Sino Grandness Food Industry Group Limited
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200706801H)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	4Q			12-months (FY)		
	Oct – Dec 2014	Oct – Dec 2013 (Restated)	Change	Jan - Dec 2014	Jan - Dec 2013 (Restated)	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	503,609	549,276	(8.3)	2,819,449	2,261,018	24.7
Cost of sales	(283,904)	(325,790)	(12.9)	(1,691,574)	(1,385,960)	22.1
Gross profit	219,705	223,486	(1.7)	1,127,875	875,058	28.9
Other operating income	3,291	(1,629)	N.M.	11,958	12,860	N.M.
Distribution and selling expenses	(137,796)	(91,156)	51.2	(378,729)	(218,244)	73.5
Administrative expenses	(42,064)	(34,969)	20.3	(97,185)	(94,787)	2.5
Other operating expenses	51	(238)	N.M.	(39)	(238)	N.M.
Finance costs	(55,044)	(28,338)	94.2	(145,412)	(118,426)	22.8
Profit before income tax and changes in fair value of the option derivatives in relation to convertible bonds	(11,857)	67,156	(117.7)	518,468	456,223	13.6
Changes in fair value of the option derivatives in relation to convertible bonds	(34,896)	(3,331)	947.6	(112,164)	(14,032)	799.3
Profit before income tax	(46,753)	63,825	(173.3)	406,304	442,191	(8.1)
Income tax expense	(17,609)	(31,578)	(44.2)	(173,756)	(155,238)	11.9
Profit for the year	(64,362)	32,247	(300.0)	232,548	286,953	(19.0)
Other comprehensive income	-	-		-	-	
Total comprehensive income for the year	(64,362)	32,247	(300.0)	232,548	286,953	(19.0)
Profit for the year attributable to:						
Equity holders of the Parent	(63,997)	32,534		233,369	287,740	
Non-controlling interests	(365)	(287)		(821)	(787)	
	(64,362)	32,247		232,548	286,953	
Total comprehensive income for the year attributable to:						
Equity holders of the Parent	(63,997)	32,534		233,369	287,740	
Non-controlling interest	(365)	(287)		(821)	(787)	
	(64,362)	32,247		232,548	286,953	

1(a)(ii) Profit before income tax is determined after (charging)/crediting:-

	4Q			12-months (FY)		
	Oct – Dec 2014	**Oct – Dec 2013**	Change	**Jan – Dec 2014**	**Jan – Dec 2013**	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Depreciation of property plant and equipment	(20,544)	(234,013)	14.4	(47,387)	(34,498)	37.4
Amortisation of:						
- land use rights	(1,518)	(198)	666.7	(2,398)	(1,193)	101.0
- subsidy	(33)	(34)	(2.9)	(134)	(134)	-
ESOS expenses	(572)	(2,220)	(74.2)	(8,311)	(2,220)	274.4
Net exchange loss	(7,639)	(7,088)	7.8	(3,614)	(19,706)	(81.7)
Other operating income						
Government grants	(4)	182	(102.2)	1,703	4,100	(58.5)
Interest income – banks	152	178	(14.6)	1,000	1,028	(2.7)
Exchange gain	(93)	(4,114)	(97.7)	5,400	-	100.0
Gain on disposal of subsidiary	-	(163)	(100.0)	-	5,079	(100.0)
Gain on disposal of Property, Plant and Equipment	3,052	7	N.M.	3,052	-	100.0
Others	185	2,288	(91.9)	804	2,653	(69.7)
Total	3,291	(1,629)	N.M.	11,958	12,860	(7.0)

N.M. – Not meaningful

Note :-

The exchange losses in FY2014 and FY2013 were mainly attributable to the revision of translation rate due to appreciation of Renminbi against United States Dollar.

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	
	31 Dec 14	31 Dec 13 (Restated)	1 Jan 13 (Restated)	31 Dec 14	31 Dec 13
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	828,492	738,065	529,302	17	13
Land use rights	113,862	55,057	59,522	-	-
Subsidy	-	134	268	-	-
Subsidiaries	-	-	-	10,762	1,848
Amount owing by subsidiaries	-	-	-	214,847	230,892
Deferred tax assets	1,678	1,678	1,943	-	-
Total non-current assets	944,032	794,934	591,035	225,626	232,753
Current assets					
Inventories	50,743	45,958	52,442	-	-
Trade receivables	1,110,207	633,443	427,325	-	-
Other receivables	299,976	288,040	128,841	105	54
Cash and cash equivalents	223,572	91,329	138,342	161,543	4,179
Total current assets	1,684,498	1,058,770	746,950	161,648	4,233
Current liabilities					
Trade payables	135,557	62,146	46,640	-	-
Other payables	32,158	23,830	35,753	16,449	9,674
Note payables	67,250	1,550	8,700	-	-
Current tax payable	21,534	32,730	16,651	-	-
Bank borrowings	54,200	13,000	44,000	-	-
Convertible bonds	722,076	523,921	-	-	-
Amount owing to subsidiary	-	-	-	-	-
Amount owing to related parties	-	-	74	-	-
Total current liabilities	1,032,775	657,177	151,818	16,449	9,674
Net current assets/(liabilities)	651,722	401,593	595,132	145,199	(5,441)
Non-current liabilities					
Convertible bonds	-	-	393,429	-	-
Deferred tax liabilities	20,241	20,241	20,241	20,241	20,241
Total non-current liabilities	20,241	20,241	413,670	20,241	20,241
Net assets	1,575,513	1,176,284	772,497	350,584	207,071
Equity					
Equity attributable to equity holders of the Company					
Share capital	440,948	282,578	167,897	440,948	282,578
Retained profits/(Accumulated losses)	1,019,037	816,087	559,381	(100,895)	(77,727)
Other reserves	112,279	73,549	40,295	10,531	2,220
Total shareholder's funds	1,572,264	1,172,214	767,573	350,584	207,071
Non-controlling interests	3,249	4,070	4,924	-	-
Total equity	1,575,513	1,176,284	772,497	350,584	207,071

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

	31 Dec 2014	31 Dec 2013
	RMB'000	RMB'000
Amount repayable in one year or less, or on demand		
Secured	54,200	13,000
Unsecured	722,076	523,921
	776,276	536,921
Amount repayable after one year		
Secured	-	-
Unsecured	-	-
	-	-
	776,276	536,921

Details of collaterals:-

(1) The secured bank borrowings are secured by a mortgage over the Group's factory and warehouse premises, land use rights and office units.

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

	4Q		12-months (FY)	
	Oct – Dec 2014	Oct – Dec 2013 (Restated)	Jan - Dec 2014	Jan - Dec 2013 (Restated)
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities:				
Profit before income tax	(46,753)	63,825	406,304	442,191
Adjustments for:				
Depreciation of property, plant and equipment	20,544	24,013	47,387	34,498
Fair value of the option derivatives in relation to the convertible bonds	34,896	3,331	112,164	14,032
Amortisation of land use rights	1,518	198	2,398	1,193
Amortisation of subsidy	33	34	134	134
Gain on disposal of subsidiary	-	163	-	(5,079)
Share-based payment expenses under ESOS scheme	572	2,220	8,311	2,220
Gain on disposal of property, plant and equipment	(3,051)	(7)	(3,052)	(7)
Interest expenses	55,044	28,338	145,412	118,426
Interest income	(152)	(178)	(1,000)	(1,028)
Operating cash flows before working capital changes	62,651	121,937	718,058	606,580
Increase in deposits pledged with banks	(38,992)	(9,190)	(39,827)	(3,709)
Decrease/(increase) in inventories	994	63,054	(4,786)	5,368
Decrease/(increase) in operating receivables	39,050	58,377	(488,731)	(368,213)

	4Q		12-months (FY)	
	Oct – Dec 2014	Oct – Dec 2013 (Restated)	Jan - Dec 2014	Jan - Dec 2013 (Restated)
	RMB'000	RMB'000	RMB'000	RMB'000
Increase in operating payables	91,886	5,037	147,438	10,198
Cash generated from operations	155,589	239,214	332,153	250,224
Income tax paid	(72,853)	(54,925)	(184,921)	(139,159)
Interest paid	(23,211)	12,376	(39,921)	(1,965)
Net cash generated from operating activities	59,525	196,665	107,311	109,100
Cash flows from investing activities:				
Acquisition of property, plant and equipment	(60,863)	(227,095)	(140,077)	(249,423)
Acquisition of land use rights	(61,203)	-	(61,203)	-
Proceeds from disposal of PPE	5,314	23	5,314	23
Disposal of subsidiary	-	(152)	-	4,944
Interest received	152	178	1,000	1,028
Net cash used in investing activities	(116,600)	(227,046)	(194,966)	(243,428)
Cash flows from financing activities:				
Proceeds from share issue	163,642	-	163,642	117,750
Share issue costs	(5,272)	81	(5,272)	(3,069)
Convertible bonds repaid	(19,500)	-	(19,500)	-
Bank loans obtained	1,642	(12,500)	65,000	13,000
Bank loans repaid	(10,800)	4,500	(23,800)	(44,000)
Amount owing to related parties	-	-	-	(74)
Net cash generated from/(used in) financing activities	129,712	(7,919)	180,070	83,607
Net increase/(decrease) in cash and cash equivalents	72,637	(38,299)	92,415	(50,721)
Cash and cash equivalents at beginning of period/year	101,797	120,318	82,019	132,740
Cash and cash equivalent at end of period/year	174,434	82,019	174,434	82,019
Cash and cash equivalents comprise:				
Cash and bank balances	174,434	82,019	174,434	82,019
Fixed deposits	49,138	9,310	49,138	9,310
	223,572	91,329	223,572	91,329
Less Fixed deposits pledged	(49,138)	(9,310)	(49,138)	(9,310)
	174,434	82,019	174,434	82,019

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital	Retained profits	Share option reserve	Merger reserve	Statutory common reserve	Total attributable to equity holders of the Parent	Non-controlling interests	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group								
Balance at 1 January 2013 as previously stated	167,897	620,492	-	(31,413)	71,708	828,684	4,924	833,608
Prior year adjustment (Note 8)	-	(61,111)	-	-	-	(61,111)	-	(61,111)
Restated balance as at 1 January 2013	167,897	559,381	-	(31,413)	71,708	767,573	4,924	772,497
Issue of shares	117,750	-	-	-	-	117,750	-	117,750
Share issuance expenses	(3,069)	-	-	-	-	(3,069)	-	(3,069)
Issue of shares under share option scheme	-	-	2,220	-	-	2,220	-	2,220
Profit for the year	-	287,740	-	-	-	287,740	(787)	286,953
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	(31,034)	-	-	31,034	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	(67)	(67)
Restated balance at 31 December 2013	282,578	816,087	2,220	(31,413)	102,742	1,172,214	4,070	1,176,284
Issue of shares	163,642	-	-	-	-	163,642	-	163,642
Share issuance expenses	(5,272)	-	-	-	-	(5,272)	-	(5,272)
Issue of shares under share option scheme	-	-	8,311	-	-	8,311	-	8,311
Profit for the year	-	233,369	-	-	-	233,369	(821)	232,548
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	(30,419)		-	30,419	-	-	-
Balance at 31 December 2014	440,948	1,019,037	10,531	(31,413)	133,161	1,572,264	3,249	1,9575,513

Company	Share capital	Share option reserves	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2013	167,897	-	(50,237)	117,660
Issue of shares	117,750	-	-	117,750
Share issue costs	(3,069)	-	-	(3,069)
Issue of shares under share option scheme	-	2,220	-	2,220
Losses for the year	-	-	(27,490)	(27,490)
Total comprehensive income for the year	-	-	-	-
Balance at 31 December 2013	282,578	2,220	(77,727)	207,071
Issue of shares	163,642	-	-	163,642
Share issue costs	(5,272)	-	-	(5,272)
Issue of shares under share option scheme	-	8,311	-	8,311
Losses for the year	-	-	(23,168)	(23,168)
Total comprehensive income for the year	-	-	-	-
Balance at 31 December 2014	440,948	10,531	(100,895)	350,584

1(d) (ii) Details of any changes in the company's share capital arising from right issues, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid	**Resultant number of shares**	**Resultant capital (RMB)**
Balance at 1 January 2014	587,344,828	282,577,562
New placement of 86,000,000 ordinary shares of S$0.4035 on 30 December 2014 net of share issue costs of RMB 5,272,286	86,000,000	158,370,690
Balance at 31 December 2014	673,344,828	440,948,252

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.

	As at 31 Dec 2014	**As at 31 Dec 2013**
Total number of ordinary shares issued and fully paid	673,344,828	587,344,828

The Company does not have treasury shares as at 31 December 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 the Company's 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 set up in Note 5 of this announcement, the accounting policies and methods of computation have been consistently applied by the Group and the Company and are consistent with the audited financial statements for the financial 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.

In the current financial period, the Group adopted the new or revised Financial Reporting Standard ("FRS") and Interpretation of FRS ("INT FRS") that are effective for annual periods beginning on and after 1 January 2014 which did not result in substantial changes to the Group's accounting policies nor had any significant impact on the amounts reported for the current or prior financial year.

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
(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

Earning per share (EPS)	**4Q**		**12-months (FY)**	
	Oct – Dec 2014	**Oct – Dec 2013**	**Jan – Dec 2014**	**Jan – Dec 2013**
EPS based on average number of ordinary shares (RMB cents)	(10.9)	5.7	39.7	50.0
EPS on a fully diluted basis (RMB cents)	(10.9)	5.7	39.7	50.0
Weighted average number of ordinary shares ('000)	587,577	575,164	587,577	575,164
Weighted average number of ordinary shares – diluted ('000)	587,577	575,164	587,577	575,164

Basic earnings per share for 4Q2014 and FY2014 are calculated based on the Group profit/(loss) after taxation of (RMB 63,997,000) and RMB 233,369,000 respectively on weighted average number of ordinary shares of 587,577,000 which is computed based on 1 day of placement shares issued of 86,000,000.

Basic earnings per share for 4Q2013 and FY2013 are calculated based on the Group profit after taxation of RMB 32,534,000 and RMB 287,740,000 respectively on weighted average number of ordinary shares of 575,164,000 which is computed based on 287 days of placement shares issued of 57,000,000.

The fully diluted earnings per share for 4Q2014 and FY2014 were calculated based on the Group profit/(loss) after taxation of (RMB 63,997,000) and RMB 233,369,000 respectively on weighted average number of ordinary shares of 587,577,000 after adjusting for the outstanding options under ESOS scheme.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net asset value (NAV)	**Group**		**Company**	
	31 Dec 2014	**31 Dec 2013**	**31 Dec 2014**	**31 Dec 2013**
Number of ordinary shares	673,344,828	587,344,828	673,344,828	587,344,828
NAV per ordinary share in the Company (RMB cents)	234.0	199.6	52.1	35.3

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review 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) seasonable 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.

Review of performance

Revenue

Our revenue increased by approximately RMB558.4 million or 24.7% from RMB2.3 billion in FY2013 to RMB2.8 billion in FY2014. This increase was attributable to the increased sale of RMB494.5 million from beverage segment and RMB118.3 million from sales of canned products in domestic market, partially offset by a decrease in sales of canned products in overseas with RMB54.4 million. The increase in sales volume of beverage and canned products in domestic market from FY2013 to FY2014 was mainly due to expansion of distribution network in PRC.

Breakdown of revenue by segments:

	4Q			12-months (FY)		
	Oct – Dec 2014	Oct – Dec 2013	Change	Jan – Dec 2014	Jan – Dec 2013	Change
Product segment	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Canned products						
- overseas	70,430	135,891	(48.2)	635,164	689,533	(7.9)
- domestic	48,269	46,498	3.8	307,547	189,208	62.5
Beverage	384,910	366,887	4.9	1,876,738	1,382,277	35.8
Total	503,609	549,276	(8.3)	2,819,449	2,261,018	24.7

Gross profit

Largely in line with the increase in our sales, our gross profit increased by approximately RMB252.8 million or 28.9%, from RMB875.1 million in FY2013 to RMB1.1 billion in FY2014. Our overall gross profit margin (GPM) improved by 1.3 percentage points, from 38.7% in FY2013 to 40.0% in FY2014. The improvement of our overall GPM was a result of an increase in GPM of beverage segment, partially offset by a decrease in GPM of canned products in both overseas and domestic markets. The improvements in GPM were largely attributable to lower cost of production arising partly from the commencement of Hubei plant and the decrease in GPM was mainly due to higher cost of raw materials from FY2013 to FY2014.

Operating expenses

Distribution and selling expenses increased by approximately RMB160.5 million or 73.5%, from RMB218.2 million in FY2013 to RMB378.7 million in FY2014. This was due mainly to an increase of RMB17.8 million in transportation costs and RMB142.0 million in advertising, promotion, sales rebate and bar code expenses. Increase in transportation cost is mainly attributed to increase in domestic sales of beverage products and domestic canned products in PRC in FY2014. The advertising, promotion, rebate and bar code expenses were mainly attributed to domestic sales of beverage and canned products in PRC market.

Administrative expenses increased by approximately RMB2.4 million or 2.5%, from RMB94.8 million in FY2013 to RMB97.2 million in FY2014. This was mainly due to increase of RMB3.1 million in employee benefit costs, RMB1.8 million in depreciation, RMB2.1 million in rental expenses and RMB6.1 million in share-based payment expenses under ESOS scheme, partially offset by a decrease of RMB 10.7 million in exchange loss.

Finance cost

Finance costs increased by approximately RMB27.0 million or 22.8%, from RMB118.4 million in FY2013 to RMB145.4 million in FY2014. The increase was mainly due to interest paid on zero coupon convertible bonds (the "CB") which were re-purchased during the period under review.

Profit before income tax

Profit before income tax decreased by approximately RMB35.9 million or 8.1%, from RMB442.2 million in FY2013 to RMB406.3 million in FY2014. The decrease was due to an increase in revenue offset by an increase in operating expenses, finance costs and changes in fair value of the option derivatives in relation to convertible bonds.

Review of statement of financial position

Property, plant and equipment increased by approximately RMB90.4 million from RMB738.1 million in FY2013 to RMB828.5 million in FY2014 as a result of the construction in progress in Anhui plant.

Our inventories increased by approximately RMB4.7 million from RMB46.0 million in FY2013 to RMB50.7 million in FY2014. The increase in inventories over the period under review was in line with our increased business activities.

Trade and other receivables increased by approximately RMB488.7 million from RMB921.5 million in FY2013 to RMB1,410.2 million in FY2014. The increase was mainly attributable to increase in receivable turnover days in the period under review. Other receivables mainly comprises VAT receivable, export tax refund, deposit and prepayment. Other payable mainly comprises VAT and other government tax payable and accruals.

Cash and cash equivalents stood at RMB223.6 million as at 31 December 2014, the increase in cash and cash equivalents was mainly due to issuance of new shares which is kept in the bank account of Company, positive cash flows generated from operating activities of RMB296.9 million before payment of income taxes of RMB184.9 million coupled with bank loans obtained during the period under review partially offset by acquisition of property, plant and equipment and bank loan repayments.

Current liabilities increased by RMB375.6 million from RMB657.2 million in FY2013 to RMB1,032.8 million in FY2014. The increase was mainly attributable to an increase in note payable and bank borrowings of RMB65.7 million and RMB41.2 million respectively, trade payable of RMB138.3 million, partially offset by a decrease in tax payable of RMB11.2 million, other payable of RMB56.5 million and convertible bonds of RMB19.5 million as a result of re-purchase during the period under review.

Equity holders interest increased by RMB399.2 million from RMB1.2 billion as at 31 December 2013 to RMB1.6 billion as at 31 December 2014. The increase was mainly attributable to issuance of new shares and net profit in FY2014.

Review of cash flow statement

In FY2014, operating cash flows before working capital changes amounted to RMB718.0 million. We used net cash of RMB385.9 million in our operating activities. Working capital changes comprised an increase in deposit pledged with bank of RMB39.8 million, operating receivables of RMB488.7 million, inventories of RMB4.8 million and operating payables of RMB147.4 million. Net cash used in investing activities amounted to RMB195.0 million in FY2014, which was due mainly to acquisition of land use rights and construction in progress in Anhui plant as well as acquisition of property, plant and equipment in Hubei plant. In addition, net cash generated from financing activities amounted to RMB180.0 million in FY2014, which was mainly due to issuance of new shares and bank loan obtained of RMB158.4 million and RMB63.5 million respectively partially offset by repayment of bank loans of RMB23.8 million and convertible bonds of RMB19.5 million.

Prior year adjustment

The valuations of the 2011 and 2012 convertible bonds in prior years had been computed on the basis that the initial public offering ("IPO") of its subsidiary, Garden Fresh (HK) Fruit and Vegetable Beverage Co., Limited will be successful on or before the maturity of the convertible bonds to enable the conversion by bondholders and hence a fair value was not attributed to the conversion options which meets the definition of a derivative financial liability. The fair value of the redemption payment terms was also not computed as part of the fair value of the convertible bonds as it was considered then not to be closely related to the host

debt instrument in a compound instrument relationship. During the current financial year, the Company had re-purchased RMB 19.5 million or 19.5% of the 2011 RMB 100 million convertible bond at an agreed repurchase price of RMB 38.6 million with an implied interest cost which was close to the redemption rate of 25% per annum compounded annually from the inception of the bond. In addition, the maturity of the remaining RMB 80.5 million 2011 convertible bond was extended to its extended maturity date of 30th June 2015. In view of the above repurchase of the 2011 convertible bond and its extended maturity date, and having regard to the maturity of the 2011 and 2012 convertible bonds which are due in June and July 2015 respectively, the Company in close consultation with its independent valuer have performed a reassessment of the fair value of the convertible bonds. The Company is of the view that the conversion options should be fair valued notwithstanding the successful IPO assumption made in prior years and that the redemption liability should be considered closely related to the host debt instrument being an amount that would have to be repaid as part of the amortised cost of the host debt instrument.

The effect of the above adjustments relating to the fair value of the convertible bonds is presented below:

		As restated				**As previously reported**			
		Q1 2013	Q2 2013	Q3 2013	FY 2013	Q1 2013	Q2 2013	Q3 2013	FY 2013
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Statement of financial position									
Retained earnings		586,319	697,693	831,758	816,087	683,723	776,790	925,038	990,554
Convertible bonds liability		435,122	455,942	493,016	523,921	336,498	340,733	345,027	349,455
Statement of profit or loss and other comprehensive income									
Finance costs		36,712	20,646	32,730	118,426	4,912	4,886	4,543	19,102
Fair value of the option derivatives in relation to CB		4,493	2,226	3,982	14,032	-	-	-	-
Statement of cash flows									
Cash flows from operating activities:									
Adjustment for non-cash item:									
- Interest expenses		36,712	20,646	32,730	118,426	4,912	4,886	4,543	19,102
- Fair value of the option derivatives in relation to CB		4,493	2,226	3,982	14,032	-	-	-	-

		As restated			As previously reported		
		Q1 2014	Q2 2014	Q3 2014	Q1 2014	Q2 2014	Q3 2014
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Statement of financial position							
Retained earnings		825,590	967,485	1,172,711	1,050,593	1,194,855	1,394,662
Convertible bonds liability		569,859	617,286	659,494	353,866	358,337	362,786
Statement of profit or loss and other comprehensive income							
Finance costs		29,265	32,104	28,999	4,771	6,463	5,476
Fair value of the option derivatives in relation to CB		26,043	27,263	23,962	-	-	-
Statement of cash flows							
Cash flows from operating activities:							
Adjustment for non-cash item:							
- Interest expenses		29,265	32,104	28,999	4,771	6,463	5,476
- Fair value of the option derivatives in relation to CB		26,043	27,263	23,962	-	-	-

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

Our current result is in line with our statement made under paragraph 10 in our third quarter results announcement released on 14 November 2014.

10. A commentary at the date of 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.

National Bureau of Statistic of China (NBSC) reported that China's Gross Domestic Product ("GDP") increased by 7.4% year-on-year to approximately RMB63,646.3 billion in 2014. Compared to the 7.7% GDP growth achieved in 2013, the slower growth in 2014 was mainly due to the slowdown in fixed investment, especially in real estate and manufacturing investment which faced oversupply problems. However, unemployment rate remained under control at 4.1% while national per capital disposable income grew 8.0% in real term. Total retail sales of consumer goods in 2014 rose 12.0% to RMB26,239.4 billion with retail sales in rural area rising 12.9% while retail sales in urban area rising at a relatively slower pace of 11.8%.

Chinese consumers, as a result of improved living standards, have shown increasing awareness on health and wellness. They have become more concerned about the quality and safety of food consumed. Both sustained growth in consumer spending and heightened health and wellness awareness augur well for the fruit juice and canned fruit industry in China. As such, the Group remains optimistic about the growth prospects of its own-branded products including 鲜绿园® ("Garden Fresh") juices and 振鹏达® ("Grandness") canned fruits.

To capitalize on the potential growth opportunities ahead for Garden Fresh juices and Grandness canned fruits, the Group will continue to focus on four key areas to drive growth, namely:-
1. Advertising and promotional activities to further increase awareness and brand value of our in-house brands in particular Garden Fresh and Grandness;
2. Sales and marketing efforts to expand our distribution network for domestic and export markets;
3. Expansion of production capacity at strategic locations and
4. Research and development efforts to expand its range of products in order to appeal to a broader group of consumers.

On 16 October 2014, the Group announced that its own-branded Garden Fresh fruit juices had been distributed into *wellcome* stores, which is one of the largest supermarket chains in Hong Kong with more than 200 retail points through the engagement of a new distributor. The Group's new distributor in Hong Kong is working towards distributing Garden Fresh fruit juices into other reputable retail channels such as 7-Eleven convenience stores. Apart from Hong Kong, the Group is also evaluating the feasibility of distributing its own-branded products in other overseas markets.

During a business update released on 23 October 2014, the Group announced that the new juice production facilities in Hubei Province, PRC ("Hubei Plant") had secured all the relevant permits and approvals in September 2014 and the Hubei Plant has officially commenced production in October 2014. The Hubei Plant is strategically located in the centre region of the PRC and is expected to have a maximum production capacity of approximately 240,000 tons of juices per annum.

Barring unforeseen circumstances, the Group remains optimistic about its operating performance for FY2015.

11. Dividends

(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?

None

(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.

13. Interested Person Transactions ("IPT")

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Use of net proceeds

The Board refers to the issuance of 28,500,000 shares by the Company in March 2013. As at 17 February 2015, the Group had fully utilized approximately the net proceeds of approximately RMB114.6 million. The amount was utilized in accordance to its intended usage to finance the Group's domestic canned products business activities, including working capital, capital expenditure and sales and marketing expenses.

In addition, the Board refers to the issuance of 86,000,000 shares by the Company in December 2014. As at 17 February 2015, the Group had utilized approximately RMB40.5 million out of the net proceeds of approximately RMB173.5 million. The amount was utilized in accordance to its intended usage to finance the Group's domestic canned products business activities, including working capital, capital expenditure and distribution network expansion. The Company will make further announcements on the use of net proceeds from the placement as and when the funds are materially disbursed.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segment (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediate preceding year.

The Group is a manufacturer and supplier of beverages and canned fruits and vegetables. Our main products are canned asparagus, long beans, mushrooms, beverages and other products (including bamboo shoots, sweet corn, chillies and fruits, such as lychees, pineapples mandarin orange, pears and peaches). The Group segment revenue and gross profits are analyzed based on the product segments as follows:-

REVENUE

Product segment	Group Year ended 31 December 2014 RMB'000	Group Year ended 31 December 2013 RMB'000	Increase/(Decrease) %
Canned products			
- overseas	635,164	689,533	(7.9)
- domestic	307,547	189,208	62.5
Beverage	1,876,738	1,382,277	35.8
Total	2,819,449	2,261,018	24.7

GROSS PROFIT

Product segment	Group Year ended 31 December 2014 RMB'000	Group Year ended 31 December 2013 RMB'000	Increase/ (Decrease) %
Canned products			
- overseas	194,125	212,294	(8.6)
- domestic	128,009	83,312	53.7
Beverage	805,741	579,452	39.1
Total	1,127,875	875,058	28.9

RESULTS BY GEOGRAPHICAL LOCATIONS OF OUR CUSTOMERS

Geographical locations	Group Year ended 31 December 2014 RMB'000	Group Year ended 31 December 2013 RMB'000	Increase/ (Decrease) %
Europe[(1)]	571,709	617,114	(7.4)
North America[(2)]	44,008	50,230	(12.4)
China	2,184,285	1,571,485	39.0
Others[(3)]	19,447	22,189	(12.4)
Total	2,819,449	2,261,018	24.7

(1) Includes sales to countries such as Germany, France, Spain, the Netherland, the Czech Republic and Russia
(2) Relates mainly to sales to Mexico
(3) Relates to sales to countries such as Singapore, Australia and Turkey

Insofar as to the analysis of major customers, the Group does not have a single customer whose revenue reports 10% of the Group's total revenue.

16. In the review of the performance, the factors leading to material changes in contributions to turnover and earnings by the business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediate preceding year.

Not applicable

17. A breakdown of sales as follows:

	31 Dec 2014 RMB'000	31 Dec 2013 RMB'000	Change %
Revenue reported for first half year	1,294,146	967,835	33.7
Operating profit after tax before deducting non-controlling interests reported for first half year	126,078	118,694	6.2
Revenue reported for second half year	1,525,303	1,293,183	17.9
Operating profit after tax before deducting non-controlling interests reported for second half year	107,291	169,046	(36.5)

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

	31 Dec 2014 RMB	31 Dec 2013 RMB
Ordinary shares		
Interim dividend paid	NA	NA
Final dividend paid	NA	NA
Final dividend proposed	NA	NA
Total	NA	NA

19. Diclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Huang Yupeng	54	Brother of Huang Yushan	Chairman and CEO - appointed with effect from 20 Apr 2007 Responsible for overseeing the overall management and operation of the Group	Not applicable
Huang Yushan	51	Sister of Huang Yupeng	Executive Director – appointed with effect from 20 Apr 2007	Not applicable

Fang Kunrong	54	Brother-in-law of Huang Yupeng	Responsible for Human Resource and Administration of the Group Administration Manager – appointed with effect from 20 Apr 2007 Responsible for administration matters of the Group	Not applicable

BY ORDER OF THE BOARD
HUANG YUPENG
CHAIRMAN AND CEO
27 February 2015