

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Hong Kong Stock Code : 834)

(Singapore Stock Code: P74)

**THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

This announcement is made pursuant to the disclosure obligation under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

This quarterly report is prepared in accordance with relevant regulations of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial information set out in this report has been prepared in accordance with International Financial Reporting Standard and has not been audited nor reviewed by auditors. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

CHINA KANGDA FOOD COMPANY LIMITED
(Incorporated in Bermuda)

**THIRD QUARTER STATEMENT ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013**

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

| | Group | | | | | |
|--|----------------------------------|------------------|------------------|---------------------------------|------------------|------------------|
| | Three months period ended | | | Nine months period ended | | |
| | 30/9/2013 | 30/9/2012 | | 30/9/2013 | 30/9/2012 | |
| | Unaudited | Unaudited | Change | Unaudited | Unaudited | Change |
| | RMB'000 | RMB'000 | + / (-) % | RMB'000 | RMB'000 | + / (-) % |
| Revenue | 367,955 | 397,979 | (7.5) | 1,049,114 | 1,060,160 | (1.0) |
| Cost of sales | (334,813) | (369,094) | (9.3) | (980,963) | (983,544) | (0.3) |
| Gross profit | 33,142 | 28,885 | 14.7 | 68,151 | 76,616 | (11.0) |
| Other income | 7,714 | 3,248 | 137.5 | 17,243 | 25,884 | (33.4) |
| Selling and distribution expenses | (7,209) | (8,402) | (14.2) | (20,903) | (24,780) | (15.6) |
| Administrative expenses | (10,906) | (14,218) | (23.3) | (38,826) | (49,845) | (22.1) |
| Other operating expenses | (968) | (1,376) | (29.7) | (1,381) | (2,530) | (45.4) |
| Profit from operations | 21,773 | 8,137 | 167.6 | 24,284 | 25,345 | (4.2) |
| Finance costs | (11,794) | (8,672) | 36.0 | (27,416) | (24,015) | 14.2 |
| Share of loss of associates | (269) | (38) | 607.9 | (579) | (178) | 225.3 |
| (Loss)/profit before taxation | 9,710 | (573) | 1,794.6 | (3,711) | 1,152 | (422.1) |
| Income tax (expense)/credit | (776) | 2,220 | (135.0) | (711) | 1,572 | (145.2) |
| (Loss)/profit for the period | 8,934 | 1,647 | 442.4 | (4,422) | 2,724 | (262.3) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | 8,934 | 1,647 | 442.4 | (4,422) | 2,724 | (262.3) |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 9,724 | 3,206 | 203.3 | (1,355) | 5,426 | (125.0) |
| Non-controlling interests | (790) | (1,559) | 49.3 | (3,067) | (2,702) | (13.5) |
| | 8,934 | 1,647 | 442.4 | (4,422) | 2,724 | (262.3) |

| | | | | |
|---|---------|---------|---------|---------|
| (Loss)/earnings per share | | | | |
| - Basic (RMB cents) | 2.25 | 0.74 | (0.31) | 1.25 |
| The group's (loss)/profit before taxation is arrived at after charging/(crediting): | | | | |
| Amortisation of intangible assets | 105 | 135 | 605 | 1,624 |
| Amortisation of prepaid premium for land leases | 594 | 479 | 2,048 | 1,797 |
| Depreciation of property, plant and equipment | 10,872 | 8,593 | 32,452 | 30,332 |
| Exchange loss | 1,098 | 1,302 | 4,190 | 1,697 |
| Interest expenses on interest- bearing bank borrowings | 11,794 | 8,672 | 27,416 | 24,015 |
| Interest income on bank deposits | (1,416) | (1,072) | (2,728) | (1,995) |

1(b)(i) A statement 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 | |
|--|--|---|--|---|
| | 30/9/2013 RMB'000 (Unaudited) | 31/12/2012 RMB'000 (Audited) | 30/9/2013 RMB'000 (Unaudited) | 31/12/2012 RMB'000 (Audited) |
| ASSETS AND LIABILITIES | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 611,174 | 618,233 | 5 | 5 |
| Prepaid premium for land leases | 121,250 | 123,298 | - | - |
| Intangible assets | 1,385 | 1,990 | - | - |
| Investments in subsidiaries | - | - | 84,144 | 84,144 |
| Interest in associates | 2,587 | 3,166 | - | - |
| Biological assets | 32,682 | 39,727 | - | - |
| Goodwill | 59,428 | 59,428 | - | - |
| Deferred tax assets | 14,111 | 13,470 | - | - |
| | 842,617 | 859,312 | 84,149 | 84,149 |
| Current assets | | | | |
| Biological assets | 29,031 | 29,538 | - | - |
| Inventories | 126,999 | 153,169 | - | - |
| Trade receivables | 109,772 | 88,121 | - | - |
| Prepayments, other receivables and deposits | 40,196 | 57,348 | 95 | 95 |
| Amount due from a related company | - | - | - | - |
| Amounts due from subsidiaries | - | - | 239,146 | 237,117 |
| Pledged deposits | 5,452 | 51,403 | - | - |
| Cash and bank balances | 391,888 | 370,699 | - | 5,419 |
| | 703,338 | 750,278 | 239,241 | 242,631 |
| Current liabilities | | | | |
| Trade and bills payables | 158,128 | 175,707 | - | - |
| Accrued liabilities and other payables | 68,175 | 83,581 | 459 | 468 |
| Interest-bearing bank borrowings | 601,000 | 589,000 | - | - |
| Amount due to a related company | 770 | 38,891 | - | - |
| Deferred government grants | 1,487 | 1,537 | - | - |
| Tax payables | 976 | 821 | - | - |
| | 830,536 | 889,537 | 459 | 468 |
| Net current (liabilities)/assets | (127,198) | (139,259) | 238,782 | 242,163 |
| Total assets less current liabilities | 715,419 | 720,053 | 322,931 | 326,312 |
| Non-current liabilities | | | | |
| Deferred government grants | 14,389 | 14,601 | - | - |
| Total non-current liabilities | 14,389 | 14,601 | - | - |
| Net assets | 701,030 | 705,452 | 322,931 | 326,312 |

EQUITY**Equity attributable to owners of the Company**

| | | | | |
|---------------------------|----------------|---------|----------------|---------|
| - Share capital | 112,176 | 112,176 | 112,176 | 112,176 |
| - Reserves | 556,591 | 557,946 | 210,755 | 214,136 |
| | 668,767 | 670,122 | 322,931 | 326,312 |
| Non-controlling interests | 32,263 | 35,330 | - | - |
| Total equity | 701,030 | 705,452 | 322,931 | 326,312 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

| As at 30/9/2013 | | As at 31/12/2012 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| 330,000 | 271,000 | 325,000 | 264,000 |

Amount repayable after one year

| As at 30/9/2013 | | As at 31/12/2012 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| - | - | - | - |

Details of collateral:

Total interest-bearing bank borrowings include secured borrowings of approximately RMB330,000,000.

As at 30 September 2013, the Group's interest-bearing bank borrowings are guaranteed by certain related parties of the Group and secured against certain of the Group's property, plant and equipment, land use rights, pledged deposits and trade receivables.

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

| Statement of cash flows | Group | | | |
|---|---------------------------|-----------------|--------------------------|--------------|
| | Three months period ended | | Nine months period ended | |
| | 30/9/2013 | 30/9/2012 | 30/9/2013 | 30/9/2012 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Cash flows from operating activities | | | | |
| (Loss)/profit before taxation | 9,710 | (573) | (3,711) | 1,152 |
| Adjustments for: | | | | |
| Interest income | (1,416) | (1,072) | (2,728) | (1,995) |
| Interest expenses | 11,794 | 8,672 | 27,416 | 24,015 |
| Depreciation of property, plant and equipment | 10,872 | 8,593 | 32,452 | 30,332 |
| Amortisation of prepaid premium for land leases | 594 | 479 | 2,048 | 1,797 |
| Amortisation of intangible assets | 105 | 135 | 605 | 1,624 |
| Loss/(gain) arising from change in fair value less estimated point-of-sale costs of biological asset, net | (2,027) | 461 | (8,050) | (5,453) |
| Amortisation of deferred income on government grants | (17) | (197) | (262) | (593) |
| Share of loss of associates | 269 | 38 | 579 | 178 |
| Operating profit before working capital changes | 29,884 | 16,536 | 48,349 | 51,057 |
| Decrease in inventories | 39,903 | 14,143 | 26,170 | 6,431 |
| Increase in trade receivables | (21,213) | (13,719) | (21,651) | (22,349) |
| Decrease in biological assets | 6,564 | 4,956 | 15,602 | 1,867 |
| Decrease in prepayments, other receivables and deposits | 4,826 | 4,339 | 17,152 | 1,159 |
| Decrease in amount due to a related company | - | (302) | (38,121) | (11,974) |
| Decrease in trade and bills payables | (9,056) | (73,702) | (17,579) | 29,735 |
| (Decrease)/increase accrued liabilities and other payables | 2,139 | (1,506) | (19,022) | (26,781) |
| Cash generated from/(used in) operations | 53,047 | (49,255) | 10,900 | 29,145 |
| Interest paid | (11,794) | (8,672) | (27,416) | (24,015) |
| Income taxes (paid)/refunded | (219) | 2,285 | (641) | 441 |
| <i>Net cash (used in)/generated from operating activities</i> | <i>41,034</i> | <i>(55,642)</i> | <i>(17,157)</i> | <i>5,571</i> |

Cash flows from investing activities

| | | | | |
|---|----------------|-----------------|---------------|-----------------|
| Purchases of property, plant and equipment | (6,248) | (12,844) | (25,393) | (40,138) |
| Decrease/(increase) in pledged deposits | (25) | 1,504 | 45,951 | 4,171 |
| Proceeds received from disposal of interest in a subsidiary | - | - | 3,060 | - |
| Interest received | 1,416 | 1,072 | 2,728 | 1,995 |
| <i>Net cash generated from/(used in) investing activities</i> | <i>(4,857)</i> | <i>(10,268)</i> | <i>26,346</i> | <i>(33,972)</i> |

Cash flows from financing activities

| | | | | |
|---|---------------|---------------|---------------|-----------------|
| Addition of bank loans | 247,000 | 157,000 | 659,000 | 544,000 |
| Repayment of bank loans | (217,000) | (107,000) | (647,000) | (525,430) |
| Repayment to a related company | - | - | - | (80,000) |
| <i>Net cash generated from/(used in) financing activities</i> | <i>30,000</i> | <i>50,000</i> | <i>12,000</i> | <i>(61,430)</i> |

| | | | | |
|---|----------------|-----------------|----------------|-----------------|
| Net increase/(decrease) in cash and cash equivalents | 66,177 | (15,910) | 21,189 | (89,831) |
| Cash and cash equivalents at beginning of financial period | 325,711 | 237,013 | 370,699 | 310,934 |
| Cash and cash equivalents at end of financial period | 391,888 | 221,103 | 391,888 | 221,103 |

Analysis of balances of cash and cash equivalents

| | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| Cash and bank balances | 391,888 | 221,103 | 391,888 | 221,103 |
|-------------------------------|----------------|----------------|----------------|----------------|

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 equity holders of the Company | | | | | | | Non-controlling interests RMB'000 | Total equity RMB'000 |
|---|--|--------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------------|------------------|--------------------------------------|-------------------------|
| | Share capital RMB'000 | Share premium RMB'000 | Merger reserve RMB'000 | Capital redemption reserve RMB'000 | Other reserves RMB'000 | Retained profits RMB'000 | Total 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 |
| Loss for the period (Unaudited) | - | - | - | - | - | (1,355) | (1,355) | (3,067) | (4,422) |
| Other comprehensive income for the period (Unaudited) | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period (Unaudited) | - | - | - | - | - | (1,355) | (1,355) | (3,067) | (4,422) |
| At 30 September 2013 (Unaudited) | 112,176 | 257,073 | (41,374) | 2,374 | 44,158 | 294,360 | 668,767 | 32,263 | 701,030 |
| At 1 July 2013 (Unaudited) | 112,176 | 257,073 | (41,374) | 2,374 | 44,158 | 284,636 | 659,043 | 33,053 | 692,096 |
| Profit/(loss) for the period (Unaudited) | - | - | - | - | - | 9,724 | 9,724 | (790) | 8,934 |
| Other comprehensive income for the period (Unaudited) | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period (Unaudited) | - | - | - | - | - | 9,724 | 9,724 | (790) | 8,934 |
| At 30 September 2013 (Unaudited) | 112,176 | 257,073 | (41,374) | 2,374 | 44,158 | 294,360 | 668,767 | 32,263 | 701,030 |
| At 1 January 2012 (Audited) | 112,176 | 257,073 | (41,374) | 2,374 | 44,117 | 290,839 | 665,205 | 39,643 | 704,848 |
| Profit/(loss) for the period (Unaudited) | - | - | - | - | - | 5,426 | 5,426 | (2,702) | 2,724 |
| Other comprehensive income for the period (Unaudited) | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period (Unaudited) | - | - | - | - | - | 5,426 | 5,426 | (2,702) | 2,724 |
| At 30 September 2012 (Unaudited) | 112,176 | 257,073 | (41,374) | 2,374 | 44,117 | 296,265 | 670,631 | 36,941 | 707,572 |
| At 1 July 2012 (Unaudited) | 112,176 | 257,073 | (41,374) | 2,374 | 44,117 | 293,059 | 667,425 | 38,500 | 705,925 |
| Profit/(loss) for the period (Unaudited) | - | - | - | - | - | 3,206 | 3,206 | (1,559) | 1,647 |
| Other comprehensive income for the period (Unaudited) | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period (Unaudited) | - | - | - | - | - | 3,206 | 3,206 | (1,559) | 1,647 |
| At 30 September 2012 (Unaudited) | 112,176 | 257,073 | (41,374) | 2,374 | 41,818 | 296,265 | 670,631 | 36,941 | 707,572 |

| Company | Share capital RMB'000 | Share premium RMB'000 | Merger reserve RMB'000 | Capital redemption reserve RMB'000 | Accumulated losses RMB'000 | Total equity RMB'000 |
|---|----------------------------------|----------------------------------|-----------------------------------|---|---------------------------------------|---------------------------------|
| At 1 January 2013 (Audited) | 112,176 | 257,073 | 6,143 | 2,374 | (51,454) | 326,312 |
| Transactions with owners (Unaudited) | - | - | - | - | - | - |
| Loss for the period (Unaudited) | - | - | - | - | (3,381) | (3,381) |
| Other comprehensive income (Unaudited) | - | - | - | - | - | - |
| Total comprehensive income for the period (Unaudited) | - | - | - | - | (3,381) | (3,381) |
| At 30 September 2013 (Unaudited) | 112,176 | 257,073 | 6,143 | 2,374 | (54,835) | 322,931 |
| At 1 July 2013 (Unaudited) | 112,176 | 257,073 | 6,143 | 2,374 | (53,741) | 324,025 |
| Transactions with owners (Unaudited) | - | - | - | - | - | - |
| Loss for the period (Unaudited) | - | - | - | - | (1,094) | (1,094) |
| Other comprehensive income (Unaudited) | - | - | - | - | - | - |
| Total comprehensive income for the period (Unaudited) | - | - | - | - | (1,094) | (1,094) |
| At 30 September 2013 (Unaudited) | 112,176 | 257,073 | 6,143 | 2,374 | (54,835) | 322,931 |
| At 1 January 2012 (Audited) | 112,176 | 257,073 | 6,143 | 2,374 | (46,902) | 330,864 |
| Transactions with owners (Unaudited) | - | - | - | - | - | - |
| Loss for the period (Unaudited) | - | - | - | - | (3,878) | (3,878) |
| Other comprehensive income (Unaudited) | - | - | - | - | - | - |
| Total comprehensive income for the period (Unaudited) | - | - | - | - | (3,878) | (3,878) |
| At 30 September 2012 (Unaudited) | 112,176 | 257,073 | 6,143 | 2,374 | (50,780) | 326,986 |
| At 1 July 2012 (Unaudited) | 112,176 | 257,073 | 6,143 | 2,374 | (49,404) | 328,362 |
| Transactions with owners (Unaudited) | - | - | - | - | - | - |
| Loss for the period (Unaudited) | - | - | - | - | (1,376) | (1,376) |
| Other comprehensive income (Unaudited) | - | - | - | - | - | - |
| Total comprehensive income for the period (Unaudited) | - | - | - | - | (1,376) | (1,376) |
| At 30 September 2012 (Unaudited) | 112,176 | 257,073 | 6,143 | 2,374 | (50,780) | 326,986 |

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 share 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.

| Ordinary shares of HK\$0.25 each | Number of shares '000 | Amount HK\$'000 |
|---|--------------------------|--------------------|
| Authorised: | | |
| At 31 December 2012 and 30 September 2013 | 2,000,000 | 500,000 |
| Issued and fully paid: | | |
| At 31 December 2012 and 30 September 2013 | 432,948 | 108,237 |

Note:

The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 September 2013 and 31 December 2012.

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.

| | 30/9/2013 '000 | 31/12/2012 '000 |
|---|-------------------|--------------------|
| Total number of ordinary shares excluding treasury shares | 432,948 | 432,948 |

Note:

There were no treasury shares held by the Company as at 30 September 2013 and 31 December 2012.

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.

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 2012.

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.**

Not applicable.

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 | | Nine months period ended | |
|---------------------------|---------------------------|------------------------|--------------------------|------------------------|
| | 30/9/2013 Unaudited | 30/9/2012 Unaudited | 30/9/2013 Unaudited | 30/9/2012 Unaudited |
| Loss/(earnings) per share | | | | |
| - Basic (RMB cents) | 2.25 | 0.74 | (0.31) | 1.25 |

Notes:

- The calculation of basic loss/(earnings) per share for the three months and nine months ended 30 September 2013 and three months and nine months ended 30 September 2012 are computed by dividing the Group's net profit attributable to owners of the Company by the weighted average number of 432,948,000 shares in issue during the period.
 - Diluted earnings per share for the three months and nine months ended 30 September 2013 and three months and nine months ended 30 September 2012 have not been presented as there was no dilutive potential share during the periods.
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 | |
|---|-----------|------------|-----------|------------|
| | 30/9/2013 | 31/12/2012 | 30/9/2013 | 31/12/2012 |
| Net asset value per ordinary share based on issued share capital at the end of: | 161.92 | 162.94 | 74.59 | 75.37 |

Note:

The number of ordinary shares of the Company as at 30 September 2013 was 432,948,000 (2012: 432,948,000).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVENUE BY PRODUCTS

| | Three months ended 30/9/2013 | Three months ended 30/9/2012 | % | Nine months ended 30/9/2013 | Nine months ended 30/9/2012 | % |
|--|------------------------------|------------------------------|--------------|-----------------------------|-----------------------------|--------------|
| | 3Q2013 | 3Q2012 | Change | 9M2013 | 9M2012 | Change |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| | RMB'000 | RMB'000 | + / (-) | RMB'000 | RMB'000 | + / (-) |
| Processed food products | 169,718 | 177,746 | (4.5) | 461,929 | 494,704 | (6.6) |
| Chilled and frozen rabbit meat | 95,980 | 101,119 | (5.1) | 209,460 | 180,653 | 15.9 |
| Chilled and frozen chicken meat | 86,711 | 112,081 | (22.6) | 247,338 | 259,456 | (4.7) |
| Other products | 15,546 | 7,033 | 121.0 | 130,387 | 125,347 | 4.0 |
| Total | 367,955 | 397,979 | (7.5) | 1,049,114 | 1,060,160 | (1.0) |

Processed Food Products

Demand for the Group's chicken-based processed food products had decreased following the loss in consumer confidence in consumption of chicken due to H7N9 bird flu and the fast growing chicken related events. In addition, the depreciation of Japanese yen during the period had led to a decrease in the export of the Group's processed food products to Japan. As a result, revenue derived from processed food products decreased by 6.6% to approximately RMB461.9 million for the nine months ended 30 September 2013 ("9M2013") and decreased by 4.5% to approximately RMB169.7 million for the three months ended 30 September 2013 ("3Q2013").

Chilled and Frozen Meat Products

The rabbit and chicken meat segments contributed 43.5% and 49.7% to the Group's total revenue for 9M2013 and 3Q2013 respectively. Revenue of the rabbit and chicken meat segments registered a 3.8% increase to RMB456.8 million in 9M2013 and a 14.3% decrease to RMB182.7 million in 3Q2013.

The Group achieved a satisfactory result in its promotional and product development for its rabbit meat brand in the PRC market. Revenue derived from the rabbit meat segment increased by 15.9% to approximately RMB209.5 million for 9M2013 and decreased slightly by 5.1% to RMB96.0 million in 3Q2013.

Revenue of the Group's chicken meat segment decreased by 4.7% to approximately RMB247.3 million in 9M2013 and decreased by 22.6% to RMB86.7 million in 3Q2013. As explained above under the "Processed Food Products", the decrease in demand for PRC chicken meat products was due to consumers' falling confidence in chicken consumption which had impacted the Group's revenue.

Other Products

Revenue derived from the production and sale of other products increased by 4.0% to RMB130.4 million in 9M2013 due mainly to increased demand for the Group's pet food products from the PRC and Korea markets. Pet food sales contributed over 50% to this segment, with growth generated from the Beijing and Shanghai markets in the PRC and overseas markets in Japan and Korea.

REVENUE BY GEOGRAPHICAL MARKETS

| | 3Q2013 | 3Q2012 | % Change | 9M2013 | 9M2012 | % Change |
|---------------|----------------|----------------|--------------|------------------|------------------|--------------|
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| | RMB'000 | RMB'000 | + / (-) | RMB'000 | RMB'000 | + / (-) |
| Export | 102,778 | 105,543 | (2.6) | 349,753 | 379,965 | (8.0) |
| PRC | 265,177 | 292,436 | (9.3) | 699,361 | 680,195 | 2.8 |
| Total | 367,955 | 397,979 | (7.5) | 1,049,114 | 1,060,160 | (1.0) |

On a geographical basis, the substantial decline in Japanese yen during the period had affected the export of the Group's products to Japan. Therefore, revenue from export sales decreased by 8.0% to RMB349.8 million in 9M2013 and decreased by 2.6% to RMB102.8 million in 3Q2013.

Sales of rabbit meat products in the PRC had achieved a remarkable growth following the stepping up of the Group's promotional efforts. The Group managed to increase its sales by 2.8% to RMB699.4 million for 9M2013 and decreased by 9.3% to RMB265.2 million in 3Q2013.

PROFITABILITY**Gross Profit and Margin**

| | 9M2013 | | 9M2012 | | Change | % Change | 3Q2013 | 3Q2012 |
|-----------------------|---------------|------------|---------------|------------|----------------|---------------|-------------|------------|
| | GP | Margin | GP | Margin | GP | | GP | |
| | RMB'000 | % | RMB'000 | % | RMB'000 | % | % | % |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| Processed food | 44,090 | 9.5 | 54,867 | 11.1 | (10,777) | (19.6) | 11.9 | 10.4 |
| Rabbit meat | 14,909 | 7.1 | 11,146 | 6.2 | 3,763 | 33.8 | 7.7 | 6.5 |
| Chicken meat | 8,628 | 3.5 | 8,853 | 3.4 | (225) | (2.5) | 10.1 | 5.0 |
| Other products | 524 | 0.4 | 1,750 | 1.4 | (1,226) | (70.1) | 3.9 | (24.6) |
| Total | 68,151 | 6.5 | 76,616 | 7.2 | (8,465) | (11.0) | 10.0 | 7.3 |

Gross profit margin declined from 7.2% to 6.5% in 9M2013 which was due mainly to the decrease of selling price of chicken related products and the increase of raw materials prices during the period.

Processed Food Products

Processed food products were the main profit contributor in 9M2013. Gross profit margin decreased from 11.1% to 9.5% in 9M2012 was due to the decrease of selling price.

Chilled and Frozen Rabbit Meat

The gross profit margin of chilled and frozen rabbit meat increased from 6.2% to 7.1% for 9M2013 was due to the increase of selling price resulting from the increase of rabbit meat demand in the PRC market.

Chilled and Frozen Chicken Meat

With the increased cost of raw materials, gross profit of the Group declined to RMB0.9 million. The gross profit margin maintained as 3.5%.

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 fluctuation in prices of chicken and rabbit meat by-products, gross profit margin decreased to 0.4% in 9M2013 and gross profit decreased from RMB1.8 million to RMB0.5 million.

Other Income

Other income comprised mainly government grants, gain on change in fair value of biological assets and interest income from bank deposits amounting to RMB2.2 million, RMB8.1 million and RMB2.7 million respectively. The decrease in other income was due to the decrease of government grants

provided by the Chinese government in support of the agricultural operations and business during the period.

Selling and Distribution Expenses

Selling and distribution expenses comprised mainly transportation costs, promotion costs and salary and welfare. The decrease in selling and distribution costs by 15.6% to approximately RMB20.9 million arose from the Company's cost-cutting initiatives, which resulted in a decrease in travelling and entertainment expenses. This has been discussed and explained in the Company's 2012 annual results announcement.

Administrative Expenses

Administrative expenses comprised mainly staff costs, professional fees, travelling expenses and other miscellaneous administrative expenses. The 22.1% decrease in administrative expenses was due mainly to the implementation of cost controls measures.

Other Operating Expenses

Other operating expenses represented miscellaneous expenses relating to the disposal of damaged packaging materials.

Finance Costs

Finance costs increased by 14.2% to RMB27.4 million for 9M2013 were due mainly to the increase of average bank borrowings for the Group's future working capital purpose during the period.

Taxation

Income tax expense comprised the accrued PRC corporate income tax during the period offsetting by the deferred tax credit arose from the fair value adjustment on property, plant and equipment, intangible assets and land use rights upon business combination of the Shandong Kaijia Food Company Limited and its subsidiary, Shandong Kaijia International Trade Co., Ltd. (collectively known as the "Kaijia Group").

Review of the Group financial position as at 30 September 2012

The Group's property, plant and equipment were mainly leasehold buildings and plant and machinery. The slight decrease by 1.1% to approximately RMB611.2 million as at 30 September 2013 was due mainly to an acquisition of equipment of approximately RMB25.5 million. This was offset by a depreciation charge of RMB32.5 million.

The reduction in prepaid premium for land leases and intangible assets for 9M2012 amounting to approximately RMB2.0 million and approximately RMB0.6 million respectively. This 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 European Union ("EU"), where the registered products produced by the Group are allowed to be exported to these countries.

Goodwill arose from the acquisitions of subsidiaries in the past.

Biological assets refer to progeny rabbits and chickens held for sale and breeder rabbits and chickens held for breeding purpose. These biological assets were valued by the directors of the Group as at 30 September 2013 based on market-determined prices of rabbits/chickens of 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.

With the efficient inventory management control in place, inventories decreased by approximately RMB26.2 million to approximately RMB127.0 million. The inventory turnover day for 9M2013 was 39 days compared to 43 days for the year ended 31 December 2012 ("FY2012"). The decrease in the average inventory turnover day resulted from the loss of consumers' confidence in consumption of chicken meats during the period.

Trade receivables increased by approximately RMB21.7 million or 24.6% to approximately RMB109.8 million in 9M2013. The increase was attributable to higher level of credit sales. The trade receivable turnover days was 25 days in 9M2013 compared with 23 days in FY2012.

Prepayments, other receivables and deposits decreased by approximately RMB17.2 million to approximately RMB40.2 million as at 30 September 2013.

Trade and bills payables decreased by approximately RMB17.6 million from approximately RMB175.7 million as at 31 December 2012 to approximately RMB158.1 million as at 30 September 2013 due to the reduction of payment terms granted by some small suppliers.

Accrued liabilities and other payables represented payables for construction and facilities, salaries and welfare payables, accrued expenses and deposits received. The decrease was due to the decrease of deposits placed by customers compared to 31 December 2012.

The interest-bearing bank borrowings increased by approximately RMB12.0 million to approximately RMB601.0 million after taking into account the additional bank borrowings of approximately RMB659.0 million and the loan repayment of approximately RMB647.0 million.

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

Tax payables increased from RMB0.8 million as at 31 December 2012 to RMB1.0 million as at 30 September 2013. This was due to income tax accrued during 9M2012.

Statement of Cash Flow

Operating activities

Cash used in operating activities was approximately RMB17.2 million for 9M2013 compared with cash generated from operating activities approximately RMB5.6 million for 9M2012. The decrease in operating cash flow was due mainly to the repayment of amount due to a related party and trade and bills payables.

Investing activities

Net cash used in investing activities amounted to approximately RMB26.3 million due mainly to the purchase of property, plant and equipment.

Financing activities

Net cash generated mainly represented the additional bank borrowings of approximately RMB659.0 million and repayment of bank borrowings of approximately RMB647.0 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 to SGX-ST via SGXNet on 25 October 2013.

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

Due to drug residues and fast-growing chicken incident as well as H7N9 which detected in chickens in the southern China, the Group encountered severe challenges in business development during the period. The loss of confidence in consumption of chicken meats products has impacted the performance of the Group's chicken meat products and chicken based processed food products during the period. The Group's gross profit margin declined from 7.2% to 6.5% and the comprehensive income/expense attributable to owners of the Company declined by 262.3% to loss of RMB4.4 million for 9M2013.

In spite of the above, sales of rabbit meat products had achieved a remarkable growth during the period. The Group has penetrated into the PRC market whereby benefits of rabbit meat as a healthier, safer and quality meat were promoted through advertisements. The Group has taken steps to strengthen and expand the sales network of its rabbit meat products in more provinces in the PRC and broaden its sales channels in the domestic market.

Against the difficult business environment, the Group has continuously applied various proactive and prudent measures, strengthened the Group's brand building, improved consumer communication channels, explored new products and adhered to product diversification so as to balance industry consolidation and the Group's steady development.

The Group strived for a balance between opportunities arising from industry consolidation and stability of the Group's business development. The Board remains positive that the Group's financial position is stable and believes that the commitment to healthier, safer and quality meat products will lay a solid foundation for the Group's further development.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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 9M2013.

13. Interested Person Transactions

The Group does not have an IPT mandate.

BY ORDER OF THE BOARD

Fong William
CFO & Company Secretary

13 November 2013

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.

CHINA KANGDA FOOD COMPANY LIMITED
(Incorporated in Bermuda)

Confirmation By Directors Pursuant to Clause 705(5) 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 third quarter ended 30 September 2013 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
Executive Director

8 November 2013