CHINA MINZHONG FOOD CORPORATION LIMITED
(Registration No. 200402715N)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

The directors are pleased to announce the results for the quarter period from 1 January 2016 to 31 March 2016 ("3QFY2016") and the results for the financial period from 1 July 2015 to 31 March 2016 ("9MFY2016"). The comparatives are for the quarter period from 1 January 2015 to 31 March 2015 ("3QFY2015") and the financial period from 1 July 2014 to 31 March 2015 ("9MFY2015"). These figures have not been audited.

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	9MFY2016	**9MFY2015**	**Change**	**3QFY2016**	**3QFY2015**	**Change**
	RMB '000	**RMB '000**	**%**	**RMB '000**	**RMB '000**	**%**
Revenue	1,442,600	1,507,327	-4.3	451,370	485,822	-7.1
Cost of sales	(1,034,447)	(1,073,414)	-3.6	(301,968)	(323,871)	-6.8
Gross profit	408,153	433,913	-5.9	149,402	161,951	-7.7
Gross profit margin (%)	28.3%	28.8%	(0.5ppt)	33.1%	33.3%	(0.2ppt)
Gain / (Loss) on fair value of biological assets less estimated point of sales cost	350	(4,900)	>100	-	-	nm
Other income	141,703	153,721	-7.8	34,954	50,032	-30.1
Selling and distribution expenses	(30,806)	(73,844)	-58.3	(7,044)	(11,731)	-40.0
Administrative expenses	(133,330)	(122,092)	9.2	(47,901)	(46,797)	2.4
Other expenses	(130,226)	(27,006)	>100	(21,414)	(2,210)	>100
Finance cost	(123,465)	(82,397)	49.8	(52,349)	(30,363)	72.4
Profit before tax	132,379	277,395	-52.3	55,648	120,882	-54.0
Income tax	(38,704)	(39,939)	-3.1	(6,566)	(12,880)	-49.0
Profit for the period	93,675	237,456	-60.6	49,082	108,002	-54.6
Net Profit margin (%)	6.5%	15.8%	(9.3ppt)	10.9%	22.2%	(11.3ppt)
Other comprehensive income / (loss):						
Items that may be reclassified subsequently to profit or loss						
Currency translation difference arising from consolidation	927	(10,264)	>100	342	(4,629)	>100
Fair value gain / (loss) arising from cash flow hedge	50,886	(1,907)	>100	119,051	(29,605)	>100
Total comprehensive income for the period	145,488	225,285	-35.4	168,475	73,768	128.4
Earnings per share (RMB)						
Basic	0.14	0.36	-60.6	0.07	0.16	-54.6
Diluted	0.14	0.36	-60.6	0.07	0.16	-54.6

nm: not meaningful

Profit before tax

Profit before tax is arrived at after charging / (crediting) the following:

	Group			
	9MFY2016	**9MFY2015**	**3QFY2016**	**3QFY2015**
	RMB '000	**RMB '000**	**RMB '000**	**RMB '000**
Depreciation of property, plant and equipment	91,970	87,971	30,721	30,849
Property, plant and equipment written off	79	199	-	199
Amortisation of land use rights	2,329	2,329	776	776
Amortisation of land improvement costs	48,384	59,379	12,866	19,394
Amortisation of operating lease prepayments	42,591	44,899	14,102	14,528
Amortisation of capitalised expenses	3,324	3,424	1,135	1,093
(Gain) / Loss on fair value of biological assets less estimated point of sales cost	(350)	4,900	-	-
Allowance for doubtful trade debts	9,068	8,845	-	-
Reversal of allowance for doubtful trade debts	(7,807)	(3,549)	-	-
Government grants	(6,381)	(8,743)	(1,470)	(2,603)
Interest income	(67,028)	(78,344)	(15,104)	(27,117)
Interest expenses	123,465	82,397	52,349	30,363

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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited 31.3.2016	Audited 30.6.2015	Unaudited 31.3.2016	Audited 30.6.2015
	RMB'000	RMB'000	RMB'000	RMB'000
Share capital and reserves				
Share capital	1,503,789	1,503,789	1,503,789	1,503,789
Statutory reserve fund	134,778	130,507		-
Employees' share option reserve	-	2,889	-	2,889
Translation (deficit) / surplus	(7,563)	(8,490)	(47,117)	(116,720)
Hedging reserve / (deficit)	50,600	(286)	50,600	(286)
Retained earnings/ (Accumulated losses)	3,696,893	3,604,600	(185,627)	(86,873)
TOTAL EQUITY	5,378,497	5,233,009	1,321,645	1,302,799
Non-current assets				
Deferred tax assets	4,400	6,000	-	-
Property, plant and equipment	2,206,077	2,019,844	1,117	1,158
Land use rights	129,158	131,487	-	-
Biological assets	142,500	142,150	-	-
Land improvement costs	40,123	88,139	-	-
Investment in subsidiaries	-	-	1,263,294	1,194,617
Operating lease prepayments	200,266	241,598	-	-
Loan to a subsidiary	-	-	602,663	774,853
Derivative financial instruments	50,600	-	50,600	-
Current assets				
Land use rights	3,125	3,125	-	-
Biological assets	20,657	23,109	-	-
Inventories	40,550	61,507	-	-
Trade receivables	418,397	421,095	-	-
Due from a subsidiary (non-trade)	-	-	594,455	519,452
Operating lease prepayments	55,259	56,518	-	-
Other receivables and prepayments	108,556	136,058	111	273
Cash and bank balances	4,308,095	4,261,919	234	6,569
Loan to a subsidiary	-	-	172,190	86,095
	4,954,639	4,963,331	766,990	612,389
TOTAL ASSETS	7,727,763	7,592,549	2,684,664	2,583,017

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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (Continued)

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31.3.2016	30.6.2015	31.3.2016	30.6.2015
	RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities				
Trade payables	130,718	212,589	-	-
Other payables and accruals	244,083	320,805	50,298	213,793
Bank term loans	1,235,095	944,404	589,795	203,225
Income tax liabilities	11,920	7,098	11,920	7,098
Government grants	2,834	2,628	-	-
	1,624,650	1,487,524	652,013	424,116
Non-current liabilities				
Government grants	13,610	15,914	-	-
Bank term loans	666,006	810,816	666,006	810,816
Deferred tax liabilities	45,000	45,000	45,000	45,000
Derivative financial instruments	-	286	-	286
	724,616	872,016	711,006	856,102
TOTAL LIABILITIES	2,349,266	2,359,540	1,363,019	1,280,218
NET ASSETS	5,378,497	5,233,009	1,321,645	1,302,799

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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Bank term loans

	Unaudited 31.03.2016 RMB'000	Audited 30.6.2015 RMB'000
Non-current		
Interest bearing loan, unsecured	922,068	922,068
Repayment	(99,824)	-
Adjustments for		
- Loan expenses	(23,419)	(23,419)
- Currency alignment	48,892	(4,653)
	847,717	893,996
Add: Amortisation of loan expenses	11,772	8,450
	859,489	902,446
Net carrying amount at end of period	(193,483)	(91,630)
	666,006	**810,816**
Current portion		
Syndicated loan [1]	193,483	91,630
Interest bearing loans [2]:		
- Unsecured	979,612	692,774
- Guaranteed [3]	62,000	160,000
	1,235,095	**944,404**
Total bank term loans	**1,901,101**	**1,755,220**

Note: (1) Interest rate for long-term bank loan is the aggregate of applicable USD LIBOR and 2.6% per annum.

Note: (2) Interest rates for short-term bank loans range from 2.7% to 7.0% (30 June 2015: 3.2% to 9.3%) per annum.

Note: (3) Sichuan Minzhong Organic Food Co., Ltd (a subsidiary of the Company) is providing guarantee for RMB62.0 million (30 June 2015: RMB160.0 million) short term bank loans to the Group.

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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	9MFY2016	9MFY2015	3QFY2016	3QFY2015
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before income tax	132,379	277,395	55,648	120,882
Adjustments for:				
Depreciation of property, plant and equipment	91,970	87,971	30,721	30,849
Property, plant and equipment written off	79	199	-	199
Amortisation of land use rights	2,329	2,329	776	776
Amortisation of land improvement costs	48,384	59,379	12,866	19,394
Amortisation of operating lease prepayments	42,591	44,899	14,102	14,528
Amortisation of capitalized expenses	3,324	3,424	1,135	1,093
Allowance for doubtful trade debts	9,068	8,845	-	-
Reversal of allowance for doubtful trade debts	(7,807)	(3,549)	-	-
Other receivable written off	9,785	-	-	-
Loss on fair value of biological assets less estimated point of sales cost	(350)	4,900	-	-
Amortisation of government grants	(6,381)	(8,743)	(1,470)	(2,603)
Interest income	(67,028)	(78,344)	(15,104)	(27,117)
Interest expense on bank term loans	123,465	82,397	52,349	30,363
Gain on disposal of operating lease prepayments and land improvement costs	-	(1,013)	-	-
Translation difference	72,474	(27,934)	13,272	(13,567)
Operating profit before working capital changes	454,282	452,155	164,295	174,797
Inventories	20,957	49,698	1,119	13,489
Biological assets	2,452	(1,498)	(1,925)	(2,710)
Trade receivables	1,437	67,490	10,599	12,922
Other receivables and prepayments	31,765	18,534	1,222	(6,003)
Trade payables	(81,871)	47,099	(17,557)	(6,293)
Other payables and accruals	(75,520)	28,950	(228,236)	(4,911)
Cash generated from operations	353,502	662,428	(70,483)	181,291
Income tax paid	(34,683)	(50,010)	(10,427)	(13,234)
Interest received	42,802	64,028	4,460	16,086
Net cash generated from operating activities	361,621	676,446	(76,450)	184,143

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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

	Group			
	9MFY2016	**9MFY2015**	**3QFY2016**	**3QFY2015**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Cash flows from investing activities				
Purchase of property, plant and equipment	(266,740)	(15,812)	(3,271)	(6,033)
Proceeds from construction deposits	-	11,051	-	-
Proceeds from disposal of operating lease prepayments and land improvement costs	-	44,000	-	-
Refund from purchase / (Purchase) of land use rights	-	17,800	-	-
Addition to land improvement costs	(368)	-		
Net cash (used in) / generated from investing Activities	(267,108)	57,039	(3,271)	(6,033)
Cash flows from financing activities				
Proceeds from bank loans	1,203,193	906,448	322,500	290,944
Repayment of bank loans	(1,131,651)	(654,718)	(217,824)	(230,782)
Advance from other payable	-	-	(400,000)	-
Government grant received	4,283	6,321	770	1,795
Dividend paid	-	(136,172)	-	-
Interest paid	(124,162)	(82,397)	(52,893)	(30,363)
Net cash (used in) / generated from financing activities	(48,337)	39,482	(347,447)	31,594
Net increase in cash and cash equivalents	46,176	772,967	(427,168)	209,704
Cash and cash equivalents at beginning of period	4,261,919	3,267,417	4,735,263	3,830,680
Cash and cash equivalents at end of period	4,308,095	4,040,384	4,308,095	4,040,384

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share Capital RMB'000	Statutory reserve fund RMB'000	Employees' share option reserve RMB'000	Translation reserve /(deficit) RMB'000	Hedging deficit RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1.7.2014	1,503,789	114,349	4,629	806	(29,173)	3,625,355	5,219,755
Profit for the period	-	-	-	-	-	237,456	237,456
Other comprehensive loss, net of tax	-	-	-	(10,264)	(1,907)	-	(12,171)
Total comprehensive income for the period	-	-	-	(10,264)	(1,907)	237,456	225,285
Dividend declared from profits for financial year ended 30 June 2014	-	-	-	-	-	(136,172)	(136,172)
De-recognition of employees' share option reserve	-	-	(1,740)	-	-	1,740	-
Appropriation to statutory reserve fund	-	10,189	-	-	-	(10,189)	-
Balance at 31.03.2015	1,503,789	124,538	2,889	(9,458)	(31,080)	3,718,190	5,308,868

Group	Share Capital RMB'000	Statutory reserve fund RMB'000	Employees' share option reserve RMB'000	Translation reserve / (deficit) RMB'000	Hedging reserve RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1.7.2015	1,503,789	130,507	2,889	(8,490)	(286)	3,604,600	5,233,009
Profit for the period	-	-	-	-	-	93,675	93,675
Other comprehensive loss, net of tax	-	-	-	927	50,886	-	51,813
Total comprehensive income for the period	-	-	-	927	50,886	93,675	145,488
De-recognition of employees' share option reserve	-	-	(2,889)	-	-	2,889	-
Appropriation to statutory reserve fund		4,271				(4,271)	-
Balance at 31.03.2016	1,503,789	134,778	-	(7,563)	50,600	3,696,893	5,378,497

CHINA MINZHONG FOOD CORPORATION LIMITED

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

Company	Share Capital RMB'000	Employees' share option reserve RMB'000	Translation deficit RMB'000	Hedging deficit RMB'000	Retained earnings/ (Accumulated losses) RMB'000	Total equity RMB'000
Balance at 1.7.2014	1,503,789	4,629	(1,207)	(29,173)	46,509	1,524,547
Profit for the period	-	-	-	-	8,485	8,485
Other comprehensive loss, net of tax	-	-	(134,731)	(1,907)	-	(136,638)
Total comprehensive income for the period	-	-	(134,731)	(1,907)	8,485	(128,153)
Dividend declared from profits for financial year ended 30 June 2014	-	-	-	-	(136,172)	(136,172)
De-recognition of employees' share option reserve	-	(1,740)	-	-	1,740	-
Balance at 31.03.2015	1,503,789	2,889	(135,938)	(31,080)	(79,438)	1,260,222

Company	Share Capital RMB'000	Employees' share option reserve RMB'000	Translation deficit RMB'000	Hedging (deficit) / reserve RMB'000	Retained earnings/ (Accumulated losses) RMB'000	Total equity RMB'000
Balance at 1.7.2015	1,503,789	2,889	(116,720)	(286)	(86,873)	1,302,799
Profit for the period	-	-	-	-	(101,643)	(101,643)
Other comprehensive loss, net of tax	-	-	69,603	50,886	-	120,489
Total comprehensive loss for the period	-	-	69,603	50,886	(101,643)	18,846
De-recognition of employees' share option reserve		(2,889)	-	-	2,889	-
Balance at 31.03.2016	1,503,789	-	(47,117)	50,600	(185,627)	1,321,645

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held on treasury shares, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.

		Issued and Paid Up Share Capital	
	Number of new Shares issued	Number of Shares	(S$'000)
As at 30 June 2015 and 31 March 2016	-	655,439,000	304,706

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current period reported on.

During the current financial period and the immediately preceding financial year, the Company does not have any outstanding treasury shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been reviewed or audited by the Group's auditors.

The figures are management figures prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the audited financial statements as of 30 June 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

As per above point 4.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding for the respective periods.

	1.7.2015 to 31.03.2016	1.7.2014 to 31.03.2015	1.1.2016 to 31.03.2016	1.1.2015 to 31.03.2015
Based on weighted average number of ordinary shares on issue (RMB)	0.14	0.36	0.07	0.16
Weighted average number of shares (in thousands)	655,439	655,439	655,439	655,439

Diluted earnings per share

For the purpose of calculating diluted earnings per share, net profit attributable to equity holders of the Company and weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has dilutive potential share options.

	1.7.2015 to 31.03.2016	1.7.2014 to 31.03.2015	1.1.2016 to 31.03.2016	1.1.2015 to 31.03.2015
On a fully diluted basis (RMB)	0.14	0.36	0.07	0.16
Weighted average number of shares (in thousands)	655,439	655,919	655,439	656,168

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31.3.2016	30.6.2015	31.3.2016	30.6.2015
Net asset value per ordinary share based on issued share capital at the end of the respective periods (RMB):	8.21	7.98	2.02	1.99
No. of shares in computing NAV (in thousands)	655,439	655,439	655,439	655,439

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF PERFORMANCE

(A) Consolidated Income Statement

1. Revenue

The following table provides a breakdown of our revenue by business segments in 9MFY2016, 9MFY2015, 3QFY2016 and 3QFY2015 respectively:-

	9MFY2016 RMB'000	%	9MFY2015 RMB'000	%	3QFY2016 RMB'000	%	3QFY2015 RMB'000	%
Processed Business Segment:								
- Processed vegetables	726,688	50.4	713,723	47.4	240,247	53.2	257,317	53.0
Subtotal	**726,688**	**50.4**	**713,723**	**47.4**	**240,247**	**53.2**	**257,317**	**53.0**
Cultivation Business Segment:								
- Fresh vegetables produce	485,341	33.6	491,085	32.6	178,787	39.6	179,660	37.0
- Mushroom spores[(1)]	83,585	5.8	77,268	5.1	-	-	-	-
Subtotal	**568,926**	**39.4**	**568,353**	**37.7**	**178,787**	**39.6**	**179,660**	**37.0**
Branded Business Segment:								
- Beverages	125,415	8.7	214,748	14.2	28,586	6.4	45,148	9.3
- Others[(2)]	21,571	1.5	10,503	0.7	3,750	0.8	3,697	0.7
Subtotal	**146,986**	**10.2**	**225,251**	**14.9**	**32,336**	**7.2**	**48,845**	**10.0**
Total revenue	**1,442,600**	**100.0**	**1,507,327**	**100.0**	**451,370**	**100.0**	**485,822**	**100.0**

Note:-
(1) Trading of mushroom spores.
(2) Miscellaneous products, such as instant food and health food products.

1.1 Revenue (9MFY2016 vs 9MFY2015)

Revenue for 9MFY2016 declined by 4.3% or RMB64.7 million, to RMB1,442.6 million (9MFY2015: RMB1,507.3 million). The decline was mainly due to a decrease in sales of RMB78.3 million from the branded business segment, offset by increase in sales of RMB13.0 million from the processed business segment and RMB0.6 million from the cultivation business segment.

Revenue of processed business segment increased by 1.8% or RMB13.0 million, to RMB726.7 million (9MFY2015: RMB713.7 million), primarily due to increase in average selling price by 14.7%, offset by a decrease in sales volume by 11.2% or 2,167 tons, to 17,130 tons (9MFY2015: 19,297 tons). The weakened demand for processed products was primarily due to higher selling price arising from higher raw materials cost for vegetables processing.

REVIEW OF PERFORMANCE (Continued)

(A) Consolidated Income Statement (Continued)

1. Revenue (Continued)

1.1 Revenue (9MFY2016 vs 9MFY2015) (Continued)

Revenue from the sales of fresh vegetables decreased by 1.2% or RMB5.8 million, to RMB485.3 million (9MFY2015: RMB491.1 million) mainly due to decline in sales volume by 10.5% or 15.7 tons, to 133,641 tons (9MFY2015: 149,388 tons) offset by increase in average selling price ("ASP") by 10.5%. The scarcity of rural labour have resulted in the decline of fresh vegetables volume output.

Revenue from trading of mushroom spores increased by 8.2% or RMB6.3 million, to RMB83.6 million (9MFY2015: RMB77.3 million), mainly due to increase in average selling price by 15.2%, offset by a decline in sales volume by 6.1% or 1.419 tons, to 21,996 tons (9MFY2015: 23,415 tons).

Revenue from beverage business decreased by 41.6% or RMB89.3 million to RMB125.4 million (9MFY2015: RMB214.7 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.

1.2 Revenue (3QFY2016 vs 3QFY2015)

Revenue for 3QFY2016 declined by 7.1% or RMB34.4 million, to RMB451.4 million (3QFY2015: RMB485.8 million). The decline was due to a decrease in sales of RMB17.1 million from the processed business segment, RMB0.8 million from the cultivation business segment, and RMB16.5 million from the branded business segment.

Revenue of processed business segment decreased by 6.6% or RMB17.1 million, to RMB240.2 million (3QFY2015: RMB257.3 million), primarily due to decrease in sales volume by 24.4% or 1,477 tons, to 4,570 tons (3QFY2015: 6,047 tons) offset by increased in ASP by 23.5% .

Revenue from the sales of fresh vegetables decreased by 0.5% or RMB0.9 million, to RMB178.8 million (3QFY2015: RMB179.7 million) mainly due to decline in sales volume by 10.4% or 5,117 tons, to 43,880 tons (3QFY2015: 48,997 tons) offset by increase in ASP by 11.1%. The scarcity of rural labour have resulted in the decline of fresh vegetables volume output.

Revenue from beverage business decreased by 36.7% or RMB16.5 million to RMB28.6 million (3QFY2015: RMB45.1 million). Sales volume for 3QFY2016 decreased by 40.2% or 8.6 million units to 12.7 million units (3QFY2015: 21.3 million units).

REVIEW OF PERFORMANCE (Continued)

(A) Consolidated Income Statement (Continued)

2. Gross Profit

The following table provides a breakdown of our gross profit by business segments in 9MFY2015, 9MFY2015, 3QFY2015 and 3QFY2015 respectively:-

	9MFY2016 RMB'000	%	9MFY2015 RMB'000	%	3QFY2016 RMB'000	%	3QFY2015 RMB'000	%
Processed Business Segment:								
- Processed vegetables	165,171	40.5	162,586	37.5	54,347	36.4	64,438	39.8
Subtotal	**165,171**	**40.5**	**162,586**	**37.5**	**54,347**	**36.4**	**64,438**	**39.8**
Cultivation Business Segment:								
- Fresh vegetables produce	180,124	44.1	168,499	38.8	83,257	55.7	77,485	47.8
- Mushroom spores[(1)]	8,431	2.1	5,567	1.3	-	-	-	-
Subtotal	**188,555**	**46.2**	**174,066**	**40.1**	**83,257**	**55.7**	**77,485**	**47.8**
Branded Business Segment:								
- Beverages	53,141	13.0	96,970	22.3	11,792	7.9	19,698	12.2
- Others[(2)]	1,286	0.3	291	0.1	6	-	330	0.2
Subtotal	**54,427**	**13.3**	**97,261**	**22.4**	**11,798**	**7.9**	**20,028**	**12.4**
Total gross profit	**408,153**	**100.0**	**433,913**	**100.0**	**149,402**	**100.0**	**161,951**	**100.0**

Note:-
(1) Trading of mushroom spores.
(2) Miscellaneous products, such as instant food and health food products.

2.1 Gross Profit (9MFY2016 vs 9MFY2015)

Gross profit for 9MFY2016 decreased by 5.9% or RMB25.8 million, to RMB408.1 million (9MFY2015: RMB433.9 million). Overall gross profit margin decreased by 0.5ppt to 28.3% (9MFY2015: 28.8%).

Gross profit from processed vegetables increased by 1.6% or RMB2.6 million, to RMB165.2 million (9MFY2015: RMB163.6 million), in tandem with the increase in revenue. Gross profit margin for processed vegetables remains relatively constant at 22.7% (9MFY2015: 22.8%).

Gross profit from cultivation business segment increased by 8.3% or RMB14.4 million, to RMB188.5 million (9MFY2015: RMB174.1 million), in tandem with the increase in revenue. Gross profit margin for cultivation business segment increased by 2.5ppt to 33.1% (9MFY2015: 30.6%), primarily due to increase in average selling price.

Gross profit from beverage business decreased by 45.2% or RMB43.9 million, to RMB53.1 million (9MFY2015: RMB97.0 million) in tandem with the decrease in revenue. Gross profit margin for beverage business decreased by 2.8ppt to 42.4% (9MFY2015: 45.2%).

REVIEW OF PERFORMANCE (Continued)

(A) Consolidated Income Statement (Continued)

2. Gross Profit (Continued)

2.2 Gross Profit (3QFY2016 vs 3QFY2015)

Gross profit for 3QFY2016 decreased by 7.7% or RMB12.6 million, to RMB149.4 million (3QFY2015: RMB162.0 million). Overall gross profit margin decreased by 0.2ppt to 33.1% (3QFY2015: 33.3%).

Gross profit from processed vegetables decreased by 15.7% or RMB10.1 million, to RMB54.3 million (3QFY2015: RMB64.4 million), in tandem with the decrease in revenue. Gross profit margin for processed vegetables decreased by 2.4ppt to 22.6% (3QFY2015: 25.0%), primarily due to an increase in raw material costs.

Gross profit from cultivation business segment increased by 7.4% or RMB5.8 million, to RMB83.3 million (3QFY2015: RMB77.5 million). Gross profit margin for cultivation business segment increased by 3.5ppt to 46.6% (3QFY2015: 43.1%), primarily due to increase in average selling price.

Gross profit from beverage business decreased by 40.1% or RMB7.9 million, to RMB11.8 million (3QFY2015: RMB19.7 million), in tandem with the decrease in revenue. The gross profit margin of beverage business has decreased 2.3ppt to 41.3% (3QFY2015: 43.6%).

REVIEW OF PERFORMANCE (Continued)

(A) Consolidated Income Statement (Continued)

3. Other income

The breakdown of other income is as follows:

Other income	9MFY2016	9MFY2015	3QFY2016	3QFY2015
	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	67,028	78,344	15,104	27,117
Rental income(1)	58,870	53,550	18,348	19,945
Government grants	6,381	8,743	1,470	2,603
Gain on disposal of scrap materials, net	318	593	6	227
Reversal of allowance for doubtful debts	7,807	3,549	-	-
Gain on disposal of operating lease prepayments and land improvement costs	-	1,013	-	-
Others	1,299	7,929	26	140
Total	**141,703**	**153,721**	**34,954**	**50,032**

Note:-
(1) Comprise of proceeds from renting of farmland and building spaces to third parties

3.1 Other income (9MFY2016 vs 9MFY2015)

Other income decreased by 7.8% or RMB12.0 million, to RMB141.7 million (9MFY2015: RMB153.7 million), mainly due to decrease in interest income of RMB11.3 million.

3.2 Other income (3QFY2016 vs 3QFY2015)

Other income decreased by 30.0% or RMB15.0 million, to RMB35.0 million (3QFY2015: RMB50.0 million), mainly due to decrease in interest income of RMB12.0 million.

4.1 Selling and distribution expenses (9MFY2016 vs 9MFY2015)

Selling and distribution expenses decreased by 58.3% or RMB43.0 million, to RMB30.8 million (9MFY2015: RMB73.8 million), mainly due to decrease in marketing and advertising expenses decrease of RMB24.2 million, salary of RMB8.8 million and freight costs of RMB5.8 million.

4.2 Selling and distribution expenses (3QFY2016 vs 3QFY2015)

Selling and distribution expenses remain relatively constant at RMB7.0 million (3QFY2015: RMB11.7 million).

REVIEW OF PERFORMANCE (Continued)

(A) Consolidated Income Statement (Continued)

5.1 Administrative expenses (9MFY2016 vs 9MFY2015)

Administrative expenses increased by 9.1% or RMB11.2 million, to RMB133.3 million (9MFY2015: RMB122.1 million), mainly due to increase in depreciation expenses of RMB3.8 million and increase in repairs and maintenance expenses of RMB4.4 million.

5.2 Administrative expenses (3QFY2016 vs 3QFY2015)

Administrative expenses remain relatively constant at RMB47.9 million (3QFY2015: RMB46.8 million).

6. Other expenses

The breakdown of other expenses is as follows:

Other expenses	**9MFY2016**	**9MFY2015**	**3QFY2016**	**3QFY2015**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Rental expenses	45,002	43,945	14,752	16,386
Allowance for doubtful trade debts	9,068	8,845	-	-
Other receivable written off	9,785	-	-	-
Exchange (gain) / loss, net	59,096	(26,861)	6,650	(14,656)
Others	7,275	1,077	12	480
Total	**130,226**	**27,006**	**21,414**	**2,210**

6.1 Other expenses (9MFY2016 vs 9MFY2015)

Other expenses increased by RMB103.2 million to RMB130.2 million (9MFY2015: RMB27.0 million), mainly due to increase in exchange loss, arising from revaluation of foreign currency assets and liabilities at the Company level, and other receivables written off, of RMB86.0 million and RMB9.8 million respectively.

6.2 Other expenses (3QFY2016 vs 3QFY2015)

Other expenses increased by 89.9% or RMB19.2 million to RMB21.4 million (3QFY2015: RMB2.2 million), mainly due to increase in exchange loss of RMB21.3 million.

REVIEW OF PERFORMANCE (Continued)

(A) Consolidated Income Statement (Continued)

7.1 Finance cost (9MFY2016 vs 9MFY2015)

Finance cost increased by 49.8% or RMB41.1 million, to RMB123.5 million (9MFY2015: RMB82.4 million) due to increased borrowings.

7.2 Finance cost (3QFY2016 vs 3QFY2015)

Finance cost increased by 72.4% or RMB22.0 million, to RMB52.4 million (3QFY2015: RMB30.4 million) due to increased borrowings.

8.1 Profit before income tax (9MFY2016 vs 9MFY2015)

Profit before income tax decreased by 52.3% or RMB145.0 million, to RMB132.4 million (9MFY2015: RMB277.4 million) due to decrease of gross profit and higher other expenses, mainly arising from exchange loss from revaluation of foreign currency assets and liabilities at the Company level.

8.2 Profit before income tax (3QFY2016 vs 3QFY2015)

Profit before income tax decreased by 53.9% or RMB65.2million, to RMB55.7 million (3QFY2015: RMB120.9 million) due to decrease of gross profit and higher other expenses, mainly arising from exchange loss from revaluation of foreign currency assets and liabilities at the Company level.

9.1 Income tax expense (9MFY2016 vs 9MFY2015)

Income tax expense decreased by 3.1% or RMB1.2 million, to RMB38.7 million (9MFY2015: RMB39.9 million), in tandem with the decrease of profit before tax.

9.2 Income tax expense (3QFY2016 vs 3QFY2015)

Income tax expense decreased by 49.0% or RMB6.3 million, to RMB6.6 million (3QFY2015: RMB12.9 million), in tandem with the decrease of profit before tax.

REVIEW OF PERFORMANCE (Continued)

(A) Consolidated Income Statement (Continued)

10.1 EBITDA (9MFY2016 vs 9MFY2015)

EBITDA decreased by 22.2% or RMB107.4 million, to RMB377.1 million (9MFY2015: RMB484.4 million) whereas EBITDA margin decreased 6.0ppt to 26.1% (9MFY2015: 32.1%).

10.2 EBITDA (3QFY2016 vs 3QFY2015)

EBITDA decreased by 20.1% or RMB38.3 million, to RMB152.5 million (3QFY2015: RMB190.8 million) whereas EBITDA margin decreased 5.5ppt to 33.8% (9MFY2015: 39.3%).

A reconciliation of the net income and EBITDA is as follows:

	9MFY2016	9MFY2015	3QFY2016	3QFY2015
	RMB'000	RMB'000	RMB'000	RMB'000
Net income	**93,675**	**237,456**	**49,082**	**108,002**
Add / (Less):				
Interest expense	123,465	82,397	52,349	30,363
Interest income	(67,028)	(78,344)	(15,104)	(27,117)
Income tax expense	38,704	39,939	6,566	12,880
Depreciation of property, plant and equipment	91,970	87,971	30,721	30,849
Amortisation of land use rights	2,329	2,329	776	776
Amortisation of land improvement costs	48,384	59,379	12,866	19,394
Amortisation of operating lease prepayments	42,591	44,899	14,102	14,528
Amortisation of capitalised expense	3,324	3,424	1,135	1,093
(Gain) / Loss on fair value of biological assets less estimated point of sales cost	(350)	4,900	-	-
EBITDA	**377,064**	**484,350**	**152,493**	**190,768**
EBITDA margins	**26.1%**	**32.1%**	**33.8%**	**39.3%**

REVIEW OF PERFORMANCE (Continued)

(B) Consolidated Balance Sheet (31 March 2016 vs 30 June 2015)

Non-current assets

Non-current assets increased by approximately 5.5% or RMB143.9 million, to RMB2,773.1 million (30 June 2015: RMB2,629.2 million), primarily due to plant and equipment additions of RMB263.8 million and the result of amortisation and depreciation expenses and increase of RMB50.6 million from derivative financial instruments.

Current assets

Current assets have remained relatively constant at RMB4,954.6 million (30 June 2015: RMB4,963.3 million).

Non-current liabilities

Non-current liabilities decreased by 16.9% or RMB147.4 million, to RMB724.6 million (30 June 2015: RMB872.0 million), primarily due to reclassification of long term loan due within one year into short term loan in current liabilities.

Current liabilities

Current liabilities increased by 9.2% or RMB137.1 million, to RMB1,624.6 million (30 June 2015: RMB1,487.5 million). This was largely attributable to reclassification of non-current liabilities, increase in short term bank financing of RMB146.0 million offset by decrease in trade and other payables and accruals of RMB158.6 million.

Working capital days

	For the trailing 12 months ended	
Days	31 March 2016	30 June 2015
Trade Receivables Turnover (1)	79	83
Trade Payables Turnover (2)	(39)	(42)
Inventory Turnover (3)	21	36
Cash Conversion	61	77

Note:-
(1) Average trade receivables / revenue x 365 days
(2) Average trade payables / cost of goods sold x 365days
(3) Average inventory balance / cost of goods sold for processed products x 365 days

REVIEW OF PERFORMANCE (Continued)

(C) Consolidated Cash Flow Statement

9MFY2016

For the 9 months ended 31 March 2016, net cash generated from operating activities amounts to RMB361.6 million. This comprises cash generated from operating activities before changes in working capital of RMB454.3 million, net working capital outflow of RMB100.8 million, income tax of RMB34.7 million paid and interest income of RMB42.8 million received.

For the 9 months ended 31 March 2016, net cash used in investing activities of RMB267.1 million was mainly due to property, plant and equipment additions of RMB266.7 million.

For the 9 months ended 31 March 2016, net cash used in financing activities of RMB48.3 million was mainly attributable to interest paid, of RMB124.2 million, offset by the net proceeds from bank loans of RMB71.6 million.

3QFY2016

For the 3 months ended 31 March 2016, net cash used in operating activities amounts to RMB76.4 million. This comprises cash generated from operating activities before changes in working capital of RMB164.3 million, net working capital outflow of RMB234.8 million, income tax of RMB10.4 million paid and interest income of RMB4.5 million received.

For the 3 months ended 31 March 2016, net cash used in investing activities of RMB3.3 million was attributable to property, plant and equipment additions.

For the 3 months ended 31 March 2016, net cash used in financing activities of RMB347.4 million was mainly attributable to repayment of advance from other payable amounting to RMB400.0 million and interest expenses of RMB52.9 million, offset by net proceeds from bank loans of RMB104.7 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast had been issued for the financial period under review.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

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.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for the current financial period reported on.

13. Present on-going interested person transactions

For the financial period ended 31 March 2016, the Group has been supplying processed vegetables to the Company's immediate holding company, PT Indofood Sukses Makmur Tbk. These sales, amounting to RMB0.1 million, were transacted on an arm's length basis in the ordinary and usual course of business. To date, no interested person transactions ("IPT") mandate has been obtained.

CHINA MINZHONG FOOD CORPORATION LIMITED
(Registration No. 200402715N)

14. Confirmation by the Board of Directors pursuant to Rule 705(5) of the listing manual.

The Board confirms that, to the best of their knowledge, nothing has come to their attention which may render the interim financial statements for the period ended 31 March 2016, to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

LIN GUO RONG
Chief Executive Officer
25 April 2016