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 2014

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 2014 together with the comparative figures for the previous year as follows:

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2014

	Notes	**2014** **RMB'000** **(Unaudited)**	2013 *RMB'000* (Audited)
Revenue	*5*	**1,302,632**	1,477,999
Cost of sales		**(1,192,967)**	(1,367,205)
Gross profit		**109,665**	110,794
Other income	*5*	**29,221**	30,986
Selling and distribution costs		**(27,641)**	(27,611)
Administrative expenses		**(58,266)**	(61,805)
Other operating expenses		**(8,135)**	(1,133)
Profit from operations	*6*	**44,844**	51,231
Finance costs	*7*	**(38,618)**	(34,359)
Share of loss of associates		**(1,035)**	(966)

	Notes	**2014** *RMB'000* **(Unaudited)**	2013 *RMB'000* (Audited)
Profit before taxation		**5,191**	15,906
Income tax expense	*8*	**(12,292)**	(14,797)
(Loss)/Profit for the year		**(7,101)**	1,109
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(7,101)**	1,109
(Loss)/Profit for the year attributable to:			
Owners of the Company		**(3,956)**	6,378
Non-controlling interests		**(3,145)**	(5,269)
		(7,101)	1,109
Total comprehensive income attributable to:			
Owners of the Company		**(3,956)**	6,378
Non-controlling interests		**(3,145)**	(5,269)
		(7,101)	1,109
(Loss)/Earnings per share for (loss)/profit attributable to the owners of the Company during the year	*10*		
Basic *(RMB cents)*		**(0.91)**	1.47
Diluted *(RMB cents)*		**(0.91)**	1.47

Consolidated Statement of Financial Position
as at 31 December 2014

	Notes	2014 *RMB'000* (Unaudited)	2013 *RMB'000* (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**614,752**	622,446
Prepaid premium for land leases		**125,202**	129,698
Intangible assets		**-**	1,152
Interest in associates		**784**	2,200
Goodwill		**56,778**	59,428
Biological assets		**27,781**	31,040
Long-term receivables		**2,523**	5,047
Deferred tax assets		**1,985**	2,923
		829,805	853,934
Current assets			
Biological assets		**45,462**	42,751
Inventories		**163,973**	132,060
Trade receivables	*11*	**71,446**	80,971
Prepayments, other receivables and deposits		**50,467**	40,156
Current portion of long-term receivables		**2,524**	3,523
Pledged deposits		**70,000**	70,000
Cash and cash equivalents		**481,445**	369,387
		885,317	738,848
Current liabilities			
Trade and bills payables	*12*	**179,781**	142,808
Accrued liabilities and other payables		**83,888**	83,484
Interest-bearing bank borrowings		**651,667**	567,000
Amount due to a related party		**23,955**	23,517
Deferred government grants		**1,807**	1,337
Tax payables		**2,500**	882
		943,598	819,028
Net current liabilities		**(58,281)**	(80,180)
Total assets less current liabilities		**771,524**	773,754

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current liabilities		
Deferred government grants	**15,687**	11,664
Interest-bearing bank borrowings	**50,000**	58,000
Deferred tax liabilities	**8,848**	-
Total non-current liabilities	**74,535**	69,664
Net assets	**696,989**	704,090
EQUITY		
Equity attributable to Company's owners		
- Share capital	**112,176**	112,176
- Reserves	**560,022**	563,978
	672,198	676,154
Non-controlling interests	**24,791**	27,936
Total equity	**696,989**	704,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

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 new/revised IFRSs – first effective on 1 January 2014

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 2014:

Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
IFRIC 21	Levies

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

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.

The adoption of the amendments has no impact on these financial statements.

Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets

The amendments to IAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired assets or cash-generating unit (CGU) whose recoverable amount is based on fair value less costs of disposal. The adoption of the amendments has no impact on these financial statements.

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. The interpretation has been applied retrospectively.

The adoption of IFRIC 21 has no impact on these financial statements as the interpretation is consistent with the Group's previous application of its accounting policies on provisions.

(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.

IFRSs (Amendments)	Annual Improvements 2010 – 2012 Cycle[2]
IFRSs (Amendments)	Annual Improvements 2011 – 2013 Cycle[1]
IFRSs (Amendments)	Annual Improvements 2012 – 2014 Cycle[3]
Disclosure Initiative (Amendments of IAS 1)	Presentation of financial statements[3]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[3]
Amendments to IAS 27	Equity Method in Separate Financial Statements[3]
IFRS 9 (2014)	Financial Instruments[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
IFRS 15	Revenue from Contracts with Customers[4]

[1]Effective for annual periods beginning on or after 1 July 2014
[2]Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014
[3]Effective for annual periods beginning on or after 1 January 2016
[4]Effective for annual periods beginning on or after 1 January 2017
[5]Effective for annual periods beginning on or after 1 January 2018

Annual Improvements 2010-2012 Cycle, 2011-2013 Cycle and 2012-2014 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear.

Disclosure Initiative (Amendments of IAS 1 Presentation of Financial Statements)

The amendments to IAS 1 are designed to encourage entities to use judgement in the application of IAS 1 when considering the layout and content of their financial statements. In addition, an amendment is made to IAS 1 to clarify the presentation of an entity's share of other comprehensive income from its equity accounted interests in associates and joint ventures. The amendment requires an entity's share of other comprehensive income to be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as single line items within those two groups.

Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants

The amendments define bearer plants and require biological assets that meet the definition to be accounted for as property, plant and equipment in accordance with IAS 16. The agricultural produce of bearer plants remains within the scope of IAS 41.

Amendments to IAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

IFRS 9 (2014) - Financial Instruments

IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

IFRS 9 (2014) includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in IAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

IFRS 9 (2014) carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 (2014) retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

IFRS 15 - Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 supersedes existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

IFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

IFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under IFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of these pronouncements in the period of initial application and the Directors anticipate that more disclosures would be made but are not yet in a position to state whether they would have material financial impact on the Group's financial statements.

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 incurred a net loss of approximately RMB7.1 million during the year ended 31 December 2014, and as of that date, the Group's current liabilities exceeded its current assets by approximately RMB58.3 million as at 31 December 2014;

2. Amongst the total bank borrowings of approximately RMB701.7 million as at 31 December 2014, bank borrowings of RMB651.7 million as at 31 December 2014 are due for repayment within one year from 31 December 2014.

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 2014, 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:

	2014				
	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	**707,144**	**195,161**	**236,850**	**163,477**	**1,302,632**
Reportable segment revenue	**707,144**	**195,161**	**236,850**	**163,477**	**1,302,632**
Reportable segment profit	**63,894**	**7,179**	**870**	**7,431**	**79,374**
Depreciation of property, plant and equipment	**26,164**	**7,221**	**8,763**	**6,048**	**48,196**
Amortisation of prepaid premium land leases	**2,342**	**647**	**785**	**541**	**4,315**
Amortisation of intangible assets	**-**	**1,152**	**-**	**-**	**1,152**
Impairment loss on goodwill	**2,650**	**-**	**-**	**-**	**2,650**
Write down of inventories	**-**	**3,945**	**-**	**-**	**3,945**

	2013				
	Processed foods *RMB'000* (Audited)	Chilled and frozen rabbit meat *RMB'000* (Audited)	Chilled and frozen chicken meat *RMB'000* (Audited)	Other products *RMB'000* (Audited)	Total *RMB'000* (Audited)
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	58,808	17,436	2,415	4,524	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

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

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Reportable segment profit	**79,374**	83,183
Other income	**29,221**	30,986
Administrative expenses	**(58,266)**	(61,805)
Other operating expenses	**(5,485)**	(1,133)
Finance costs	**(38,618)**	(34,359)
Share of loss of associates	**(1,035)**	(966)
Profit before taxation	**5,191**	15,906

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.

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Local (Country of domicile)		
PRC	**713,249**	931,800
Export (Foreign countries)		
Japan	**298,697**	293,563
Europe	**215,079**	120,108
Others	**75,607**	132,528
	1,302,632	1,477,999

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:

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Revenue		
Sale of goods	**1,302,632**	1,477,999

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Other income		
Interest income on financial assets stated at amortised cost		
- Interest income on bank deposits	**6,780**	3,623
Amortisation of deferred income on government grants	**1,807**	1,459
Government grants related to income*	**7,575**	12,104
Gains arising from changes in fair value less estimated point-of-sale costs of biological assets, net	**6,813**	8,417
Gain on disposal of land use right	**322**	-
Gain on disposal of subsidiaries	**232**	1,316
Insurance claims	**3,946**	-
Others	**1,746**	4,067
	29,221	30,986

* *Various government grants have been received mainly from the Finance Bureau of Jiaonan City (胶南市財政局) 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):

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cost of inventories recognised as an expense	**977,991**	1,019,840
Depreciation of property, plant and equipment*	**51,808**	50,703
Amortisation of prepaid premium for land leases**	**4,315**	5,738
Amortisation of an intangible assets***	**1,152**	838
Write down of inventories#	**3,945**	-
Impairment loss on goodwill	**2,650**	-
Loss on disposal of property, plant and equipment	**2,754**	4,106
Exchange loss, net	**5,686**	2,653

* *Depreciation of approximately RMB48,102,000 (2013: RMB46,414,000), approximately RMB RMB94,000 (2013: RMB457,000) and approximately RMB3,612,000 (2013: RMB3,832,000) has been charged to cost of sales, selling and distribution costs and administrative expenses, respectively, for the year ended 31 December 2014.*

** *Amortisation of prepaid premium for land leases has been charged to cost of sales for the years ended 31 December 2013 and 2014.*

*** *Amortisation of intangible assets has been charged to cost of sales for the years ended 31 December 2013 and 2014.*

\# *Write down of inventories for the year was included in cost of sales for the year ended 31 December 2014.*

7. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Interest charges on:		
Bank borrowings wholly repayable within five years	**40,659**	36,941
Less: Amount capitalised (note)	**(2,041)**	(2,582)
	38,618	34,359

Note: Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5.54% (2013: 7.14%) to expenditure on qualifying assets.

8. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
PRC corporate income tax		
Current year provision	**2,392**	3,709
Under-provision in prior years	**114**	974
	2,506	4,683
Deferred tax charge	**9,786**	10,114
Total income tax expense	**12,292**	14,797

No Hong Kong profits tax has been provided for the year ended 31 December 2014 as the Group did not derive any assessable profit arising in Hong Kong during the year (2013: 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.

Tax has not been provided by the Company as the Company did not derive any assessable profits during the year (2013: Nil).

9. DIVIDENDS

The board of directors did not recommend any payment of dividends during the year (2013: Nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to owners of the Company of approximately RMB3,956,000 (2013: a profit of RMB6,378,000) and on 432,948,000 (2013: 432,948,000) ordinary shares in issue during the year.

In relation to the years ended 31 December 2013 and 2014, 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:

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 30 days	**53,513**	62,341
31 – 60 days	**8,693**	12,181
61 – 90 days	**2,520**	3,443
91 – 120 days	**1,131**	641
Over 120 days	**5,589**	2,365
	71,446	80,971

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 2013 and 2014.

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

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Neither past due nor impaired	**65,110**	63,406
Not more than 3 months past due	**5,167**	14,935
3 to 6 months past due	**470**	1,323
6 to 12 months past due	**699**	1,307
	71,446	80,971

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:

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
PRC	**26,299**	49,183
Japan	**11,421**	18,282
Europe	**21,888**	12,056
Others	**11,838**	1,450
	71,446	80,971

12. TRADE AND BILLS PAYABLES

Trade payables are non-interest bearing and are normally settled on terms of 60 days. Bills payables are non-interest bearing, secured by the pledged deposits and are normally settled on terms of 180 days (2013: 60 days).

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**101,781**	102,808
Bills payables	**78,000**	40,000
	179,781	142,808

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

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 60 days	**78,294**	103,171
61 – 90 days	**6,663**	19,444
91 – 120 days	**4,424**	7,526
Over 120 days	**90,400**	12,667
	179,781	142,808

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Excluding the loss due to the de-recognition of deferred tax assets relating to the expiry of recognised priors years' tax losses and the utilization of prior years' recognized tax loss amounted to RMB10.4 million and impairment loss on goodwill of Qingdao Pu De Food Company Limited ("Pu De") amounted to RMB2.7 million, the profit attributable to owners of the Group the year ended 31 December 2014 ("FY2014") amounted to RMB9.1 million.

With the increase in selling prices of the Group's processed food products and the allocation of resources to high value-added sales, the Group's overall gross profit margin improved from 7.5% to 8.4% respectively. As the Group is able to manage cost controls through its own supply of live chickens, gross profit margin of chicken meat products remained stable while the gross profit and gross profit margin of processed food products had improved by 14.5% and increased to 11.5% respectively.

However, due to numerous smaller plants in the PRC, there was an oversupply of rabbit related products in the PRC market, the gross profit margin of chilled and frozen rabbit meat declined from 8.4% to 5.1% in FY2014. The Group will leverage on its leading position in the PRC rabbit meat market and offer competitive pricing and quality products to improve the performance of the Group's chilled and frozen rabbit meat segment. Through the expansion in the market share and its vertically integrated operation over the past few years, the Group is confident that the profitability of its rabbit meat segment will improve with the recovery of the rabbit meat products industry.

The Group also adopted various policies to counteract the intense competition in the market. The most significant one was our cost reduction initiatives by identifying and restructuring or discontinuing unprofitable operations. During the year, the Company has disposed the subsidiary, Qingdao Kangda Shengwu Keji Co., Ltd. ("Shengwu Keji") and determined to terminate the operation of Pu De. Having considered that both subsidiaries has not been making sound profit nor making any distribution to its shareholders, it is desirable for the Company to dispose of the equity interest of Shengwu Keji in the interests of the Company and the Company's shareholders as a whole and terminate the operation of Pu De.

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

SAFETY

The Shanghai Husi Food Scandal happened July 2014, which its factory workers mixed both fresh and expired meat before distributing them to its customers, has alerted all food enterprises about the importance of food safety. 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.

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.

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 constant monitoring of our processing facilities by on-site inspection at breeding factories and farms to reduce the risks of disease and increase our product quality. 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.

The Group has been continuously optimizing biological safety, hygienic and disease prevention system. 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.

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 continue develop new products such as new flavorings and fresh meat products to add to its existing lineup. Our objective is to secure more orders from large-scale fast food chains and to increase the value of the products.

The Group will put forward to strengthen the full supervisory mechanisms from breeding, rearing, slaughtering, processing and sales. 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

	FY2014	FY2013	% Change
	RMB'000	*RMB'000*	*+/(-)*
	(Unaudited)	(Audited)	
Processed food	**707,144**	663,470	6.6
Chilled and frozen rabbit meat	**195,161**	268,779	(27.4)
Chilled and frozen chicken meat	**236,850**	314,817	(24.8)
Other products	**163,477**	230,933	(29.2)
Total	**1,302,632**	1,477,999	(11.9)

Processed Food Products
Based on the Group's reputation and track records in the processed food products market, there was an increase in both the production and sales volume of processed food products.

To improve the profitability, some of the chilled and frozen chicken meat products were further processed internally into high value-added chicken related processed food. As a result, revenue derived from processed food products had increased by 6.6% to approximately RMB707.1 million in FY2014.

Chilled and Frozen Meat Products
The rabbit and chicken meat segments contributed 33.2% and 39.5% to the Group's total revenue in FY2014 and FY2013 respectively. The revenue of the rabbit and chicken meat segments registered a 26.0% decrease to approximately RMB432.0 million in FY2014.

The oversupply of rabbit meat in the PRC market has resulted in a decrease of demand of chilled and frozen rabbit meat in FY2014. Revenue derived from the rabbit meat segment decreased by 27.4% to approximately RMB195.2 in FY2014.

As explained in the second paragraph above under the "Processed Food Products", due to the diversion of some of the chilled and frozen chicken meat products for further processing, revenue of the Group's chicken meat segment decreased by 24.8% to approximately RMB236.9 million in FY2014.

Other Products
Revenue derived from the production and sale of other products decreased by 29.2% to RMB163.5 million in FY2014. Pet food sales contributed over 50% to this segment with revenue generated from the Beijing and Shanghai markets in the PRC and overseas markets in Japan and Korea.

REVENUE BY GEOGRAPHICAL MARKETS

	FY2014	FY2013	% Change
	RMB'000	*RMB'000*	*+/(-)*
	(Unaudited)	(Audited)	
Export	**589,383**	546,199	7.9
PRC	**713,249**	931,800	(23.5)
Total	**1,302,632**	1,477,999	(11.9)

On a geographical basis, revenue from export sales increased by 7.9% to RMB589.4 million in FY2014. The increase in export sales was attributable mainly to the increase in demand for processed food products from Europe and Japan.

The decrease of PRC sales was attributable mainly to the decrease of sales of chilled and frozen rabbit and chicken meat in the PRC market as explained in the second paragraph above under the "Processed Food Products".

PROFITABILITY

Gross Profit and Margin

	FY2014	FY2014	FY2013	FY2013	Change	% Change
	RMB'000	*Margin %*	*RMB'000*	*Margin %*	*RMB'000*	*+/(-)*
	(Unaudited)		(Audited)			
Processed food	**81,549**	**11.5**	71,203	10.7	10,346	14.5
Rabbit meat	**10,982**	**5.6**	22,457	8.4	(11,475)	(51.1)
Chicken meat	**6,233**	**2.6**	8,296	2.6	(2,063)	(24.9)
Other products	**10,901**	**6.7**	8,838	3.8	2,063	23.3
Total	**109,665**	**8.4**	110,794	7.5	(1,129)	(1.0)

Due to the improvement of the gross profit margin of processed food products, the overall gross profit margin increased from 7.5% to 8.4% in FY2014.

Processed Food Products
Processed food products were the main profit contributor in FY2014. The increase in gross profit margin from 10.7% to 11.5% in FY2014 was due mainly to the increase in selling prices of the processed food products.

Chilled and Frozen Rabbit Meat
The gross profit margin of chilled and frozen rabbit meat declined from 8.4% to 5.6% in FY2014 was mainly attributable to lower selling price as a result of oversupply of rabbit meat in the PRC market.

Chilled and Frozen Chicken Meat
The gross profit of chilled and frozen chicken meat segment remained at 2.6% in FY2014.

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 decrease of the cost of the pet food products, gross profit margin increased from 3.8% to 6.7% in FY2014.

Other Income
Other income comprised mainly government grants related to income, amortization of deferred income on government grants, insurance claims, gain on change in fair value of biological assets and interest income from bank deposits amounting to RMB7.6 million, RMB1.8 million, RMB4.0 million, RMB6.8 million and RMB6.8 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, sales promotion expenses, salary and welfare which increased slightly by 0.1% to approximately RMB27.6 million.

Administrative Expenses
Administrative expenses comprised mainly staff costs, professional fees, depreciation charge, travelling expenses and other miscellaneous administrative expenses. The slight decrease in administrative expenses by 5.7% was due mainly to the implementation of cost controls measures.

Other Operating Expenses
Other operating expenses represented mainly the impairment loss on goodwill and written off of values of the remaining property, plant and equipment of Pu De. Management has decided to terminate the business operations of Pu De as it has not been performing up to expectation.

Finance costs
Finance costs increased by 12.4% to approximately RMB38.6 million in FY2014 were due mainly to the increase in bank borrowings for the Group. The higher borrowings is for the Group's future working capital purpose.

Taxation
The income tax expense mainly comprised both the accrued PRC corporate income tax and the release of deferred tax assets relating to the priors years' tax losses arose in the course of the business combination of both Shandong Kaijia Food Company Limited and its subsidiary, Shandong Kaijia International Trade Co., Ltd. (collectively referred as the "Kaijia Group").

During the year, approximately RMB10.4 million of the income tax expense arose from utilization of prior years' recognized tax loss and expiry of prior years' recognized tax losses from certain subsidiaries.

Review of the Group's Financial Position as at 31 December 2014

The Group's property, plant and equipment decreased by 1.2% to approximately RMB614.8 million as at 31 December 2014 due mainly to a depreciation charge of approximately RMB51.8 million and this was offset by an acquisition of equipment of approximately RMB44.2 million.

The prepaid premium for land leases decreased by 3.5% to approximately RMB125.2 million as at 31 December 2014 due mainly to an amortization charge and disposal of land use right arising from the proposed closure of Pu De which amounted to approximately RMB4.3 million and approximately RMB0.2 million respectively.

The reduction of intangible assets in FY2014 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 and their remaining balance of these intangible assets were fully amortised in during the year.

Goodwill arose from the acquisitions of subsidiaries in the past and the decrease was due to the impairment loss of goodwill of Pu De.

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 2014 with reference to market-determined prices.

Inventories increased by 24.2% to approximately RMB164.0 million in anticipation of an increase in demand in the first quarter of 2015. The inventory turnover days for FY2014 were 45 days compared to 38 days for FY2013.

Trade receivables decreased by 11.8% to approximately RMB71.4 million as at 31 December 2014 due mainly to the decrease of sales during the year. The trade receivables turnover days was 21 days in FY2014, the same as in FY2013.

Prepayments, other receivables and deposits increased by approximately 25.7% to approximately RMB50.5 million as at 31 December 2014. The increase was due mainly to the increase in purchase deposit paid to suppliers.

Cash and cash equivalents, including pledged deposits, increased by approximately RMB112.1 million to approximately RMB551.4 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 was secured against the interest-bearing borrowings of the Group.

Trade and bills payables increased by 25.9% to approximately RMB179.8 million as at 31 December 2014 and this was in line with the increase in inventory.

Accrued liabilities and other payables represented payables for construction and facilities, salary and welfare payables, accrued expenses and deposit received.

The interest-bearing bank borrowings balance as at 31 December 2014 increased to approximately RMB701.7 million after taking into account the additional bank borrowings of approximately RMB863.7 million and repayment of the bank borrowings of approximately RMB787.0 million during the year. Approximately RMB50.0 million of the bank borrowing was 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") as a result of the trading and other transactions.

Tax payables increased from RMB0.9 million to RMB2.5 million as at 31 December 2014. This was due to income tax accrued during the year.

CAPITAL STRUCTURE

During the year under review, the Group had net assets of approximately RMB697.0 million (31 December 2013: RMB704.1 million), comprising non-current assets of approximately RMB829.8 million (31 December 2013: RMB853.9 million), and current assets of approximately RMB885.3 million (31 December 2013: RMB738.8 million). The Group recorded a net current liability position of approximately RMB58.3 million (31 December 2013: RMB80.2 million) as at 31 December 2014, which primarily consist of cash and cash equivalents balances amounted to approximately RMB481.4 million (31 December 2013: RMB369.4 million). Moreover, inventories amounted to approximately RMB164.0 million (31 December 2013: RMB132.1 million) and trade receivables amounted to approximately RMB71.4 million (31 December 2013: RMB81.0million) are also major current assets. Major current liabilities are trade and bills payables and interest-bearing bank borrowings amounted to approximately RMB179.8 million (31 December 2013: RMB142.8 million) and approximately RMB651.7 million (31 December 2013: RMB567.0 million) respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2014, the Group has cash and cash equivalent of approximately RMB481.4 million (31 December 2013: RMB369.4 million) and had total interest-bearing bank borrowings of approximately RMB651.7 million (31 December 2013: RMB567.0 million). The Group's interest-bearing bank borrowings was debts with interest rate ranging from 4.36% to 7.80% (31 December 2013: 6.00% to 7.87%) per annum.

The gearing ratio for the Group was 104.4% (31 December 2013: 92.4%) as at 31 December 2014, based on net debt of approximately RMB701.7 million (31 December 2013: RMB625.0 million) and equity attributable to Company's owners of approximately RMB672.2 million (31 December 2013: RMB676.2 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	11,471	21,888	11,421	-	-
Cash and bank balances	1,310	6,410	-	4	111
	12,781	28,298	11,421	4	111
Financial liabilities					
Trade payables	160	-	350	-	-
Bank borrowings	16,667	-	-	-	-
	16,827	-	350	-	-

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.

CAPITAL COMMITMENTS

As at 31 December 2014, there is no capital commitment of the Group which had been contracted for but not provided in the financial statements (2013: RMB8.0 million).

CHARGE ON ASSETS

Total secured interest-bearing bank borrowings are approximately RMB334,667,000 as at 31 December 2014 (2013: RMB320,000,000).

As at 31 December 2013 and 2014, 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, certain properties of the related parties and pledged deposits.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group did not have any material contingent liabilities (31 December 2013: Nil).

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2014, the Group employed a total of 4,456 employees (2013: 4,912 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 RMB202.5 million (2013: RMB194.6 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 2014.

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 2014.

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 2014.

PUBLICATION OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014 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 2014 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 2015. The register of members of the Company will be closed from 23 April 2015 to 30 April 2015, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 22 April 2015.

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 2014 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 take this opportunity to thank the Group's management and staff for their dedication and commitment throughout the year. Besides, I would like to thank all shareholders, business partners, customers, and vendors for their support and encouragement given to the Group in the past years. My thanks are also extended to the lawyers, auditors, consultants and relevant enterprises who always give us help and support. 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, 27 February 2015

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 2014 pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited. In compliance with Rule 13.10(B) 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 27 February 2015.

FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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.

	FY2014	FY2013	% Change
	RMB'000	*RMB'000*	+/(-)
	(Unaudited)	(Audited)	
Revenue	**1,302,632**	1,477,999	(11.9)
Cost of sales	**(1,192,967)**	(1,367,205)	(12.7)
Gross profit	**109,665**	110,794	(1.0)
Other income	**29,221**	30,986	(5.7)
Selling and distribution costs	**(27,641)**	(27,611)	0.1
Administrative expenses	**(58,266)**	(61,805)	(5.7)
Other operating expenses	**(8,135)**	(1,133)	618.0
Profit from operations	**44,844**	51,231	(12.5)
Finance costs	**(38,618)**	(34,359)	12.4
Share of loss of associates	**(1,035)**	(966)	7.1
Profit before taxation	**5,191**	15,906	(67.4)
Income tax expense	**(12,292)**	(14,797)	(16.9)

	FY2014	FY2013	% Change
	RMB'000	*RMB'000*	+/(-)
	(Unaudited)	(Audited)	
(Loss)/Profit for the year	**(7,101)**	1,109	(740.3)
Other comprehensive income	**-**	-	NA
Total comprehensive income for the year	**(7,101)**	1,109	(740.3)
(Loss)/Profit for the year attributable to:			
Owners of the Company	**(3,956)**	6,378	(162.0)
Non-controlling interests	**(3,145)**	(5,269)	40.3
	(7,101)	1,109	(740.3)
Total comprehensive income attributable to:			
Owners of the Company	**(3,956)**	6,378	(162.0)
Non-controlling interests	**(3,145)**	(5,269)	40.3
	(7,101)	1,109	(740.3)

	FY2014	FY2013	% 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	**51,808**	50,703	2.2
Amortisation of intangible assets	**1,152**	838	37.5
Amortisation of prepaid premium for land leases	**4,315**	5,738	(24.8)
Amortisation of deferred income on government grants	**(1,807)**	(1,459)	23.9
Government grants related to income	**(7,575)**	(12,104)	(37.4)
Loss on disposal of property, plant and equipment	**2,754**	4,106	(32.9)
Exchange loss, net	**5,686**	2,653	114.3
Write down of inventories	**3,945**	-	100.0
Impairment loss on goodwill	**2,650**	-	100.0
Interest expenses on interest-bearing bank borrowings	**38,618**	34,359	12.4
Interest income on bank deposits	**(6,780)**	(3,623)	87.1

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	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
ASSETS AND LIABILITIES	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Non-current assets				
Property, plant and equipment	**614,752**	622,446	**-**	2
Prepaid premium for land leases	**125,202**	129,698	**-**	-
Intangible assets	**-**	1,152	**-**	-
Investments in subsidiaries	**-**	-	**84,144**	84,144
Interest in associates	**784**	2,200	**-**	-
Goodwill	**56,778**	59,428	**-**	-
Biological assets	**27,781**	31,040	**-**	-
Long-term receivables	**2,523**	5,047	**-**	-
Deferred tax assets	**1,985**	2,923	**-**	-
	829,805	853,934	**84,144**	84,146
Current assets				
Biological assets	**45,462**	42,751	**-**	-
Inventories	**163,973**	132,060	**-**	-
Trade receivables	**71,446**	80,971	**-**	-
Prepayments, other receivables and deposits	**50,467**	40,156	**89**	95
Amounts due from subsidiaries	**-**	-	**234,850**	238,641
Current portion of long-term receivables	**2,524**	3,523	**-**	-
Pledged deposits	**70,000**	70,000	**-**	-
Cash and cash equivalents	**481,445**	369,387	**46**	271
	885,317	738,848	**234,985**	239,007
Current liabilities				
Trade and bills payables	**179,781**	142,808	**-**	-
Accrued liabilities and other payables	**83,888**	83,484	**454**	487
Interest-bearing bank borrowings	**651,667**	567,000	**-**	-
Amount due to a related party	**23,955**	23,517	**-**	-
Deferred government grants	**1,807**	1,337	**-**	-
Tax payables	**2,500**	882	**-**	-
	943,598	819,028	**454**	487
Net current (liabilities)/assets	**(58,281)**	(80,180)	**234,531**	238,520
Total assets less current liabilities	**771,524**	773,754	**318,675**	322,666

	Group		Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Non-current liabilities				
Deferred government grants	**15,687**	11,664	**-**	-
Interest-bearing bank borrowings	**50,000**	58,000	**-**	-
Deferred tax liabilities	**8,848**	-	**-**	-
Total non-current liabilities	**74,535**	69,664	**-**	-
Net assets	**696,989**	704,090	**318,675**	322,666
EQUITY				
Equity attributable to Company's owners				
- Share capital	**112,176**	112,176	**112,176**	112,176
- Reserves	**560,022**	563,978	**206,499**	210,490
	672,198	676,154	**318,675**	322,666
Non-controlling interests	**24,791**	27,936	**-**	-
Total equity	**696,989**	704,090	**318,675**	322,666

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

Amount repayable in one year or less, or on demand

FY2014		FY2013	
Secured	**Unsecured**	Secured	Unsecured
RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
334,667	**317,000**	320,000	247,000

Amount repayable after one year

FY2014		FY2013	
Secured	**Unsecured**	Secured	Unsecured
RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
-	**50,000**	-	58,000

Details of any collateral

Total secured interest-bearing bank borrowings are approximately RMB334,667,000 as at 31 December 2014 (2013: RMB320,000,000).

As at 31 December 2013 and 2014, 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, certain properties of the related parties and pledged deposits.

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.

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cash flows from operating activities		
Profit before taxation	**5,191**	15,906
Adjustments for :		
Interest income	**(6,780)**	(3,623)
Interest expenses	**38,618**	34,359
Gains arising from changes in fair value less estimated point-of-sale costs of biological assets, net	**(6,813)**	(8,417)
Depreciation of property, plant and equipment	**51,808**	50,703
Gain on disposal of land use right	**(322)**	-
Loss on disposal of property, plant and equipment	**2,754**	4,106
Amortisation of prepaid premium for land leases	**4,315**	5,738
Amortisation of deferred income on government grants	**(1,807)**	(1,459)
Amortisation of intangible assets	**1,152**	838
Write down of inventories	**3,945**	-
Impairment of goodwill	**2,650**	-
Gain on disposal of subsidiaries	**(232)**	(1,316)
Loss on deregistration of an associate	**21**	-
Share of loss of associates	**1,035**	966
Operating profit before working capital changes	**95,535**	97,801
(Increase)/Decrease in inventories	**(37,461)**	16,016
Decrease in trade receivables	**8,318**	3,690
(Increase)/Decrease in prepayments, other receivables and deposits	**(11,273)**	14,956
Decrease in biological assets	**7,361**	3,277
Increase/(Decrease) in trade and bills payables	**37,588**	(30,327)
Increase in accrued liabilities and other payables	**1,120**	3,746
Increase/(Decrease) in amount due to a related party	**150**	(15,328)
Cash generated from operations	**101,338**	93,831
Interest paid	**(40,659)**	(36,941)
Income taxes paid	**(869)**	(4,461)
Net cash generated from operating activities	**59,810**	52,429

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(55,519)**	(67,760)
Increase in prepaid premium for land leases	**-**	(12,138)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	**6,348**	2,321
Proceeds from disposal of land use rights	**503**	-
Proceeds from disposal of property, plant and equipment	**7,286**	1,160
Receipt of deferred government grants	**6,300**	1,650
Receipt from deregistration of an investment in an associate	**360**	-
Decrease in long-term receivables	**3,523**	-
Interest received	**6,780**	3,623
Increase in pledged deposits	**-**	(18,597)
Net cash used in investing activities	**(24,419)**	(89,741)
Cash flows from financing activities		
New bank borrowings	**863,667**	625,000
Repayment of bank borrowings	**(787,000)**	(589,000)
Net cash generated from financing activities	**76,667**	36,000
Net increase/(decrease) in cash and cash equivalents	**112,058**	(1,312)
Cash and cash equivalents as at 1 January	**369,387**	370,699
Cash and cash equivalents as at 31 December	**481,445**	369,387
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	**481,445**	369,387

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 2013 (Audited)	112,176	257,073	(41,374)	2,374	44,158	295,715	670,122	35,330	705,452
Profit for the year (Audited)	-	-	-	-	-	6,378	6,378	(5,269)	1,109
Other comprehensive income (Audited)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year (Audited)	-	-	-	-	-	6,378	6,378	(5,269)	1,109
Disposal of subsidiaries (Unaudited)	-	-	-	-	(346)	-	(346)	(2,125)	(2,471)
Transfer to other reserves (Audited)	-	-	-	-	-	-	-	-	-
At 31 December 2013 and 1 January 2014 (Audited)	112,176	257,073	(41,374)	2,374	43,812	302,093	676,154	27,936	704,090
Loss for the year (Unaudited)	-	-	-	-	-	(3,956)	(3,956)	(3,145)	(7,101)
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year (Unaudited)	-	-	-	-	-	(3,956)	(3,956)	(3,145)	(7,101)
Transfer to other reserves (Unaudited)	-	-	-	-	-	-	-	-	-
At 31 December 2014 (Unaudited)	**112,176**	**257,073**	**(41,374)**	**2,374**	**43,812**	**298,137**	**672,198**	**24,791**	**696,989**

* *The consolidated reserves of the Group of approximately RMB560,022,000 as at 31 December 2014 (2013: approximately RMB563,978,000) 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 2013 (Audited)	112,176	257,073	6,143	2,374	(51,454)	326,312
Loss for the year (Audited)	-	-	-	-	(3,646)	(3,646)
Other comprehensive income (Audited)	-	-	-	-	-	-
Total comprehensive income for the year (Audited)	-	-	-	-	(3,646)	(3,646)
At 31 December 2013 and 1 January 2014 (Audited)	112,176	257,073	6,143	2,374	(55,100)	322,666
Loss for the year (Unaudited)	-	-	-	-	(3,991)	(3,991)
Other comprehensive income (Unaudited)	-	-	-	-	-	-
Total comprehensive income for the year (Unaudited)	-	-	-	-	(3,991)	(3,991)
At 31 December 2014 (Unaudited)	**112,176**	**257,073**	**6,143**	**2,374**	**(59,091)**	**318,675**

** *The reserves of the Company of approximately RMB206,499,000 as at 31 December 2014 (2013: approximately RMB210,490,000) 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 2013 and 2014	2,000,000	500,000
Issued and fully paid:		
At 31 December 2013 and 2014	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 2013 and 2014.

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.

	FY2014	FY2013
	'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 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 2014:

Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
IFRIC 21	Levies

The adoption of these amendments 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.

	FY2014	FY2013
	Unaudited	Audited
(Loss)/Earnings per share		
- Basic *(RMB cents)*	**(0.91)**	1.47
- Diluted *(RMB cents)*	**(0.91)**	1.47

Note:
The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to owners of the Company of approximately (RMB3,956,000) (2013: a profit of RMB6,378,000) and on 432,948,000 (2013: 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**	
	FY2014	FY2013	**FY2014**	FY2013
	Unaudited	Audited	**Unaudited**	Audited
Net asset value per ordinary share based on issued share capital at the end of:	**155.26**	156.17	**73.61**	74.53

Note:
The number of ordinary shares of the Company as at 31 December 2014 was 432,948,000 (2013: 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

	FY2014	FY2013	**% Change**
	RMB'000	*RMB'000*	*+/(-)*
	(Unaudited)	(Audited)	
Processed food	**707,144**	663,470	6.6
Chilled and frozen rabbit meat	**195,161**	268,779	(27.4)
Chilled and frozen chicken meat	**236,850**	314,817	(24.8)
Other products	**163,477**	230,933	(29.2)
Total	**1,302,632**	1,477,999	(11.9)

Processed Food Products

Based on the Group's reputation and track records in the processed food products market, there was an increase in both the production and sales volume of processed food products.

To improve the profitability, some of the chilled and frozen chicken meat products were further processed internally into high value-added chicken related processed food. As a result, revenue derived from processed food products had increased by 6.6% to approximately RMB707.1 million in FY2014.

Chilled and Frozen Meat Products

The rabbit and chicken meat segments contributed 33.2% and 39.5% to the Group's total revenue in FY2014 and FY2013 respectively. The revenue of the rabbit and chicken meat segments registered a 26.0% decrease to approximately RMB432.0 million in FY2014.

The oversupply of rabbit meat in the PRC market has resulted in a decrease of demand of chilled and frozen rabbit meat in FY2014. Revenue derived from the rabbit meat segment decreased by 27.4% to approximately RMB195.2 in FY2014.

As explained in the second paragraph above under the "Processed Food Products", due to the diversion of some of the chilled and frozen chicken meat products for further processing, revenue of the Group's chicken meat segment decreased by 24.8% to approximately RMB236.9 million in FY2014.

Other Products

Revenue derived from the production and sale of other products decreased by 29.2% to RMB163.5 million in FY2014. Pet food sales contributed over 50% to this segment with revenue generated from the Beijing and Shanghai markets in the PRC and overseas markets in Japan and Korea.

REVENUE BY GEOGRAPHICAL MARKETS

	FY2014	FY2013	**% Change**
	RMB'000	*RMB'000*	*+/(-)*
	(Unaudited)	(Audited)	
Export	**589,383**	546,199	7.9
PRC	**713,249**	931,800	(23.5)
Total	**1,302,632**	1,477,999	(11.9)

On a geographical basis, revenue from export sales increased by 7.9% to RMB589.4 million in FY2014. The increase in export sales was attributable mainly to the increase in demand for processed food products from Europe and Japan.

The decrease of PRC sales was attributable mainly to the decrease of sales of chilled and frozen rabbit and chicken meat in the PRC market as explained in the second paragraph above under the "Processed Food Products".

PROFITABILITY

Gross Profit and Margin

	FY2014	**FY2014**	FY2013	FY2013	Change	%Change
	RMB'000	***Margin%***	*RMB'000*	*Margin %*	*RMB'000*	*+/(-)*
	(Unaudited)		(Audited)			
Processed food	**81,549**	**11.5**	71,203	10.7	10,346	14.5
Chilled and frozen						
rabbit meat	**10,982**	**5.6**	22,457	8.4	(11,475)	(51.1)
Chilled and frozen					(2,063)	(24.9)
chicken meat	**6,233**	**2.6**	8,296	2.6		
Other products	**10,901**	**6.7**	8,838	3.8	2,063	23.3
Total	**109,665**	**8.4**	110,794	7.5	(1,129)	(1.0)

Due to the improvement of the gross profit margin of processed food products, the overall gross profit margin increased from 7.5% to 8.4% in FY2014.

Processed Food Products
Processed food products were the main profit contributor in FY2014. The increase in gross profit margin from 10.7% to 11.5% in FY2014 was due mainly to the increase in selling prices of the processed food products.

Chilled and Frozen Rabbit Meat
The gross profit margin of chilled and frozen rabbit meat declined from 8.4% to 5.6% in FY2014 was mainly attributable to lower selling price as a result of oversupply of rabbit meat in the PRC market.

Chilled and Frozen Chicken Meat
The gross profit of chilled and frozen chicken meat segment remained at 2.6% in FY2014.

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 decrease of the cost of the pet food products, gross profit margin increased from 3.8% to 6.7% in FY2014.

Other Income
Other income comprised mainly government grants related to income, amortization of deferred income on government grants, insurance claims, gain on change in fair value of biological assets and interest income from bank deposits amounting to RMB7.6 million, RMB1.8 million, RMB4.0 million, RMB6.8 million and RMB6.8 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, sales promotion expenses, salary and welfare which increased slightly by 0.1% to approximately RMB27.6 million.

Administrative Expenses
Administrative expenses comprised mainly staff costs, professional fees, depreciation charge, travelling expenses and other miscellaneous administrative expenses. The slight decrease in administrative expenses by 5.7% was due mainly to the implementation of cost controls measures.

Other Operating Expenses
Other operating expenses represented mainly the impairment loss on goodwill and written off of values of the remaining property, plant and equipment of Qingdao Pu De Food Company Limited ("Pu De"). Management has decided to discontinue the business operations of Pu De as it has not been performing up to expectations.

Finance costs
Finance costs increased by 12.4% to approximately RMB38.6 million in FY2014 were due mainly to the increase in bank borrowings for the Group. The higher borrowings is for the Group's future working capital purposes.

Taxation
The income tax expense mainly comprised both the accrued PRC corporate income tax and the release of deferred tax assets relating to the priors years' tax losses arose in the course of the business combination of both Shandong Kaijia Food Company Limited and its subsidiary, Shandong Kaijia International Trade Co., Ltd. (collectively referred as the "Kaijia Group").

During the year, approximately RMB10.4 million of the income tax expense arose from utilization of prior years' recognized tax loss and expiry of prior years' recognized tax losses from certain subsidiaries.

(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 2014

The Group's property, plant and equipment decreased by 1.2% to approximately RMB614.8 million as at 31 December 2014 due mainly to a depreciation charge of approximately RMB51.8 million and this was offset by an acquisition of equipment of approximately RMB44.2 million.

The prepaid premium for land leases decreased by 3.5% to approximately RMB125.2 million as at 31 December 2014 due mainly to an amortization charge and disposal of land use right arising from the discontinued business operations of Pu De, which amounted to approximately RMB4.3 million and approximately RMB0.2 million respectively.

The reduction of intangible assets in FY2014 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 and their remaining balance of these intangible assets were fully amortised during the year.

Goodwill arose from the acquisitions of subsidiaries in the past and the decrease was due to impairment loss of goodwill of Pu De.

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 2014 with reference to market-determined prices.

Inventories increased by 24.2% to approximately RMB163.0 million in anticipation of an increase in demand in the first quarter of 2015. The inventory turnover days for FY2014 were 45 days compared to 38 days for FY2013.

Trade receivables decreased by 11.8% to approximately RMB71.4 million as at 31 December 2014 due mainly to the decrease of sales during the year. The trade receivables turnover days was 21 days in FY2014, the same as in FY2013.

Prepayments, other receivables and deposits increased by approximately 25.7% to approximately RMB50.5 million as at 31 December 2014. The increase was due mainly to the increase in purchase deposit paid to suppliers.

Cash and cash equivalents, including pledged deposits, increased by approximately RMB112.1 million to approximately RMB551.4 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 was secured against the interest-bearing borrowings of the Group.

Trade and bills payables increased by 25.9% to approximately RMB179.8 million as at 31 December 2014 and this was in line with the increase in inventory.

Accrued liabilities and other payables represented payables for construction and facilities, salary and welfare payables, accrued expenses and deposit received.

The interest-bearing bank borrowings balance as at 31 December 2014 increased to approximately RMB701.7 million after taking into account the additional bank borrowings of approximately RMB863.7 million and repayment of the bank borrowings of approximately RMB787.0 million during the year. Approximately RMB50.0 million of the bank borrowings was 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") as a result of the trading and other transactions.

Tax payables increased from RMB0.9 million to RMB2.5 million as at 31 December 2014. This was due to income tax accrued during the year.

Statement of Cash Flows

Operating activities

Cash generated from operating activities increased from approximately RMB52.4 million in FY2013 to approximately RMB59.8 million in FY2014. The increase in operating cash flow was due mainly to the increase of the trade and bills payables.

Investing activities

Net cash used in investing activities amounted to approximately RMB24.4 million due mainly to the purchase of property, plant and equipment amounted to approximately RMB55.5 million offsetting by the proceeds from disposal of subsidiaries, land use rights and property, plant and equipment amounted to approximately RMB6.3 million, RMB0.5 million and RMB7.3 million respectively.

Financing activities

Net cash generated mainly represented the additional bank borrowings of approximately RMB863.7 million and repayment of the bank borrowings of approximately RMB787.0 million.

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

The announcement is in line with the profit warning announcement released by the Company on 11 February 2015.

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

The Group will leverage on its leading position in the PRC rabbit meat market and offer competitive pricing and quality products to improve the performance of the Group's chilled and frozen rabbit meat segment.

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

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 FY2014.

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:

	2014				
	Processed food *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	707,144	195,161	236,850	163,477	1,302,632
Reportable segment revenue	707,144	195,161	236,850	163,477	1,302,632
Reportable segment profit	63,894	7,179	870	7,431	79,374
Depreciation of property, plant and equipment	26,164	7,221	8,763	6,048	48,196
Amortisation of prepaid premium for land leases	2,342	647	785	541	4,315
Amortisation of intangible assets	-	1,152	-	-	1,152
Impairment loss on goodwill	2,650	-	-	-	2,650
Write down of inventories	-	3,945	-	-	3,945

	2013				
	Processed food	**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	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	58,808	17,436	2,415	4,524	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

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:

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Reportable segment profit	**79,374**	83,183
Other income	**29,221**	30,986
Administrative expenses	**(58,266)**	(61,805)
Other operating expenses	**(5,485)**	(1,133)
Finance costs	**(38,618)**	(34,359)
Share of loss of associates	**(1,035)**	(966)
Profit before taxation	**5,191**	15,906

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.

	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
<u>Local (Country of domicile)</u>		
PRC	**713,249**	931,800
<u>Export (Foreign countries)</u>		
Japan	**298,697**	293,563
Europe	**215,079**	120,108
Others	**75,607**	132,528
	1,302,632	1,477,999

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.

On a geographical basis, revenue from export sales increased by 7.9% to RMB589.4 million in FY2014. The increase in export sales was attributable mainly to the increase in demand for processed food products from overseas market.

The decrease of PRC sales was attributable mainly to the decrease of sales of chilled and frozen rabbit and chicken meat in the PRC market. As mentioned in the second paragraph above under the "Processed Food Products", some of the chilled and frozen chicken meat products were further processed into high value-added chicken related processed food and exported to overseas market.

15. A breakdown of sales

	FY2014	FY2013	**% Change**
	RMB'000	*RMB'000*	*+/(-)*
	(Unaudited)	(Audited)	
(a) Sales reported for the 1st half year	**628,832**	681,159	(7.7)
(b) Operating profit/(loss) after tax before deducting minority interests reported for the 1st half year	**7,394**	(11,079)	166.7
(c) Sales reported for the 2nd half year	**673,800**	796,840	(15.4)
(d) Operating (loss)/profit after tax before deducting minority interests reported for the 2nd half year	**(11,350)**	17,457	(165.0)

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

	FY2014	FY2013
	RMB'000	*RMB'000*
	(unaudited)	(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	49	Nephew of Gao Sishi, Chairman & Executive Director/Substantial Shareholder	Executive Director since 2006	NA
Gao Sishi	57	Uncle of Gao Yanxu, Executive Director	Chairman & Non-Executive Director since 2006	NA

BY ORDER OF THE BOARD
Gao Sishi
Chairman

27 February 2015