



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 POSTED FY15 NET PROFIT OF RMB320.5 MILLION

Singapore, 29 July 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 RMB463.8 million and RMB83.0 million respectively for the 3 months ended 30 June 2015 (“4QFY15”). For the full year ended 30 June 2015 (“FY15”), the Group posted net profit of RMB320.5 million on the back of revenue of RMB1,971.1 million.

Summary of Results

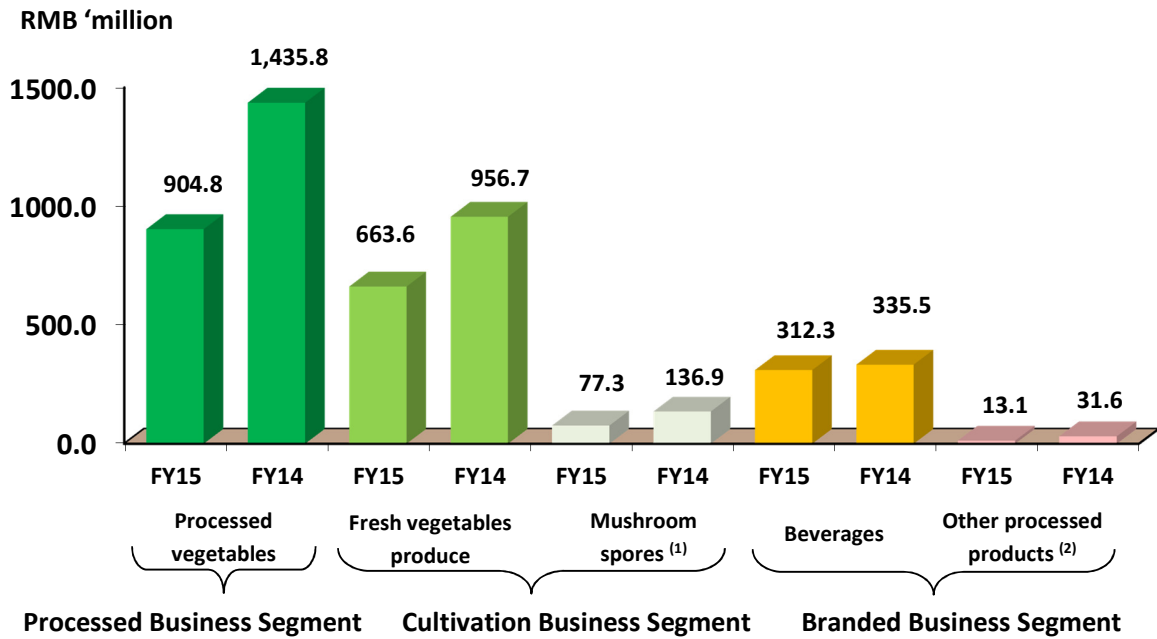
RMB 'million	FY15	FY14	% Change	4QFY15	4QFY14	% Change
Revenue	1,971.1	2,896.6	(32.0%)	463.8	663.6	(30.1%)
Gross profit	611.4	952.1	(35.8%)	177.4	220.4	(19.5%)
Gross margin (%)	31.0%	32.9%	(1.9ppt)	38.3%	33.2%	5.1ppt
EBITDA ¹	677.9	884.9	(23.4%)	193.5	202.8	(4.6%)
EBITDA ¹ margin	34.4%	30.5%	3.9ppt	41.7%	30.6%	11.1ppt
Profit before tax	402.4	621.7	(35.3%)	125.0	150.6	(17.0%)
Net profit after tax	320.5	509.5	(37.1%)	83.0	125.9	(34.0%)
Net margin	16.3%	17.6%	(1.3ppt)	17.9%	19.0%	(1.1ppt)

¹EBITDA refers to earnings before interest, tax, depreciation and amortization.



Review of FY15 Results

Revenue breakdown by segments

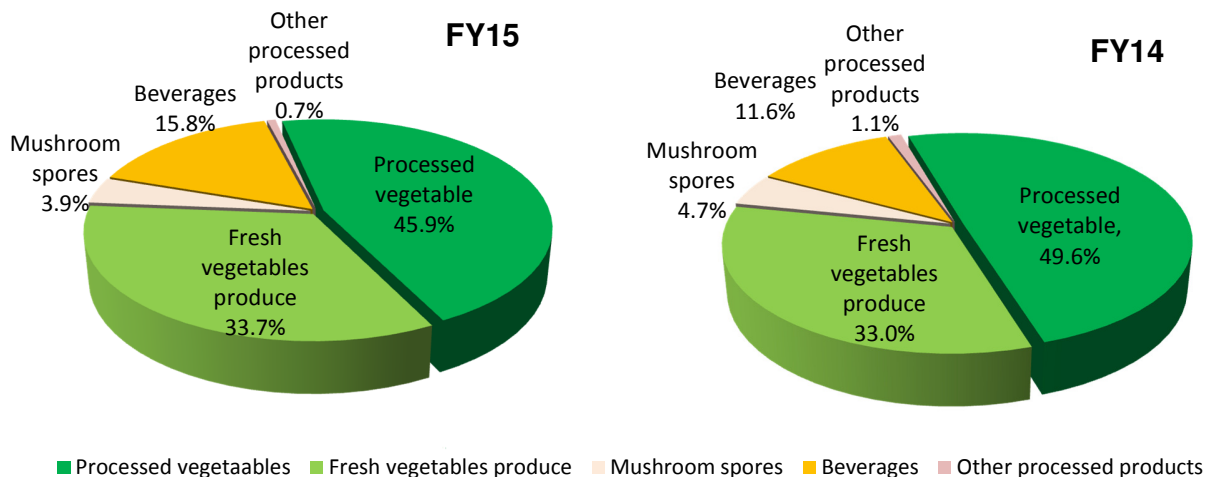


Note:-

(1) Sales of mushroom spores.

(2) Miscellaneous products, such as instant food and health food products.

Revenue percentage contribution by segments



■ Processed vegetables ■ Fresh vegetables produce ■ Mushroom spores ■ Beverages ■ Other processed products



Review of Results (Continued)

Group's revenue in FY15 declined by 32.0% to RMB1,971.1 million. The decline was mainly due to decrease in sales contributions from the processed and cultivation business segments.

Revenue from the processed business segment decreased by 37.0% to RMB904.8 million, on the back of a 37.5% decline in sales volume, as a result of weakened demand for processed vegetables. Revenue from fresh vegetables produce decreased by 30.6% to RMB663.6 million, mainly due to a decline in sales volume as a result of scarcity of rural labour but partly offset by an increase in average selling price. The branded business segment recorded revenue of RMB325.4 million, of which the beverage business remained as the key revenue contributor in this segment.

Gross profit in FY15 declined 35.8% to RMB611.4 million while overall gross profit margin slipped 1.9ppt to 31.0%. Gross margins for processed and cultivation business segments declined due to higher raw material costs and labour costs respectively.

Other income increased by 53.2% to RMB209.0 million, driven mainly by an increase in interest income of RMB60.6 million from bank deposits, growth in rental income of RMB25.9 million, refund of property tax amounting to RMB7.5 million but offset by a decrease of RMB20.0 million of government grants received.

Selling and distribution expenses declined by 48.3% to RMB83.5 million, mainly due to a decrease of RMB67.4 million in marketing and advertising expenses. Administrative expenses remained relatively constant at RMB158.1 million while finance costs rose by 54.8% to RMB100.8 million due to increased bank borrowings.

Profit before income tax decreased by 35.3% to RMB402.4 million, in tandem with lower gross profit. EBITDA declined 23.4% to RMB677.9 million while EBITDA margin improved 3.9ppt to 34.4%. Net cash generated from operating activities remained healthy at RMB1,082.7 million.



Since 1971

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.

-- End --



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

Media Contact

China Minzhong Food Corporation Limited

Dave Tan, VP- Investor Relations
Tel: +65 6346 7506
Email: dave@chinaminzhong.com