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(Hong Kong Stock Code : 834)

(Singapore Stock Code: P74)

**THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

This announcement is made pursuant to the disclosure obligation under Rule 13.10(B) 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 2014**

**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		
	30/9/2014	30/9/2013		30/9/2014	30/9/2013	
	Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
	RMB'000	RMB'000	+ / (-) %	RMB'000	RMB'000	+ / (-) %
Revenue	348,289	367,955	(5.3)	977,121	1,049,114	(6.9)
Cost of sales	(310,331)	(334,813)	(7.3)	(893,068)	(980,963)	(9.0)
Gross profit	37,958	33,142	14.5	84,053	68,151	23.3
Other income	113	7,714	(98.5)	15,879	17,243	(7.9)
Selling and distribution expenses	(7,183)	(7,209)	(0.4)	(20,553)	(20,903)	(1.7)
Administrative expenses	(18,062)	(10,906)	65.6	(36,943)	(38,826)	(4.8)
Other operating expenses	(203)	(968)	(79.0)	(985)	(1,381)	(28.7)
Profit from operations	12,623	21,773	(42.0)	41,451	24,284	70.7
Finance costs	(11,239)	(11,794)	(4.7)	(33,042)	(27,416)	20.5
Share of loss of associates	(285)	(269)	5.9	(744)	(579)	28.5
Profit/(loss) before taxation	1,099	9,710	(88.7)	7,665	(3,711)	306.5
Income tax expense	(232)	(776)	(70.1)	(425)	(711)	(40.2)
Profit/(loss) for the period	867	8,934	(90.3)	7,240	(4,422)	263.7
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	867	8,934	(90.3)	7,240	(4,422)	263.7
Total comprehensive income attributable to:						
Owners of the Company	916	9,724	(90.6)	8,310	(1,355)	713.3
Non-controlling interests	(49)	(790)	93.8	(1,070)	(3,067)	65.1
	867	8,934	(90.3)	7,240	(4,422)	263.7

Earnings/(loss) per share				
- Basic (RMB cents)	0.21	2.25	1.92	(0.31)
The group's profit/(loss) before taxation is arrived at after charging/(crediting):				
Amortisation of intangible assets	104	105	314	605
Amortisation of prepaid premium for land leases	1,854	594	4,047	2,048
Depreciation of property, plant and equipment	15,064	10,872	38,916	32,452
Exchange loss	2,136	1,098	2,866	4,190
Interest expenses on interest- bearing bank borrowings	11,239	11,794	33,042	27,416
Interest income on bank deposits	(936)	(1,416)	(2,235)	(2,728)

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	
	30/9/2014 RMB'000 (Unaudited)	31/12/2013 RMB'000 (Audited)	30/9/2014 RMB'000 (Unaudited)	31/12/2013 RMB'000 (Audited)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	626,206	622,446	2	2
Prepaid premium for land leases	125,651	129,698	-	-
Intangible assets	838	1,152	-	-
Investments in subsidiaries	-	-	84,144	84,144
Interest in associates	1,457	2,200	-	-
Biological assets	27,339	31,040	-	-
Goodwill	59,428	59,428	-	-
Long-term receivables	2,522	5,047	-	-
Deferred tax assets	3,582	2,923	-	-
	847,023	853,934	84,146	84,146
Current assets				
Biological assets	35,122	42,751	-	-
Inventories	162,160	132,060	-	-
Trade receivables	91,597	80,971	-	-
Prepayments, other receivables and deposits	36,808	40,156	98	95
Amount due from a related company	-	-	-	-
Amounts due from subsidiaries	-	-	235,061	238,641
Current portion of long-term receivables	2,523	3,523	-	-
Pledged deposits	70,000	70,000	-	-
Cash and bank balances	453,902	369,387	78	271
	852,112	738,848	235,237	239,007
Current liabilities				
Trade and bills payables	199,524	142,808	-	-
Accrued liabilities and other payables	68,673	83,484	488	487
Interest-bearing bank borrowings	634,000	567,000	-	-
Amount due to a related company	17,674	23,517	-	-
Deferred government grants	1,337	1,337	-	-
Tax payables	936	882	-	-
	922,144	819,028	488	487
Net current (liabilities)/assets	(70,032)	(80,180)	234,749	238,520
Total assets less current liabilities	776,991	773,754	318,895	322,666
Non-current liabilities				
Deferred government grants	10,661	11,664	-	-
Interest-bearing bank borrowings	55,000	58,000	-	-
Total non-current liabilities	65,661	69,664	-	-
Net assets	711,330	704,090	318,895	322,666

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

- Share capital	112,176	112,176	112,176	112,176
- Reserves	572,288	563,978	206,719	210,490
	684,464	676,154	318,895	322,666
Non-controlling interests	26,866	27,936	-	-
Total equity	711,330	704,090	318,895	322,666

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

As at 30/9/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
440,000	194,000	320,000	247,000

Amount repayable after one year

As at 30/9/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	55,000	-	58,000

Details of collateral:

Total interest-bearing bank borrowings include secured borrowings of approximately RMB440,000,000.

As at 30 September 2014, 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 and pledged deposits.

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

Statement of cash flows	Group			
	Three months period ended		Nine months period ended	
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit/(loss) before taxation	1,099	9,710	7,665	(3,711)
Adjustments for:				
Interest income	(936)	(1,416)	(2,235)	(2,728)
Interest expenses	11,239	11,794	33,042	27,416
Depreciation of property, plant and equipment	15,064	10,872	38,916	32,452
Amortisation of prepaid premium for land leases	1,854	594	4,047	2,048
Amortisation of intangible assets	104	105	314	605
Loss/(gain) arising from change in fair value less estimated point-of-sale costs of biological asset, net	1,646	(2,027)	(4,149)	(8,050)
Amortisation of deferred income on government grants	(334)	(17)	(1,003)	(262)
Share of loss of associates	285	269	744	579
Operating profit before working capital changes	30,021	29,884	77,341	48,349
(Increase)/decrease in inventories	(15,590)	39,903	(30,100)	26,170
Increase in trade receivables	(6,001)	(21,213)	(10,626)	(21,651)
Decrease in biological assets	5,088	6,564	15,479	15,602
Decrease in prepayments, other receivables and deposits	352	4,826	6,871	17,152
Decrease in amount due to a related company	(11,463)	-	(12,294)	(38,121)
(Decrease)/increase in trade and bills payables	(136)	(9,056)	56,716	(17,579)
Increase/(decrease) in accrued liabilities and other payables	1,382	2,139	(14,811)	(19,022)
Cash generated from operations	3,653	53,047	88,576	10,900
Interest paid	(11,239)	(11,794)	(33,042)	(27,416)
Income taxes paid	(191)	(219)	(1,031)	(641)
<i>Net cash(used in)/generated from operating activities</i>	<i>(7,777)</i>	<i>41,034</i>	<i>54,503</i>	<i>(17,157)</i>

Cash flows from investing activities

Purchases of property, plant and equipment	(378)	(6,248)	(42,675)	(25,393)
Proceeds received from disposal of interest in a subsidiary	6,452	-	6,452	3,060
Interest received	936	1,416	2,235	2,728
(Increase)/decrease in pledged deposits	-	(25)	-	45,951
<i>Net cash generated from/(used in) investing activities</i>	<i>7,010</i>	<i>(4,857)</i>	<i>(33,988)</i>	<i>26,346</i>

Cash flows from financing activities

Addition of bank loans	272,000	247,000	623,000	659,000
Repayment of bank loans	(262,000)	(217,000)	(559,000)	(647,000)
<i>Net cash generated from financing activities</i>	<i>10,000</i>	<i>30,000</i>	<i>64,000</i>	<i>12,000</i>

Net increase in cash and cash equivalents	9,233	66,177	84,515	21,189
Cash and cash equivalents at beginning of financial period	444,669	325,711	369,387	370,699
Cash and cash equivalents at end of financial period	453,902	391,888	453,902	391,888

Analysis of balances of cash and cash equivalents

Cash and bank balances	453,902	391,888	453,902	391,888
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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 2014 (Audited)	112,176	257,073	(41,374)	2,374	43,812	302,093	676,154	27,936	704,090
Profit/(loss) for the period (Unaudited)	-	-	-	-	-	8,310	8,310	(1,070)	7,240
Other comprehensive income for the period (Unaudited)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	8,310	8,310	(1,070)	7,240
At 30 September 2014 (Unaudited)	112,176	257,073	(41,374)	2,374	43,812	310,403	684,464	26,866	711,330
At 1 July 2014 (Unaudited)	112,176	257,073	(41,374)	2,374	43,812	309,487	683,548	26,915	710,463
Profit/(loss) for the period (Unaudited)	-	-	-	-	-	916	916	(49)	867
Other comprehensive income for the period (Unaudited)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	916	916	(49)	867
At 30 September 2014 (Unaudited)	112,176	257,073	(41,374)	2,374	43,812	310,403	684,464	26,866	711,330
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

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 2014 (Audited)	112,176	257,073	6,143	2,374	(55,100)	322,666
Transactions with owners (Unaudited)	-	-	-	-	-	-
Loss for the period (Unaudited)	-	-	-	-	(3,771)	(3,771)
Other comprehensive income (Unaudited)	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	(3,771)	(3,771)
At 30 September 2014 (Unaudited)	112,176	257,073	6,143	2,374	(58,871)	318,895
At 1 July 2014 (Unaudited)	112,176	257,073	6,143	2,374	(57,409)	320,357
Transactions with owners (Unaudited)	-	-	-	-	-	-
Loss for the period (Unaudited)	-	-	-	-	(1,462)	(1,462)
Other comprehensive income (Unaudited)	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	(1,462)	(1,462)
At 30 September 2014 (Unaudited)	112,176	257,073	6,143	2,374	(58,871)	318,895
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

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 2013 and 30 September 2014	2,000,000	500,000
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Issued and fully paid:		
At 31 December 2013 and 30 September 2014	432,948	108,237
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Note:

The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 September 2014 and 31 December 2013.

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

	30/9/2014 '000	31/12/2013 '000
Total number of ordinary shares excluding treasury shares	432,948	432,948
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Note:

There were no treasury shares held by the Company as at 30 September 2014 and 31 December 2013.

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 2013.

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	
	30/9/2014 Unaudited	30/9/2013 Unaudited	30/9/2014 Unaudited	30/9/2013 Unaudited
Earnings/(loss) per share				
- Basic (RMB cents)	0.21	2.25	1.92	(0.31)

Notes:

- The calculation of basic earnings/(loss) per share for the three months and nine months ended 30 September 2014 and three months and nine months ended 30 September 2013 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 2014 and three months and nine months ended 30 September 2013 have not been presented as there was no potential dilutive 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	
	30/9/2014	31/12/2013	30/9/2014	31/12/2013
Net asset value per ordinary share based on issued share capital at the end of:	158.09	156.17	73.66	74.53

Note:

The number of ordinary shares of the Company as at 30 September 2014 was 432,948,000 (2013: 432,948,000).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (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 30/9/2014	Three months ended 30/9/2013	%	Nine months ended 30/9/2014	Nine months ended 30/9/2013	%
	3Q2014	3Q2013	Change	9M2014	9M2013	Change
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Processed food products	183,473	169,718	8.1	513,366	461,929	11.1
Chilled and frozen rabbit meat	66,593	95,980	(30.6)	189,701	209,460	(9.4)
Chilled and frozen chicken meat	72,318	86,711	(16.6)	172,410	247,338	(30.3)
Other products	25,905	15,546	66.6	101,644	130,387	(22.0)
Total	348,289	367,955	(5.3)	977,121	1,049,114	(6.9)

Processed Food Products

The Group had successfully launched various product ranges under its own brand. Based on the Group's reputation and track records in the processed food products market, there was an increase in both the production and sales volume of processed food products.

To improve the profitability, some of the chilled and frozen chicken meat products were further processed internally into high value-added chicken related processed food. As a result, revenue derived from processed food products increased by 11.1% to approximately RMB513.4 million for the nine months ended 30 September 2014 ("9M2014") and increased by 8.1% to approximately RMB183.5 million for the three months ended 30 September 2014 ("3Q2014").

Chilled and Frozen Meat Products

The rabbit and chicken meat segments contributed 37.1% and 39.9% to the Group's total revenue for 9M2014 and 3Q2014 respectively. Revenue of the rabbit and chicken meat segments registered a 20.7% decrease to RMB362.1 million in 9M2014 and a 24.0% decrease to RMB138.9 million in 3Q2014.

The increase in the prices of certain items of the Group's rabbit meat related products has resulted in a decrease of demand in 3Q2014. Revenue derived from the rabbit meat segment decreased by 9.4% to approximately RMB189.7 million for 9M2014 and decreased by 30.6% to RMB66.6 million in 3Q2014.

As explained in the second paragraph above under the "Processed Food Products", due to the diversion of some of the chilled and frozen chicken meat products for further processing, revenue of the Group's chicken meat segment decreased by 30.3% to approximately RMB172.4 million in 9M2014 and decreased by 16.6% to RMB72.3 million in 3Q2014.

Other Products

Revenue derived from the production and sale of other products decreased by 22.0% to RMB101.6 million in 9M2014. 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

	3Q2014	3Q2013	% Change	9M2014	9M2013	% Change
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	+/(-)	RMB'000	RMB'000	+/(-)
Export	176,530	102,778	71.8	458,199	349,753	31.0
PRC	171,759	265,177	(35.2)	518,922	699,361	(25.8)
Total	348,289	367,955	(5.3)	977,121	1,049,114	(6.9)

On a geographical basis, revenue from export sales increased by 31.0% to RMB458.2 million in 9M2014 and increased by 71.8% to RMB176.5 million in 3Q2014. The increase in export sales was attributable mainly to the increase in demand for processed food products from overseas market.

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

PROFITABILITY**Gross Profit and Margin**

	9M2014		9M2013		Change	% Change	3Q2014	3Q2013
	GP	Margin	GP	Margin	GP		GP	
	RMB'000	%	RMB'000	%	RMB'000	%	%	%
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Processed food	49,774	9.7	44,090	9.5	5,684	12.9	11.0	11.9
Rabbit meat	16,898	8.9	14,909	7.1	1,989	13.3	5.6	7.7
Chicken meat	10,304	6.0	8,628	3.5	1,676	19.4	13.8	10.1
Other products	7,077	7.0	524	0.4	6,553	1,250.6	15.6	3.9
Total	84,053	8.6	68,151	6.5	15,902	23.3	10.9	10.0

Gross profit margin increased from 6.5% to 8.6% in 9M2014. The increase was due mainly to the increase of selling price of rabbit and chicken related products during the period.

Processed Food Products

Processed food products were the main profit contributor in 9M2014. The increase in gross profit margin from 9.5% to 9.7% in 9M2014 was as a result of the increase in selling prices of the processed food products.

Chilled and Frozen Rabbit Meat

The gross profit margin of chilled and frozen rabbit meat increased from 7.1% to 8.9% for 9M2014 was as a result of the increase in selling prices.

Chilled and Frozen Chicken Meat

The gross profit of the chilled and frozen chicken meat increased from 3.5% to 6.0% in 9M2014 was due to the increase in selling prices.

Other Products

Other products are mainly chicken and rabbit meat by-products and pet food products, which are not the core profit drivers of the Group. Due to the increase in prices of chicken and rabbit meat by-products, gross profit margin increased from 0.4% to 7.0% in 9M2014 and gross profit increased from RMB0.5 million to RMB7.1 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 RMB7.1 million, RMB4.1 million and RMB2.2 million respectively. The rest were rental income and recovery of gas and electricity. The decrease in other income was due to the decrease of government grants by the Chinese government in relation to the decrease of agricultural operations and business in 9M2014.

Selling and Distribution Expenses

Selling and distribution expenses comprised mainly transportation, promotion costs, salary and welfare. The decrease in selling and distribution expenses by 1.7% to approximately RMB20.6 million arose from the decrease in turnover in 9M2014.

Administrative Expenses

Administrative expenses comprised mainly staff costs, professional fees, travelling expenses and other miscellaneous administrative expenses. The 4.8% decrease in administrative expenses was due mainly to the implementation of cost controls measures which resulted in decreases in travelling and entertainment expenses.

Other Operating Expenses

Other operating expenses represented miscellaneous expenses relating to the disposal of damaged packaging materials and decreased with the decrease of turnover during the period.

Finance Costs

Finance costs increased by 20.5% to RMB33.0 million for 9M2014 were due mainly to the increase of bank borrowings for the Group's future working capital purpose in 9M2014.

Taxation

Income tax expense comprised the accrued PRC corporate income tax during the period which was offset by the deferred tax credit arising 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 2014

The Group's property, plant and equipment were mainly leasehold buildings and plant and machinery. The slight increase by 0.6% to approximately RMB626.2 million as at 30 September 2014 was due mainly to an acquisition of equipment of approximately RMB42.7 million. This was offset by a depreciation charge of RMB38.9 million.

The reduction in prepaid premium for land leases and intangible assets for 9M2014 amounting to approximately RMB4.0 million and approximately RMB0.3 million respectively 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 2014 based on market-determined prices of rabbits/chickens of similar size, species and age. The valuation methodology is in compliance with IAS 41 and IFRS 13 to determine the fair values of biological assets in their present location and condition.

Inventories increased by approximately RMB30.1 million or 22.8% to approximately RMB162.2 million in anticipation of an increase in demand in the last quarter of 2014. The average inventory turnover day for 9M2014 was 44 days compared to 38 days for the year ended 31 December 2013 ("FY2013").

Trade receivables increased by approximately RMB10.6 million or 13.1% to approximately RMB91.6 million in 9M2014. The average trade receivable turnover day for 9M2014 was 24 days compared to 21 days for FY2013.

Prepayments, other receivables and deposits decreased by approximately RMB3.3 million or 8.3% to approximately RMB36.8 million as at 30 September 2014.

Cash and cash equivalents, including pledged deposits, increased by approximately RMB84.5 million or 19.2% to approximately RMB523.9 million. Approximately RMB70.0 million of the bank deposit was secured against the interest-bearing borrowings by the Group.

Trade and bills payables increased by approximately RMB56.7 million or 39.7% from approximately RMB142.8 million as at 31 December 2013 to approximately RMB199.5 million as at 30 September 2014 due to the increase in inventory and longer payment terms granted by some 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 2013.

The interest-bearing bank borrowings increased by approximately RMB64.0 million to approximately RMB631.0 million after taking into account the additional bank borrowings of approximately RMB623.0 million and the loan repayment of approximately RMB559.0 million.

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

Tax payables increased slightly from RMB0.88 million as at 31 December 2013 to RMB0.93 million as at 30 September 2014.

Statement of Cash Flow

Operating activities

Cash generated from operating activities increased from approximately RMB17.2 million cash outflow to approximately RMB54.5 million cash inflow for 9M2014. The increase in operating cash flow was mainly due to the increase of the trade and bills payables for 9M2014.

Investing activities

Net cash used in investing activities amounted to approximately RMB34.0 million due mainly to the purchase of property, plant and equipment.

Financing activities

Net cash generated mainly represented the additional bank borrowings of approximately RMB623.0 million and repayment of bank borrowings of approximately RMB559.0 million.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Significant trends and competitive conditions of the industry

With the increase in selling prices of the Group's products and the allocation of resources to high value-added sales, the Group's gross profit and gross profit margin improved from approximately RMB68.2 million to approximately RMB84.1 million and from 6.5% to 8.6% respectively. The operational indicators of the Group have shown marked improvement and showed an upward trend for 9M2014.

Following the efforts in cost control, the comprehensive income attributable to owners of the Company increased from a loss of RMB1.4 million to a profit of RMB8.3 million for 9M2014. Further, the Group will continue with its cost control measures, increasing the level of automation in its production process and efficiency.

The Group will continue to strengthen its brand by improving its product quality. The Group will continue to apply various pro-active and prudent measures such as acceleration of the development of sales channels, strengthening the Group's brand building and exploring new products development and diversification.

The Shanghai Hushi Food Scandal happened July 2014, which its factory workers mixed both fresh and expired meat before distributing them to its customers, has alerted all food enterprises about the importance of food safety. The Group will put forward to strengthen the full supervisory mechanisms from breeding, rearing, slaughtering, processing and sales. The Board believes that the Group's 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 9M2014.

13. Interested Person Transactions

The Group does not have an IPT mandate.

BY ORDER OF THE BOARD

Fong William
CFO & Company Secretary

14 November 2014

As at the date of this announcement, the executive directors of the Company are Mr. An Fengjun (Chief Executive Officer) and Mr. Gao Yanxu; 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 2014 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

An Fengjun
Executive Director and Chief Executive Officer

14 November 2014