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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2009

The board of directors (the "Board") of China Kangda Food Company Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2009 together with the comparative figures for the corresponding period in 2008 as set out below.

Consolidated statement of comprehensive income statement

For the six months ended 30 June 2009

	Notes	Six months ended 30 June **2009** RMB'000 (Unaudited)	2008 RMB'000 (Unaudited)
Revenue	5	**344,796**	456,057
Cost of sales		**(301,280)**	(383,191)
Gross profit		**43,516**	72,866
Other income	5	**12,418**	13,242
Selling and distribution costs		**(7,950)**	(6,194)
Administrative expenses		**(24,110)**	(15,594)
Other operating expenses		**(492)**	(860)
Profit from operations	6	**23,382**	63,460
Finance costs	7	**(4,597)**	(1,170)
Profit before taxation		**18,785**	62,290
Income tax expense	8	**(1,145)**	(2,239)
Profit for the period		**17,640**	60,051
Other comprehensive income		**-**	-
Total comprehensive income attributable to equity holders		**17,640**	60,051
Attributable to:			
Equity holders of the Company		**17,568**	60,238
Minority interests		**72**	(187)
Profit for the period		**17,640**	60,051

Dividends	9	**-**	-

Earnings per share attributable to equity holders of the Company	10		
Basic (RMB cents)		**4.05**	13.63
Diluted (RMB cents)		**-**	-

Consolidated statement of financial position

as at 30 June 2009

	Notes	**30 June 2009 RMB'000 (Unaudited)**	31 December 2008 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**274,849**	247,568
Prepaid premium for land leases		**92,575**	45,406
Long-term deposits		**3,000**	3,000
Biological assets		**14,304**	14,461
Deferred tax assets		**521**	554
		385,249	310,989
Current assets			
Biological assets		**5,782**	8,895
Inventories		**72,811**	60,655
Trade receivables	11	**50,088**	81,912
Prepayments, other receivables and deposits		**33,367**	26,538
Cash and bank balances		**343,507**	461,118
		505,555	639,118
Assets classified as held for sale		**-**	18,364
		505,555	657,482
Current liabilities			
Trade and bills payables	12	**51,795**	82,500
Accrued liabilities, other payables and deposits received		**35,553**	43,294
Interest-bearing bank borrowings		**51,528**	87,827
Amount due to a related company		**-**	1,047
Deferred government grants		**185**	185
Tax payables		**3,211**	6,890
		142,272	221,743
Liabilities directly associated with assets classified as held for sale		**-**	5,810
		142,272	227,553
Net current assets		**363,283**	429,929
Total assets less current liabilities		**748,532**	740,918

Consolidated statement of financial position (Continued)

as at 30 June 2009

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Non-current liabilities		
Interest-bearing bank borrowings	**109,839**	109,839
Deferred government grants	**1,898**	2,030
	111,737	111,869
Net assets	**636,795**	629,049
EQUITY		
Equity attributable to equity holders of the Company		
- Share capital	**112,176**	114,178
- Reserves	**524,619**	511,176
	636,795	625,354
Minority interests	**-**	3,695
Total equity	**636,795**	629,049

NOTES

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 Clarendon House, 2 Church Street, Hamilton HM11, 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 Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 9 October 2006 and 22 December 2008 respectively.

The principal activity of the Company is investment holding. The principal activities of 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 (the "PRC"). The financial statements are presented in Renminbi ("RMB"), being the functional currency of the Group.

2. ADOPTION OF NEW OR AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current period, the Group has adopted for the first time the new standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC") of the IASB, which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 January 2009. The new IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

At the date of authorisation of these financial statements, the following new and amended IFRSs have been published but are not yet effective, and have not been adopted early by the Group.

IAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
IAS 39 (Amendment)	Eligible Hedged Items[1]
IFRS 1 (Revised)	First-time adoption of International Financial Reporting Standards[1]
IFRS 3 (Revised)	Business Combinations[1]
IFRIC – Int 17	Distribution of Non-cash Assets to Owners[1]
IFRIC – Int 18	Transfer of Assets from Customers[2]
Various	Annual Improvements to IFRSs 2009[3]

Notes:

1 Effective for annual periods beginning on or after 1 July 2009
2 Effective for transfer of assets from customers received on or after 1 July 2009
3 Generally effective for annual periods beginning on or after 1 January 2010 unless otherwise stated in the specific IFRS

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement.

The Directors are currently assessing the impact of these new and amended IFRSs upon initial application. So far, the Directors have preliminarily concluded that the initial application of these IFRSs is unlikely to have a significant impact on the Group's results and financial position.

3. BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRSs which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued 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 (the "Listing Rules").

The financial statements have been prepared on the historical cost basis except for biological assets which are stated at fair values. Disposal groups and non-current assets held for sale are stated at the lower of their carrying amounts and fair values less costs to sell.

3. BASIS OF PREPARATION (Continued)

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.

4. SEGMENT INFORMATION

The Group is organised into four main business segments:
- Manufacturing and sale of chilled and frozen rabbit meat
- Manufacturing and sale of chilled and frozen chicken meat
- Manufacturing and sale of processed food
- Manufacturing and sale of other products

An analysis by principal activity of contribution to results is as follows:

	Manufacturing and sale of chilled and frozen rabbit meat		**Manufacturing and sale of chilled and frozen chicken meat**		**Manufacturing and sale of processed food**		**Other products**		**Total**	
	Six months ended 30 June		**Six months ended 30 June**		**Six months ended 30 June**		**Six months ended 30 June**		**Six months ended 30 June**	
	2009 RMB'000	2008 RMB'000	**2009** RMB'000	2008 RMB'000	**2009** RMB'000	2008 RMB'000	**2009** RMB'000	2008 RMB'000	**2009** RMB'000	2008 RMB'000
Segment revenue :										
Sales to external customers	**54,684**	83,389	**107,325**	200,232	**145,796**	151,411	**36,991**	21,025	**344,796**	456,057
Segment results	**8,402**	13,470	**7,260**	22,749	**18,279**	28,898	**1,625**	1,555	**35,566**	66,672
Unallocated other income									**12,418**	13,242
Unallocated corporate expenses									**(24,602)**	(16,454)
Finance costs									**(4,597)**	(1,170)
Profit before taxation									**18,785**	62,290
Income tax expense									**(1,145)**	(2,239)
Profit for the Period									**17,640**	60,051
	30 June 2009 RMB'000	31 December 2008 RMB'000	**30 June 2009** RMB'000	31 December 2008 RMB'000	**30 June 2009** RMB'000	31 December 2008 RMB'000	**30 June 2009** RMB'000	31 December 2008 RMB'000	**30 June 2009** RMB'000	31 December 2008 RMB'000
Segment assets	**154,696**	130,997	**114,989**	90,498	**122,666**	93,425	**17,088**	14,999	**409,439**	329,919
Unallocated assets									**481,365**	638,552
Total assets									**890,804**	968,471

5. REVENUE AND OTHER INCOME

Revenue 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:

	Six months ended 30 June	
	2009	**2008**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Revenue		
Sale of goods	**344,796**	456,057
Other income		
Interest income on financial assets stated at amortised cost		
- Interest income on bank deposits	**8,424**	5,274
- Interest income from lease	**-**	230
Rental income	**-**	338
Amortisation of deferred income on government grants	**132**	-
Gain arising from changes in fair value of financial liabilities at fair value through profit or loss	**-**	1,673
Gains arising from changes in fair value less estimated point-of-sale costs of biological assets, net	**188**	-
Excess over the costs of business combinations recognised in the income statement	**-**	2,379
Others	**3,674**	3,348
	12,418	13,242

6. PROFIT FROM OPERATIONS

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

	Six months ended 30 June	
	2009	**2008**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Cost of inventories recognised as an expense	**301,280**	383,191
Depreciation	**8,754**	6,717
Amortisation of prepaid premium for land leases	**725**	288
Minimum lease payments under operating leases for production facilities	**382**	370
Reversal of impairment on trade receivables	**-**	(54)
Excess over the costs of business combinations recognised in the income statement	**-**	(2,379)
Gain arising from changes in fair value of financial liabilities through profit or loss	**-**	(1,673)
(Gain)/Loss arising from changes in fair value less estimated point-of-sale costs of biological assets, net	**(188)**	434

Staff costs (including directors' remuneration)	**26,040**	18,641
Less: Retirement scheme contribution	**(3,257)**	(1,442)
	22,783	17,199
Loss on disposal of property, plant and equipment	**882**	350
Exchange loss	**1,303**	1,435

7. FINANCE COSTS

	Six months ended 30 June	
	2009	**2008**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Interest charges on:		
Bank loans wholly repayable within five years	**4,597**	1,170

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2009	**2008**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Current year provision:		
PRC corporate income tax	**1,666**	3,068
Over-provision in respect of prior year	**-**	(829)
	1,666	2,239
Deferred tax	**(521)**	-
Total income tax expense	**1,145**	2,239

No Hong Kong profits tax has been provided for the six months ended 30 June 2009 as the Group did not derive any assessable profit arising in Hong Kong during the period (six months ended 30 June 2008: 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.

During the 5th session of the 10th National People's Congress of the PRC, which was concluded on 31 March 2007, the New PRC Corporate Income Tax Law was approved and became effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes, which include, but not limited to, the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25% and the revoke of withholding tax exemption provision that applied to dividends paid by foreign-invested enterprises to its foreign investors. According to the implementation rules, a reduced withholding rate of 10% will be imposed on dividends distributed to foreign investors, unless a lower rate applies for tax-treaty countries.

On 22 February 2008, the State Tax Bureau further announced that all undistributed profits accumulated as at 31 December 2007 are exempted from the PRC withholding tax no matter when these profits are subsequently distributed.

9. DIVIDENDS

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2009 (six months ended 30 June 2008: Nil)

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of approximately RMB17,568,000 (six months ended 30 June 2008: RMB60,238,000) and on the weighted average of 432,948,000 (six months ended 30 June 2008: 442,106,000 ordinary shares) ordinary shares in issue during the period.

No diluted earnings per share for the six months ended 30 June 2009 has been presented as the Company has no potential dilutive ordinary shares during the period. Diluted earnings per share for the six months ended 30 June 2008 have not been presented as the share option outstanding during the period had an anti-dilutive effect on the basic earning per share during the period.

11. TRADE RECEIVABLES

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Trade receivables	**50,088**	81,912
Less: Allowance for impairment	**-**	-
Net carrying amount	**50,088**	81,912

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

The aging analysis of trade receivables as at balance sheet dates are as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Within 30 days	**40,206**	60,160
31 – 60 days	**4,301**	13,291
61 – 90 days	**2,606**	4,446
91 – 120 days	**1,438**	2,325
Over 120 days	**1,537**	1,690
	50,088	81,912

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.

12. TRADE AND BILLS PAYABLES

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Trade payables	**51,795**	**70,707**
Bills payables	**-**	**11,793**
	51,795	**82,500**

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

The aging analysis of trade payables as at balance sheet dates are as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Within 60 days	**38,929**	47,526
61 – 90 days	**7,044**	6,796
91 – 120 days	**2,732**	17,738
Over 120 days	**3,090**	10,440
	51,795	82,500

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has the following acquisitions and disposal of subsidiaries during the six months ended 30 June 2009:

1. On 16 February, the Group has entered into an agreement to sell its 70% equity interest in a subsidiary, Qingdao Spiritzone Asiawin Food Co., Ltd. ("Spiritzone Asiawin Food") to a related party at a consideration of RMB8.8 million. Spiritzone Asiawin Food is a sino-foreign equity joint venture established in the PRC and its principal business activity is production of processed food. After having taken into account the operating loss made by Spiritzone Asiawin Food for the year 2008, the directors considered that it is in the interests of the Company to exit from Spiritzone Asiawin Food as Spiritzone Asiawin Food will probably not contribute positively to the profitability of the Group.

2. On 25 May 2009, the Group acquired 55% of the equity interest with consideration of RMB15.6 million in Qingdao Pu De Food Company Limited ("Qingdao Pu De"), a sino-foreign joint venture company incorporated in the People's Republic of China from several third parties. Qingdao Pu De is principally engaged in the manufacture and sale of processed food products such as frozen vegetables, seafood products and meat products such as meatballs, Dong Po meat （东坡肉）and Gu Lao meat （古老肉), primarily for export to the Japanese market. Its business is similar to the Group's business that can provide an opportunity for the Group to further expand its presence in the Japanese market.

3. On 26 June 2009, the Group acquired 100% equity interest in each of Qingdao Kangda Modern Agricultural Technology Development Company Limited (“Modern Agricultural”) and Qingdao Baishun Food Company Limited (“Baishun”) from several related parties with a total consideration of RMB8.7 million.

   The principal activity of Modern Agricultural is the planting and sale of vegetables. The acquisition of Modern Agricultural would provide the Group with its own source of supply of vegetables for the production of its processed food products. It will also strengthen the Group’s existing production capacity of processed food products.

   The principal activity of Baishun is the manufacture and sale of food products. Baishun has obtained the export license for chicken meat to be exported to the European Union (“EU”), the acquisition of Baishun will allow the Group to obtain such export license in addition to the export licence it has already obtained and increase its export quota to the European Union and thus expand its market in the EU.

The Group had experienced a dynamic and challenging environment for the six months ended 30 June 2009 resulting from the financial tsunami that created the worst trading conditions in living memory. For the first half year of 2009, the Group had experienced a decrease in its profit after tax by 70.6% to RMB17.6 million, mainly resulting from the significant decrease in the Group’s products exported to EU and Japan markets.

Management had responded swiftly and decisively to the above decreasing demand by restructuring the Group’s products’ cost.

The Group has also implemented an extensive market strategy with emphasis on good relationships with customers and suppliers and focuses on widening its international client base and continual introduction of various products to the PRC market.

OPERATING AND FINANCIAL REVIEW

REVENUE BY PRODUCTS

	Six months ended 30/6/2009	**Six months ended 30/6/2008**	**% Change**
	HY2009	**HY2008**	
	Unaudited	**Unaudited**	
	RMB’000	**RMB’000**	**+/(-)**
Manufacturing and sale of processed food products	145,796	151,411	(3.7)
Manufacturing and sale of chilled and frozen rabbit meat	54,684	83,389	(34.4)
Manufacturing and sale of chilled and frozen chicken meat	107,325	200,232	(46.4)
Manufacturing and sale of other products	36,991	21,025	75.9
Total	**344,796**	**456,057**	**(24.4)**

Chilled and Frozen Meat Products
The rabbit and chicken meat segments contributed 47.0% to the Group's total revenue for the six months ended 30 June 2009 ("HY2009") compared to 62.2% of the previous corresponding period end 30 June 2008 ("HY2008"). The revenue of the rabbit and chicken meat segments registered a 42.9% decrease to RMB162.0 million in HY2009.

As a result of global economic downturn, export sales of rabbit meat products decreased following a decrease in demand from EU. Revenue from the sale of rabbit meat decreased by 34.4% to RMB54.7 million in HY2009 compared with HY2008. Export accounted for around 70% of total rabbit meat sales.

Revenue of the chicken meat segment contributed 31.1% to the Group's total revenue for HY2009. Revenue decreased by 46.4% to RMB107.3 million in HY2009 million from RMB200.3 million in HY2008. The decrease was due mainly to keen competition in the PRC market. The significant increase in pork prices in the PRC had resulted an increase in demand for chicken meat product as a substitute in the past few years. The average prices of pork has decreased continuously from the second half year of 2008 and this has resulted in a significant decrease in demand for chicken meat in HY2009.

Processed Food Products
Revenue from processed food showed a slightly decrease of 3.7% to RMB145.8 million in HY2009. The decrease was due mainly to a slow down of export of products to Japan resulted from the economic downturn.

Other products
Revenue from the manufacturing and sales of other products increased by 75.9% to RMB37.0 million in HY2009 from RMB21.0 million in HY2008, due mainly to strong demand from the domestic market and Korea market.

The increase in revenue was largely driven by an increase in demand for the Group's pet food products. Pet food sales contributed over 60% to this segment with growth generated from Beijing and Shanghai markets in the PRC, and exports to Japan and Korea.

REVENUE BY GEOGRAPHICAL MAREKTS

	Six months ended 30 June 2009	**Six months ended 30 June 2008**	**% Change**
	Unaudited	**Unaudited**	**Unaudited**
	RMB'000	**RMB'000**	**+/(-)**
Export	145,883	165,935	(12.1)
PRC	198,913	290,122	(31.4)
Total	**344,796**	**456,057**	**(24.4)**

On a geographical basis, revenue from the export sales decreased by 12.1% to RMB145.9 million in HY2009 compared to RMB165.9 million in HY2008. The lower export sales were attributable mainly to a decrease in export sales of rabbit meat products.

PRC sales decreased by 31.4% to RMB198.9 million in HY2009 compared to RMB290.1 million in HY2008, mainly attributable to a decrease in sale of chicken meat products to domestic market.

PROFITABILITY

Gross Profit and Margin

	Six months ended 30 June 2009		Six months ended 30 June 2008		Change	% Change
	GP	Margin	GP	Margin	GP	
	RMB'000	%	RMB'000	%	RMB'000	%
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Processed food	21,567	14.8	28,474	18.8	(6,907)	(24.3)
Rabbit meat	10,304	18.8	22,095	26.5	(11,791)	(53.4)
Chicken meat	9,764	9.1	20,442	10.2	(10,678)	(52.2)
Other products	1,881	5.1	1,855	8.8	26	1.4
Total	**43,516**	**12.6**	**72,866**	**16.0**	**(29,350)**	**(40.3)**

Gross profit margin declined from 16.0% to 12.6% due mainly to rising raw materials prices of processed food and reduced price of rabbit meat to EU.

Processed Food

Processed food business remained the main profit contributor in HY2009. Gross profit decreased by 24.3% to RMB21.6 million in HY2009 compared to RMB28.5 million in HY2008. Gross profit margin declined to 14.8% from 18.8% for HY2009, due mainly to rising raw material costs.

Rabbit Meat

Decrease in gross profit of rabbit meat segment was due mainly to a decrease in demand for rabbit meat in EU resulting from global economic downturn. Gross profit margin decreased to 18.8% in HY2009 and gross profit dropped by 53.4% to RMB10.3 million.

Chicken Meat

Gross profit margin for chicken meat segment remained relatively stable at 9.1% in HY2009 with a slight decline of 1.1% as the Group can control the cost of raw materials through its self-supply of chicken meat resulted from its vertically-integrated operation. Gross profit decreased by RMB10.7 million or 52.2% to RMB9.8 million from RMB20.4 million for HY2009.

Other products

Gross profit remained constant at RMB1.9 million for HY2009. Other products are mainly chicken and rabbit meat by-products and pet food products, which are not the core profit drivers of the Group.

Other income

Other income comprised mainly interest income from bank deposits amounting to RMB8.4 million. The rest were government grants, rental income, recovery of gas, electricity from customers.

Selling and distribution expenses

Selling and distribution expenses comprised mainly transportation costs of RMB3.9 million and salary of RMB1.4 million. Advertising and promotion activities remained constant in HY2009.

Administrative expenses

Administrative expenses comprised mainly salaries and allowance expenses, professional fees, travelling expenses and etc. The significant increase in amount of RMB8.5 million or 54.6% for HY2009 was due mainly to the acquisition of two subsidiaries and the establishment of three subsidiaries in 2008. This had incurred more administrative expenses and employment of more employees by the Group.

Finance Costs

Finance costs increased by nearly 300.0% to RMB4.6 million for HY2009 from RMB1.2 million in HY2008 due to a 3-year syndication loan of HK$105 million which was guaranteed and secured against the Company's interests in its two subsidiaries, Perfect Good Group Limited and Spiritzone Group Limited and a bank loan of USD7 million obtained at the end of 2008 for the Group's project investment.

Taxation

Income tax expense decreased in line with decrease in profit before taxation for HY2009.

Review of the Group's financial position as at 30 June 2009

The main increase in property, plant and equipment represented the Group's addition of facility and construction in progress mainly for Jilin project of approximately RMB44.6 million, depreciation for HY2009 amounted to RMB8.8 million.

Significant increase in prepaid premium for land leases in HY2009 was due mainly to the renting of two pieces of land located at Jiaonan, Shandong Province with area of totally 2,372 mu for the purposes of breeding and rearing of chickens and rabbits. The tenancy agreements were signed between the Group and local government on 26 April 2009 for a lease period of 30 years. Prepayment for these lands amounted to RMB47.8 million had been paid in May 2009.

Biological assets were included following the completion of acquisition of two subsidiaries namely, Qingdao Kangda Animal Rearing Co., Ltd. ("KD Animal Rearing Company") and Qingdao Kangda Rabbit Co., Ltd. ("KD Rabbit Company") on 31 May 2008 and establishment of three subsidiaries named, Jilin Kangda Rabbit Co., Ltd., Qingdao Kangda-Eurolap Rabbit Selection Co., Ltd. and Qingdao Kangda Shengwu Jinghua Keji Co., Ltd. at the end of 2008.

Biological assets of the above subsidiaries were progeny rabbits and progeny chickens for sale and breeder rabbits and chickens held for breeding purpose. These biological assets were valued by the directors of the Group at 30 June 2009 with reference to the market-determined prices of items with similar size, species and age. The valuation methodology is in compliance with IAS 41 to determine the fair values of biological assets in their present location and condition.

Inventories increased by RMB12.2 million to RMB72.8 million to cater to the anticipated revival demand in the third quarter of 2009. The inventory turnover days for HY represented 40 days compared to 29 days as at 31 December 2008 ("FY2008"); the increase was due mainly to a decrease in sale volume resulted from global economic downturn.

Trade receivables decreased by approximately RMB31.8 million or 38.9% to approximately RMB50.1 million in HY2009 in tandem with the decrease in business volume. The trade receivable turnover days increased to 34 days in HY2009 compared with 27 days in FY2008.

Prepayments, other receivables and deposits increased by approximately RMB6.9 million from approximately RMB26.5 million as at YE2008 to approximately RMB33.4 million as at HY2009 due mainly to higher deposits placed with the Group's suppliers for construction in progress in Jilin project and prepayments for acquisition of three subsidiaries which will be consolidated into the Group once approvals are obtained from the PRC government.

Trade and bills payables decreased by approximately RMB30.7 million from approximately RMB82.5 million as at YE2008 to approximately RMB51.8 million as at HY2009 due to shorter payment terms granted by some of suppliers.

Accrued liabilities, other payables and deposits received decreased by approximately RMB7.7 million from approximately RMB43.3 million as at YE2008 to approximately RMB35.6 million as at HY2009. The decrease was due to lesser amount of deposits placed by customers compared with YE2008.

Tax payables decreased from RMB6.9 million in YE2008 to RMB3.2 million in HY2009. This was due to the settlement of income tax during the HY2009.

CAPITAL STRUCTURE

As at 30 June 2009, the Group had net assets of approximately RMB636.8 million (31 December 2008: RMB629.0 million), comprising non-current assets of approximately RMB385.2 million (31 December 2008: RMB311.0 million), and current assets approximately RMB505.6 million (31 December 2008: RMB657.5 million). The Group recorded a net current asset position of approximately RMB363.3 million (31 December 2008: RMB429.9 million) as at 30 June 2009, which primarily consist of cash and bank balances amounted to approximately RMB343.5 million (31 December 2008: RMB461.1 million). Moreover, inventories amounted to approximately RMB72.8 million (31 December 2008: RMB60.7 million) and trade receivables amounted to approximately RMB50.1 million (31 December 2008: RMB81.9 million) are also major current assets. Major current liabilities are trade and bills payables and interest-bearing bank borrowings amounted to RMB51.8 million (31 December 2008: RMB82.5 million) and RMB51.5 million (31 December 2008: RMB87.8 million) respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2009, the Group has cash and cash equivalent of approximately RMB343.6 million (31 December 2008: RMB461.1 million) and had total interest-bearing bank borrowings of approximately RMB161.4 million (31 December 2008: RMB197.7 million). Where, RMB86.0 million was subject to floating rate of 3.0% over HIBOR per annum and the remaining RMB75.4 million was fixed rate debts with interest rate at 4.45% to 7.6% per annum.

As at 30 June 2009, RMB51.5 million payable in instalments within one year and the remaining RMB109.8 million are payable in instalment more than one year.

The gearing ratio for the Group was 25.3% (31 December 2008: 31.6%) as at 30 June 2009, based on net debt of RMB161.4 million (31 December 2008: RMB197.7 million) and equity attributable to equity holders of RMB636.8 million (31 December 2008: RMB625.4 million). The Group serves its debts primarily with recurring cash flow generated from its operation, the board of directors of the Company 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 Group is exposed to foreign exchange risk during the period under review arising from various currency exposures mainly to the extent of its receivables in currencies denominated in US dollars, Japanese Yen and EURO.

The Group neither has a formal foreign currency hedging policy nor conducts hedging exercise to reduce foreign currency exposure. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should it be necessary.

CAPITAL COMMITMENTS

As at 30 June 2009, the Group had capital commitments in respect of the acquisition of property, plant and equipment and land contracted for but not provided in the financial statements amounting to approximately RMB9.9 million (31 December 2008: RMB92.9 million) and did not have any authorised but not contracted for capital commitments (31 December 2008: Nil).

CHARGE ON ASSETS

As at 30 June 2009, a 3-year syndicated loan of HKD105.0 million was guaranteed and secured against the Company's interests in its two subsidiaries, Perfect Good Group Limited and Spiritzone Group Limited.

Save as disclosed above, the remaining bank loans were guaranteed by the inter-group companies.

CONTINGENT LIABILITIES

As at 30 June 2009, the Group did not have any material contingent liabilities (31 December 2008: Nil)

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2009, the Group employed a total of 2,813 employees (six months ended 30 June 2008: 2,279 employees) situated in the PRC. The Group's emolument policy is formulated based on industry practices and performance of individual employees. During the period under review, the total staff costs (including directors' emoluments) amounted to approximately RMB22.8 million (six months ended 30 June 2008: RMB17.2 million). The Company does not have share option scheme to employees.

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

During the period from 13 January 2009 to 19 January 2009, the Company repurchased a total of 7,728,000 of its ordinary shares of HK$0.25 each by way of market acquisition on the SGX-ST. The total consideration paid was approximately RMB6,127,000. Save as aforesaid, neither the Company any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2009.

AUDIT COMMITTEE

The audit committee of the Company consists of the independent non-executive directors, namely Mr. Sim Wee Leong, Mr. Kuik See Juan and Mr. Yu Chung Leung and the non-executive director of the Company, Mr. Zhang Qi. 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 Company's unaudited financial statements for the six months ended 30 June 2009.

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 Practices, as set out in Appendix 14 of the Listing Rules for the six months ended 30 June 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers 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 during the six months ended 30 June 2009.

PUBLICATION OF UNAUDITED INTERIM RESULTS

The Company's 2009 interim results announcement is published on the website of the Stock Exchange at www.hkex.com.hk and on the Company's website at www.kangdafood.com. The Company's 2009 interim report will also be published on the aforesaid websites in due course.

APPRECIATION

I would like to thank the Board, management and all our staff for their hard work and dedication, as well as our shareholders and customers for their support to the Group.

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

Hong Kong, 12 August 2009

As at the date of this announcement, the executive directors of the Company are Mr. Gao Yanxu (chief executive) and Mr. An Fengjun; the non-executive directors of the Company are Mr. Gao Sishi (non-executive chairman) and Mr. Zhang Qi; and the independent non-executive directors of the Company are Mr. Kuik See Juan, Mr. Sim Wee Leong and Mr. Yu Chung Leung.

The following announcement is made by China Kangda Food Company Limited (the ''Company'') to the Listing Manual of the Singapore Exchange Securities Trading Limited. In compliance with Rule 13.09(2) of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 12 August 2009.

SECOND QUARTER AND HALF YEARLY FINANCIAL STATEMENTS ANNOUNCEMENT

FOR THE PERIOD ENDED 30 JUNE 2009

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Three months period ended 30/06/2009 Unaudited RMB'000	Three months period ended 30/06/2008 Unaudited RMB'000	Change +/(-) %	Six months period ended 30/06/2009 Unaudited RMB'000	Six months period ended 30/06/2008 Unaudited RMB'000	Change +/(-) %
Revenue	180,395	243,794	(26.0)	344,796	456,057	(24.4)
Cost of sales	(159,773)	(206,975)	(22.8)	(301,280)	(383,191)	(21.4)
Gross profit	20,622	36,819	(44.0)	43,516	72,866	(40.3)
Other income	6,748	11,029	(38.8)	12,418	13,242	(6.2)
Selling and distribution expenses	(3,699)	(3,806)	(2.8)	(7,950)	(6,194)	28.4
Administrative expenses	(14,200)	(10,962)	29.5	(24,110)	(15,594)	54.6
Other operating expenses	(443)	(853)	(48.1)	(492)	(860)	(42.8)
Profit from operations	9,028	32,227	(72.0)	23,382	63,460	(63.2)
Finance costs	(2,130)	(585)	264.1	(4,597)	(1,170)	292.9
Profit before taxation	6,898	31,642	(78.2)	18,785	62,290	(69.8)
Income tax expenses	(702)	(1,646)	(57.4)	(1,145)	(2,239)	(48.9)
Profit for the period	**6,196**	**29,996**	**(79.3)**	**17,640**	**60,051**	**(70.6)**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income attributable to equity holders	**6,196**	**29,996**	**(79.3)**	**17,640**	**60,051**	**(70.6)**
Attributable to:						
Equity holders of the Company	6,196	30,058	(79.4)	17,568	60,238	(70.8)
Minority interests	-	(62)	(100.0)	72	(187)	(138.5)

Earning per share				
- Basic (RMB cents)	1.43	6.80	4.05	13.63
The group's profit before taxation is arrived at after charging:				
Amortisation of prepaid premium for land leases	492	153	725	288
Depreciation	4,978	4,249	8,754	6,717
Loss on disposal of property, plant and equipment	377	343	882	350
Exchange loss	556	1,843	1,303	2,035
Interest expenses on interest-bearing bank borrowings	2,143	585	4,597	1,170
Interest income on bank deposits	(4,249)	(4,063)	(8,424)	(5,274)

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

	Group		Company	
	30/6/2009	31/12/2008	**30/6/2009**	31/12/2008
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	**274,849**	247,568	-	-
Prepaid premium for land leases	**92,575**	45,406	-	-
Long-term deposits	**3,000**	3,000	-	-
Investments in subsidiaries	-	-	**84,144**	84,144
Biological assets	**14,304**	14,461	-	-
Deferred tax assets	**521**	554	-	-
	385,249	310,989	**84,144**	84,144
Current assets				
Biological assets	**5,782**	8,895	-	-
Inventories	**72,811**	60,655	-	-
Trade receivables	**50,088**	81,912	-	-
Prepayments, other receivables and deposits	**33,367**	26,538	**77**	-
Amounts due from subsidiaries	-	-	**390,626**	413,443
Cash and bank balances	**343,507**	461,118	**5,264**	14,024
	505,555	639,118	**395,967**	427,467
Assets classified as held for sale	-	18,364	-	-
	505,555	657,482	**395,967**	427,467
Current liabilities				
Trade and bills payables	**51,795**	82,500	-	-
Accrued liabilities, other payables and deposits received	**35,553**	43,294	**982**	10,105
Interest-bearing bank borrowings	**51,528**	87,827	**14,527**	23,857
Amount due to a related company	-	1,047	-	-
Deferred government grants	**185**	185	-	-
Tax payables	**3,211**	6,890	-	-
	142,272	221,743	**15,509**	33,962
Liabilities directly associated with assets classified as held for sale	-	5,810	-	-

	142,272	227,553	**15,509**	33,962
Net current assets	**363,283**	429,929	**380,458**	393,505
Total assets less current liabilities	**748,532**	740,918	**464,602**	477,649
Non-current liabilities				
Interest-bearing bank borrowings	**109,839**	109,839	**109,839**	109,839
Deferred government grants	**1,898**	2,030	**-**	-
	111,737	111,869	**109,839**	109,839
Net assets	**636,795**	629,049	**354,763**	367,810
EQUITY				
Equity attributable to equity holders of the Company				
- Share capital	**112,176**	114,178	**112,176**	114,178
- Reserves	**524,619**	511,176	**242,587**	253,632
	636,795	625,354	**354,763**	367,810
Minority interests	**-**	3,695	**-**	-
Total equity	**636,795**	629,049	**354,763**	367,810

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

1. Amount repayable in one year or less, or on demand

As at 30/06/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	51,528	27,000	60,827

2. Amount repayable after one year

As at 30/06/09		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
85,982	23,857	85,982	23,857

Details of collateral :

As at 30 June 2009, a 3-year syndicated loan of HKD105.0 million was guaranteed and secured against the Company's interests in its two subsidiaries, Perfect Good Group Limited and Spiritzone Group Limited.

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

RMB'000	Three months period ended 30/06/2009 Unaudited RMB	Three months period ended 30/06/2008 Unaudited RMB	Six months period ended 30/06/2009 Unaudited RMB	Six months period ended 30/06/2008 Unaudited RMB
Cash flows from operating activities				
Profit before taxation	6,898	31,642	18,785	62,290
Adjustments for:				
Interest Income	(4,249)	(4,063)	(8,424)	(5,274)
Interest expenses	2,143	585	4,597	1,170
Depreciation	4,978	4,249	8,754	6,717
Amortisation of prepaid premium for land leases	492	153	725	288
Excess over cost of business combinations recognised in the income statement	-	(2,379)	-	(2,379)
Gain arising from changes in fair value of financial liabilities at fair value through profit and loss	-	-	-	(1,673)
Arising from change in fair value of biological assets less estimated point-of-sale costs of biological assets, net	424	434	(188)	434
Amortisation of deferred income on government grants	(66)	-	(132)	-
Reversal of impairment on trade receivables	-	(54)	-	(54)
Loss on disposal of property, plant and equipment	377	343	882	350
Operating profit before working capital changes	10,997	30,910	24,999	61,869
(Increase)/Decrease in inventories	(2,203)	4,083	(12,156)	(7,722)
Decrease/(Increase) in trade receivables	8,125	(6,094)	31,824	(18,657)
Decrease in biological assets	1,844	-	3,458	-
Decrease/(Increase) in amount due from a related company	2,867	(14,291)	-	33,062
Decrease in amount due to a related company	-	-	(1,047)	-
(Increase)/Decrease in prepayments, other receivables and deposits	(13,004)	9,220	(6,829)	(12,818)
(Decrease)/Increase in trade and bills payables	(531)	(6,735)	(30,705)	8,721
(Decrease)/Increase in accrued liabilities, other payables and deposits received	(6,886)	5,022	(7,741)	5,225
Cash generated from operations	1,209	22,115	1,803	69,680
Interest paid	(2,143)	(585)	(4,597)	(1,170)
Income taxes paid	(4,958)	(10,165)	(4,791)	(16,027)
Net cash (used in)/generated from operating activities	*(5,892)*	*11,365*	*(7,585)*	*52,483*
Cash flows from investing activities				
Purchases of property, plant and equipment	(21,030)	(10,691)	(36,950)	(14,646)
Additions to prepaid premium for land leases	(47,894)	(4,279)	(47,894)	(4,279)
Long-term deposits paid	-	(6,480)	-	(6,480)

Proceeds from disposal of a subsidiary	8,787	-	8,787	-
Proceeds from disposal of property, plant and equipment	-	1,518	33	1,518
Acquisition of further equity interest in a subsidiary	-	-	-	(20,350)
Arising from acquisition of subsidiaries (net of cash and cash equivalent acquired)	-	1,100	-	(61,800)
Interest received	4,249	3,985	8,424	5,082
Net cash used in investing activities	*(55,888)*	*(14,847)*	*(67,600)*	*(100,955)*
Cash flows from financing activities				
Repayment of bank loans	(19,173)	(5,000)	(36,299)	(5,000)
Repurchase of shares	-	(21,442)	(6,127)	(21,442)
Net cash used in financing activities	*(19,173)*	*(26,442)*	*(42,426)*	*(26,442)*
Net decrease in cash and cash equivalents	(80,953)	(29,924)	(117,611)	(74,914)
Cash and cash equivalents at beginning of financial period	424,460	295,883	461,118	340,873
Cash and cash equivalents at end of financial period	343,507	265,959	343,507	265,959
Analysis of balances of cash and cash equivalents				
Cash and bank balances	343,507	265,959	343,507	265,959

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 holders of the Company									
	Share capital	Proposed final dividends	Share premium	Merger reserve	Capital redemption reserve	Other reserves	Retained profits	Total	Minority interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2008 (Audited)	114,550	21,442	262,076	(41,374)	-	26,285	179,424	562,403	25,073	587,476
Acquisition of a subsidiary (Unaudited)	-	-	-	-	-	-	-	-	(20,350)	(20,350)
Transactions with owners (Unaudited)	-	-	-	-	-	-	-	-	(20,350)	(20,350)
Profit for the period (Unaudited)	-	-	-	-	-	-	30,180	30,180	(125)	30,055
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	-	30,180	30,180	(125)	30,055
At 31 March 2008 (Unaudited)	**114,550**	**21,442**	**262,076**	**(41,374)**	**-**	**26,285**	**209,604**	**592,583**	**4,598**	**597,181**
At 1 April 2008 (Unaudited)	114,550	21,442	262,076	(41,374)	-	26,285	209,604	592,583	4,598	597,181
2007 final dividends declared (Unaudited)	-	(21,442)	-	-	-	-	-	(21,442)	-	(21,442)
Transactions with owners (Unaudited)	-	(21,442)	-	-	-	-	-	(21,442)	-	(21,442)
Profit for the period (Unaudited)	-	-	-	-	-	-	30,058	30,058	(62)	29,996
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	-	30,058	30,058	(62)	29,996
At 30 June 2008 (Unaudited)	**114,550**	**-**	**262,076**	**(41,374)**	**-**	**26,285**	**239,662**	**601,199**	**4,536**	**605,735**
At 1 January 2009 (Audited)	114,178	-	261,198	(41,374)	372	33,970	257,010	625,354	3,695	629,049
Repurchase of share capital (Unaudited)	(2,002)	-	(4,125)	-	-	-	-	(6,127)	-	(6,127)
Disposal of equity interest in a subsidiary (Unaudited)	-	-	-	-	-	-	-	-	(3,767)	(3,767)
Transfer to capital redemption reserve (Unaudited)	-	-	-	-	2,002	-	(2,002)	-	-	-
Transactions with owners (Unaudited)	(2,002)	-	(4,125)	-	2,002	-	(2,002)	(6,127)	-	(6,127)
Profit for the period (Unaudited)	-	-	-	-	-	-	11,372	11,372	72	11,444
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	-	11,372	11,372	72	11,444
At 31 March 2009 (Unaudited)	**112,176**	**-**	**257,073**	**(41,374)**	**2,374**	**33,970**	**266,380**	**630,599**	**-**	**630,599**
At 1 April 2009 (Unaudited)	**112,176**	**-**	**257,073**	**(41,374)**	**2,374**	**33,970**	**266,380**	**630,599**	**-**	**630,599**
Transactions with owners (Unaudited)	-	-	-	-	-	-	-	-	-	-
Profit for the period (Unaudited)	-	-	-	-	-	-	6,196	6,196	-	6,196
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	-	6,196	6,196	-	6,196
At 30 June 2009 (Unaudited)	**112,176**	**-**	**257,073**	**(41,374)**	**2,374**	**33,970**	**272,576**	**636,795**	**-**	**636,795**

Company	Share capital RMB'000	Proposed dividends RMB'000	Share Premium RMB'000	Merger reserve RMB'000	Capital redemption reserve RMB'000	Retained profits/ (Accumulated losses) RMB'000	Total equity RMB'000
At 1 January 2008 (Audited)	114,550	21,442	262,076	6,143	-	403	404,614
Transactions with owners (Unaudited)	-	-	-	-	-	-	-
Profit for the period (Unaudited)	-	-	-	-	-	1,298	1,298
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	1,298	1,298
At 31 March 2008 (Unaudited)	**114,550**	**21,442**	**262,076**	**6,143**	**-**	**1,701**	**405,912**
At 1 April 2008 (Unaudited)	114,550	21,442	262,076	6,143	-	1,701	405,912
2007 final dividend declared (Unaudited)	-	(21,442)	-	-	-	-	(21,442)
Transactions with owners (Unaudited)	-	(21,442)	-	-	-	-	(21,442)
Loss for the period (Unaudited)	-	-	-	-	-	(2,594)	(2,594)
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	(2,594)	(2,594)
At 30 June 2008 (Unaudited)	**114,550**	**-**	**262,076**	**6,143**	**-**	**(893)**	**381,876**
At 1 January 2009 (Audited)	114,178	-	261,198	6,143	372	(14,081)	367,810
Repurchase of share capital (Unaudited)	(2,002)	-	(4,125)	-	-	-	(6,127)
Transfer to capital redemption reserves (Unaudited)	-	-	-	-	2,002	(2,002)	-
Transactions with owners (Unaudited)	(2,002)	-	(4,125)	-	2,002	(2,002)	(6,127)
Loss for the period (Unaudited)	-	-	-	-	-	(3,113)	(3,113)
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	(3,113)	(3,113)
At 31 March 2009 (Unaudited)	**112,176**	**-**	**257,073**	**6,143**	**2,374**	**(19,196)**	**358,570**
At 1 April 2009 (Unaudited)	112,176	-	257,073	6,143	2,374	(19,196)	358,570
Transactions with owners (Unaudited)	-	-	-	-	-	-	-
Loss for the period (Unaudited)	-	-	-	-	-	(3,807)	(3,807)
Other comprehensive income (Unaudited)	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	(3,807)	(3,807)
At 30 June 2009 (Unaudited)	**112,176**	**-**	**257,073**	**6,143**	**2,374**	**(23,003)**	**354,763**

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 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.

Ordinary shares of HK$0.25 each	Number of shares '000	Amount HK$'000
Authorised :		
At 30 June 2009	**2,000,000**	**500,000**

Issued and fully paid :		
At 31 December 2008 and 1 January 2009	**440,676**	**110,169**
Repurchase	(7,728)	(1,932)
At 30 June 2009	**432,948**	**108,237**

Note:

During the period from 13 January 2009 to 19 January 2009, the Company repurchased totally 7,728,000 of its ordinary shares of HK$0.25 each by way of market acquisition on the SGX-ST. The total consideration paid was approximately RMB6,127,000.

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.

	30/06/2009 '000	31/12/2008 '000
Total number of ordinary shares excluding treasury shares	**432,948**	**440,676**

Note:

There were no treasury shares held by the Company as at 30 June 2009 and 31 December 2008.

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 auditors.

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.

Except as disclosed in item 5 below, the Group has adopted the same accounting policies and methods of computations as stated in the audited financial statements for the year ended 31 December 2008.

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 period, the Group has adopted for the first time the new standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC") of the IASB, which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 January 2009. The new IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

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.

	Three months period ended 30/06/2009 Unaudited RMB'000	Three months period ended 30/06/2008 Unaudited RMB'000	Six months period ended 30/06/2009 Unaudited RMB'000	Six months period ended 30/06/2008 Unaudited RMB'000
Earning per share				
- Basic (RMB cents)	1.43	6.80	4.05	13.63

Notes:

1. The calculation of basic earnings per share for the three months and six months ended 30 June 2009 are computed by dividing the Group's net profit attributable to equity holders of the Company by the weighted average number of 432,948,000 shares and 433,628,000 shares, respectively, in issue during the period.

   The calculation of basic earnings per share for the three months and six months ended 30 June 2008 are computed by dividing the Group's net profit attributable to equity holders of the Company by weighted average number of 442,106,000 shares in issue during the period.

2. Diluted earnings per share for the three months and six months ended 30 June 2009 and three months ended 30 June 2008 have not been presented as there was no dilutive potential share. Diluted earnings per share for the six months ended 30 June 2008 have not been presented as the share option outstanding during the period had an anti-dilutive effect on the basic earning per share during the period.

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.

	Group		Company	
In RMB cents	**30/6/2009**	**31/12/2008**	**30/6/2009**	**31/12/2008**
Net asset value per ordinary share based on issued share capital at the end of:	147.08	142.75	81.94	83.46

Note :

The number of ordinary shares of the Company as at 30 June 2009 was 432,948,000 (2008: 440,676,000).

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

	Three months ended 30/6/2009	Three months ended 30/6/2008	% Change	Six months ended 30/6/2009	Six months ended 30/6/2008	% Change
	2Q2009	2Q2008		HY2009	HY2008	
	Unaudited	Unaudited		Unaudited	Unaudited	
	RMB'000	RMB'000	+/(-)	RMB'000	RMB'000	+/(-)
Processed food products	67,972	76,841	(11.5)	145,796	151,411	(3.7)
Chilled and frozen rabbit meat	34,751	48,042	(27.7)	54,684	83,389	(34.4)
Chilled and frozen chicken meat	57,488	105,370	(45.4)	107,325	200,232	(46.4)
Other products	20,184	13,541	49.1	36,991	21,025	75.9
Total	**180,395**	**243,794**	**(26.0)**	**344,796**	**456,057**	**(24.4)**

Chilled and Frozen Meat Products
The rabbit and chicken meat segments contributed 47.0% and 51.1% to the Group's total revenue for HY2009 and 2Q2009 respectively. The revenue of the rabbit and chicken meat segments registered a 42.9% decrease to RMB162.0 million in HY2009 and a 39.9% decrease to RMB92.3 million in 2Q2009.

As a result of global economic downturn, export sales of rabbit meat products decreased following a decrease in demand from European Union ("EU"). Revenue from the sale of rabbit meat decreased by 34.4% to RMB54.7 million in HY2009 compared with HY2008 and decreased by 27.7% to RMB34.8 million in 2Q2009 compared with 2Q2008. Export accounted for around 70% of total rabbit meat sales.

Revenue of the chicken meat segment contributed 31.1% to the Group's total revenue for HY2009 and 31.9% to total revenue for 2Q2009. Revenue decreased by 46.4% to RMB107.3 million in HY2009 from RMB200.3 million in HY2008 and 45.4% to RMB57.5 million in 2Q2009 from RMB105.4 million in 2Q2008. The decrease was due mainly to keen competition in the PRC market. The significant increase in pork prices in the PRC had resulted an increase in demand for chicken meat product as a substitute in the past few years. The average prices of pork has decreased continuously from the second half year of 2008 and this has resulted in a significant decrease in demand for chicken meat in HY2009 and 2Q2009.

Processed Food Products
Revenue from processed food showed a slightly decrease of 3.7% to RMB145.8 million in HY2009 and a decrease of 11.5% at RMB68.0 in 2Q2009. The decrease was due mainly to a slow down of export of products to Japan resulted from the economic downturn.

Other products
Revenue from other products increased by 75.9% to RMB37.0 million in HY2009 from RMB21.0 million in HY2008 and increased by 49.1% to RMB20.2 million in 2Q2009 from RMB13.5 million in 2Q2008, due mainly to strong demand from the domestic market and Korea market.

The increase in revenue was largely driven by an increase in demand for the Group's pet food products. Pet food sales contributed over 60% to this segment with growth generated from Beijing and Shanghai markets in the PRC, and exports to Japan and Korea.

REVENUE BY GEOGRAPHICAL MAREKTS

	2Q2009	2Q2008	% Change	HY2009	HY2008	% Change
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	+/(-)	RMB'000	RMB'000	+/(-)
Export	76,172	84,281	(9.6)	145,883	165,935	(12.1)
PRC	104,223	159,513	(34.7)	198,913	290,122	(31.4)
Total	**180,395**	**243,794**	**(26.0)**	**344,796**	**456,057**	**(24.4)**

On a geographical basis, revenue from the export sales decreased by 12.1% to RMB145.9 million in HY2009 compared to RMB165.9 million in HY2008. It also decreased by 9.5% to RMB76.2 million in 2Q2009 compared to RMB84.2 million in 2Q2008. The lower export sales was attributable mainly to a decrease in export sales of rabbit meat products.

PRC sales decreased by 31.4% to RMB198.9 million in HY2009 compared to RMB290.1 million in HY2008 and decreased by 34.7% to RMB104.2 million compared to RMB159.5 million in 2Q2008, mainly attributable to a decrease in sale of chicken meat products to domestic market.

PROFITABILITY

Gross Profit and Margin

	HY2009		HY2008		Change	% Change
	GP	Margin	GP	Margin	GP	
	RMB'000	%	RMB'000	%	RMB'000	%
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Processed food	21,567	14.8	28,474	18.8	(6,907)	(24.3)
Rabbit meat	10,304	18.8	22,095	26.5	(11,791)	(53.4)
Chicken meat	9,764	9.1	20,442	10.2	(10,678)	(52.2)
Other products	1,881	5.1	1,855	8.8	26	1.4
Total	**43,516**	**12.6**	**72,866**	**16.0**	**(29,350)**	**(40.3)**

Gross profit margin declined from 16.0% to 12.6% in HY2009 due mainly to rising raw materials prices of processed food and reduced price of rabbit meat to EU.

Gross profit margin declined from 15.1% to 11.4% for 2Q2009 for the similar reasons explained above.

Processed Food
Processed food business remained the main profit contributor in HY2009. Gross profit decreased by 24.3% to RMB21.6 million in HY2009 compared to RMB28.5 million in HY2008. Gross profit margin declined to 14.8% from 18.8% for HY2009, due mainly to rising raw material costs.

Rabbit Meat
Decrease in gross profit of rabbit meat was due mainly to a decrease in demand for rabbit meat in EU resulted from global economic downturn. Gross profit margin decreased to 18.8% in HY2009 and gross profit decreased by 53.4% to RMB10.3 million.

Chicken Meat
Gross profit margin for chicken meat segment remained stable at 9.1% in HY2009. The Group could supply itself with chicken meat at a stable price level from its vertically-integrated operation. Gross profit decreased by RMB10.7 million or 52.2% to RMB9.8 million from RMB20.4 million for HY2009.

Other products
Gross profit remained constant at RMB1.9 million for HY2009. Other products are mainly chicken and rabbit meat by-products and pet food products, which are not the core profit drivers of the Group.

Other Income

Other income comprised mainly interest income from bank deposits amounting to RMB8.4 million. The rest were government grants, rental income, recovery of gas, electricity from customers.

Selling and Distribution Expenses

Selling and distribution expenses comprised mainly transportation costs of RMB3.9 million and salary of RMB1.4 million. Advertising and promotion activities remained constant in HY2009.

Administrative Expenses

Administrative expenses comprised mainly salaries and allowance expenses, professional fees, traveling expense and etc. The significant increase in amount of RMB8.5 million or 54.6% for HY2009 was due mainly to the acquisition of two subsidiaries and the establishment of three subsidiaries in 2008. This had incurred more administrative expenses and employment of more employees by the Group.

Finance Costs

Finance costs increased by nearly 300.0% to RMB4.6 million for HY2009 from RMB1.2 million in HY2008 due to due to a 3-year syndication loan of HK$105 million which was guaranteed and secured against the Company's interests in its two subsidiaries, Perfect Good Group Limited and Spiritzone Group Limited and a bank loan of USD7 million obtained at the end of 2008 for the Group's project investment.

Taxation

Income tax decreased in line with decrease in profit before taxation for HY2009.

Review of the Group financial position as at 30 June 2009

The main increase in property, plant and equipment represented the Group's addition of facility and construction in progress mainly for Jilin Project of approximately RMB44.6 million, depreciation for HY2009 amounted to RMB8.8 million.

Significant increase in prepaid premium for land leases in HY2009 was due mainly to the renting of two pieces of land located at Jiaonan, Shandong Province with area of totally 2,372 mu for the purposes of breeding and rearing of chickens and rabbits. The tenancy agreements were signed between the Group and local government on 26 April 2009 for a lease period of 30 years. Prepayment for these lands amounted to RMB47.8 million had been paid in May 2009.

Biological assets were included following the completion of acquisition of two subsidiaries namely, Qingdao Kangda Animal Rearing Co., Ltd. ("KD Animal Rearing Company") and Qingdao Kangda Rabbit Co., Ltd. ("KD Rabbit Company") on 31 May 2008 and establishment of three subsidiaries named, Jilin Kangda Rabbit Co., Ltd., Qingdao Kangda-Eurolap Rabbit Selection Co., Ltd. and Qingdao Kangda Shengwu Jinghua Keji Co., Ltd. at the end of 2008.

Biological assets of the above subsidiaries were progeny rabbits and progeny chickens for sale and breeder rabbits and chickens held for breeding purpose. These biological assets were valued by the directors of the Group at 30 June 2009 with reference to the market-determined prices of items with similar size, species and age. The valuation methodology is in compliance with IAS 41 to determine the fair values of biological assets in their present location and condition.

Inventories increased by RMB12.2 million to RMB72.8 million to cater to the anticipated revival demand in the third quarter of 2009. The inventory turnover days for HY represented 40 days compared to 29 days in FY2008, the increase was due mainly to a decrease in sale volume resulted from global economic downturn.

Trade receivables decreased by approximately RMB31.8 million or 38.9% to approximately RMB50.1 million in HY2009 in tandem with the decrease in business volume. The trade receivable turnover days increased to 34 days in HY2009 compared with 27 days in FY2008.

Prepayments, other receivables and deposits increased by approximately RMB6.9 million from approximately RMB26.5 million as at YE2008 to approximately RMB33.4 million as at HY2009 due mainly to higher deposits placed with the Group's suppliers for construction in progress in Jilin project and prepayments for acquisition of three subsidiaries which will be consolidated into the Group once approvals are obtained from the PRC government.

Trade and bills payables decreased by approximately RMB30.7 million from approximately RMB82.5 million as at YE2008 to approximately RMB51.8 million as at HY2009 due to shorter payment terms granted by some of suppliers.

Accrued liabilities, other payables and deposits received decreased by approximately RMB7.7 million from approximately RMB43.3 million as at YE2008 to approximately RMB35.6 million as at HY2009. The decrease was due to lesser amount of deposits placed by customers compared with YE2008.

Tax payables decreased from RMB6.9 million in YE2008 to RMB3.2 million in HY2009. This was due to the settlement of income tax during the HY2009.

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 announcement released by the Company on 14 July 2009.

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.

Jilin Rabbit project

The Company is still one of the companies in the PRC to have the authorisation to supply rabbit meat to the EU. In terms of production capacity, the Group has ramped up its capacity rabbit meat to 6,000 tons per annum.

The Group will target to improve its margins by enforcing strict cost controls and is also on track to increase its production capacity of rabbit meat to capture the reviving demand when the global economic condition improves. The new processing plant in Nongan County, Jilin Province, the PRC has commenced operation in March 2009. This plant rears and breeds rabbits and processes rabbit meat and is able to increase the Group's production capacity of rabbit meat to 12,000 tons per annum.

Significant trends and competitive conditions of the industry

The Group had experienced a dynamic and challenging environment for the six months ended 30 June 2009 resulting from the financial tsunami. For the first half year of 2009, the Group had experienced a decrease in its profit after tax by 70.6% to RMB17.6 million, mainly resulting from the significant decrease in the Group's products exported to European Union ("EU") and Japan markets.

Management had responded swiftly and decisively to the above decreasing demand by restructuring the Group's products' cost.

The Group has also implemented an extensive marketing strategy with emphasis on good relationships with customers and suppliers and focuses on widening its international client base and continual introduction of various products into the PRC market.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Not applicable.

(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 the period ended 30 June 2009.

13. Interested Person Transactions

Name of Interested Person	**Six months ended 30 June 2009 (RMB'000)**	
	Aggregate value of all IPTs during the financial year under review excluding transactions less than $100,000 and transactions pursuant to the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual)	Aggregate value of all IPTs under the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual) during the financial year under review (excluding transactions less than $100,000)
Sales to KD Group (Note 1)	Nil	340
Purchases from KD Group (Note 2)	Nil	40,058
Guarantees given by the related companies in connection with bank loans granted to the KD Group	Nil	Nil

Notes:

1. These are the supply of chestnuts, soup ingredients and processed food products to KD Trading Group including Qingdao Kangda Shidai Property Development Co., Ltd. and Qingdao Kangda Delijia Import and Export Co., Ltd. for the six months ended 30 June 2009.

2. These are the purchases of raw materials such as vegetables, flowers and animal feed from the KD Trading Group including Qingdao Kangda Modern Agriculture Technology Development Co., Ltd. and Qingdao Jiaonan Kangda Feed Co., Ltd. for the six months ended 30 June 2009.

BY ORDER OF THE BOARD

Leung Ting Yuk
CFO & Company Secretary

12 August 2009

CHINA KANGDA FOOD COMPANY LIMITED
(Incorporated in Bermuda)

Confirmation By Directors Pursuant to Clause 705(4) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of China Kangda Food Company Limited which may render the financial statements for the second quarter ended 30 June 2009 to be false or misleading, in any material aspects.

For and on behalf of the
Board of Directors of
China Kangda Food Company Limited

Gao Sishi
Chairman

Gao Yanxu
CEO & Executive Director

12 August 2009