



CHINA MINZHONG FOOD CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

CHINA MINZHONG 1QFY2013 PROFIT ROSE 30.6% TO RMB121.6 MILLION

- Revenue increased 69.7% to RMB613.4 million, underpinned by better performances in both Cultivation and Processed business segments.
- Net operating cash flow increased 85.2% to RMB226.3 million, while cash and cash equivalents grew 209.4% to RMB302.0 million compared to 1QFY12.
- Group expects more contributions from new farmland and greater focus on industrialized farming for rest of financial year.

Singapore, 14 November 2012 – China Minzhong Food Corporation Limited (中国闽中食品有限公司) (“China Minzhong” or the “Group”) (SGX: K2N.SI; Bloomberg quote: MINZ SP), today announced its financial results for the first quarter ended 30 September 2012 (“1Q FY2013”) with a 30.6% increase in net profit to RMB121.6 million, compared to RMB93.1 million in the previous corresponding period.

Summary of Results

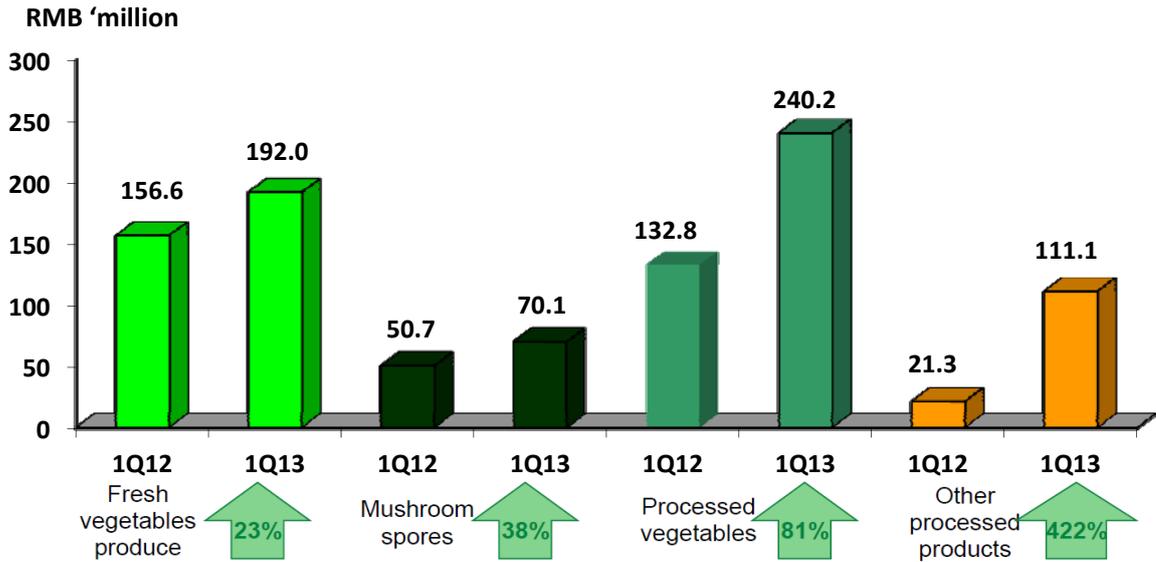
RMB 'million	1QFY2013	1QFY2012	% Change
Revenue	613.4	361.4	69.7%
Gross profit	185.9	147.0	26.4%
EBITDA ¹	201.3	148.1	36.0%
Profit before income tax	136.2	103.6	31.5%
Net Profit	121.6	93.1	30.6%
Net operating cash flow	226.3	122.2	85.2%
Cash and cash equivalents at end of financial period	302.0	97.6	209.4%

¹ EBITDA refers to earnings before interest, tax, depreciation and amortization expenses.

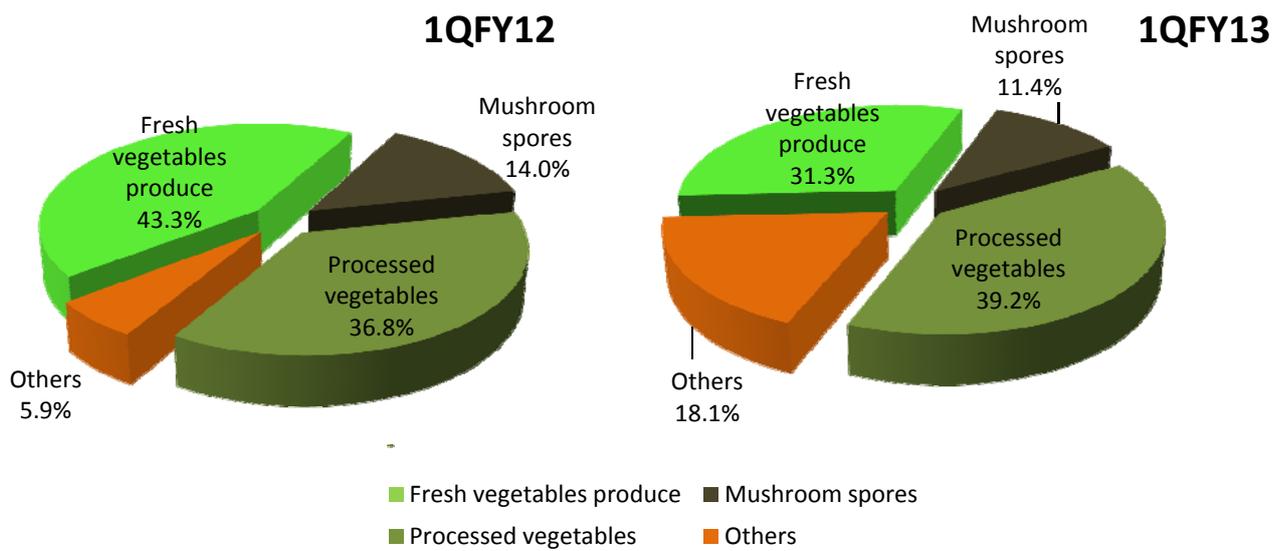


Review of Results

Revenue breakdown by segments



Revenue percentage contribution by segments





Review of Results (Continued)

For the 3 months ended 30 September 2012, Group's revenue increased by 69.7% to RMB613.4 million, driven by better performances across both the Cultivation and Processed business segments. As a proportion of sales, contributions from the Processed business segment rose to 57.3% (1QFY12: 42.7%) on the back of higher sales for the Group's branded beverages categorised under other processed products. The Cultivation business segment (comprising of fresh vegetable produce and mushroom spores) accounted for the remaining 42.7% of sales.

Revenue from processed vegetables increased by 80.9% to RMB240.2 million, underpinned by new customers for the export markets and sales spill over due to the delay in the champignon mushroom harvesting season from last financial year. Revenue for other processed products grew 421.6% to RMB111.1 million, mainly due to strong domestic demand for our branded products such as vegetables and fruits beverages.

Revenue from fresh vegetables produce rose by 22.6% to RMB192.0 million, mainly due to contributions from new farmland which have not yet turned productive in 1QFY12. Revenue from mushroom spores trading also grew by 38.4% to RMB70.2 million, reflecting strong end demand for the Group's champignon mushroom products.

In line with higher revenue, the Group's gross profit for the period rose 26.4% to RMB185.9 million. Traditionally during the lull period in summer, the Group will cultivate low yield rice paddy as part of its crop rotation programme to maintain the fertility of the farmlands. Excluding rice paddy, gross profit margin for fresh vegetables produce recorded an increase of 1.9 ppt to 58.8%.

Sales and distribution expenses increased 21.4% to RMB24.9 million, in line with sales growth. The increase is attributed to (i) higher payroll costs due to increased sales and distribution staff headcount and (ii) an increase in marketing and advertising expenses relating to the promotion of our brand domestically. Administrative expenses declined 6.6% to



RMB21.5 million, as a result of amortization expenses of operating lease prepayments of farmland being charged under cost of goods sold (instead of administrative expenses previously) once they have turned productive. Finance costs also increased by 37.6% to RMB7.7 million, due to increased bank borrowings to fund the Group's higher working capital requirements.

Earnings before interest, tax, depreciation and amortization expenses increased by 36.0% to RMB201.3 million while profit before income tax rose 31.5% to RMB136.2 million. Earnings per share (both basic and diluted) rose 30.5% to 21.8 RMB cents.

The Group generated net operating cash flow of RMB226.3 million in 1QFY13, compared to RMB122.2 million in 1QFY12. Overall cash and cash equivalents amounted to RMB302.0 million as at 30 September 2012, compared to RMB97.6 million as at 30 September 2011 and RMB42.1 million as at 30 June 2012.

Commenting on the results, the Group's Executive Chairman Mr. Lin Guo Rong (林国荣) said, "In spite of the global economic uncertainty and rising costs in the domestic markets, we are pleased to deliver another set of positive earnings growth to our shareholders. While the end demand of vegetables as a food staple remains stable, we are taking extra precautionary measures in the current business environment, particularly in regards to higher inflationary costs and credit risks from smaller customers. At the same time, we are also keeping a close monitor on our working capital management and maintaining healthy cash flows so that we remain well positioned for any opportunities and challenges ahead."

Outlook

The global and domestic demand for vegetables remains steady, underpinned by population growth, rising urbanization as well as preferences for healthy dietary eating habits. The increasing needs for cost-competitive and consistent raw material food supplies by overseas



food manufacturers continue to drive the demand for the Group's processed vegetables for exports. Locally, the agriculture sector in PRC remains well-supported by the government, in line with its efforts to boost national food security and improve the livelihood of its rural population.

Stepping into the new financial year, the Group expects to reap better cultivation yield from approximately 22,000 mu of new farmland, the bulk of which only turned productive in the second half of last financial year. Building on the initial successes of its king oyster mushroom cultivation facilities in Shanghai and Tianjin, the Group is also looking to duplicate its high-yield industrialized farming model in other affluent cities in PRC to capitalize on the growing demand.

On the processing front, the Group is on track to complete the construction of Phase 2 of its New Industrial Park processing facilities in the coming months. With additional capacity coming on stream, the capacity constraints at the Group's existing processing facilities will be alleviated during the upcoming peak period. With new facilities and room for further expansion, the New Industrial Park will serve as the main growth driver for the Group's processing business for the next three to five years.

In view of the global economic uncertainty, the Group will also continue its ongoing efforts in closely monitoring the debt and credit situation amongst the European countries, recovery of the U.S. economy and their potential impact on our operations.

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About China Minzhong Food Corporation Limited

China Minzhong (Bloomberg stock quote: MINZ SP) is a leading, internationally accredited, integrated vegetable processor in the People's Republic of China ("PRC"). Operating since 1971, China Minzhong has seven cultivation bases in the PRC and distributes its products to over 26 different countries around the world. Its key products consist of fresh vegetables produce and more than 100 types of processed vegetables, which include air-dried, freeze-dried, fresh-packed and brined products. China Minzhong's products have been awarded numerous international and domestic awards and certifications, including the ISO22000 (which incorporates the HACCP standards) and ISO 9001 standards, a testament to the Group's high quality assurance. China Minzhong's fresh organic vegetables are also certified by BCS Oko-Garantie GmbH, a German accreditation body which certifies organic standards imposed by the European Union.

Since its public listing on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") in April 2010, China Minzhong has reported 3 consecutive years of growing profitability and more than doubled its vegetable farmland area. Currently, China Minzhong is expanding its climate-controlled industrialized farming model across PRC and increasing its processing capacity at its New Industrial Park facilities in Fujian Province, PRC.

For more information, please visit www.chinaminzhong.com



Issued for and on behalf of China Minzhong Food Corporation Limited

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