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中國康大食品有限公司

CHINA KANGDA FOOD COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 834)

(Singapore Stock Code: P74)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the "Board") of China Kangda Food Company Limited (the "Company") is pleased to announce its consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 together with the comparative figures for the previous year as follows:

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2013

	Notes	**2013** *RMB'000* **(Unaudited)**	2012 *RMB'000* (Audited)
Revenue	*5*	**1,477,999**	1,489,838
Cost of sales		**(1,367,205)**	(1,378,830)
Gross profit		**110,794**	111,008
Other income	*5*	**30,986**	31,229
Selling and distribution costs		**(27,611)**	(39,454)
Administrative expenses		**(61,805)**	(70,128)
Other operating expenses		**(1,133)**	(1,149)
Profit from operations	*6*	**51,231**	31,506
Finance costs	*7*	**(34,359)**	(29,730)
Share of loss of associates		**(966)**	(293)

	Notes	**2013** **_RMB'000_** **(Unaudited)**	2012 *RMB'000* (Audited)
Profit before taxation		**15,906**	1,483
Income tax expense	*8*	**(14,797)**	(879)
Profit for the year		**1,109**	604
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,109**	604
Profit for the year attributable to:			
Owners of the Company		**6,378**	4,917
Non-controlling interests		**(5,269)**	(4,313)
		1,109	604
Total comprehensive income attributable to:			
Owners of the Company		**6,378**	4,917
Non-controlling interests		**(5,269)**	(4,313)
		1,109	604
Earnings per share for profit attributable to the owners of the Company during the year	*10*		
Basic *(RMB cents)*		**1.47**	1.14
Diluted *(RMB cents)*		**1.47**	1.14

Consolidated Statement of Financial Position
as at 31 December 2013

	Notes	2013 RMB'000 (Unaudited)	2012 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**622,446**	618,233
Prepaid premium for land leases		**129,698**	123,298
Intangible assets		**1,152**	1,990
Interest in associates		**2,200**	3,166
Goodwill		**59,428**	59,428
Biological assets		**31,040**	39,727
Long term deposit		**5,047**	-
Deferred tax assets		**2,923**	13,470
		853,934	859,312
Current assets			
Biological assets		**42,751**	29,538
Inventories		**132,060**	153,169
Trade receivables	*11*	**80,971**	88,121
Prepayments, other receivables and deposits		**40,156**	57,348
Tax refundable		**3,523**	-
Pledged deposits		**70,000**	51,403
Cash and cash equivalents		**369,387**	370,699
		738,848	750,278
Current liabilities			
Trade and bills payables	*12*	**142,808**	175,707
Accrued liabilities and other payables		**83,484**	83,581
Interest-bearing bank borrowings		**567,000**	589,000
Amount due to a related party		**23,517**	38,891
Deferred government grants		**1,337**	1,537
Tax payables		**882**	821
		819,028	889,537
Net current liabilities		**(80,180)**	(139,259)
Total assets less current liabilities		**773,754**	720,053

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current liabilities		
Deferred government grants	**11,664**	14,601
Interest-bearing bank borrowings	**58,000**	-
Total non-current liabilities	**69,664**	14,601
Net assets	**704,090**	705,452
EQUITY		
Equity attributable to Company's owners		
- Share capital	**112,176**	112,176
- Reserves	**563,978**	557,946
	676,154	670,122
Non-controlling interests	**27,936**	35,330
Total equity	**704,090**	705,452

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2013

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 28 April 2006. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The principal place of business of the Company is located at No. 1, Hainan Road, Economic and Technology Development Zone, Jiaonan City, Qingdao, the People's Republic of China. The Company's shares have been listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Mainboard of the Stock Exchange of Hong Kong Limited (the "HKEx") since 9 October 2006 and 22 December 2008 respectively.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries (together with the Company referred as the "Group") are production and trading of food products, breeding and sale of livestock, poultry and rabbits.

The Group's operations are principally conducted in the People's Republic of China, excluding Hong Kong and Macau (the "PRC"). The financial statements are presented in Renminbi ("RMB").

2 APPLICATIONS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) Adoption of amendments to IFRSs – first effective on 1 January 2013

In the current year, the Group has applied for the first time the following new and revised standards issued by the International Accounting Standards Board ("IASB"), which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2013:

IFRSs (Amendments)	Annual Improvements 2009 – 2011 Cycle
IFRSs (Amendments)	Annual Improvements 2010 – 2012 Cycle
IFRSs (Amendments)	Annual Improvements 2011 – 2013 Cycle
Amendments to IAS 1 (revised)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
Amendments to IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
IFRS 10	Consolidated Financial Statements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 27 (2011)	Separate Financial Statements
IAS 28 (2011)	Investments in Associates and Joint Ventures

Except as explained below, the adoption of these new and revised standards has no significant impact on the Group's financial statements.

IFRSs (Amendments) – Annual Improvements 2010 - 2012 Cycle

The Basis of Conclusions for IFRS 13 Fair Value Measurement was amended to clarify that short-term receivables and payables with no stated interest rate can be measured at their invoice amounts without discounting, if the effect of discounting is immaterial. This is consistent with the Group's existing accounting policy.

Amendments to IFRS 7 – Financial Instrumens: Disclosures - Offsetting Financial Assets and Financial Liabilities

IFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under IAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under IAS 32.

The adoption of the amendments has no impact on these financial statements as the Group has not offset financial instruments, nor has it entered into a master netting agreement or a similar arrangement.

IFRS 10 – Consolidated Financial Statements

IFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. IFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them.

The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The accounting requirements in IAS 27 (2008) on other consolidation related matters are carried forward unchanged. IFRS 10 is applied retrospectively but has no impact on these financial statements.

IFRS 12 – Disclosures of Interests in Other Entities

IFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

As the new standard affects only disclosure, there is no effect on the Group's financial position and performance.

IFRS 13 – Fair Value Measurement

IFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with IFRS 7 "Financial Instruments: Disclosures". IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. IFRS 13 is applied prospectively.

IFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance. The standard requires additional disclosures about fair value measurements. Comparative disclosures have not been presented in accordance with the transitional provisions of the standard.

(b) New/revised IFRSs that have been issued but are not yet effective

The following new/revised IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities [1]
Amendments to IFRS 10, IFRS 12 and IAS 27 (2011)	Investment entities[1]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
IFRS 9	Financial Instruments
IFRIC 21	Levies[2]
IFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[3]
IFRSs (Amendments	Annual Improvements 2010-2012 Cycle[2]

[1]Effective for annual periods beginning on or after 1 January 2014
[2]Effective for annual periods beginning on or after 1 July 2014
[3]Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to IAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

IFRS 9 (Revised) – Financial Instruments

Under IFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities.

Amendments to IFRS 10, IFRS 12 and IAS 27 (2012) - Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity's business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in IFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

IFRIC 21 – Levies

IFRIC 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs.

Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. Among them IAS 16 Property, Plant and Equipment has been amended to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

3. BASIS OF PREPARATION

(a)Statement of compliance

The financial statements have been prepared in accordance with IFRSs which collective term includes all applicable individual International Financial Reporting Standards and Interpretations approved by the IASB, and all applicable individual International Accounting Standards and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB. The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Listing Manual of the Singapore Securities Exchange Trading Limited.

(b)Basis of measurement and going concern assumption

The financial statements have been prepared under the historical cost basis except for biological assets which are stated at fair values.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

In preparing the financial statements, the directors considered the operations of the Group as a going concern notwithstanding that:

1. The Group's current liabilities exceeded its current assets by approximately RMB 80.2 million as at 31 December 2013;

2. Amongst the total bank borrowings of RMB625 million as at 31 December 2013, bank borrowings of RMB567 million as at 31 December 2013 are due for repayment within one year from 31 December 2013.

These conditions indicate the existence of a material uncertainty which may cast significant doubts on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the financial statements were prepared based on the assumption that the Group can be operated as a going concern and the directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 31 December 2013, after taking into consideration of the following:

1. The Group continues to expand its production volume by improving the utilisation rate of its facilities and implement measures to tighten cost controls over various operating expenses in order to improve its profitability and to generate positive cash inflow from its operations in the future;

2. The Group is actively negotiating with the banks to seek for renewal of the outstanding bank borrowings. Subsequent to reporting date, the Group successfully renewed bank borrowings of RMB50 million upon maturity of these bank borrowings. In addition, subsequent to reporting date, the Group obtained written confirmation from one of the Group's major bankers, with confirm to renew certain bank borrowings, in aggregate of up to RMB170,000,000, to the Group for another year upon the maturity of the bank borrowings;

3. The Group is actively exploring the availability of alternative source of financing; and

4. Qingdao Kangda Foreign Trade Group Limited ("KD Group"), which is substantially beneficially owned by a substantial shareholder of the Company, has agreed to provide continuing financial support to the Group so as to enable the Group to continue its day-to-day operations as a going concern notwithstanding any present or future financial difficulties experienced by the Group.

The directors of the Company believe that the aforementioned financing/business plans and operational measures will be successful, based on the continuous efforts and commitment given by the management.

Having regard to the cash flow projection of the Group, which are prepared assuming that these measures are successful, the directors of the Company are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to write down the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not yet been reflected in the financial statements.

4. SEGMENT INFORMATION

Information regarding the Group's reportable segments as provided to the directors is set out below:

	2013				
	Processed foods *RMB'000* **(Unaudited)**	**Chilled and frozen rabbit meat** *RMB'000* **(Unaudited)**	**Chilled and frozen chicken meat** *RMB'000* **(Unaudited)**	**Other products** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Revenue from external customers	**663,470**	**268,779**	**314,817**	**230,933**	**1,477,999**
Reportable segment revenue	**663,470**	**268,779**	**314,817**	**230,933**	**1,477,999**
Reportable segment profit	**59,099**	**17,554**	**2,553**	**3,977**	**83,183**
Depreciation of property, plant and equipment	**21,040**	**8,524**	**9,984**	**7,323**	**46,871**
Amortisation of prepaid premium land leases	**1,285**	**460**	**805**	**3,188**	**5,738**
Amortisation of intangible assets	**-**	**838**	**-**	**-**	**838**

	Processed foods	Chilled and frozen rabbit meat	2012 Chilled and frozen chicken meat	Other products	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenue from external customers	669,377	274,305	361,495	184,661	1,489,838
Reportable segment revenue	669,377	274,305	361,495	184,661	1,489,838
Reportable segment profit/(loss)	51,759	17,243	(129)	2,681	71,554
Depreciation of property, plant and equipment	20,753	8,504	11,207	5,725	46,189
Amortisation of prepaid premium land leases	1,448	593	782	399	3,222
Amortisation of intangible assets	343	838	-	-	1,181

A reconciliation between the reportable segment profit and the Group's profit before taxation is set out below:

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Reportable segment profit	**83,183**	71,554
Other income	**30,986**	31,229
Administrative expenses	**(61,805)**	(70,128)
Other operating expenses	**(1,133)**	(1,149)
Finance costs	**(34,359)**	(29,730)
Share of loss of associates	**(966)**	(293)
Profit before taxation	**15,906**	1,483

The following table set out information about the geographical locations of the Group's revenue from external customers. The geographical location of customers is determined based on the location at which the goods were delivered.

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Local (Country of domicile)		
PRC	**931,800**	954,674
Export (Foreign countries)		
Japan	**293,563**	309,292
Europe	**120,108**	122,224
Others	**132,528**	103,648
	1,477,999	1,489,838

The Group's non-current assets are solely located in the PRC (the country of domicile of the Company).

5. REVENUE AND OTHER INCOME

Revenue of the Group, which is also the turnover of the Group, represents the net invoiced value of goods sold, net of allowances for returns, trade discounts and value-added tax. An analysis of the Group's revenue and other income is as follows:

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Revenue		
Sale of goods	**1,477,999**	1,489,838

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Other income		
Interest income on financial assets stated at amortised cost		
- Interest income on bank deposits	**3,623**	3,064
Amortisation of deferred income on government grants	**1,459**	1,537
Government grants related to income*	**12,104**	12,082
Gains arising from changes in fair value less estimated point-of-sale costs of biological assets, net	**8,417**	8,609
Gain on disposal of subsidiaries	**1,316**	-
Others	**4,067**	5,937
	30,986	31,229

* *Various government grants have been received mainly from the Finance Bureau of Jiaonan City (膠南市財政局) for the Group's business conducted in those areas. There are no unfulfilled conditions or contingencies related to these grants.*

6. PROFIT FROM OPERATIONS

The Group's profit from operations is arrived at after charging/(crediting):

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cost of inventories recognised as an expense	**1,019,840**	1,028,446
Depreciation of property, plant and equipment*	**50,703**	52,238
Amortisation of prepaid premium for land leases**	**5,738**	3,222
Amortisation of an intangible assets***	**838**	1,181
Loss/(gain) on disposal of property, plant and equipment	**4,106**	(1,193)
Exchange loss, net	**2,653**	3,422

* *Depreciation of approximately RMB46,414,000 (2012: RMB45,994,000), approximately RMB RMB457,000 (2012: RMB195,000) and approximately RMB3,832,000 (2012: RMB6,049,000) has been charged to cost of sales, selling and distribution costs and administrative expenses, respectively, for the year ended 31 December 2013.*

** *Amortisation of prepaid premium for land leases has been charged to cost of sales for the years ended 31 December 2012 and 2013.*

*** *Amortisation of intangible assets has been charged to cost of sales for the years ended 31 December 2012 and 2013.*

7. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Interest charges on:		
Bank borrowings wholly repayable within five years	**36,941**	32,378
Less: Amount capitalised	**(2,582)**	(2,648)
	34,359	29,730

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 7.14% (2012: 7.04%) to expenditure on qualifying assets.

8. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
PRC corporate income tax		
Current year provision	**3,709**	3,952
Under-provision in prior years	**974**	184
	4,683	4,136
Hong Kong profits tax		
Overprovision in prior years	**-**	(4,336)
Deferred tax charge	**10,114**	1,079
Total income tax expense	**14,797**	879

No Hong Kong profits tax has been provided for the year ended 31 December 2013 as the Group did not derive any assessable profit arising in Hong Kong during the year (2012: Nil).

PRC corporate income tax is provided at the rates applicable to the subsidiaries in the PRC on the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretations thereof.
Qingdao Kangda Foods Co., Ltd. ("Kangda Foods") is established and operating in the PRC and subject to PRC corporate income tax. According to the New PRC Corporate Income Tax Law, the profit arising from agricultural, poultry and primary food processing businesses of Kangda Foods are exempted from PRC corporate income tax. The taxable profits of Kangda Foods arising from profit from business other than agricultural, poultry and primary food processing are subject to corporate income tax at 25% for the year ended 31 December 2013 (2012: 25%).

Tax has not been provided by the Company as the Company did not derive any assessable profits during the year (2012: Nil).

9. DIVIDENDS

The board of directors did not recommend any payment of dividends during the year (2012: Nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately RMB6,378,000 (2012: RMB4,917,000) and on 432,948,000 (2012: 432,948,000) ordinary shares in issue during the year.

In relation to the years ended 31 December 2012 and 2013, no diluted earnings per share are presented as there was no potential ordinary share.

11. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values at initial recognition.

The ageing analysis of trade receivables based on invoice days as at the reporting dates are as follows:

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 30 days	**62,341**	69,447
31 – 60 days	**12,181**	12,683
61 – 90 days	**3,443**	4,687
91 – 120 days	**641**	258
Over 120 days	**2,365**	1,046
	80,971	88,121

Before accepting any new customer, the Group will assess the potential customer's credit quality and set credit limits for that customer. Limits attributed to customers are reviewed once a year.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly or the trade receivables are written-off against the allowance account if impairment losses on that trade receivables have been recorded in the allowance account previously. No allowance was made for the year ended 31 December 2012 and 2013.

The ageing analysis of trade receivables that are not impaired is as follows:

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Neither past due nor impaired	**63,406**	71,798
Not more than 3 months past due	**14,935**	15,278
3 to 6 months past due	**1,323**	551
6 to 12 months past due	**1,307**	494
	80,971	88,121

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there were no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region is:

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
PRC	**49,183**	47,956
Japan	**18,282**	14,581
Europe	**12,056**	24,694
Others	**1,450**	890
	80,971	88,121

12. TRADE AND BILLS PAYABLES

Trade payables are non-interest bearing and are normally settled on terms of 60 days.

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**102,808**	126,707
Bills payables	**40,000**	49,000
	142,808	175,707

The ageing analysis of trade and bills payables as at the reporting dates is as follows:

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 60 days	**103,171**	143,788
61 – 90 days	**19,444**	9,595
91 – 120 days	**7,526**	6,665
Over 120 days	**12,667**	15,659
	142,808	175,707

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half year of the year ended 31 December 2013 ("FY2013'), the Group's results deteriorated as a result of the negative impacts arising from drug residues and fast-growing chicken incidents as well as the detection of H7N9 bird flu in chickens in the southern China.

In the second half of FY2013, the Group saw the recovery of the price of chicken meat from the trough and the Group's overall operation improved significant in the second half of FY2013. A remarkable growth of 17.0% from approximately RMB681.2 million to RMB796.9 million in overall turnover and an increase of 116.6% from approximately RMB35.0 million to RMB75.8 million in gross profit was achieved compared to first half of FY2013.

The overall turnover for the Group decreased slightly by only 0.8% to approximately RMB1,478.0 million and gross profit margin remained stable at 7.5%. Further to the implementation of innovative measures and effective cost reduction policy, the selling expense and administrative expense decreased by 30.0% and 11.9% respectively. As a result, the net profit attributable to equity holders increased by 29.7% from RMB4.9 million to RMB6.4 million.

SAFETY

The Group currently has its own production facilities in Jiaonan, Gaomi and Jilin. Effective food control systems are essential to protect the health and safety of the consumers. Its quality management system has obtained HACCP, ISO9001 and ISO14001 certification. The Group views its ability in surveillance, monitoring and enforcement in compliance with PRC and international standards as its strength.

Given the fact that more and more problems about safety arise, there is a growing of consumer awareness of food safety and quality issues and an increasing demand for better information. With the commitment to healthier, safer and quality meat products, the Group was firmly strengthened our quality management and risks over every operation process ranging from purchases, breeding, production, logistics and storage to sales to ensure that the Group consistently offers quality and safe food to consumers.

By comprehensively implementing tracing system to monitor food safety and strictly controlling each procedure in the farm-to-table continuum, the Group ensures the consumers with the provision of safe food. The Group has been continuously optimizing biological safety, hygienic and disease prevention system. Due to the strict compliance with epidemic prevention system and vaccination, there was no incident related to the Group's breeding business due to the outbreak of bird and animal disease in the past.

PROSPECT

The Group will continue to optimize its sales channels in PRC by further enhancing its brand profile and launching diversified product mix. The Group has taken steps to strengthen the sales network in more provinces in the PRC and expanding its international sales region. The Group will also continue to push up sales to existing customers and implement an extensive marketing strategy with emphasis on maintaining good relationships with customers and suppliers.

The Group has continuously applied various pro-active and prudent measures such as acceleration of the development of sales channels, strengthening the Group's brand building, exploring new products development and diversification. Further, the Group will continue with its cost control measures and improve management tools.

The Board remains positive that the Group's financial position is stable and believes that the commitment to healthier, safer and quality meat products will lay a solid foundation for the Group's further development.

OPERATING AND FINANCIAL REVIEW

REVENUE BY PRODUCTS

	FY2013	FY2012	% Change
	RMB'000	*RMB'000*	*+/(-)*
	(Unaudited)	(Audited)	
Processed foods	**663,470**	669,377	(0.9)
Chilled and frozen rabbit meat	**268,779**	274,305	(2.0)
Chilled and frozen chicken meat	**314,817**	361,495	(12.9)
Other products	**230,933**	184,661	25.1
Total	**1,477,999**	1,489,838	(0.8)

Processed Food Products

Demand for the Group's chicken-based processed food products had decreased following the loss in consumer confidence in consumption of chicken due to H7N9 bird flu and the fast-growing chicken related events in the first half year. As a result, revenue derived from processed food products had decreased marginally by 0.9% to approximately RMB663.5 million in FY2013.

Chilled and Frozen Meat Products

The rabbit and chicken meat segments contributed 39.5% and 42.7% to the Group's total revenue in FY2013 and FY2012 respectively. The revenue of the rabbit and chicken meat segments registered a 8.2% decrease to approximately RMB583.6 million in FY2013.

The Group achieved an overall satisfactory result in its promotional and product development for its rabbit meat brand in the PRC market. However, lower sales volume was recorded following the disposal of Chongqing Kangda Juxin Rabbit Co., Ltd (“Chongqing Kangda”), revenue derived from the rabbit meat segment slightly decreased by 2.0% to approximately RMB268.8 million in FY2013.

Revenue of the Group’s chicken meat segment decreased by 12.9% to approximately RMB314.8 million in FY2013. As explained above under the “Processed Food Products”, the decrease in demand for PRC chicken meat products was due to consumers’ falling confidence in chicken consumption in the first half year which had impacted the Group’s revenue.

Other Products

Revenue derived from the production and sale of other products increased by 25.1% to RMB230.9 million in FY2013 was due mainly to the increased demand for the Group’s pet food products from the PRC and Korea markets. Pet food sales contributed over 50% to this segment, with growth generated from the Beijing and Shanghai markets in the PRC and overseas markets in Japan and Korea.

REVENUE BY GEOGRAPHICAL MARKETS

	FY2013	FY2012	% Change
	RMB’000	*RMB’000*	*+/(-)*
	(Unaudited)	(Audited)	
Export	**546,199**	535,164	2.1
PRC	**931,800**	954,674	(2.4)
Total	**1,477,999**	1,489,838	(0.8)

Capital and consumer markets were regaining confidence in 2013 amid the gradual recovery of the global economy. Therefore, on a geographical basis, revenue from the export sales increased by 2.1% to approximately RMB546.2 million in FY2013. PRC sales decreased slightly by 2.4% to approximately RMB931.8 million, reflecting that the decrease in demand of chicken meat in the PRC market.

PROFITABILITY

Gross Profit and Margin

	FY2013 RMB'000 (Unaudited)	FY2013 Margin %	FY2012 RMB'000 (Audited)	FY2012 Margin %	Change RMB'000	% Change +/(-)
Processed foods	**71,203**	**10.7**	69,486	10.4	1,717	2.5
Rabbit meat	**22,457**	**8.4**	24,507	8.9	(2,050)	(8.4)
Chicken meat	**8,296**	**2.6**	9,444	2.6	(1,148)	(12.2)
Other products	**8,838**	**3.8**	7,571	4.1	1,267	16.7
Total	**110,794**	**7.5**	111,008	7.5	(214)	(0.2)

Gross profit margin remained stable at 7.5% in FY2013. During the year, the Group was faced with the increase in raw materials prices as well as decreasing price of chicken meat products in the PRC market as a result of the negative impact arising from the H7N9 incident.

Processed Food Products
Processed food business remains the major source of income for the Group in FY2013. The slight increase in gross profit margin from 10.4% to 10.7% in FY2013 was due to the higher of selling price non-chicken-based processed food products.

Chilled and Frozen Rabbit Meat
The gross profit margin of chilled and frozen rabbit meat declined slightly from 8.9% to 8.4% in FY2013 due to the increase in raw material prices.

Chilled and Frozen Chicken Meat
The decline in gross profit of chilled and frozen chicken meat segment was due mainly to the increase in raw material prices and the lowering selling price of chicken meat products in the PRC market in the first half year.

Other Products
Other products are mainly chicken and rabbit meat by-products and pet food products, which are not the core profit drivers of the Group. Due to the increase in demand of the chicken and rabbit meat by-products, gross profit increased from RMB7.6 million to RMB8.8 million. Gross profit margin declined from 4.1% to 3.8% in FY2013.

Other Income
Other income comprised mainly government grants, gain on disposal of subsidiaries, gain on change in fair value of biological assets and interest income from bank deposits amounting to RMB12.1 million, RMB1.3 million, RMB8.4 million and RMB3.6 million respectively. The rest was mainly minor income generated from the sale of raw materials, mainly vegetables and food ingredients, to factories in Qingdao.

Selling and Distribution Expenses
Selling and distribution expenses comprised mainly transportation costs, promotion costs and salary and welfare. The decrease in selling and distribution costs by 30.0% to approximately RMB27.6 million arose from the Company's cost-cutting initiatives, which resulted in a decrease in travelling and entertainment expenses and lower number of employees.

Administrative Expenses
Administrative expenses comprised mainly staff costs, professional fees, travelling expenses and other miscellaneous administrative expenses. The decrease in administrative expenses by 11.9% was due mainly to the implementation of cost controls measures and lower number of employees.

Other Operating Expenses
Other operating expenses represented miscellaneous expenses relating to the disposal of damaged packaging materials, which had decreased with the decrease of sales during the year.

Finance costs
Finance costs increased by 15.6% to approximately RMB34.4 million in FY2013 were due mainly to the increase in bank borrowings for the Group's future working capital purpose. Approximately RMB2.6 million (2012: RMB2.6 million) of borrowing cost was capitalized and calculated based on a capitalisation rate of 7.14% (2012: 7.04%) to expenditure on qualifying assets.

Taxation
The income tax expense comprised both the accrued PRC corporate income tax, the charge of deferred tax asset and liability arose in the course of the business consolidation of both Shandong Kaijia Food Company Limited and its subsidiary, Shandong Kaijia International Trade Co., Ltd. ("Kaijia Trade") (collectively referred as the "Kaijia Group") and Qingdao Pu De Food Company Limited ("Pu De").

During the year, approximately RMB10.1 million of the income tax expense arose from prior years' recognised tax losses had been utilized and charged to current year's profit or loss. This recognised prior year's tax losses arose from the business consolidation of Kaijia Group and were classified as deferred tax asset with a statutory time limit of five year in the past.

Review of the Group's Financial Position as at 31 December 2013

The Group's property, plant and equipment increased by 0.7% to approximately RMB622.4 million as at 31 December 2013 due mainly to an acquisition of equipment of approximately RMB54.9 million. This was offset by a depreciation charge of approximately RMB50.7 million.

The prepaid premium for land leases increased by 5.1% to approximately RMB129.7 million as at 31 December 2013 due mainly to an increase in prepaid premium for land leases of approximately RMB12.1 million. This was offset by an amortization charge of approximately RMB5.7 million.

The reduction of intangible assets in FY2013 amounted to approximately RMB0.8 million was due mainly to amortisation. The intangible assets refer to the export licenses and hygiene registration certificates awarded by the relevant authorities in Japan and EU. The said licenses and certificates allow the Group to export its products to these countries.

Goodwill arising from the acquisitions of subsidiaries in the past.

Biological assets refer to progeny rabbits and progeny chickens for sale and breeder rabbits and chickens for breeding purpose. These biological assets were valued by an independent professional valuer as at 31 December 2013 with reference to market-determined prices.

Inventories decreased by 13.8% to approximately RMB132.1 million due to the improvement of the Group's inventory management and acceleration of the development of sales channels. The inventory turnover days for FY2013 were 38 days compared to 43 days for FY2012.

Trade receivables decreased by 8.1% to approximately RMB81.0 million as at 31 December 2013. The trade receivables turnover days decreased to 21 days in FY2013 compared with 23 days in FY2012 due to the stepping up of collection efforts.

Prepayments, other receivables and deposits decreased by approximately 30.0% to approximately RMB40.2 million as at 31 December 2013.

Cash and cash equivalents, including pledged deposits, increased by approximately RMB17.3 million to approximately RMB439.4 million was due mainly to the increase of bank borrowings obtained at the end of the year. Approximately RMB70.0 million of the bank deposit is secured against the interest-bearing borrowings of the Group.

Trade and bills payables decreased by 18.7% to approximately RMB142.8 million as at 31 December 2013 in line with the decrease in inventory level.

Accrued liabilities and other payables represented payables for construction and facilities, salary and welfare payables, accrued expenses and deposit received. The slight decrease by 0.1% was due to the repayment of deposits placed by customers.

The interest-bearing bank borrowings balance as at 31 December 2013 had increased to approximately RMB625.0 million after taking into account the additional bank borrowings of approximately RMB625.0 million and the bank borrowings repayment of approximately RMB589.0 million during the year. Approximately RMB58.0 million of the bank borrowing is classified as non-current liabilities.

Amount due to a related party represented the outstanding balance due to Qingdao Kangda Foreign Trade Group Limited ("KD Group") resulted from the trading and other transactions.

Tax payables increased from RMB0.8 million to RMB0.9 million as at 31 December 2013. This was due to income tax accrued during the year.

CAPITAL STRUCTURE

During the year under review, the Group had net assets of approximately RMB704.1 million (31 December 2012: RMB705.5 million), comprising non-current assets of approximately RMB853.9 million (31 December 2012: RMB859.3 million), and current assets of approximately RMB738.8 million (31 December 2012: RMB750.3 million). The Group recorded a net current liability position of approximately RMB80.2 million (31 December 2012: RMB139.3 million) as at 31 December 2013, which primarily consist of cash and cash equivalents balances amounted to approximately RMB369.4 million (31 December 2012: RMB370.7 million). Moreover, inventories amounted to approximately RMB132.1 million (31 December 2012: RMB153.2 million) and trade receivables amounted to approximately RMB81.0 million (31 December 2012: RMB88.1 million) are also major current assets. Major current liabilities are trade and bills payables and interest-bearing bank borrowings amounted to approximately RMB142.8 million (31 December 2012: RMB175.7 million) and approximately RMB567.0 million (31 December 2012: RMB589.0 million) respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2013, the Group has cash and cash equivalent of approximately RMB369.4 million (31 December 2012: RMB370.7 million) and had total interest-bearing bank borrowings of approximately RMB567.0 million (31 December 2012: RMB589.0 million). The Group's interest-bearing bank borrowings was debts with interest rate ranging from 6.0% to 7.87% (31 December 2012: 6.00% to 7.87%) per annum.

The gearing ratio for the Group was 92.4% (31 December 2012: 87.9%) as at 31 December 2013, based on net debt of approximately RMB625.0 million (31 December 2012: RMB589.0 million) and equity attributable to Company's owners of approximately RMB676.2 million (31 December 2012: RMB670.1 million). The Group would serve its debts primarily with cash flow generated from its operation, seeking renewal of the outstanding bank borrowings and new banking facilities and exploring the availability of alternative source of financing. The Board is confident that the Group has adequate financial resources to meet its future debt repayment and support its working capital requirement and future expansion.

FOREIGN CURRENCY EXPOSURE

The following table details the Group's exposures at the reporting date to foreign currency risk from the financial assets and financial liabilities denominated in a currency other than the functional currency to which the Group's entities relate:

	USD	EURO	JPY	SGD	HK$
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Financial assets					
Trade receivables	15,002	11,786	3,280	-	-
Cash and bank balances	9,236	1	-	5	120
	24,238	11,787	3,280	5	120
Financial liabilities					
Trade payables	4,964	74	-	-	-

In view of the nature of the Group's business, which spans several countries, foreign exchange risks will continue to be an integral aspect of its risk profile in the future. Currently, the Group neither has a formal foreign currency hedging policy nor conducts hedging exercise to reduce foreign currency exposure. The Group will continue to monitor its foreign exchange exposure should it be necessary.

CAPITAL COMMITMENTS

As at 31 December 2013, the capital commitment of the Group which had been contracted for but not provided in the financial statements was in the total amount of approximately RMB8.0 million (2012: RMB13.1 million).

CHARGE ON ASSETS

Total secured interest-bearing bank borrowings are approximately RMB320,000,000 as at 31 December 2013 (2012: RMB325,000,000).

As at 31 December 2012 and 2013, the Group's interest-bearing bank borrowings are guaranteed by certain related parties of the Group and secured against pledge of certain of the Group's property, plant and equipment, land use rights, pledged deposits and trade receivables.

CONTINGENT LIABILITIES

As at 31 December 2013, the Group did not have any material contingent liabilities (31 December 2012: Nil).

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2013, the Group employed a total of 4,912 employees (2012: 5,529 employees) in the PRC. The Group's emolument policy is formulated based on the industry practices and performance of individual employee. During the year under review, the total staff costs (including Directors' emoluments) were in the amount of approximately RMB194.6 million (2012: RMB204.7 million). The Company does not have share option scheme for its employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year under review.

AUDIT COMMITTEE

The audit committee of the Company consists of the independent non-executive directors, namely Mr. He Dingding, Mr. Lau Choon Hoong and Mr. Yu Chung Leung and the non-executive director of the Company, Mr. Zhang Qi and Mr. Naoki Yamada. The audit committee has reviewed with management the accounting principles and standards adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the annual results for the year ended 31 December 2013.

CODE ON CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, the Company has adopted and complied with the code provisions of the Code on Corporate Governance Practice, as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of the directors of the Company, all the directors confirmed that they had complied with the required standards as set out in the Model Code for the year ended 31 December 2013.

PUBLICATION OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013 ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.kangdafood.com. The Company's Annual Report 2013 will also be published on the aforesaid websites in due course.

STATUTORY INFORMATION

An annual general meeting of the Company will be held on 30 April 2014. The register of members of the Company will be closed from 23 April 2014 to 30 April 2014, both days inclusive, during which no transfer of shares will be registered.

In order to qualify for attending the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong <after 31 March 2014>), not later than 4:30 p.m. on 22 April 2014.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2013 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to express my great gratitude and sincere appreciation to my colleagues and to our shareholders for their support and persistent concern. We will do all our best and we wish you all the best for the upcoming year.

On behalf of the Board
China Kangda Food Company Limited
Gao Sishi
Chairman

Hong Kong, 28 February 2014

As at the date of this announcement, the executive directors of the Company is Mr. Gao Yanxu (acting Chief Executive Officer); the non-executive directors of the Company are Mr. Gao Sishi (Chairman), Mr. Zhang Qi and Mr. Naoki Yamada; and the independent non-executive directors of the Company are Mr. He Dingding, Mr. Lau Choon Hoong and Mr. Yu Chung Leung.

The following announcement is a reproduction of the announcement made by China Kangda Food Company Limited (the "Company") regarding the annual results of the Company and its subsidiaries for the year ended 31 December 2013 pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited. In compliance with Rule 13.09(2) of the Listing Rules (which requires a listed issuer to ensure that if securities of the listed issuer are also listed on other stock exchanges, the Stock Exchange of Hong Kong Limited is simultaneously informed of any information released to any of such other stock exchanges and that such information is released to the market in Hong Kong at the same time as it is released on the other markets), the following announcement is announced by the Company simultaneously in Hong Kong and in Singapore on 28 February 2014.

FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

	FY2013	FY2012	% Change
	RMB'000	*RMB'000*	+/(-)
	(Unaudited)	(Audited)	
Revenue	**1,477,999**	1,489,838	(0.8)
Cost of sales	**(1,367,205)**	(1,378,830)	(0.8)
Gross profit	**110,794**	111,008	(0.2)
Other income	**30,986**	31,229	(0.8)
Selling and distribution costs	**(27,611)**	(39,454)	(30.0)
Administrative expenses	**(61,805)**	(70,128)	(11.9)
Other operating expenses	**(1,133)**	(1,149)	(1.4)
Profit from operations	**51,231**	31,506	62.6
Finance costs	**(34,359)**	(29,730)	15.6
Share of loss of associates	**(966)**	(293)	229.7
Profit before taxation	**15,906**	1,483	972.6
Income tax expense	**(14,797)**	(879)	1,583.4

	FY2013	FY2012	% Change
	RMB'000	*RMB'000*	+/(-)
	(Unaudited)	(Audited)	
Profit for the year	**1,109**	604	83.6
Other comprehensive income	**-**	-	-
Total comprehensive income for the year	**1,109**	604	83.6
Profit for the year attributable to:			
Owners of the Company	**6,378**	4,917	29.7
Non-controlling interests	**(5,269)**	(4,313)	(22.2)
	1,109	604	83.6
Total comprehensive income attributable to:			
Owners of the Company	**6,378**	4,917	29.7
Non-controlling interests	**(5,269)**	(4,313)	(22.2)
	1,109	604	83.6

	FY2013	FY2012	% Change
	RMB'000	*RMB'000*	+/(-)
	(Unaudited)	(Audited)	
The Group's profit before taxation is arrived at after charging/(crediting) :			
Depreciation of property, plant and equipment	**50,703**	52,238	
Amortisation of intangible assets	**838**	1,181	
Amortisation of prepaid premium for land leases	**5,738**	3,222	
Government grants related to income	**(12,104)**	(12,082)	
Loss/(gain) on disposal of property, plant and equipment	**4,106**	(1,193)	
Exchange loss, net	**2,653**	3,422	
Interest expenses on interest-bearing bank borrowings	**34,359**	29,730	
Interest income on bank deposits	**(3,623)**	(3,064)	

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

	Group		Company	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
ASSETS AND LIABILITIES	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Non-current assets				
Property, plant and equipment	**622,446**	618,233	**2**	5
Prepaid premium for land leases	**129,698**	123,298	**-**	-
Intangible assets	**1,152**	1,990	**-**	-
Investments in subsidiaries	**-**	-	**84,144**	84,144
Interest in associates	**2,200**	3,166	**-**	-
Goodwill	**59,428**	59,428	**-**	-
Biological assets	**31,040**	39,727	**-**	-
Long term deposit	**5,047**	-	**-**	-
Deferred tax assets	**2,923**	13,470	**-**	-
	853,934	859,312	**84,146**	84,149
Current assets				
Biological assets	**42,751**	29,538	**-**	-
Inventories	**132,060**	153,169	**-**	-
Trade receivables	**80,971**	88,121	**-**	-
Prepayments, other receivables and deposits	**40,156**	57,348	**95**	95
Amounts due from subsidiaries	**-**	-	**238,641**	237,117
Long-term receivables	**3,523**	-	**-**	-
Pledged deposits	**70,000**	51,403	**-**	-
Cash and cash equivalents	**369,387**	370,699	**271**	5,419
	738,848	750,278	**239,007**	242,631
Current liabilities				
Trade and bills payables	**142,808**	175,707	**-**	-
Accrued liabilities and other payables	**83,484**	83,581	**487**	468
Interest-bearing bank borrowings	**567,000**	589,000	**-**	-
Amount due to a related party	**23,517**	38,891	**-**	-
Deferred government grants	**1,337**	1,537	**-**	-
Tax payables	**882**	821	**-**	-
	819,028	889,537	**487**	468
Net current (liabilities)/assets	**(80,180)**	(139,259)	**238,520**	242,163
Total assets less current liabilities	**773,754**	720,053	**322,666**	326,312

	Group		Company	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Non-current liabilities				
Deferred government grants	**11,664**	14,601	**-**	-
Interest-bearing bank borrowings	**58,000**	-	**-**	-
Total non-current liabilities	**69,664**	14,601	**-**	-
Net assets	**704,090**	705,452	**322,666**	326,312
EQUITY				
Equity attributable to Company's owners				
- Share capital	**112,176**	112,176	**112,176**	112,176
- Reserves	**563,978**	557,946	**210,490**	214,136
	676,154	670,122	**322,666**	326,312
Non-controlling interests	**27,936**	35,330	**-**	-
Total equity	**704,090**	705,452	**322,666**	326,312

1(b)(ii)Aggregate amount of Group’s borrowings and debt securities.

Amount repayable in one year or less, or on demand

FY2013		FY2012	
Secured	**Unsecured**	Secured	Unsecured
RMB’000	***RMB’000***	*RMB’000*	*RMB’000*
(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
320,000	**247,000**	325,000	264,000

Amount repayable after one year

FY2013		FY2012	
Secured	**Unsecured**	Secured	Unsecured
RMB’000	***RMB’000***	*RMB’000*	*RMB’000*
(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
-	**58,000**	-	-

Details of any collateral

Total secured interest-bearing bank borrowings are approximately RMB320,000,000 as at 31 December 2013 (2012: RMB325,000,000).

As at 31 December 2012 and 2013, the Group’s interest-bearing bank borrowings are guaranteed by certain related parties of the Group and secured against pledge of certain of the Group's property, plant and equipment, land use rights, pledged deposits and trade receivables.

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

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cash flows from operating activities		
Profit before taxation	**15,906**	1,483
Adjustments for :		
Interest income	**(3,623)**	(3,064)
Interest expenses	**34,359**	29,730
Gains arising from changes in fair value less estimated point-of-sale costs of biological assets, net	**(8,417)**	(8,609)
Depreciation of property, plant and equipment	**50,703**	52,238
Gain on disposal of property, plant and equipment	**4,106**	(1,193)
Amortisation of prepaid premium for land leases	**5,738**	3,222
Amortisation of deferred income on government grants	**(1,459)**	(1,537)
Amortisation of intangible assets	**838**	1,181
Gain on disposal of subsidiaries	**(1,316)**	-
Share of loss of associates	**966**	293
Operating profit before working capital changes	**97,801**	73,744
Decrease in inventories	**16,016**	38,383
Decrease in trade receivables	**3,690**	14,471
Decrease/(increase) in prepayments, other receivables and deposits	**14,956**	(3,499)
Decrease in biological assets	**3,277**	3,663
(Decrease)/increase in trade and bills payables	**(30,327)**	40,484
Increase/(decrease) in accrued liabilities and other payables	**3,746**	(2,827)
Increase in amount due to a related party	**(15,328)**	32,364
Cash generated from operations	**93,831**	196,783
Interest paid	**(36,941)**	(32,378)
Income taxes paid	**(4,461)**	(848)
Net cash generated from operating activities	**52,429**	163,557

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(67,760)**	(75,594)
Increase in prepaid premium for land leases	**(12,138)**	(671)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	**2,321**	-
Proceeds from disposal of property, plant and equipment	**1,160**	4,311
Receipt of deferred government grants	**1,650**	3,760
Interest received	**3,623**	3,064
Increase in pledged deposits	**(18,597)**	(47,232)
Net cash used in investing activities	**(89,741)**	(112,362)
Cash flows from financing activities		
Repayment to a related party	**-**	(80,000)
New bank borrowings	**625,000**	784,000
Repayment of bank borrowings	**(589,000)**	(695,430)
Net cash generated from financing activities	**36,000**	8,570
Net (decrease)/increase in cash and cash equivalents	**(1,312)**	59,765
Cash and cash equivalents at 1 January	**370,699**	310,934
Cash and cash equivalents at 31 December	**369,387**	370,699
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	**369,387**	370,699

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	**Equity attributable to owners of the Company**								
	Share capital *RMB'000*	**Share premium*** *RMB'000*	**Merger reserve*** *RMB'000*	**Capital edemption reserve*** *RMB'000*	**Other reserves*** *RMB'000*	**Retained profits*** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
At 1 January 2012 (Audited)	112,176	257,073	(41,374)	2,374	44,117	290,839	665,205	39,643	704,848
Profit for the year (Audited)	-	-	-	-	-	4,917	4,917	(4,313)	604
Other comprehensive income (Audited)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year (Audited)	-	-	-	-	-	4,917	4,917	(4,313)	604
Transfer to other reserves (Audited)	-	-	-	-	41	(41)	-	-	-
At 31 December 2012 and 1 January 2013 (Audited)	112,176	257,073	(41,374)	2,374	44,158	295,715	670,122	35,330	705,452
Profit for the year (Unaudited)	-	-	-	-	-	6,378	6,378	(5,269)	1,109
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year (Unaudited)	-	-	-	-	-	6,378	6,378	(5,269)	1,109
Disposal of subsidiaries (Unaudited)	-	-	-	-	(346)	-	(346)	(2,125)	(2,471)
Transfer to other reserves (Unaudited)	-	-	-	-	-	-	-	-	-
At 31 December 2013 (Unaudited)	**112,176**	**257,073**	**(41,374)**	**2,374**	**43,812**	**302,093**	**676,154**	**27,936**	**704,090**

* *The consolidated reserves of the Group of approximately RMB563,978,000 as at 31 December 2013 (2012: approximately RMB557,946,000) as presented in the Group's statement of financial position comprised these reserve accounts.*

Company	Share Capital	Share premium**	Merger reserve**	Capital redemption reserve**	Accumulated losses**	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2012 (Audited)	112,176	257,073	6,143	2,374	(46,902)	330,864
Loss for the year (Audited)	-	-	-	-	(4,552)	(4,552)
Other comprehensive income (Audited)	-	-	-	-	-	-
Total comprehensive income for the year (Audited)	-	-	-	-	(4,552)	(4,552)
At 31 December 2012 and 1 January 2013 (Audited)	112,176	257,073	6,143	2,374	(51,454)	326,312
Loss for the year (Unaudited)	-	-	-	-	(3,646)	(3,646)
Other comprehensive income (Unaudited)	-	-	-	-	-	-
Total comprehensive income for the year (Unaudited)	-	-	-	-	(3,646)	(3,646)
At 31 December 2013 (Unaudited)	**112,176**	**257,073**	**6,143**	**2,374**	**(55,100)**	**322,666**

** *The reserves of the Company of approximately RMB210,490,000 as at 31 December 2013 (2012: approximately RMB214,136,000) as presented in the Company's statement of financial position comprised these reserve accounts.*

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 as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

	Number of shares	Amount
Ordinary shares of HK$0.25 each	*'000*	*HK$'000*
Authorised:		
At 31 December 2012 and 2013	2,000,000	500,000
Issued and fully paid:		
At 31 December 2012 and 2013	432,948	108,237

Note:
The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 31 December 2012 and 2013.

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

	FY2013	FY2012
	'000	*'000*
	Unaudited	Audited
Total number of ordinary shares excluding treasury shares	**432,948**	432,948

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

Not applicable.

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

The figures have neither been audited nor reviewed by the auditor.

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 adopted the same accounting policies and methods of computations as stated in its most recently audited financial statements to this full year result announcement, except as mentioned in section 5 below.

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.

In the current year, the Group has applied for the first time the following amendment to standards issued by the International Accounting Standards Board ("IASB"), which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2013:

Amendments to IFRS 7	Disclosures – Transfer of Financial Assets
IFRSs (Amendments)	Annual Improvements 2009 – 2011 Cycle
IFRSs (Amendments)	Annual Improvements 2010 – 2012 Cycle
IFRSs (Amendments)	Annual Improvements 2011 – 2013 Cycle
Amendments to IAS 1 (revised)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
Amendments to IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
IFRS 10	Consolidated Financial Statements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 27 (2011)	Separate Financial Statements

IAS 28 (2011)	Investments in Associates and Joint Ventures

The adoption of this amendment has no material impact on the Group's financial statements.

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.

	FY2013 **Unaudited**	FY2012 Audited
Earnings per share		
- Basic *(RMB cents)*	**1.47**	1.14
- Diluted *(RMB cents)*	**1.47**	1.14

Note:
The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately RMB6,378,000 (2012: RMB4,917,000) and on 432,948,000 (2012: 432,948,000) ordinary shares in issue during the year. No diluted earnings per share are presented as there was no potential issuance of ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

In RMB cents	**Group**		**Company**	
	FY2013 **Unaudited**	FY2012 Audited	**FY2013** **Unaudited**	FY2012 Audited
Net asset value per ordinary share based on issued share capital at the end of:	**162.63**	162.94	74.53	75.37

Note:
The number of ordinary shares of the Company as at 31 December 2013 was 432,948,000 (2012: 432,948,000).

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

REVENUE BY PRODUCTS

	FY2013	FY2012	**% Change**
	RMB'000	*RMB'000*	*+/(-)*
	(Unaudited)	(Audited)	
Processed foods	**663,470**	669,377	(0.9)
Chilled and frozen rabbit meat	**268,779**	274,305	(2.0)
Chilled and frozen chicken meat	**314,817**	361,495	(12.9)
Other products	**230,933**	184,661	25.1
Total	**1,477,999**	1,489,838	(0.8)

Processed Food Products

Demand for the Group's chicken-based processed food products had decreased following the loss in consumer confidence in consumption of chicken due to H7N9 bird flu and the fast-growing chicken related events in the first half year. As a result, revenue derived from processed food products had decreased marginally by 0.9% to approximately RMB663.5 million for the year ended 31 December 2013 ("FY2013").

Chilled and Frozen Meat Products

The rabbit and chicken meat segments contributed 39.5% and 42.7% to the Group's total revenue in FY2013 and FY2012 respectively. The revenue of the rabbit and chicken meat segments registered a 8.2% decrease to approximately RMB583.6 million in FY2013.

The Group achieved an overall satisfactory result in its promotional and product development for its rabbit meat brand in the PRC market. However, lower sales volume was recorded following the disposal of Chongqing Kangda Juxin Rabbit Co., Ltd ("Chongqing Kangda"), revenue derived from the rabbit meat segment slightly decreased by 2.0% to approximately RMB268.8 million in FY2013.

Revenue of the Group's chicken meat segment decreased by 12.9% to approximately RMB314.8 million in FY2013. As explained above under the "Processed Food Products", the decrease in demand for PRC chicken meat products was due to consumers' falling confidence in chicken consumption in the first half year which had impacted the Group's revenue.

Other Products
Revenue derived from the production and sale of other products increased by 25.1% to RMB230.9 million in FY2013 was due mainly to the increased demand for the Group's pet food products from the PRC and Korea markets. Pet food sales contributed over 50% to this segment, with growth generated from the Beijing and Shanghai markets in the PRC and overseas markets in Japan and Korea.

REVENUE BY GEOGRAPHICAL MARKETS

	FY2013 ***RMB'000*** **(Unaudited)**	FY2012 *RMB'000* (Audited)	**% Change** *+/(-)*
Export	**546,199**	535,164	2.1
PRC	**931,800**	954,674	(2.4)
Total	**1,477,999**	1,489,838	(0.8)

Capital and consumer markets were regaining confidence in 2013 amid the gradual recovery of the global economy. Therefore, on a geographical basis, revenue from the export sales increased slightly by 2.1% to approximately RMB546.2 million in FY2013. PRC sales decreased slightly by 2.4% to approximately RMB931.8 million, reflecting that the decrease in demand of chicken meat in the PRC market.

PROFITABILITY

Gross Profit and Margin

	FY2013 ***RMB'000*** **(Unaudited)**	**FY2013** ***Margin%***	FY2012 *RMB'000* (Audited)	FY2012 *Margin %*	Change *RMB'000*	%Change *+/(-)*
Processed foods	**71,203**	**10.7**	69,486	10.4	1,717	2.5
Chilled and frozen rabbit meat	**22,457**	**8.4**	24,507	8.9	(2,050)	(8.4)
Chilled and frozen chicken meat	**8,296**	**2.6**	9,444	2.6	(1,148)	(12.2)
Other products	**8,838**	**3.8**	7,571	4.1	1,267	16.7
Total	**110,794**	**7.5**	111,008	7.5	(214)	(0.2)

Gross profit margin remained stable at 7.5% in FY2013. During the year, the Group was faced with the increase in raw materials prices as well as decreasing price of chicken meat products in the PRC market as a result of the negative impact arising from the H7N9 incident.

Processed Food Products
Processed food business remains the major source of income for the Group in FY2013. The slight increase in gross profit margin from 10.4% to 10.7% in FY2013 was due to the higher selling price of non-chicken-based processed food products.

Chilled and Frozen Rabbit Meat
The gross profit margin of chilled and frozen rabbit meat declined slightly from 8.9% to 8.4% in FY2013 due to the increase in raw material prices.

Chilled and Frozen Chicken Meat
The decline in gross profit of chilled and frozen chicken meat segment was due mainly to the increase in raw material prices and the lowering selling price of chicken meat products in the PRC market in the first half year.

Other Products
Other products are mainly chicken and rabbit meat by-products and pet food products, which are not the core profit drivers of the Group. Due to the increase in demand of the chicken and rabbit meat by-products, gross profit increased from RMB7.6 million to RMB8.8 million. Gross profit margin declined from 4.1% to 3.8% in FY2013.

Other Income
Other income comprised mainly government grants, gain on disposal of subsidiaries, gain on change in fair value of biological assets and interest income from bank deposits amounting to RMB12.1 million, RMB1.3 million, RMB8.4 million and RMB3.6 million respectively. The rest was mainly minor income generated from the sale of raw materials, mainly vegetables and food ingredients, to factories in Qingdao.

Selling and Distribution Expenses
Selling and distribution expenses comprised mainly transportation costs, promotion costs and salary and welfare. The decrease in selling and distribution costs by 30.0% to approximately RMB27.6 million arose from the Company's cost-cutting initiatives, which resulted in a decrease in travelling and entertainment expenses and lower number of employees.

Administrative Expenses
Administrative expenses comprised mainly staff costs, professional fees, travelling expenses and other miscellaneous administrative expenses. The decrease in administrative expenses by 11.9% was due mainly to the implementation of cost controls measures and lower number of employees.

Other Operating Expenses
Other operating expenses represented miscellaneous expenses relating to the disposal of damaged packaging materials, which had decreased with the decrease of sales during the year.

Finance costs
Finance costs increased by 15.6% to approximately RMB34.4 million in FY2013 were due mainly to the increase in bank borrowings for the Group's future working capital purpose. Approximately RMB2.6 million (2012: RMB2.6 million) of borrowing costs was capitalized and calculated based on a capitalisation rate of 7.14% (2012: 7.04%) to expenditure on qualifying assets.

Taxation
The income tax expense comprised both the accrued PRC corporate income tax, the charge of deferred tax asset and liability arose in the course of the business consolidation of both Shandong Kaijia Food Company Limited and its subsidiary, Shandong Kaijia International Trade Co., Ltd. ("Kaijia Trade") (collectively referred as the "Kaijia Group") and Qingdao Pu De Food Company Limited ("Pu De").

During the year, approximately RMB10.1 million of the income tax expense arose from prior years' recognised tax losses had been utilized and charged to current year's profit or loss. This recognised prior year's tax losses arose from the business consolidation of Kaijia Group and were classified as deferred tax asset with a statutory time limit of five year in the past.

(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 the Group's Financial Position as at 31 December 2013

The Group's property, plant and equipment increased by 0.7% to approximately RMB622.4 million as at 31 December 2013 due mainly to an acquisition of equipment of approximately RMB54.9 million. This was offset by a depreciation charge of approximately RMB50.7 million.

The prepaid premium for land leases increased by 5.1% to approximately RMB129.7 million as at 31 December 2013 due mainly to an increase in prepaid premium for land leases of approximately RMB12.1 million. This was offset by an amortization charge of approximately RMB5.7 million.

The reduction of intangible assets in FY2013 amounted to approximately RMB0.8 million was due mainly to amortisation. The intangible assets refer to the export licenses and hygiene registration certificates awarded by the relevant authorities in Japan and EU. The said licenses and certificates allow the Group to export its products to these countries.

Goodwill arising from the acquisitions of subsidiaries in the past.

Biological assets refer to progeny rabbits and progeny chickens for sale and breeder rabbits and chickens for breeding purpose. These biological assets were valued by an independent professional valuer as at 31 December 2013 with reference to market-determined prices.

Inventories decreased by 13.8% to approximately RMB132.1 million due to the improvement of the Group’s inventory management and acceleration of the development of sales channels. The inventory turnover days for FY2013 were 38 days compared to 43 days for FY2012.

Trade receivables decreased by 8.1% to approximately RMB81.0 million as at 31 December 2013. The trade receivables turnover days decreased to 21 days in FY2013 compared with 23 days in FY2012 due to the stepping up of collection efforts.

Prepayments, other receivables and deposits decreased by approximately 30.0% to approximately RMB40.2 million as at 31 December 2013.

Cash and cash equivalents, including pledged deposits, increased by approximately RMB17.3 million to approximately RMB439.4 million was due mainly to the increase of bank borrowings obtained at the end of the year. Approximately RMB70.0 million of the bank deposit is secured against the interest-bearing borrowings of the Group.

Trade and bills payables decreased by 18.7% to approximately RMB142.8 million as at 31 December 2013 in line with the decrease in inventory level.

Accrued liabilities and other payables represented payables for construction and facilities, salary and welfare payables, accrued expenses and deposit received. The slight decrease by 0.1% was due to the repayment of deposits placed by customers.

The interest-bearing bank borrowings balance as at 31 December 2013 had increased to approximately RMB625.0 million after taking into account the additional bank borrowings of approximately RMB625.0 million and the bank borrowings repayment of approximately RMB589.0 million during the year. Approximately RMB58.0 million of the bank borrowing is classified as non-current liabilities.

Amount due to a related party represented the outstanding balance due to Qingdao Kangda Foreign Trade Group Limited (“KD Group”) resulted from the trading and other transactions.

Tax payables increased from RMB0.8 million to RMB0.9 million as at 31 December 2013. This was due to income tax accrued during the year.

Statement of Cash Flows

Operating activities
Cash generated from operating activities decreased from approximately RMB163.6 million in FY2012 to approximately RMB52.4 million in FY2013. The decrease in operating cash flow was due mainly to the repayment of amount due to a related party and trade and bills payables.

Investing activities
Net cash used in investing activities amounted to approximately RMB89.7 million due mainly to the purchase of property, plant and equipment and the increase in pledged deposits amounted to approximately RMB67.8 million and approximately RMB18.6 million respectively.

Financing activities
Net cash generated mainly represented the additional bank borrowings of approximately RMB625.0 million and the bank borrowings repayment of approximately RMB589.0million.

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

Not applicable.

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.

Significant trends and competitive conditions of the industry
In the first half year of the year ended 31 December 2013 ("FY2013'), the Group's results deteriorated as a result of the negative impacts arising from drug residues and fast-growing chicken incidents as well as the detection of H7N9 bird flu in chickens in the southern China.

In the second half of FY2013, the Group saw the recovery of the price of chicken meat from the trough and the Group's overall operation improved significant in the second half of FY2013. A remarkable growth of 17.0% from approximately RMB681.2 million to RMB796.9 million in overall turnover and an increase of 116.6% from approximately RMB35.0 million to RMB75.8 million in gross profit was achieved compared to first half of FY2013.

The overall turnover for the Group decreased slightly by only 0.8% to approximately RMB1,478.0 million and gross profit margin remained stable at 7.5%. Further to the implementation of innovative measures and effective cost reduction policy, the selling expense and administrative expense decreased by 30.0% and 11.9% respectively. As a result, the net profit attributable to equity holders increased by 29.7% from RMB4.9 million to RMB6.4 million.

The Group will continue to optimize its sales channels in PRC by further enhancing its brand profile and launching diversified product mix. The Group has taken steps to strengthen the sales network in more provinces in the PRC and expanding its international sales region. The Group will also continue to push up sales to existing customers and implement an extensive marketing strategy with emphasis on maintaining good relationships with customers and suppliers.

The Group has continuously applied various pro-active and prudent measures such as acceleration of the development of sales channels, strengthening the Group's brand building, exploring new products development and diversification. Further, the Group will continue with its cost control measures and improve management tools.

The Board remains positive that the Group's financial position is stable and believes that the commitment to healthier, safer and quality meat products will lay a solid foundation for the Group's further development.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend declared.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No dividend declared.

(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 FY2013.

PART II - ADDITIONAL INFORMATION REQUIRD FOR FULL YEAR ANNOUNCEMENT (This part is not applicable for Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

SEGMENT INFORMATION

Information regarding the Group's reportable segments as provided to the directors is set out below:

	2013				
	Processed foods *RMB'000* (Unaudited)	Chilled and frozen rabbit meat *RMB'000* (Unaudited)	Chilled and frozen chicken meat *RMB'000* (Unaudited)	Other products *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue					
- Revenue from external customers	663,470	268,779	314,817	230,933	1,477,999
Reportable segment revenue	663,470	268,779	314,817	230,933	1,477,999
Reportable segment profit/(loss)	59,099	17,554	2,553	3,977	83,183
Depreciation of property, plant and equipment	21,040	8,524	9,984	7,323	46,871
Amortisation of prepaid premium for land leases	1,285	460	805	3,188	5,738
Amortisation of intangible assets	-	838	-	-	838

	2012				
	Processed foods	**Chilled and frozen rabbit meat**	**Chilled and frozen chicken meat**	**Other products**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenue					
- Revenue from external customers	669,377	274,305	361,495	184,661	1,489,838
Reportable segment revenue	669,377	274,305	361,495	184,661	1,489,838
Reportable segment profit	51,759	17,243	(129)	2,681	71,554
Depreciation of property, plant and equipment	20,753	8,504	11,207	5,725	46,189
Amortisation of prepaid premium for land leases	1,448	593	782	399	3,222
Amortisation of intangible assets	343	838	-	-	1,181

Reportable segment revenue represented turnover of the Group in the consolidated statement of comprehensive income. A reconciliation between the reportable segment profit and the Group's profit before taxation is set out below:

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Reportable segment profit	**83,183**	71,554
Other income	**30,986**	31,229
Administrative expenses	**(61,805)**	(70,128)
Other operating expenses	**(1,133)**	(1,149)
Finance costs	**(34,359)**	(29,730)
Share of loss of associates	**(966)**	(293)
Profit before taxation	**15,906**	1,483

The following table set out information about the geographical locations of the Group's revenue from external customers. The geographical location of customers is determined based on the location at which the goods were delivered.

	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Local (Country of domicile)		
PRC	**931,800**	954,674
Export (Foreign countries)		
Japan	**293,563**	309,292
Europe	**120,108**	122,224
Others	**132,528**	103,648
	1,477,999	1,489,838

The Group's non-current assets are solely located in the PRC (the country of domicile of the Company).

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Capital and consumer markets were regaining confidence in 2013 amid the gradual recovery of the global economy. Therefore, on a geographical basis, revenue from the export sales increased slightly by 2.1% to approximately RMB546.2 million in FY2013. PRC sales decreased by 2.4% to approximately RMB931.8 million, reflecting that the decrease in demand of chicken meat in the PRC market.

15. A breakdown of sales

	FY2013 *RMB'000* **(Unaudited)**	FY2012 *RMB'000* (Audited)	**% Change** *+/(-)*
(a) Sales reported for the 1st half year	**681,159**	662,181	2.9
(b) Operating (loss)/profit after tax before deducting minority interests reported for the 1st half year	**(11,079)**	2,220	(599.1)
(c) Sales reported for the 2nd half year	**796,840**	827,657	(3.7)
(d) Operating profit after tax before deducting minority interests reported for the 2nd half year	**17,457**	2,697	547.3

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2013 *RMB'000* **(unaudited)**	FY2012 *RMB'000* (Audited)
Ordinary share	**-**	-
Preference share	**-**	-
Total	**-**	-

17. Interested Person Transactions

The Group is not required to have any IPT mandate.

18. Disclosure of person occupying in a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current Position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Gao Yanxu	48	Nephew of Gao Sishi, Chairman & Executive Director/Substantial Shareholder	Executive Director since 2006	Appointed as the acting Chief Executive Officer on 22 May 2013
Gao Sishi	56	Uncle of Gao Yanxu, Chief Executive Officer & Executive Director	Chairman & Non-Executive Director since 2006	NA

BY ORDER OF THE BOARD
Gao Sishi
Chairman

28 February 2014