



CHINA MINZHONG FOOD CORPORATION LIMITED

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For Immediate Release

CHINA MINZHONG 1Q FY2012 NET PROFIT UP 77.9% TO RMB93.1 MILLION

- Broad-based revenue growth of 36.8% to RMB361.4 million, across both cultivation and processed business segments
- Gross margin rose 7.7 ppt to 40.7%, underpinned by an improved product mix, maturing yield and higher operating efficiency
- Positive contributions in FY2012 arising from new farmland and commencement of processing operations at New Industrial Park

Singapore, 14 November 2011 – China Minzhong Food Corporation Limited (中国闽中食品有限公司) (“China Minzhong” or the “Group”) (SGX: K2N.SI), today announced its financial results for the 3 months ended 30 September 2011 (“1Q FY2012”) with a 77.9% increase in net profit to RMB93.1 million (1Q FY2011: RMB52.4 million).

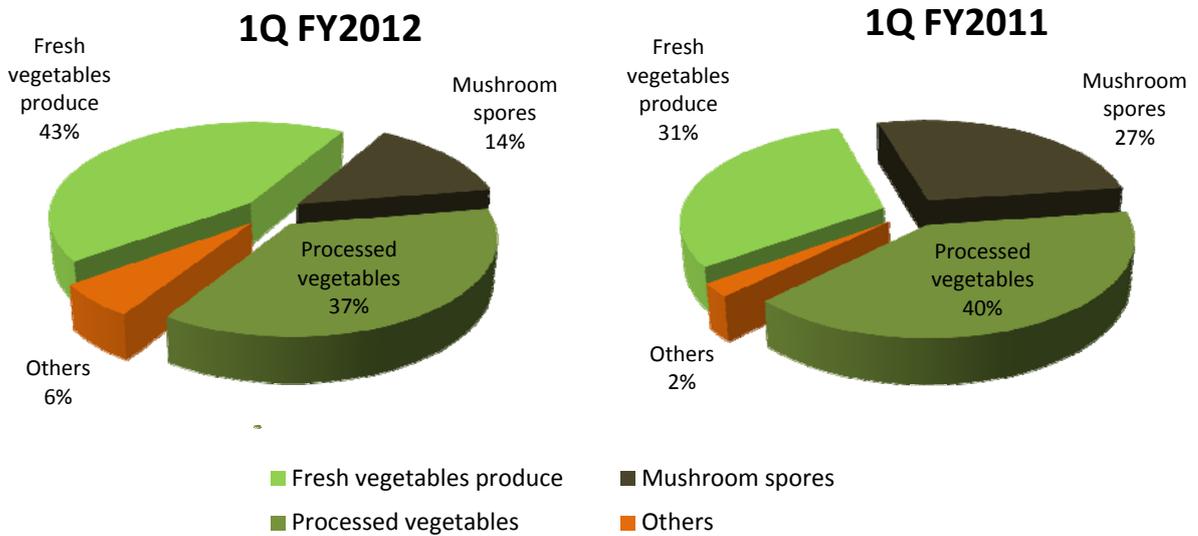
Summary of Results

RMB 'million	1Q FY2012	1Q FY2011	% Change
Revenue	361.4	264.1	36.8%
Gross profit	147.0	87.2	68.5%
Gross margin (%)	40.7%	33.0%	7.7ppt
Profit before tax	103.6	60.2	72.0%
Net profit	93.1	52.4	77.9%
Net margin (%)	25.8%	19.8%	6.0ppt
EBITDA	148.1	78.0	89.9%
EBITDA margin (%)	41.0%	29.5%	11.5ppt



Review of Results

Revenue breakdown



Revenue grew 36.8% to RMB361.4 million, driven by better performance in both the Group's cultivation and processed business segments. The cultivation business segment (comprising of both fresh vegetables produce and mushroom spores) contributed 57.3% of total revenue in 1Q FY2012, while the processed business segment (comprising of processed vegetables and other products¹) accounted for the remaining 42.7%.

Revenue from fresh vegetables produce increased by 94.0% to RMB156.6 million, on the back of contributions from new farmland and improved better product mix. Aligned with the Group's shift towards higher value products, average selling price for fresh vegetables produce recorded a 37% increase y-o-y. On the other hand, sales from mushroom spores declined 29.2% to RMB50.7

¹ Include IQF processed products, vegetable and fruit beverages and other miscellaneous products.



million, as most of the mushroom spores distribution will only be done in the 2nd quarter for this financial year.

Revenue from processed vegetables rose 25.9% to RMB132.8 million, as the Group capitalised on more opportunities in the export markets. Average selling price for processed vegetables also increased 53.5% y-o-y, in line with the Group's shift towards a higher value product mix. On a similar note, revenue from other processed products grew 240.8% to RMB21.3 million as the Group's branded products, such as vegetables and fruit beverages, gained further traction in the domestic market.

In line with the higher revenue, gross profit increased by 68.5% to RMB147.0 million. Overall gross margin improved by 7.7ppt to 40.7%, driven by better product mix, improved yield from maturing farmland and higher operating efficiency arising from economy of scale. Earnings before interest, tax, depreciation and amortization ("EBITDA") increased 89.9% to RMB148.1 million, with a 11.5ppt improvement in EBITDA margin to 41.0%.

The Group continued to generate healthy operating cash flow of RMB122.2 million in 1Q FY2012 (1Q FY2011: RMB107.4 million). Net cash used in investing activities amounted to RMB164.0 million, mainly for (i) new purchases and prepayments for property, plant and equipment and (ii) incurring land improvement costs on new farmland, which is expected to contribute revenue by the 3rd quarter for this financial year.

Commenting on the Group's financial performance, Chief Executive Officer and Executive Director of China Minzhong, Mr Lin Guo Rong (林国荣) said, "We are pleased to start off the new financial year with a good set of performance. Our extensive expansion plans since IPO and focus on higher value products are starting to bear fruits with improvements in both our sales figures and margins. We hope to build upon this foundation and continue the growth momentum in the subsequent quarters."



Outlook

Despite the global economic uncertainty, the demand for vegetables products remains robust, underpinned by population growth, rising urbanization and the increased preferences for healthy dietary eating habits. Globally, food manufacturers' needs for cost-competitive and reliable supply of raw material food ingredients are increasing on the back of increased weather adversities and supply shortages across the agricultural landscape. The Group remains well-positioned to capitalize on these opportunities with its established track record, ongoing expansion plans and highly specialized product knowledge and emphasis on product quality assurance.

The Group continues to reap rewards from the expansion of its cultivation and processing capacity over the past financial year. Harvests from newly-added vegetable farmland and the additional processing capacity at the Group's New Industrial Park are expected to contribute positively to the Group's business performance in the new financial year. The Group's continued shift towards a higher value product mix will also help to drive the increase in average selling prices and margins in the long term.

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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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