



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 ACHIEVES REVENUE OF RMB1,822.5 MILLION FOR FY2016

Singapore, 11 August 2016 – 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 RMB1,822.5 million and RMB132.8 million respectively for the year ended 30 June 2016 (“FY2016”).

Review of Results

Overall, revenue for FY2016 declined by 7.5% to RMB1,822.5 million (FY2015: RMB1,971.1 million). Revenue from the processed business segment had increased by 5.3% while revenue from the cultivation business segment had decreased by 5.3%. For the branded business segment, revenue had declined by 48.2% to RMB168.6 million primarily due to the slowdown of the economy and re-focusing of our corporate strategy to the core business.

Gross profit for FY2016 declined by 16.7% to RMB509.3 million (FY2015: RMB611.4 million) primarily due to increase in labour and raw material costs. Overall gross profit margin for FY2016 decreased by 3.1 percentage points to 27.9% (FY2015: 31.0%).

The Group reported lower profit before income tax of RMB163.5 million for FY2016 mainly due to lower gross profits and increase in currency exchange loss.



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