



CHINA MINZHONG FOOD CORPORATION LIMITED

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For Immediate Release

CHINA MINZHONG'S 1H FY2011 NET PROFIT ROSE 43.3% TO RMB208.7 MILLION

- Revenue up 32.2% to RMB809.2 million, on higher demand for both fresh vegetables produce and processed vegetables.
- Gross margin remained stable at 37.7%
- Net margin improved 2 ppt to 25.8% on lower interest expenses
- Group remains committed to expand cultivation and processing capacities in accordance to IPO plans.

Singapore, 14 February 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 unaudited financial results for the 6 months ended 31 December 2010 (“1HFY2011”). Riding on the strong demand for vegetables, the Group reported a 43.3% increase in net profit from RMB145.6 million in 1H FY2010 to RMB208.7 million in 1H FY2011.

Summary of Results

RMB 'million	1H FY2011	1H FY2010	% Change	2Q FY2011	2Q FY2010	% Change
Revenue	809.2	612.3	32.2%	545.1	389.2	40.0%
Gross profit	304.7	230.6	32.1%	217.4	163.3	33.1%
Gross margin (%)	37.7%	37.7%	-	39.9%	42.0%	(2.1ppt)
Profit before tax	247.0	172.1	43.5%	186.7	121.3	54.0%
Net profit	208.7	145.6	43.3%	156.3	102.0	53.2%
Net margin (%)	25.8%	23.8%	2.0ppt	28.7%	26.2%	2.5ppt
EBITDA	285,694	216,990	31.7%	207,725	143,850	44.4%
EBITDA margin (%)	35.3%	35.4%	(0.1ppt)	38.1%	37.0%	1.1ppt



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Results Review

China Minzhong continued its steady growth momentum in 1H FY2011 with a 32.2% increase in revenue to RMB809.2 million and better performance in both its processed vegetables and fresh vegetables produce divisions. Processed vegetables contributed to 67.1% of total revenue while fresh vegetables produce accounted for the remaining 32.9%.

Revenue from the processed vegetables rose 48.5% to RMB543.3 million, driven by (i) a 17.9% increase in sales volume and (ii) continued shift towards a higher-value product portfolio, which increased average selling prices by 25.9%.

Revenue from fresh vegetables produce (excluding mushroom spores) increased 15.1% to RMB177.2 million, benefiting from better cultivation yield. Sales volume for fresh vegetables (excluding mushroom spores) grew 19.2% to 50,698 tonnes, while average selling price ("ASP") dipped by 4% due to a change in vegetables mix - there were increased sales of certain vegetables species with lower ASP but with higher gross profit margins. Overall gross profit margin of fresh vegetables improved from 46.0% in 1H FY2010 to 47.4% in 1H FY2011. The Group is also allocating more resources to the cultivation of higher value vegetables such as black fungus, which increased its percentage revenue contribution from less than 1% in 1HFY2010 to 9.1% in 1HFY2011.

In line with higher revenue, gross profit grew 32.1% to RMB304.7 million while overall gross margin remained stable at 37.7%. Earnings before interest, tax, depreciation and amortization ("EBITDA") increased 31.7% to RMB285.7 million. On the back of reduced interest expenses on lower bank loans, the Group also recorded higher profit before tax and net profit attributable to shareholders. Net margin improved from 23.8% in 1H FY2010 to 25.8% in 1H FY2011.



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Results Review (continued)

Net operating cash flow remained positive for the six months ended 31 December 2010. As a result of the Group's expansion plans, net cash used in investing activities increased from RMB67.7 million to RMB333.7 million. The Group has already committed 97.3% of its IPO proceeds in projects including the expansion of cultivation land as well as the construction of a new processing factory and the purchase of new processing equipment. As at 31 December 2010, Group's cash and cash equivalents amounted to RMB1,015.7 million.

Commenting on the Group's financial performance, Chief Executive Officer and Executive Director of China Minzhong, Mr Lin Guo Rong (林国荣) said, "Stepping into the peak season of our financial year, we are pleased to receive strong demand from both our repeat and new customers. Capitalizing on the global inflation trends, we will continue our stringent efforts on ensuring food quality while maintaining our strategic focus on new higher-value products such as king oyster mushrooms and black fungus to further enhance our market position."

Outlook

China Minzhong continues to benefit from strong global demand for both fresh vegetables and processed vegetables, fuelled by population growth, increased urbanization and rising affluence as well as unforeseen supply disruptions. Tapping on the growth opportunities, the Group will leverage on its capabilities as an integrated vegetables producer to maximize its upstream cultivation yield and capitalize on the growing downstream demand.

On the cultivation end, China Minzhong remains on track to expand its cultivation capacity in accordance to its IPO plans. Since its last update on 15 November 2010, the Group has added another 5,600 mu of farmland which brings the total land area under its own cultivation bases to 66,582 mu (approximately an increase of 15,000 mu since IPO) and will continue to do so in the coming quarters. On the processing front, the Group maintains its target to complete construction of the first production line in the new processing plant in Putian by end June 2011. New equipment will also be added at the Group's processing facilities in Hubei, Sichuan and Yunnan to add onto the Group's existing production capabilities.



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Outlook (continued)

Commenting on the Group's outlook, Chief Executive Officer and Executive Director of China Minzhong, Mr Lin Guo Rong (林国荣) said, "With clear and focused growth strategies in place, China Minzhong is poised to take advantage of the continued strong demand for vegetables both domestically and globally."

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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 25 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.



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