



众品食业
ZHONGPIN FOOD



Presentation to Investors

December 2011



Disclaimer



These materials contain forward-looking statements, including, among others, statements about the Company's business and financial outlook, strategy and market opportunity. Forward-looking statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," "projects," or "intends," "anticipates" or words of similar meaning. These forward-looking statements are made only, and are based on estimates and information currently available to the Company, as of the date of these materials. Furthermore, these forward-looking statements are not guarantees of future performance, are subject to risks and uncertainties that are difficult to predict, and are based on assumptions that may change. Some of the risks and uncertainties are beyond the Company's control. You are cautioned that actual results of the Company may differ materially from those set forth in the forward-looking statements herein. Except as otherwise required by applicable securities laws, the Company disclaims any intention or obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Company overview

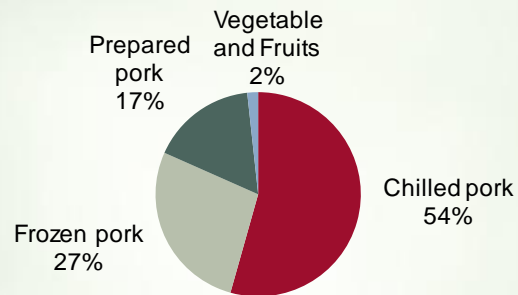


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Key facts

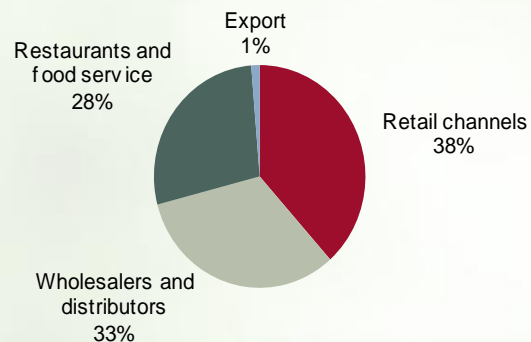
- A leader in China's pork industry with vertically integrated operating platform from farm to fork
- Established in 1993 and headquartered in Changge City, Hennan Province, China
- Revenues and net income grew 75% and 86%, respectively, from 2008 to 2010

Revenue by product



2010A revenue: US\$ 947 million
2010A EBITDA: US\$ 79 million
2010A net income: US\$ 58 million

Revenue by sales channel



Zhongpin highlights



The "Zhongpin" brand name well recognized throughout our target markets in China

- Brand strategy builds unsurpassed customer loyalty



Multi-tiered retail channels serving a diverse customer base

- 164 showcase stores, 1,239 branded stores and 2,016 supermarket counters
- 68 international and domestic fast food companies in China, 107 processing factories, 1,513 school cafeterias, factory canteens, hotels, army bases and government departments



Extensive distribution network supported by strong cold chain logistics capabilities

- Covers Beijing, Shanghai, Tianjin, Chongqing and other 20 provinces
- 29 in 1st tier, 133 in 2nd tier and 429 in 3rd tier cities



Strong production capabilities backed by sophisticated research and development and an advanced quality assurance system

- 14 processing plants in China with annual capacities of 563,760 metric tons chilled and frozen pork products
- Increased production capacity by 37% from 2008 to 2010 to a total capacity of 703,760 metric tons



Experienced management team

Comprehensive product portfolio

We offer over 390 unique meat products and over 35 vegetables and fresh fruits products

Chilled Pork

- Offers 226 product variations in combination with Frozen Pork
- Premium quality, taste and nutrition
- Customer acceptance is very high
- Fresh food distributors, wholesalers, retail stores and supermarkets
- Distribution confined within defined radius

Frozen Pork

- More pricing power in bulk sales
- Longer shelf life
- Wholesalers, food processors and restaurants



Prepared Meat

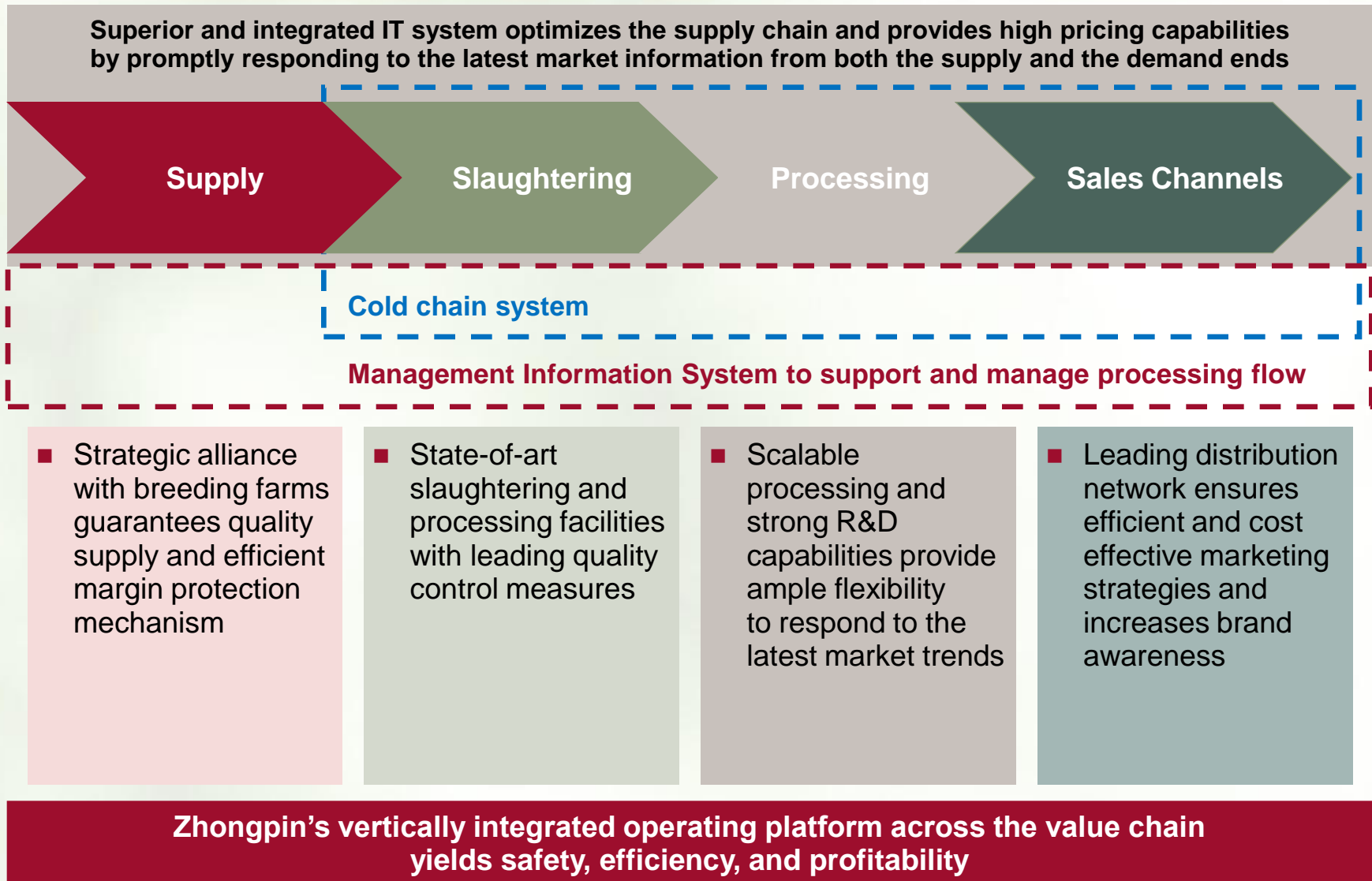
- Offers 165 product variations
- Sausages, hams, Chinese style meats and pork oil
- High-end niche market
- Retail channel, restaurant chains and hotels

Vegetables & Fruit

- Offers over 35 product variations
- Asparagus, sweet corn, broccoli, mushrooms, strawberries, capsicum, peaches
- High-quality varieties suitable for export

Comprehensive and strategically tiered product offerings at multiple price points lead to profit maximization by capturing a broad range of market segments

Seamless integration across the value chain



Successful industry clustering strategy to ensure capacity replication and quick expansion

Production facilities

- ★ Built or building
- Acquired

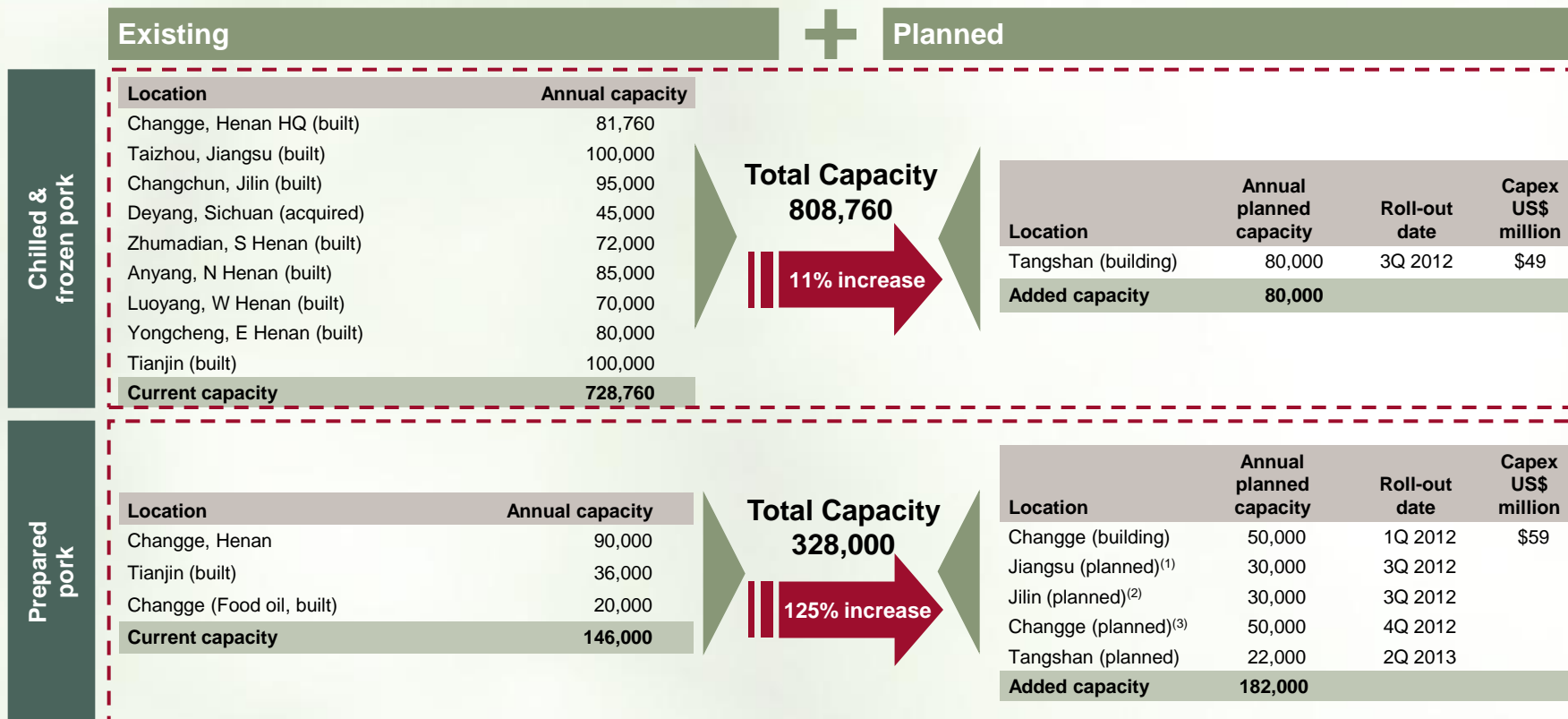


Cluster development tactics

- Achieve synergies and economies of scale in both marketing efforts and cost reduction within the same cluster
- Ability to adjust capacity utilization rates amongst facilities in the production cluster
- Effective brand promotion strategy to enhance brand awareness

Zhongpin has strategically established scalable slaughtering & processing clusters in key regions to enhance its leading manufacturing & distribution capabilities

Continued capacity expansion with fast utilization ramp-up



Note: Annual capacity in metric tons.

Jiangsu project is located in Taizhou, Jiangsu Province, while the Jilin project is located in Nong'an County, Changchun, Jilin Province.

(1)(2) Capex included in the USD63 million and USD 62 million listed under Chilled & Frozen Pork for the Jiangsu and Jilin projects, respectively.

(3) Capex included in the USD59 million for the Changge project.

Strategic choice of timing and location to cater to major demand

Effective marketing ahead of plant opening

Advanced coordination of the cold-chain logistics system

Standardized management system for fast replication

Fast utilization ramp-up for new facilities

- New production facilities typically reach an industry-leading stable utilization rate of approximately 75% within 3 to 6 months after start of production

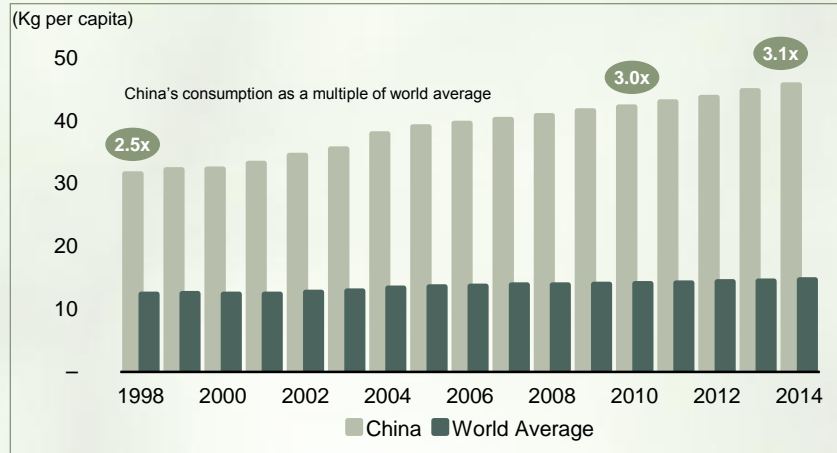
China's pork industry



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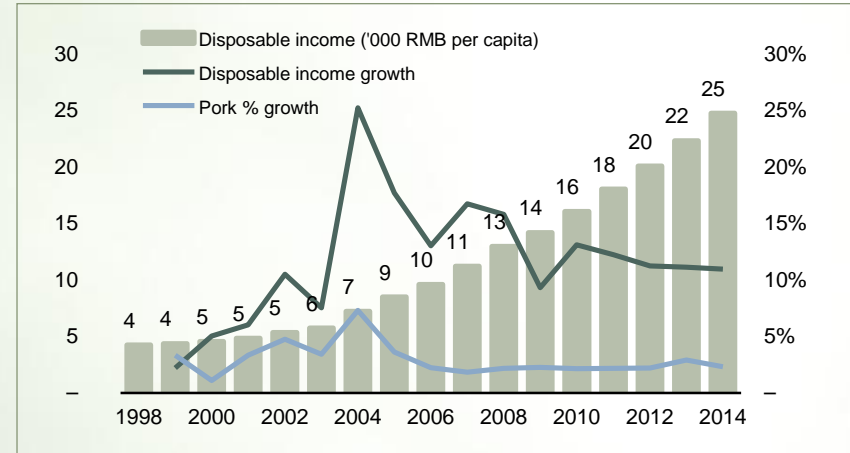
Characteristics of China's pork industry

China surpasses average world consumption of pork by 3.0x and accounts for over 49% of the world's pork consumption



Source: Euromonitor, United States Department of Agriculture.

While rising urbanization and increasing disposable income will continue to drive sustainable industry growth, ...



Source: Euromonitor.

...the absence of a clear sector leader demands industry consolidation and unprecedented sector-specific support from the government

- Highly fragmented industry
- The PRC government is actively promulgating a plan for “safe meat” and is expected to raise the proportion of slaughtering automation to over 70% of all meat and actively enforce authorized slaughtering and quarantine
- In June 2010, the China Meat Association put forth the China Meat Industry Development Strategy Report for 2011 – 2015, which included development roadmap and targets for the meat industry for the coming five years:
 - To decrease sales of room temperature pork to below 50% of total pork sales in cities at or above the county level in China
 - To increase sales of chilled pork to around 30% of total pork sales in China
 - To decrease outstanding licenses for slaughterhouses from more than 21,000 to around 3,000 in China
 - To build pork and pork products production bases in North China, North-East China, East China and South-West China

Source: China Meat Association.

Positive industry trends throughout Zhongpin's value chain accelerate its growth momentum

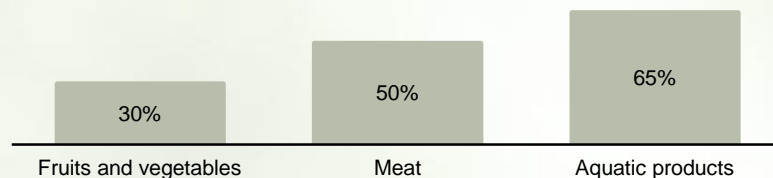


Continued cold chain infrastructure improvement

- **China's cold chain infrastructure remains in its infancy with significant room for improvement**
 - At present only around 15 percent of food, meat and vegetables are transported by cold chain in China, compared with 90 percent in developed countries
 - Over 15 percent of China's perishable agricultural products are lost due to supply chain problems
- **Additional cold chain infrastructure build-outs will shorten the wholesale and retail process and broadened distribution network**
 - Chilled protein products will increasingly grab market share away from frozen protein products, a trend derives not only from the increasing efficiencies of the cold chain logistics, but also from consumer demands for fresher products
- **Government supports will drive cold chain infrastructure improvement**
 - In July 2010, National Development and Reform Commission (NDRC) announced plans to increase China's cold storage capacity for agricultural products from current 8.8 million metric tons to 18.8 million metric tons by 2015

Cold chain logistics snapshot at 2015

% represents coverage of refrigerated transport

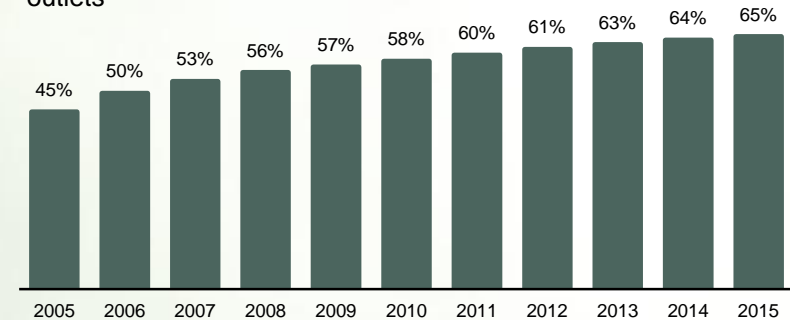


Source: National Development and Reform Commission, China Federation of Logistics and Purchasing.

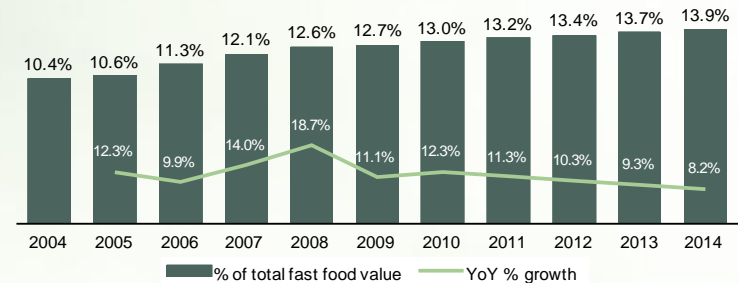
Favorable retail & restaurant format revolution

Supermarkets and hypermarkets are growing as increasingly important retail channels in China

- Hypermarket / supermarket retail value as % of total grocery retail value will continue to increase
- Supermarkets / hypermarkets will likely have an increasing presence in the grocery retailing sector with rollout of additional outlets



QSR chains are the fastest growing segment within China's food service industry and will continue to increase market share among other fast food formats



Source: Euromonitor.

Investment highlights



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Investment highlights – a leader from farm to fork



1

The "Zhongpin" brand name is well recognized throughout our target markets in China

2

Multi-tiered retail channels serving a diverse customer base

3

Extensive distribution network supported by strong cold chain logistics capabilities

4

Strong production capabilities backed by sophisticated research and development and an advanced quality assurance system

5

Experienced management team

With its vertically integrated operating platform -- from farm to fork --
Zhongpin is a leader in China's pork industry

1 The Zhongpin brand name is well recognized throughout its target markets in China



Brand positioning

- Healthy, nutritious, fresh, safe, high-quality meat products for middle and upper income customers and large institutions
- Focus on building a leading nationally-known brand name in China's food industry through various communication channels
- Sell all products under the "Zhongpin" brand, which is well recognized in major areas of China

Strong brand equity among reputable corporate clients

- Consistent high quality supported by standardized operation has established Zhongpin as a premier brand among the reputable corporate clients which is demonstrated by the long-standing relationship with those customers



Brand awards

China Famous Trademarks



China Famous Products

Fresh Frozen Pork



Low-temperature Prepared Meat



Market Competitive Brand



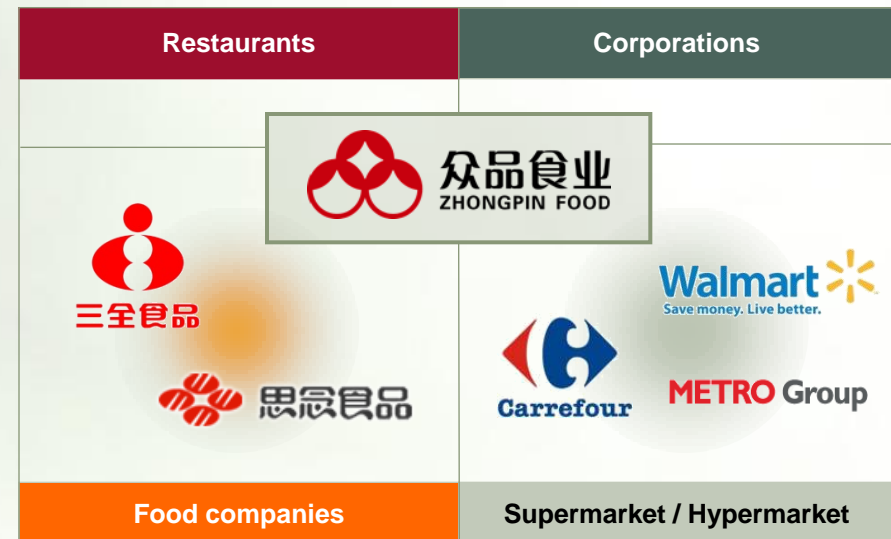
The Zhongpin brand is well-recognized in China

Multi-tiered retail channels serve a diverse customer base

Multi-tiered retail channels	Showcase stores	164 stores	<ul style="list-style-type: none"> ■ Focuses on middle class with annual household income above U.S.\$5,800-\$17,000 ■ Designed to highlight all of Zhongpin's products communicating Zhongpin's positioning and strategies ■ First-mover advantage in high-end specialty boutique grocery chain stores
	Branded stores	1,239 stores	<ul style="list-style-type: none"> ■ Branded stores managed following Zhongpin's guidelines and pricing policies ■ Has the right to use the "Zhongpin" logo ■ Located in the larger cities in Henan province and adjoining provinces
	Supermarket counters	2,016 counters	<ul style="list-style-type: none"> ■ Exclusive purveyors of Zhongpin meats and meat products ■ Standardized physical design and layout to promote uniform brand image

Diverse customer base

- Wholesale customers:
 - 68 international and domestic fast food companies in China
 - 107 processing factories
 - 1,513 school cafeterias, factory canteens, hotels, army bases and government departments
- 3,419 total retail outlets



Zhongpin's solid customer relationship coupled with its multi-tiered retail strategy results in effective synchronized brand promotion and high-quality fast growth

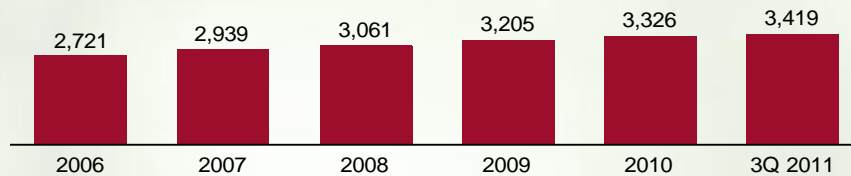
3 Extensive distribution network supported by strong cold chain logistics capabilities



Broad reach of distribution

- Established distribution networks in 20 provinces and in four central government administered municipalities of Beijing, Shanghai, Tianjin and Chongqing
- Just-in-time logistics and distribution processes managed by advanced IT system
- Reaching 29 1st tier cities, 133 2nd tier and 429 3rd tier cities

Zhongpin's footprint expansion (# of retail locations)



Zhongpin's cold chain expertise

- 679 refrigerated delivery trucks equipped with GPS and automated temperature control systems
- Actively exploring 3rd party cold chain logistics as a new business opportunity and growth driver
- Recognized by China Association of Warehouses and Storage as "Number 1 of National Cold Chain Enterprises" in China in 2010

Zhongpin's distribution centers



Zhongpin's pioneer cold chain logistics provides an critical advantage for the company to efficiently expand its market share

4 Strong production capabilities backed by sophisticated R&D ...

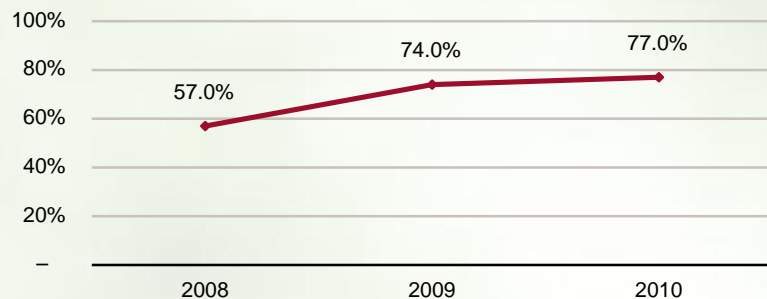
Strong production capabilities

- Current production capacity:
 - 14 processing plants in China
 - Chilled and frozen pork: 563,760 metric tons
 - Prepared pork: 146,000 metric tons ⁽¹⁾
 - Vegetables and fruits: 30,000 metric tons



- Additional capacity expansion
 - Production capacity for chilled & frozen pork is expected to increase by 49% to reach a total capacity of 838,760 metric tons by the end of 3Q 2012
 - Prepared pork production capacity will increase 125% to reach a total capacity of 328,000 metric tons by the end of 2Q 2013

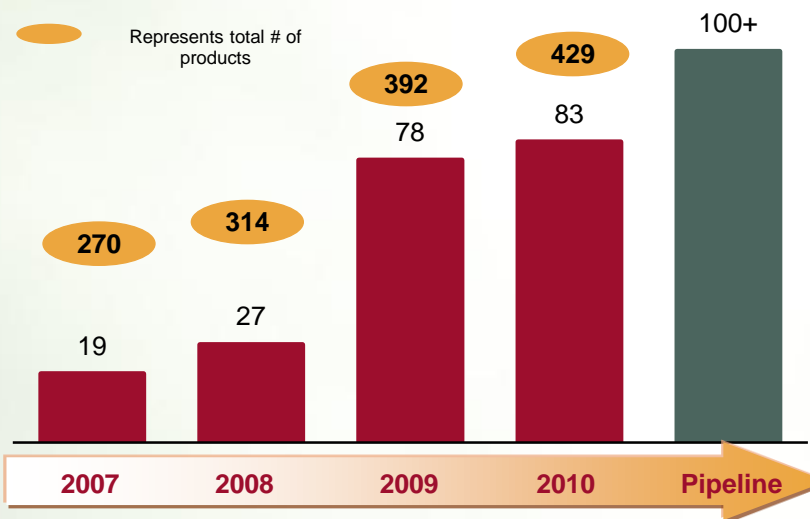
- Impressive and sustainable utilization rate
 - Fast ramp-up for new facilities



Note: Includes 20,000 metric tons of pork oil.

Sophisticated research & development

Zhongpin's new product launch

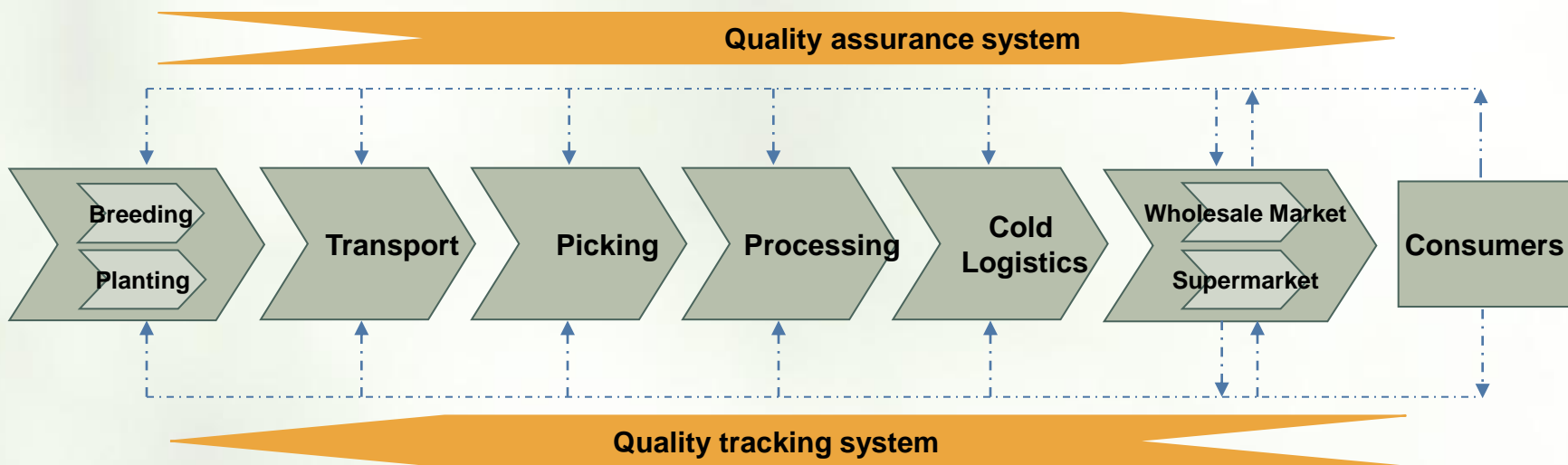


- Research facilities include:
 - Zhongpin Technology Research and Development Center, which has evolved into the technical research center for the Henan province
 - Scientific laboratory for food quality and processing, which is designated as a Key Laboratory by the Science & Technology Department of Henan Province
- R&D currently employs 121 scientists and technicians
 - Also has relationship with approximately 80 scientists and experts who act as outside technical consultants
- Cooperate with scientists and researchers from Beijing University, China Agricultural University, the Chinese Academy of Agricultural Science and other universities to develop production technologies and innovative meat products

4 ... and an advanced quality assurance system

Quality assurance program

- Implemented throughout the entire Zhongpin system with SSOP public health standard
 - IT system with origin tracing capabilities tracks products from farm to fork
 - Advanced testing facilities and equipment operated by 85 highly trained quality control engineers and 221 skilled employees in the QA program
- Certifications include:
 - ISO 9001 and 14000 certified inspection system
 - Hazard Analysis & Critical Control Point management system
 - Good Agriculture Practice (GAP) and Good Manufacturing Practice (GMP)
 - NCAC certification from China National Accreditation Service
 - CNAS certified testing centers



Zhongpin's cutting-edge quality assurance system uniquely differentiates it from competitors as a sector leader in setting industry operating standards

5 Experienced management team



Xianfu Zhu

President, Chief Executive Officer and Chairman

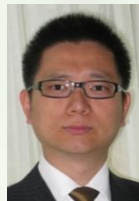
Mr. Zhu became our Chairman of the Board and Chief Executive Officer in January 2006. Mr. Zhu was a founder of Henan Zhongpin in 1993 and has served as the Chairman and Chief Executive Officer of Henan Zhongpin since its inception. Mr. Zhu graduated from Beijing Technology and Business University and received an EMBA from Tsinghua University. Mr. Zhu participated in the China New Entrepreneur Development Program organized by the Development Research Center of the State Council and Stanford University



Baoke Ben

Director and Executive Vice President

Mr. Ben became our director in June 2007 and became our Executive Vice President in January 2006. Mr. Ben has been an Executive Vice President of Henan Zhongpin since July 2002 and was Director of Technology of Henan Zhongpin from October 1999 to July 2002. Prior to joining Henan Zhongpin in October 1999, Mr. Ben was a researcher at the Agriculture Research Center. Mr. Ben graduated from Henan Finance & Economy University and received his EMBA from Tsinghua University.



Warren Wang

CFO

Mr. Wang became our Vice President and Chief Financial Officer in October 2008. Before joining Zhongpin, Mr. Wang was financial controller of a Hong Kong-listed company and a US-listed company. Before that Mr Wang worked for PwC and E&Y. Mr. Wang holds a Bachelor of Science degree with a major in international trade from the Beijing University of Technology, a Bachelor of Economy degree with a major in Accounting from Renmin University of China, and an MBA from China Europe International Business School. Mr. Wang is a licensed CPA in the United States and in the PRC.



Chaoyang Liu

Vice President

Mr. Liu became Vice President in September 2007. Mr. Liu joined Henan Zhongpin since 1993 and is in charge of market distribution development, market research and products improvement etc. one after another. Prior to joining Henan Zhongpin in 1993, Mr. Liu acted as a deputy manager in Changge Food Co., Ltd with more than 16 years' experience in food industry. Mr. Liu graduated from Henan Technology Institute, majoring in Agricultural Engineering and got his Bachelor Degree in 1989.

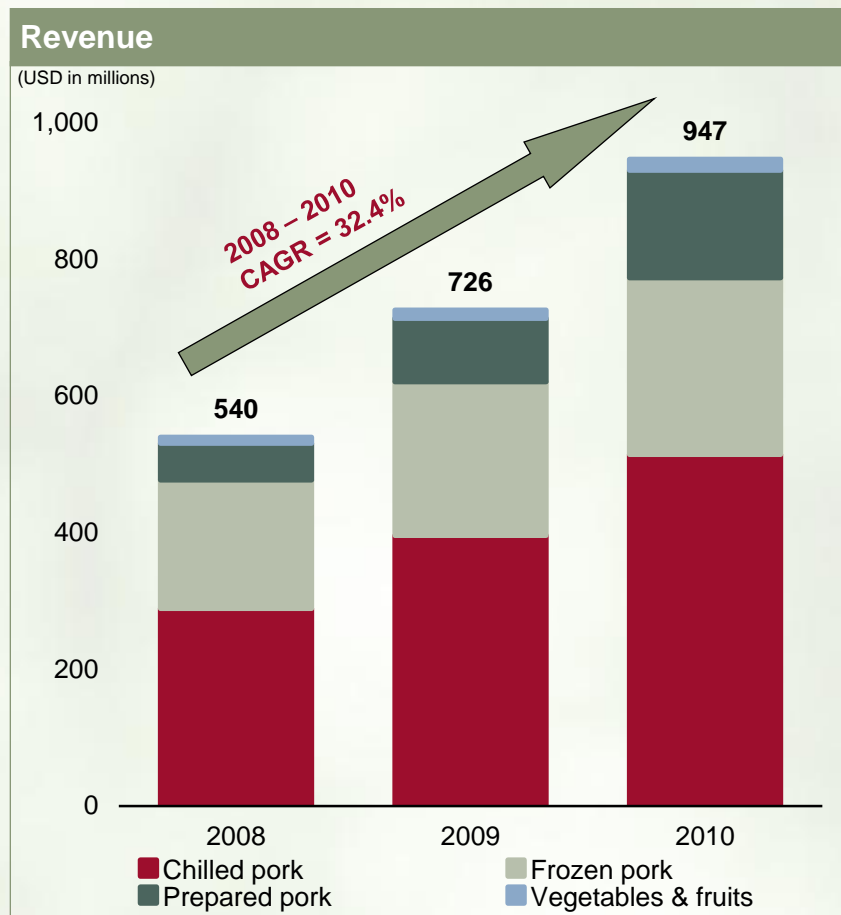
**Dedicated management team with proven track record
will continue to focus on creating value for shareholders**

Financial overview



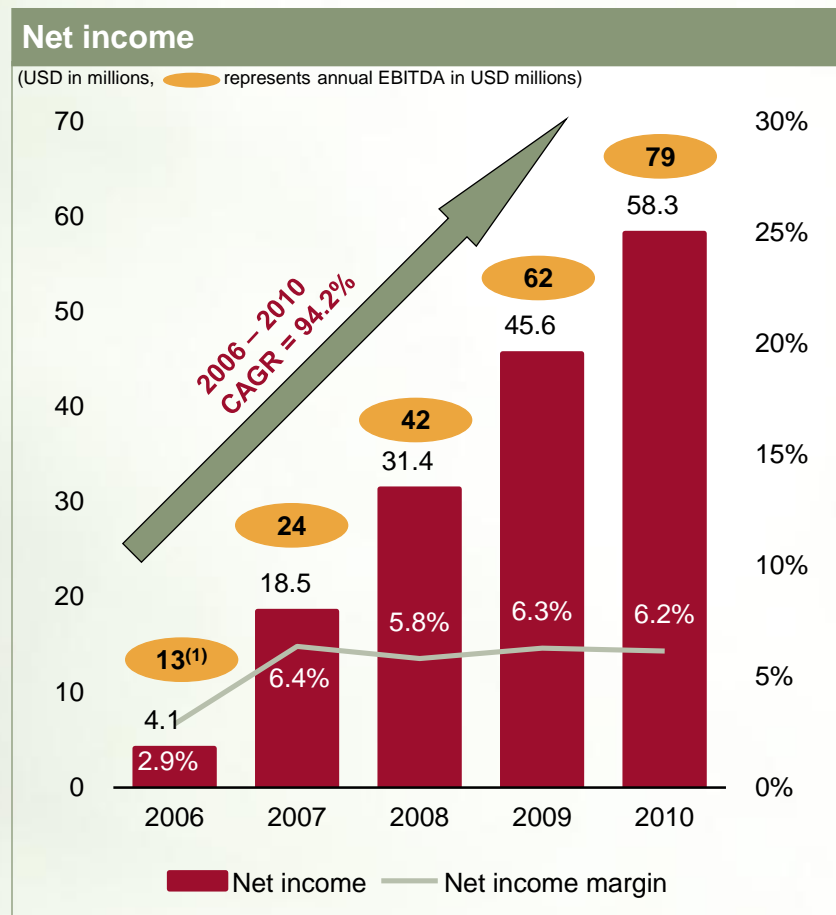
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Proven strong financial track record



	2008	2009	2010
Vegetables & fruits	8.9	12.1	16.2
Prepared pork	53.7	93.0	157.4
Frozen pork	187.9	224.8	258.5
Chilled pork	289.3	396.1	514.6
Total revenues	539.8	726.0	946.7

Note: US\$ in millions.

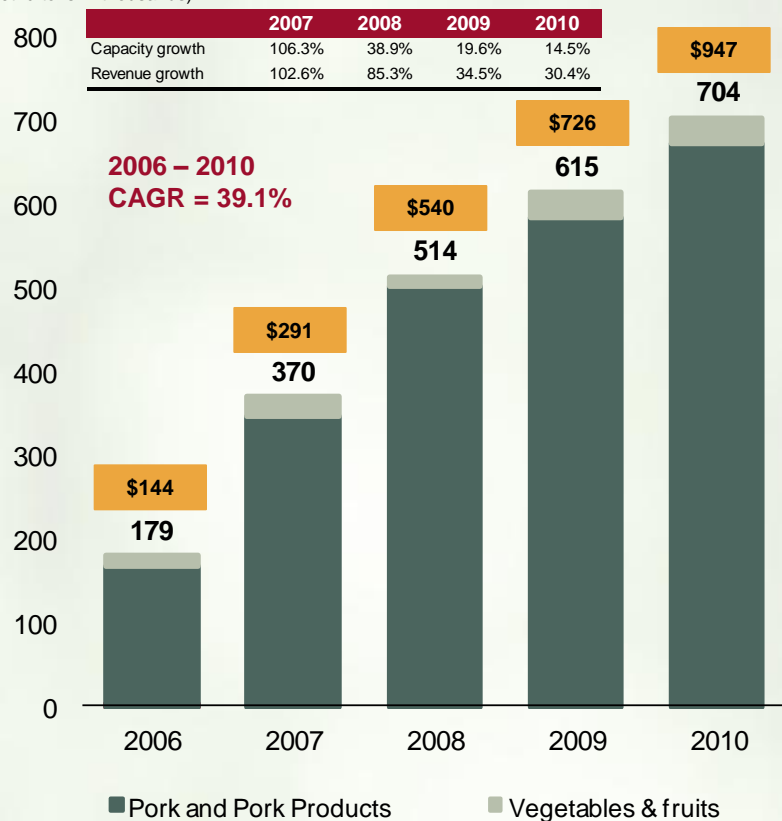


Note: EBITDA calculated as income from operations plus depreciation and amortization.
(1) Adjusted for penalty of USD8.4million related to payments made to the holders our Series A convertible preferred stock and related stock purchase warrants.

Proven strong financial track record 2

Continued capacity expansion

(Metric tons in thousands)

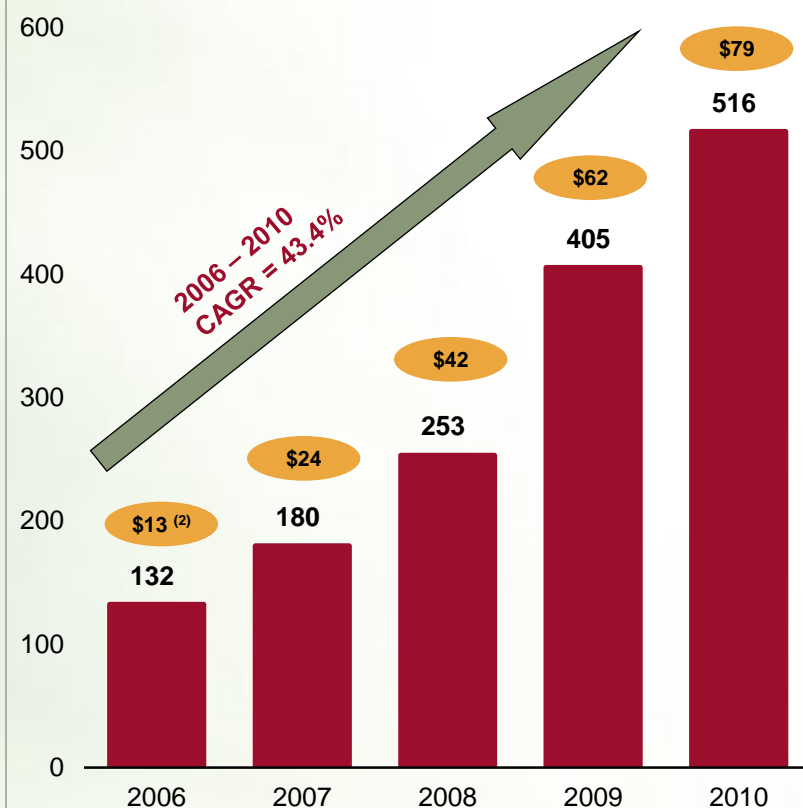


	Vegetables & fruits	Pork and Pork Products
2006	12.6	167.8
2007	23.4	346.8
2008	12.6	501.6
2009	30.0	584.8
2010	30.0	673.8

Note: Capacity units in '000 metric tons.

Sales volume

(Metric tons in thousands, ● shows annual EBITDA in US\$ millions)

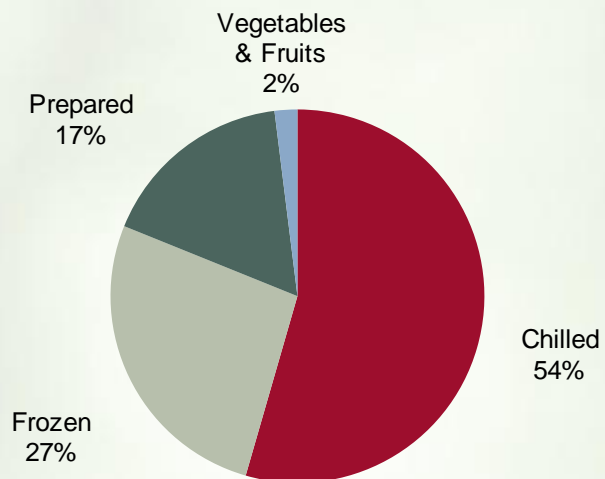


Note: Represents total sales volume for all segments.
EBITDA calculated as income from operations plus depreciation and amortization.
(2) Adjusted for US\$ 8.4million related to payments made to the holders our Series A convertible preferred stock and related stock purchase warrants.

Product divisions

Sales by product division

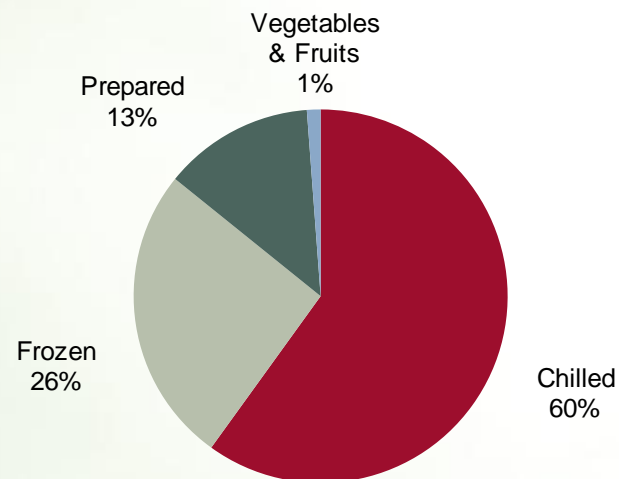
First Nine Months 2010



First Nine Months 2010 Revenue =
US\$660.4 million

	Metric Tons	Average Price per ton	\$ Sales Revenues (in millions)
Chilled pork	197,515	1,821	359.7
Frozen pork	110,360	1,595	176.0
Prepared pork	53,846	2,074	111.7
Vegetables & Fruits	15,787	823	13.0

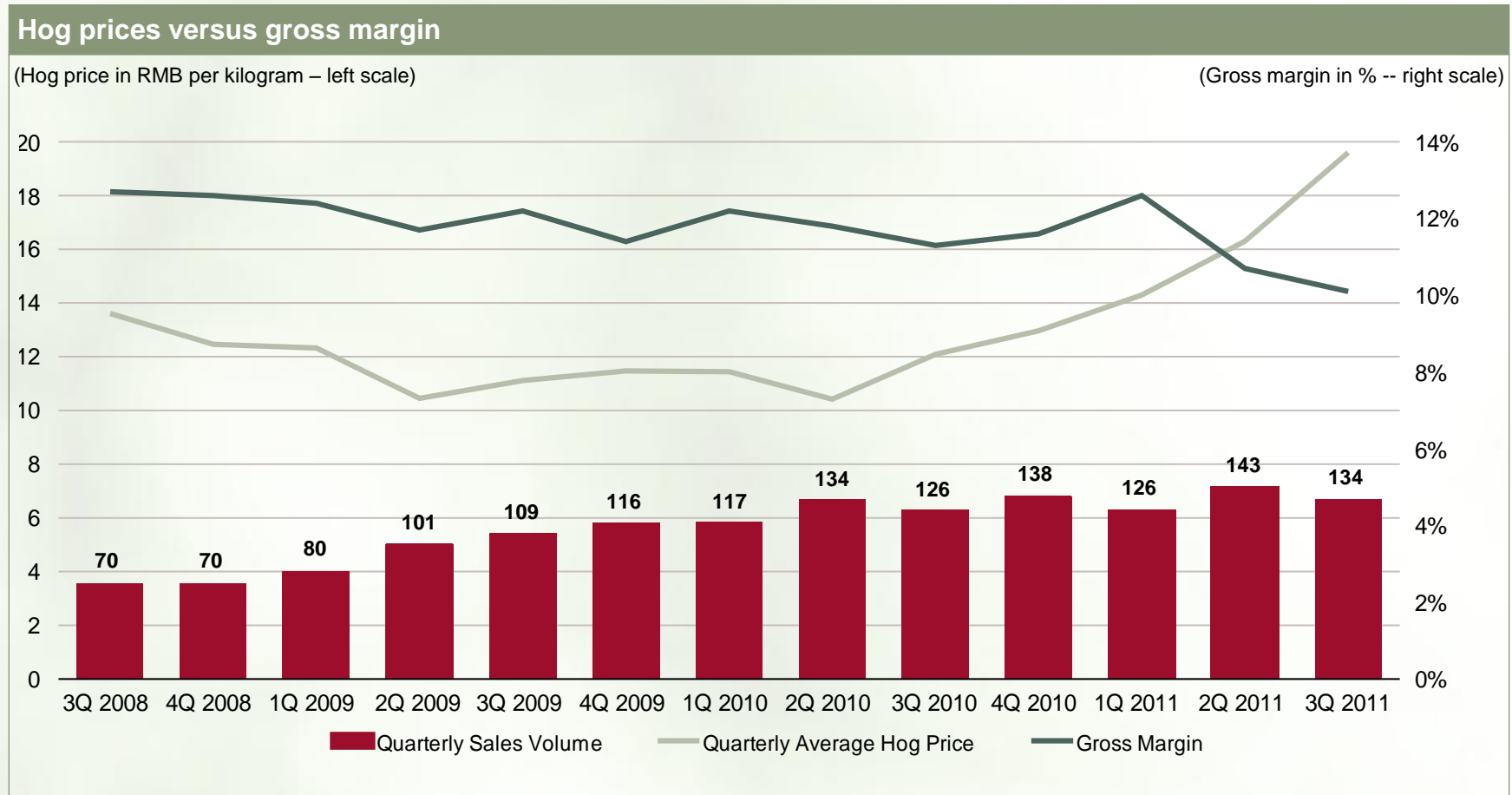
First Nine Months 2011



First Nine Months 2011 Revenue =
US\$1050.3 million

	Metric Tons	Average Price per ton	\$ Sales Revenues (in millions)
Chilled pork	222,329	2,832	629.6
Frozen pork	105,510	2,574	271.6
Prepared pork	62,177	2,199	136.7
Vegetables & Fruits	13,631	910	12.4

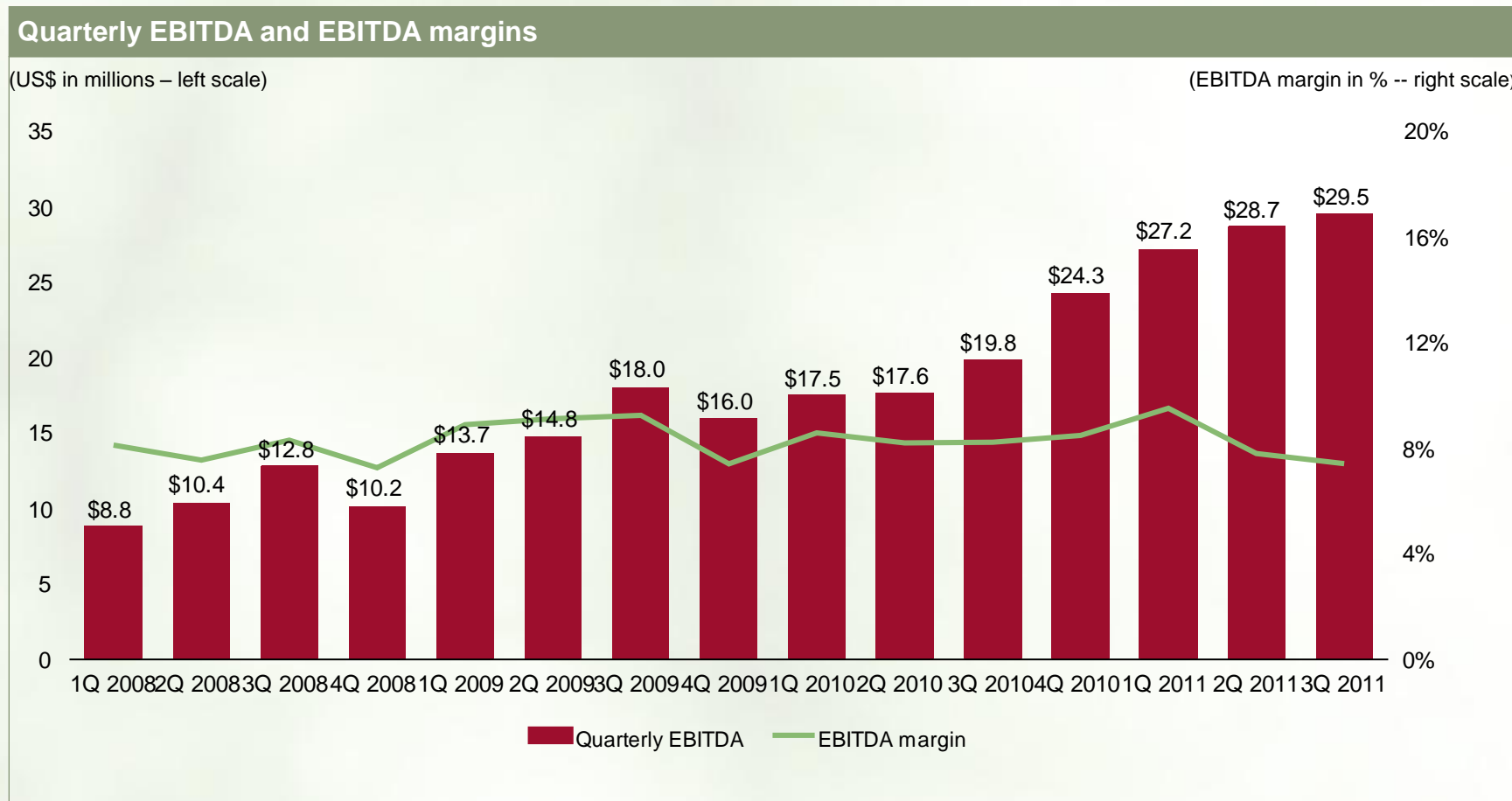
Stable profit margins



Source: Company filings and information. Hog price based on National Reform and Development Committee (<http://www.sdpc.gov.cn>).

Note: Quarterly sales volume represents sales volume for all segments in metric tons in thousands.

Quarterly EBITDA



Source: Company information.

Note: EBITDA calculated as income from operations plus depreciation and amortization.

Summary income statement

(US\$ in millions, except for %)	2009	2010	3Q 2011
Sales			
Sales revenue	\$726.0	\$946.7	\$398.1
COGS	(639.6)	(836.0)	(358.0)
Gross profit	\$86.5	\$110.7	\$40.0
Gross profit margin	11.9%	11.7%	10.1%
Operating expenses			
General and administrative	(18.8)	(24.1)	(7.4)
Selling expenses	(14.7)	(20.7)	(7.9)
Research & development expenses	(0.1)	(0.6)	(0.0)
Gain on disposal of a subsidiary	0.7	–	–
Loss from sale-leaseback transaction	(0.6)	–	–
Impairment loss	(0.1)	(1.0)	–
Total operating expenses	(33.6)	(46.4)	(15.3)
Income from operations (EBIT)	\$52.9	\$64.3	\$24.7
EBIT margin	7.3%	6.8%	6.2%
Other income (expense)			
Interest income (expense)	(6.1)	(7.9)	(7.0)
Other income (expense)	(0.8)	(2.0)	0.4
Exchange gain (loss)	–	–	(0.1)
Government subsidies	3.4	4.2	1.1
Total other income (expense)	(\$3.5)	(\$1.8)	(\$5.6)
Income before tax	\$49.4	\$62.5	\$19.1
Provisions for income tax	(3.8)	(4.2)	(0.8)
Net income after tax	\$45.6	\$58.3	\$18.3

Highlights

- Sales increased 65% in the third quarter 2011 from third quarter 2010 due to higher pork prices, higher sales volume in pork products resulting from the continuing increase in the number of retail channels, geographic expansion, and higher sales to chain restaurants, food service providers, and wholesalers and distributors in China.
 - *Chilled pork* sales increased 90% due to a 19% volume increase and a 59% average selling price (ASP) increase.
 - *Frozen pork* sales increased 38% due to a 14% volume decrease and a 60% ASP increase.
 - *Prepared pork* sales increased 36% due to a 13% volume increase and a 20% increase in ASP.
 - *Vegetable & Fruits* sales decreased 11% due to a 7% decrease in volume and a 20% increase in ASP.

Summary balance sheet

(US\$ in millions)	Dec. 31 2009	Dec. 31 2010	Sep. 30 2011
Current assets			
Cash and cash equivalents	\$69.0	\$84.2	\$116.6
Restricted cash	14.5	17.5	54.7
Bank notes receivable	8.0	19.3	49.2
Accounts receivable, net	20.4	30.8	43.8
Other receivables, net	0.7	1.0	3.5
Purchase deposits	5.7	7.4	23.4
Inventories	33.9	26.5	37.1
Prepaid expenses	0.2	0.4	0.4
Allowance receivable	—	2.5	2.9
VAT recoverables	14.1	20.8	34.9
Deferred tax assets	0.3	0.4	0.4
Other current assets	0.1	0.4	0.4
Total current assets	\$166.7	\$211.2	\$367.4
Long-term investment	—	0.5	0.5
Property, plant and equipment (net)	189.6	291.6	320.2
Deposits for purchase of land usage rights	8.7	17.1	34.6
Construction in progress	70.2	30.4	111.8
Land use rights	61.1	86.5	88.7
Other deferred charges	0.0	0.0	0.0
Other non-current assets	1.8	1.4	1.1
Total assets	\$498.1	\$638.7	\$924.3
Current liabilities			
Short-term loans	\$84.7	\$91.8	\$105.2
Bank notes payables	9.6	18.6	109.5
Long-term loans - Current portion	4.5	14.9	11.0
Capital lease obligations - Current portion	7.5	7.3	6.0
Accounts payable	9.3	8.6	39.9
Other payables	12.9	15.8	17.6
Accrued liabilities	7.4	9.8	11.9
Deposits from customers	5.3	8.3	17.5
Tax payables	1.9	1.6	1.4
Grant payables	—	—	0.8
Total current liabilities	143.0	176.7	320.9
Long term loans	\$44.9	\$83.7	\$102.8
Capital lease	11.1	5.0	1.2
Deferred tax liabilities	0.2	0.4	0.4
LT deposits from customers	2.0	2.0	1.9
Total liabilities	\$201.3	\$267.7	\$427.2
Total equity	296.8	371.0	497.1
Total liabilities and equity	\$498.1	\$638.6	\$924.3

Highlights

- We have maintained consistent financial flexibility to capitalize on attractive market opportunities.
- Our large base of assets are available to be leveraged further.
- We have prudent debt leverage^(a) of 39.7% as of September 30, 2011.
- Interest coverage^(b) was 3.7 times in the third quarter 2011.
- ROAE^(c) for 2010 was 17.5%. Annualized ROAE for the third quarter 2011 was 14.7%.
- Zhongpin will continue to strive to achieve very attractive returns on existing and new investments and on average equity, given its aggressive growth rate.

- a. Total debt divided by total capital as a percent.
- b. Based on income available for interest expense divided by net interest expense.
- c. ROAE calculated as net income after tax divided by average total equity.

Summary cash flow statement



In U.S. dollars	For the year ended December 31,			Nine months ended Sep 30,	
	2008	2009	2010	2010	2011
Cash flows from operating activities					
Net income	\$ 31,376,946	\$ 45,590,380	\$ 58,279,969	\$ 40,296,699	\$ 54,521,007
Adjustments to reconcile net income to net cash provided by (used in) operations:					
Depreciation	4,764,421	8,512,431	13,613,922	9,812,528	12,542,855
Amortization of intangible assets	602,511	1,019,363	1,422,251	973,253	1,386,615
All other items	4,931,334	1,395,223	2,328,005	2,105,877	1,958,216
Changes in operating assets and liabilities	24,092,263	(15,745,679)	(7,006,154)	(32,592,116)	(10,153,852)
Net cash provided by operating activities	65,767,475	40,771,718	68,637,993	20,596,241	60,254,841
Cash flows from investing activities					
Deposits for purchase of land use rights	(4,783,718)	(7,130,023)	(7,895,121)	(23,130,206)	(16,453,540)
Construction in progress	(76,572,004)	(83,916,886)	(55,719,217)	(40,765,205)	(102,225,007)
Additions to property and equipment	(15,031,502)	(10,459,534)	(10,925,116)	(9,750,903)	(4,645,211)
Additions to land use rights	(11,573,776)	(21,347,416)	(23,282,316)	(479,304)	-
Proceeds on sale of fixed assets	238,450	113,291	-	131,028	36,983
Increase in restricted cash	(12,990,885)	2,534,362	(2,530,672)	(21,478,265)	(35,666,692)
Investment in a non-controlling entity	-	-	-	(440,716)	-
Long-term investment	-	-	(443,151)	-	-
Proceeds from disposal of a subsidiary	-	1,226,487	-	-	-
Net cash used in investing activities	(120,713,435)	(118,979,719)	(100,795,593)	(95,913,571)	(158,953,467)
Net cash used in operating activities and investing activities					
	(54,945,960)	(78,208,001)	(32,157,600)	(75,317,330)	(98,698,626)
Cash flows from financing activities					
Net proceeds from (repayment of) bank notes & short-term loans	21,842,624	6,412,757	2,188,770	32,909,613	68,971,415
Net proceeds from (repayment of) long-term loans	21,444,603	25,840,114	46,594,986	39,377,414	10,800,673
Proceeds from capital lease obligation	4,176,107	14,329,464	(6,729,655)	(4,987,359)	(5,097,774)
Proceeds from common stock	-	57,143,000	-	-	66,356,662
Repurchase of common stock	-	-	-	-	(15,797,352)
Proceeds from exercised warrants and option	1,543,587	1,671,200	2,888,992	213,350	-
Investment in a subsidiary by minority holder	-	-	-	-	808,003
Net cash provided by financing activities	49,006,921	105,396,535	44,943,093	67,513,018	126,041,627
Effect of exchange rate changes on cash	2,654,070	(63,441)	2,404,434	1,207,989	5,104,029
Increase (decrease) in cash and cash equivalents	\$ (3,284,969)	\$ 27,125,093	\$ 15,189,927	\$ (6,596,323)	\$ 32,447,030

Highlights

- Net income and depreciation have provided much of the net cash flow from operations.
- Capital investments in production and logistics facilities have supported the company's aggressive expansion into new geographic markets and increases in its existing markets.
- Net cash used before financing has been due to aggressive expansion to both increase national market share and help support the company's role in the industry consolidation in the next several years.
- Zhongpin has a proven ability to attract adequate financing from a combination of public equity and short-term and long-term debt.

Source: Zhongpin SEC filings.

Zhongpin's strategies - summary

Increase brand recognition

Expand market presence and strengthen leading logistics capabilities

Increase production capacity

Expand and optimize product lines

Maintain technological superiority

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