

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 **RMB258.7 million** (approximately equivalent to **S\$49.9 million***), of which an amount of **RMB216.9 million** (approximately equivalent to **S\$41.8 million***) will be funded 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 Company intends to fund the remaining amount of approximately **RMB41.8 million** by the Group's internal resources

The details of the Agreements are summarised as follow:

(i) **Expansion of Cultivation Land in Sichuan and Fujian Provinces, PRC**

The Group has leased new farmlands amounting to 5,600 mu**. The total investment, including associated land improvement costs on the farmlands, amounts to approximately **RMB82.2 million** (approximately equivalent to **S\$15.9 million***), of which approximately **RMB40.4 million** (approximately equivalent to **S\$7.8 million***) will be funded from the net proceeds from the IPO. The remaining amount of approximately **RMB41.8 million** will be funded by the Group's internal resources.

(ii) **Construction of New Processing Factory and Acquiring of New Processing Facilities in Fujian Province, PRC**

The Group has entered into an agreement for construction of new processing factory, which will house a comprehensive range of processing facilities (such as air-drying, freeze-drying, fresh-packing, brining and canning), and acquiring of new processing facilities, for the expansion of the Group's processing capacity to capture the rising trend of customers' orders. The contracted investment will amount to approximately **RMB150.5 million** (approximately equivalent to **S\$29.0 million***), all of which will be funded from the net proceeds from the IPO.

(iii) **Expansion of Production Facilities for Vegetables Processing in Fujian Province, PRC**

The Group has entered into various agreements to expand the production facilities for vegetables processing. The total investment amounts to approximately **RMB26.0 million** (approximately equivalent to **S\$5.0 million***), all of which will be funded from the net proceeds from the IPO.

*Based on the exchange rate of RMB5.1815 : SGD1.00 as at 10 February 2011

**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

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 up to 12 November 2010	Utilisation pursuant to the Agreements as aforementioned	Utilised
	SGD	SGD	SGD	SGD
Increase of production and processing capacity	56.9 million	19.3 million	34.0 million	19.9 million
Increase cultivation capacity by acquiring or leasing new farmlands and for the related land improvements costs	51.5 million	43.7 million	7.8 million	31.9 million
General working capital	27.1 million	-	-	27.1 million
Total	135.5 million	63.0million	41.8 million	78.9 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.

By order of the Board

Lin Guo Rong
Executive Chairman and Chief Executive Officer

14 February 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.

*Based on the exchange rate of RMB5.1815 : SGD1.00 as at 10 February 2011

**1 mu is equivalent to 666.67 square metres