu**. The total investment, including associated land improvement costs on the farmlands, amounts to approximately **RMB151.5 million** (approximately equivalent to **S\$29.4 million***), all of which will be funded from the net proceeds from the IPO.

(ii) Construction of New Processing Facility in Sichuan Province, PRC

The Group intends to construct a processing facility in Sichuan Province to increase our freeze-drying processing capacity for Black Fungus. The total cost for the construction amounts to approximately **RMB64.3 million** (approximately equivalent to **S\$12.4 million***), of which approximately **RMB43.0 million** (approximately equivalent to **S\$8.3 million***) will be funded from the net proceeds from the IPO.

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

Future Plans	Proposed	Utilisation pursuant to the Agreements as announced on 25 August 2010	Utilisation pursuant to the Agreements as aforementioned	Utilised
	SGD	SGD	SGD	SGD
Increase of production and processing capacity	56.9 million	11.0 million	8.3 million	-
Increase cultivation capacity by acquiring or leasing new farmlands and for the related land improvements costs	51.5 million	14.3 million	29.4 million	-
General working capital	27.1 million	-	-	27.1 million
Total	135.5 million	25.3 million	37.7 million	27.1 million

*Based on the exchange rate of RMB5.1578 : SGD1.00 as at 11 November 2010

**1 mu is equivalent to 666.67 square metres

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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.

By order of the Board

Lin Guo Rong
Executive Chairman and Chief Executive Officer

12 November 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.

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