



CHINA MINZHONG FOOD CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

CHINA MINZHONG ACHIEVES REVENUE OF RMB467.7 MILLION FOR 1QFY16

Singapore, 3 November 2015 – 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), recorded revenue and net profit of RMB467.7 million and RMB15.5 million respectively for the 3 months ended 30 September 2015 (“1QFY16”).

Review of Results

Revenue from the processed business segment and fresh vegetables segment had remained relatively constant. Revenue from trading of mushroom spores increased by 72.6% or RMB28.3 million, to RMB67.3 million (1QFY2015: RMB39.0 million) due to timing difference of mushroom spores trading. Revenue of beverage business decreased by 47.6% RMB58.8 million (1QFY2015: RMB112.4 million) primarily due to the slowdown of the economy and the effect arising from a reduction in advertising and promotion expenses as we embarked on a comprehensive review of this business segment.

Gross profit for 1QFY2016 declined by 7.6% to RMB118.1 million (1QFY2015: RMB127.9 million) in tandem with the decline in revenue. Overall gross profit margin for 1QFY2016 decrease by 1.0ppt to 25.3% (1QFY2015: 26.3%). While gross margins for processed and cultivation business segments have risen due to higher selling ASP, the gross margin for beverage business have remained relatively stable at 47.5%.



Since 1971

Review of Results (continued)

Profit before income tax decreased by 54.1% or RMB39.9 million, to RMB33.8 million (1QFY2015: RMB73.7 million) mainly as a result of exchange loss of RMB23.6 million, arising from revaluation of foreign currency assets and liabilities at the Holding Company level.

EBITDA decreased by 24.3% or RMB35.8 million, to RMB111.4 million (1QFY2015: RMB147.2 million) while EBITDA margin decrease from 30.2% to 23.8%.

Outlook

On the back of rising urbanization and declining rural labour, the cultivation and processed business segments will continue to face challenges ahead in view of the shortage of rural labour for cultivation activities and rising costs. However, the agriculture industry in PRC continues to be strongly supported and favoured by the PRC government, particularly in the use of modern agriculture technology to increase food security.

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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 32 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 2002, China Minzhong has been named a "National Leading Dragon Head Enterprise" by the PRC government in recognition of its status as a leading agricultural enterprise. Currently, China Minzhong's new processing facilities are located at its New Industrial Park in Putian City, Fujian Province, PRC. The Group is also expanding its climate-controlled industrialized farming model across major cities in PRC.

For more information, please visit www.chinaminzhong.com