



CHINA MINZHONG FOOD CORPORATION LIMITED

Add: 229 Mountbatten Road, Mountbatten Square, #02-05, Singapore (398007)
 Tel: (65) 6346 7506
 Fax: (65) 6346 0787
 URL: <http://www.chinaminzhong.com>
 Email: ir@chinaminzhong.com

FOR IMMEDIATE RELEASE

CHINA MINZHONG 2QFY13 PROFIT ROSE 23.6% TO RMB215.8 MILLION

- 2QFY13 revenue increased 32.3% to RMB860.9 million, driven by better sales in both Cultivation and Processed business segments.
- Gross margin remained stable at 36.5%.
- Net operating cash flow jumped from RMB10.4 million in 2QFY12 to RMB352.1 million in 2QFY13.
- Kicks start expansion plans for industrialized farming in Jiangsu province, PRC.

Singapore, 14 February 2013 – 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 second quarter ended 31 December 2012 (“2Q FY2013”) with a 23.6% increase in net profit to RMB215.8 million, compared to RMB174.7 million in the previous corresponding period.

Summary of Results

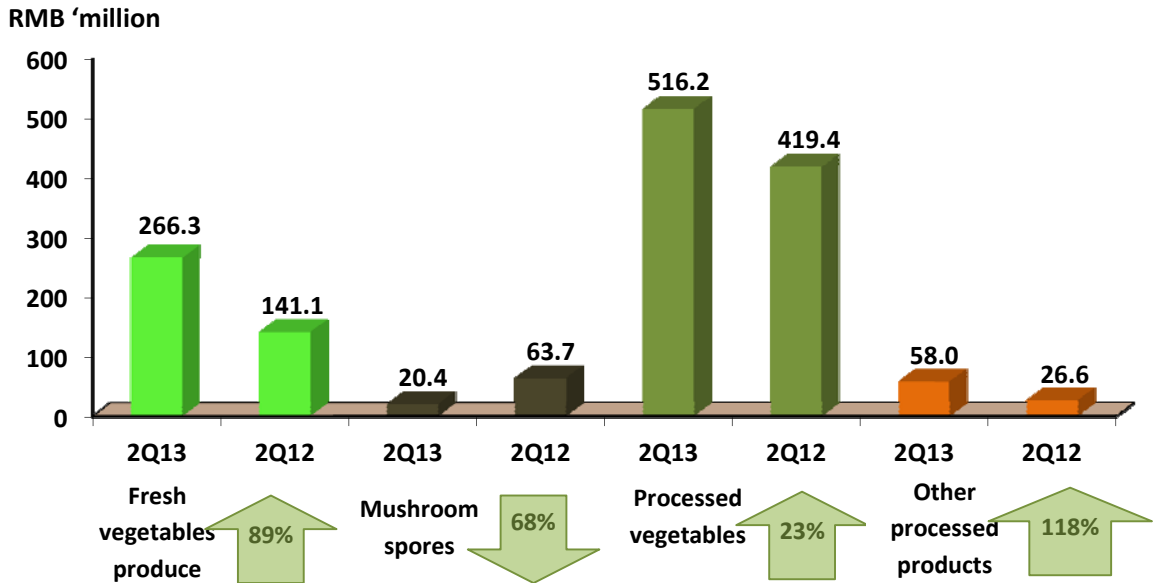
RMB 'million	1HFY13	1HFY12	% change	2QFY13	2QFY12	% change
Revenue	1,474.3	1,012.2	45.7%	860.9	650.8	32.3%
Gross profit	500.3	385.2	29.9%	314.4	238.2	32.0%
Adjusted EBITDA ¹	508.9	385.3	32.1%	307.6	237.3	29.6%
Profit before income tax	360.4	287.9	25.2%	224.1	184.3	21.6%
Net Profit	337.4	267.8	26.0%	215.8	174.7	23.6%
Net operating cash flow	578.4	132.6	336.2%	352.1	10.4	3293.6%
Cash and cash equivalents at end of financial period	441.9	58.3	658.1%	441.9	58.3	658.1%

¹ ADJUSTED EBITDA refers to earnings before interest, tax, depreciation and amortization expenses, and change in fair value of biological assets.

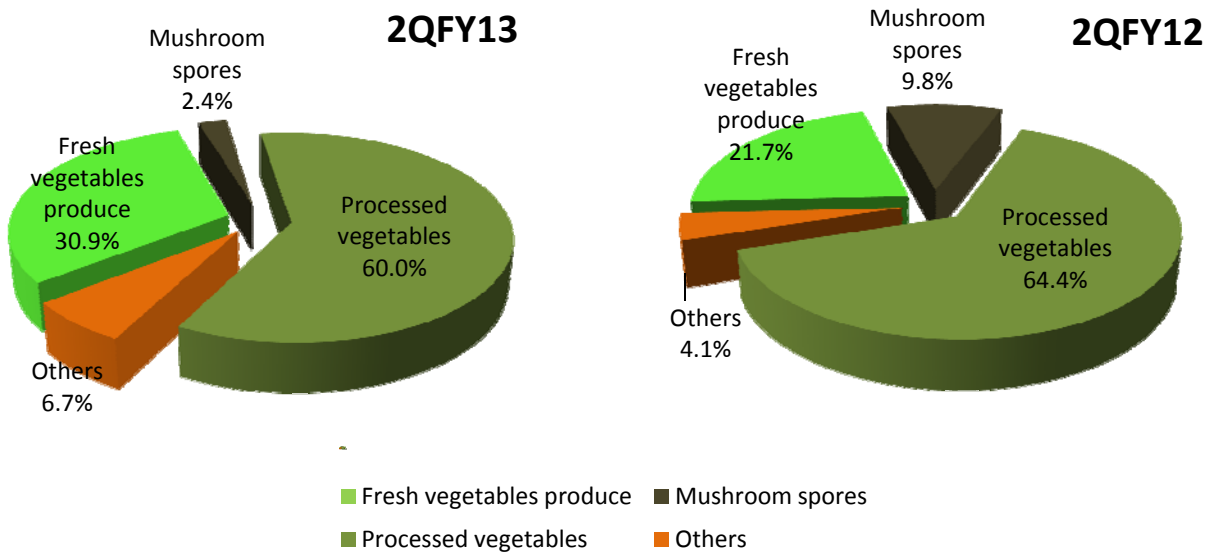


Review of Results

Revenue breakdown by segments



Revenue percentage contribution by segments





Review of Results (Continued)

Group's 2QFY13 revenue increased by 32.3% to RMB860.9 million, underpinned by better performances in both the Cultivation (comprising of fresh vegetables produce and mushroom spores) and Processed business (comprising of processed vegetables and other processed products) segments. For the three months ended 31 December 2012, the Processed business segment contributed 66.7% (2QFY12: 68.5%) of total sales while the Cultivation business segment accounted for the remaining 33.3% (2QFY12: 31.5%). The Cultivation business segment continues to contribute a growing sales proportion, on the back of increasing urbanization and rising affluence in the PRC market.

Within the Processed business segment, revenue from processed vegetables increased 23.1% to RMB516.2 million, arising from orders from new customers as well as steady growth in demand from existing customers. Revenue from other processed products also increased 118.0% to RMB58.0 million, on the back of strong domestic demand for the Group's branded products such as vegetables and fruits beverages.

Within the Cultivation business segment, revenue from fresh vegetables produce rose 88.7% to RMB266.3 million, on the back of improved yield and maiden contributions from newly productive farmland. Revenue from mushroom spores, however, declined 68.0% to RMB20.4 million.

In line with higher revenue, the Group's gross profit for the period rose 32.0% to RMB314.4 million while gross margin remained relatively stable at 36.5%. While gross margin for the processed segment experienced a decline as a result of higher raw material costs, this is offset by better margin in the cultivation segment due to a better product mix.



Review of Results (Continued)

Sales and distribution expenses rose 79.9% to RMB35.7 million, attributed to higher payroll costs and an increase in marketing and advertising expenses. Administrative expenses increased 7.1% to RMB27.9 million and finance expenses rose from RMB8.6 million to RMB18.8 million, due to increased bank borrowings during the period to fund the Group's higher working capital requirements.

Earnings before interest, tax, depreciation and amortization expenses increased by 29.6% to RMB307.6 million while profit before income tax rose 21.6% to RMB224.1 million. Earnings per share (both basic and diluted) rose 25.8% to RMB0.39.

The Group generated net operating cash flow of RMB352.1 million in 2QFY13, compared to RMB10.4 million in 2QFY12. Overall cash and cash equivalents rose from RMB58.3 million as at end 2QFY12 to RMB441.8 million as at end 2QFY13.

Commenting on the results, the Group's Executive Chairman Mr. Lin Guo Rong (林国荣) said, "We are pleased to deliver another set of positive earnings growth to our shareholders amidst the ongoing global economic uncertainty. Despite facing higher labour and raw material costs in our operations, we are able to mitigate this through our continued shift towards higher value products. Our operating cash flow and receivables collection remain healthy and we are well positioned to capitalize on any business opportunities ahead."



Outlook

The overall demand for vegetables continues to be strong, fuelled by rising urbanization as well as preferences for healthy dietary eating habits. The Group continues to see steady demand for its vegetables products which is seen largely as a food staple. At the same time, the continued shift towards higher value products has also enabled the Group to tap on the rising affluence in the PRC market. On the global front, the growing needs for cost-competitive and consistent raw ingredient supplies by overseas food manufacturers have continued to drive the demand for the Group's products.

In the No. 1 Central Document for 2013, the PRC government underlined the importance of accelerating agricultural modernization and rural development. This is the 10th consecutive year in which the document focuses on rural issues. According to this year's policy document, PRC has pledged to ensure the security of grains and other farm products, increase farmers' income, improve their livelihood and push forward reforms in rural areas. The document also pledges to grant more subsidies to large-scale landholders, family farms and rural cooperatives to encourage the establishment of large-scale and specialized farming.

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

Media Contact

China Minzhong Food Corporation Limited

Dave Tan, Investor Relations Manager

Tel: +65 6346 7506

Mobile: +65 98390350

Email: dave@chinaminzhong.com