



CHINA MINZHONG FOOD CORPORATION LIMITED

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For Immediate Release

CHINA MINZHONG 9MFY2012 NET PROFIT UP 8.3% TO RMB508.6 MILLION

- 9MFY2012 revenue grew 16.7% to RMB1,765.3 million.
- Late arrival of winter results in shift of operating peak season into 4QFY12.
- Approximately 60% y-o-y increase for revenue in April 2012 as a result of sales rollover from late winter, with a corresponding 60% y-o-y increase in gross profit.
- Group remains optimistic on long term growth prospects, leveraging on continued demand for its vegetables, established track record and strong government support.

Singapore, 14 May 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 nine months ended 31 March 2012 (“9MFY2012”) with a 8.3% increase in net profit to RMB508.6 million (9MFY2011: RMB469.8 million). For the three months ended 31 March 2012 (“3QFY2012”), net profit was lower by 7.8% at RMB240.8 million due to a late start in the operating peak season as well as higher operating expenses and raw material costs.

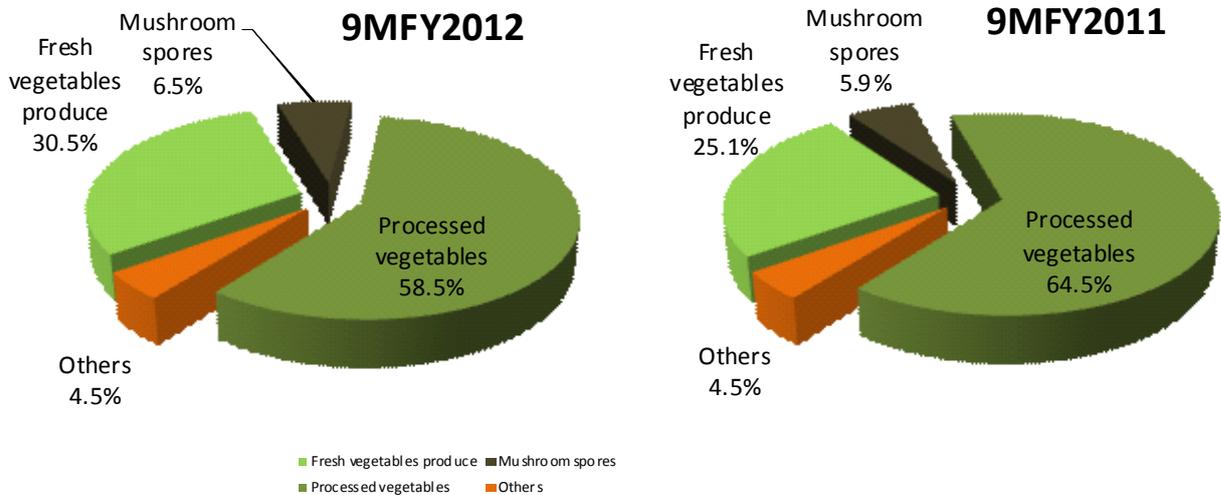
Summary of Results

RMB ‘million	9MFY2012	9MFY2011	% Change	3QFY2012	3QFY2011	% Change
Revenue	1,765.3	1,513.1	16.7%	753.2	703.9	7.0%
Gross profit	696.0	635.6	9.5%	310.9	330.9	(6.1%)
Gross margin (%)	39.4%	42.0%	(2.6ppt)	41.3%	47.0%	(5.7ppt)
EBITDA	700.6	615.9	13.8%	319.7	330.2	(3.2%)
EBITDA margin (%)	39.7%	40.7%	(1.0ppt)	42.4%	46.9%	(4.5ppt)
Net profit	508.6	469.8	8.3%	240.8	261.1	(7.8%)
Net margin (%)	28.8%	31.0%	(2.2ppt)	32.0%	37.1%	(5.1ppt)



Review of Results

Revenue breakdown



The arrival of the winter season, whose cool temperature is essential for the cultivation of the Group’s peak season crops, such as champignon mushrooms, was delayed in this financial year. This resulted in a shift in the Group’s operating peak season from the months of “December to April” in normal years to “January to May” in this financial year. The later months usually account for a larger proportion of sales as the Group gains momentum into the peak period.

For the nine months ended 31 March 2012 (“9MFY2012”), Group’s revenue increased 16.7% to RMB1,765.3 million, with better performances in both the Group’s cultivation and processed business segments. For the month of April 2012, Group’s revenue rose by approximately 60% y-o-y to RMB280 million, with a corresponding 60% y-o-y increase in gross profit to RMB110 million.



For the nine months ended 31 March 2012, revenue from processed vegetables increased by 5.9%, driven by a continued shift towards a higher-value processed vegetables portfolio and higher average selling prices. On the same note, revenue from other processed products also grew 16.1% to RMB79.8 million on the back of strong domestic demand for the Group's branded products, such as vegetables and fruit beverages.

Revenue from fresh vegetables produce also increased by 41.5% to RMB537.7 million, on the back of contributions from new farmland and improved yield. Correspondingly, sales volume of fresh vegetables rose 48.5% from 91,257 tonnes in 9MFY2011 to 135,517 tonnes in 9MFY2012. While most of our vegetable types experienced price inflation during the period, the average selling price for our overall fresh vegetables portfolio was lower as a result of changes in product mix. The Group also recorded a 29.1% growth in sales from mushroom spores to RMB114.4 million, indicating a similar healthy growth in sales orders for champignon mushrooms¹ which will only be fully realized in the 4th quarter due to the late winter.

The processed business segment (comprising of processed vegetables and other processed products²) contributed 63.0% of total revenue in 9MFY2012 while the cultivation business segment (comprising of both fresh vegetables produce and mushroom spores) accounted for the remaining 37.0%.

In line with the higher revenue, 9MFY2012 gross profit also rose 9.5% to RMB696.0 million. However, overall gross margin slipped by 2.6 ppt to 39.4% on the back of (1) rising cost components for land, labour and raw materials (mainly fertilizers) (2) newly added farmland that has yet to achieve optimum yield (3) kick in of depreciation expenses for the Group's New Industrial Park for processing activities (4) part of sales rollover to the 4th quarter, which could have helped in offsetting some of the higher overhead expenses.

¹ Champignon mushrooms is the Group's largest product by revenue.

² Include IQF processed products, vegetable and fruit beverages and other miscellaneous products.



The Group generated net operating cash flow of RMB246.2 million in 9MFY2012 while net cash generated from financing activities was RMB246.6 million. Net cash used in investing activities amounted to RMB551.4 million, which included RMB455.1 million of property, plant and equipment purchases for the Group's New Industrial Park and RMB94.7 million in land improvement costs used in preparing new farmland. As at 31 March 2012, the Group recorded cash and cash equivalents amounting to RMB120.5 million.

Outlook

The agricultural sector in PRC continues to be well supported by the government. Under its latest 12th Five-Year plan, the PRC government seeks to accelerate the development of modern agriculture and expand the income channels for farmers. The first goal is closely tied to the safeguarding of national food security on the back of a growing population and increasing urbanization, while the latter targets to improve the livelihood of the individual farmers.

In the first policy document (No. 1 Document) for 2012, the PRC government also emphasized the importance of scientific and technological innovation for sustained agricultural growth. While encouraging more investment in the agricultural industry, the authorities will also play a leading role in financing agricultural scientific and technological innovation.

The Group remains optimistic on its long term growth prospects, banking on its established track record and continued government support in the sector. The Group continues to see steady demand for its vegetables products, both domestically and overseas, underpinned by population growth, rising urbanization and increased preferences for healthy dietary eating habits. With the recent increase in raw material costs, the Group will work towards a more cost-efficient use of resources and better economy of scale on new farmland while continuing its shift towards higher value products to target higher selling prices and margin expansion in the long term.

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 impacts on the Group's operations.



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About China Minzhong Food Corporation Limited

Listed on the Mainboard of the Singapore Exchange in April 2010, China Minzhong is a leading, internationally accredited, integrated vegetables processor in the People's Republic of China ("PRC"). Operating since 1971, China Minzhong has numerous cultivation bases in the PRC and since inception, has distributed 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 China Minzhong's high quality standards. Some of Minzhong's fresh produce have been certified "Organic" by BCS Oko-Garantie GmbH, the German body which certifies organic standards imposed by the European Union.

For more information, please visit www.chinaminzhong.com

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.



Issued for and on behalf of China Minzhong Food Corporation Limited

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