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(Hong Kong Stock Code : 834)

(Singapore Stock Code: P74)

**THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

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 2015**

**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		
	30/9/2015	30/9/2014		30/9/2015	30/9/2014	
	Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
	RMB'000	RMB'000	+ / (-) %	RMB'000	RMB'000	+ / (-) %
Revenue	328,605	348,289	(5.7)	891,868	977,121	(8.7)
Cost of sales	(304,874)	(310,331)	(1.8)	(815,350)	(893,068)	(8.7)
Gross profit	23,731	37,958	(37.5)	76,518	84,053	(9.0)
Other income	13,445	113	11,798.2	22,732	15,879	(43.2)
Selling and distribution expenses	(5,270)	(7,183)	(26.6)	(17,888)	(20,553)	(13.0)
Administrative expenses	(14,429)	(18,062)	(20.1)	(33,285)	(36,943)	(9.9)
Other operating expenses	(620)	(203)	205.4	(2,396)	(985)	143.2
Profit from operations	16,857	12,623	35.0	45,681	41,451	10.7
Finance costs	(8,002)	(11,239)	(28.8)	(30,439)	(33,042)	(7.9)
Share of loss of associates	(75)	(285)	(73.7)	(784)	(744)	30.2
Profit before taxation	8,780	1,099	698.9	14,458	7,665	88.6
Income tax expense	(405)	(232)	74.6	(660)	(425)	55.3
Profit for the period	8,375	867	866.0	13,798	7,240	90.6
Other comprehensive income	-	-	NA	-	-	NA
Total comprehensive income for the period	8,375	867	866.0	13,798	7,240	90.6
Total comprehensive income attributable to:						
Owners of the Company	7,617	916	731.6	13,275	8,310	59.7
Non-controlling interests	758	(49)	1,646.9	523	(1,070)	148.9
	8,375	867	866.0	13,798	7,240	90.6

Earnings per share				
- Basic (RMB cents)	1.76	0.21	3.07	1.92
The group's profit before taxation is arrived at after charging/(crediting):				
Amortisation of intangible assets	-	104	-	314
Amortisation of prepaid premium for land leases	1,527	1,854	3,425	4,047
Depreciation of property, plant and equipment	13,331	15,064	38,996	38,916
Exchange (gain)/loss	(855)	2,136	204	2,866
Interest expenses on interest-bearing bank borrowings	8,002	11,239	30,439	33,042
Interest income on bank deposits	(1,175)	(936)	(2,053)	(2,235)

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	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	672,221	614,752	-	-
Prepaid premium for land leases	121,777	125,202	-	-
Investments in subsidiaries	-	-	84,144	84,144
Interest in associates	-	784	-	-
Biological assets	34,629	27,781	-	-
Goodwill	56,778	56,778	-	-
Long-term receivables	2,523	2,523	-	-
Deferred tax assets	2,540	1,985	-	-
	890,468	829,805	84,144	84,144
Current assets				
Biological assets	26,959	45,462	-	-
Inventories	179,965	163,973	-	-
Trade receivables	76,586	71,446	-	-
Prepayments, other receivables and deposits	44,087	50,467	89	89
Amounts due from subsidiaries	-	-	231,360	234,850
Current portion of long-term receivables	2,524	2,524	-	-
Pledged deposits	102,500	70,000	-	-
Cash and bank balances	415,778	481,445	36	46
	848,399	885,317	231,485	234,985
Current liabilities				
Trade and bills payables	222,257	179,781	-	-
Accrued liabilities and other payables	97,214	83,888	454	454
Interest-bearing bank borrowings	629,000	651,667	-	-
Amount due to a related company	7,045	23,955	-	-
Deferred government grants	1,807	1,807	-	-
Tax payables	2,577	2,500	-	-
	959,900	943,598	454	454
Net current (liabilities)/assets	(111,501)	(58,281)	231,031	234,531
Total assets less current liabilities	778,967	771,524	315,175	318,675
Non-current liabilities				
Deferred government grants	14,332	15,687	-	-
Interest-bearing bank borrowings	45,000	50,000	-	-
Deferred tax liabilities	8,848	8,848	-	-
Total non-current liabilities	68,180	74,535	-	-
Net assets	710,787	696,989	315,175	318,675

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

- Share capital	112,176	112,176	112,176	112,176
- Reserves	573,297	560,022	202,999	206,499
	685,473	672,198	315,175	318,675
Non-controlling interests	25,314	24,791	-	-
Total equity	710,787	696,989	315,175	318,675

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

As at 30/9/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
439,000	190,000	334,667	317,000

Amount repayable after one year

As at 30/9/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	45,000	-	50,000

Details of collateral:

Total interest-bearing bank borrowings include secured borrowings of approximately RMB439,000,000.

As at 30 September 2015 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, certain properties of the related parties and pledged deposits.

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

Statement of cash flows	Group			
	Three months period ended		Nine months period ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before taxation	8,780	1,099	14,458	7,665
Adjustments for:				
Interest income	(1,175)	(936)	(2,053)	(2,235)
Interest expenses	8,002	11,239	30,439	33,042
Depreciation of property, plant and equipment	13,331	15,064	38,996	38,916
Amortisation of prepaid premium for land leases	1,527	1,854	3,425	4,047
Amortisation of intangible assets	-	104	-	314
(Gain)/loss arising from change in fair value less estimated point-of-sale costs of biological asset, net	(206)	1,646	(4,562)	(4,149)
Reversal/(amortization) of deferred income on government grants	657	(334)	(1,355)	(1,003)
Share of loss of associates	75	285	784	744
Operating profit before working capital changes	30,991	30,021	80,132	77,341
Increase in inventories	(20,867)	(15,590)	(15,992)	(30,100)
Decrease/(increase) in trade receivables	11,988	(6,001)	(5,140)	(10,626)
(Increase)/decrease in biological assets	(2,581)	5,088	16,217	15,479
Decrease in prepayments, other receivables and deposits	4,924	352	6,380	6,871
Decrease in amount due to a related company	(204)	(11,463)	(16,910)	(12,294)
Increase/(decrease) in trade and bills payables	52,303	(136)	42,476	56,716
Increase/(decrease) in accrued liabilities and other payables	29,876	1,382	13,326	(14,811)
Cash generated from operations	106,430	3,653	120,489	88,576
Interest paid	(8,002)	(11,239)	(30,439)	(33,042)
Income taxes paid	(366)	(191)	(1,138)	(1,031)
<i>Net cash generated from/(used in) operating activities</i>	<i>98,062</i>	<i>(7,777)</i>	<i>88,912</i>	<i>54,503</i>

Cash flows from investing activities

Purchases of property, plant and equipment	(78,576)	(378)	(96,465)	(42,675)
Interest received	1,175	936	2,053	2,235
Increase in pledged deposits	(32,500)	-	(32,500)	-
Proceeds received from disposal of interest in a subsidiary	-	6,452	-	6,452
<i>Net cash (used in)/generated from investing activities</i>	<i>(109,901)</i>	<i>7,010</i>	<i>(126,912)</i>	<i>(33,988)</i>

Cash flows from financing activities

Addition of bank loans	195,000	272,000	439,000	623,000
Repayment of bank loans	(202,000)	(262,000)	(466,667)	(559,000)
<i>Net cash (used in)/generated from financing activities</i>	<i>(7,000)</i>	<i>10,000</i>	<i>(27,667)</i>	<i>64,000</i>

Net (decrease)/increase in cash and cash equivalents	(18,839)	9,233	(65,667)	84,515
Cash and cash equivalents at beginning of financial period	434,617	444,669	481,445	369,387
Cash and cash equivalents at end of financial period	415,778	453,902	415,778	453,902

Analysis of balances of cash and cash equivalents

Cash and bank balances	415,778	453,902	415,778	453,902
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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 2015 (Audited)	112,176	257,073	(41,374)	2,374	43,812	298,137	672,198	24,791	696,989
Profit for the period (Unaudited)	-	-	-	-	-	13,275	13,275	523	13,798
Other comprehensive income for the period (Unaudited)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	13,275	13,275	523	13,798
At 30 September 2015 (Unaudited)	112,176	257,073	(41,374)	2,374	43,812	311,412	685,473	25,314	710,787
At 1 July 2015 (Unaudited)	112,176	257,073	(41,374)	2,374	43,812	303,795	677,856	24,556	702,412
Profit for the period (Unaudited)	-	-	-	-	-	7,617	7,617	758	8,375
Other comprehensive income for the period (Unaudited)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	7,617	7,617	758	8,375
At 30 September 2015 (Unaudited)	112,176	257,073	(41,374)	2,374	43,812	311,412	685,473	25,314	710,787
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

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 2015 (Audited)	112,176	257,073	6,143	2,374	(59,091)	318,675
Transactions with owners (Unaudited)	-	-	-	-	-	-
Loss for the period (Unaudited)	-	-	-	-	(3,500)	(3,500)
Other comprehensive income (Unaudited)	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	(3,500)	(3,500)
At 30 September 2015 (Unaudited)	112,176	257,073	6,143	2,374	(62,591)	315,175
At 1 July 2015 (Unaudited)	112,176	257,073	6,143	2,374	(61,038)	316,728
Transactions with owners (Unaudited)	-	-	-	-	-	-
Loss for the period (Unaudited)	-	-	-	-	(1,553)	(1,553)
Other comprehensive income (Unaudited)	-	-	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	-	-	(1,553)	(1,553)
At 30 September 2015 (Unaudited)	112,176	257,073	6,143	2,374	(62,591)	315,175
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

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 2014 and 30 September 2015	2,000,000	500,000
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Issued and fully paid:		
At 31 December 2014 and 30 September 2015	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 2015 and 31 December 2014.

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

	30/9/2015 '000	31/12/2014 '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 2015 and 31 December 2014.

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 2014.

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	
	30/9/2015 Unaudited	30/9/2014 Unaudited	30/9/2015 Unaudited	30/9/2014 Unaudited
Earnings per share				
- Basic (RMB cents)	1.76	0.21	3.07	1.92
- Dilute (RMB cents)	1.76	0.21	3.07	1.92

Notes:

- The calculation of basic earnings per share for the three months and nine months ended 30 September 2015 and three months and nine months ended 30 September 2014 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 2015 and three months and nine months ended 30 September 2014 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	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
Net asset value per ordinary share based on issued share capital at the end of:	158.33	155.26	72.80	73.61

Note:

The number of ordinary shares of the Company as at 30 September 2015 was 432,948,000 (2014: 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 30/9/2015	Three months ended 30/9/2014	%	Nine months ended 30/9/2015	Nine months ended 30/9/2014	%
	3Q2015	3Q2014	Change	9M2015	9M2014	Change
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Processed food products	172,525	183,473	(6.0)	476,460	513,366	(7.2)
Chilled and frozen rabbit meat	57,572	66,593	(13.5)	121,846	189,701	(35.8)
Chilled and frozen chicken meat	73,366	72,318	1.4	211,258	172,410	22.5
Other products	25,142	25,905	(2.9)	82,304	101,644	(19.0)
Total	328,605	348,289	(5.7)	891,868	977,121	(8.7)

Processed Food Products

Due to a lower demand from overseas markets, there was a decrease in both the production and sales volume of processed food products.

Chilled and Frozen Meat Products

The rabbit and chicken meat segments contributed 37.3% and 39.8% to the Group's total revenue for 9M2015 and 3Q2015 respectively.

- Chilled and Frozen Chicken Meat

The major contributor was chilled and frozen chicken meat products, in which revenue increased by 22.5% to RMB211.3 million and 1.4% to RMB73.4 million for 9M2015 and 3Q2015 respectively because of the increased demand with the recovery of the market.

- Chilled and Frozen Rabbit Meat

Due to the sprouting of numerous smaller plants in the PRC in the past, there was an oversupply of rabbit meat in the PRC market. This had resulted in a decrease of demand and price of chilled and frozen rabbit meat since the last quarter of 2014. Revenue derived from the rabbit meat segment decreased by 35.8% to approximately RMB121.8 million for 9M2015 and decreased by 13.5% to RMB57.6 million in 3Q2015.

Other Products

Revenue derived from the production and sale of other products decreased by 19.0% to RMB82.3 million in 9M2015. 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

	3Q2015	3Q2014	% Change	9M2015	9M2014	% Change
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Export	161,049	176,530	(8.8)	402,255	458,199	(12.2)
PRC	167,556	171,759	(2.4)	489,613	518,922	(5.6)
Total	328,605	348,289	(5.7)	891,868	977,121	(8.7)

On a geographical basis, revenue from export sales decreased by 12.2% to approximately RMB402.3 million for 9M2015 and decreased by 8.8% to RMB161.0 million in 3Q2015. The decrease in export sales was attributable mainly to the decrease in demand for processed food products from Europe and Japan.

The decrease of PRC sales was attributable mainly to the decrease of sales of chilled and frozen rabbit meat in the PRC market as explained above under the "Chilled and Frozen Meat Products".

PROFITABILITY**Gross Profit and Margin**

	9M2015		9M2014		Change	% Change	3Q2015	3Q2014
	GP	Margin	GP	Margin	GP		GP	
	RMB'000	%	RMB'000	%	RMB'000	%	%	%
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Processed food	67,790	14.2	49,774	9.7	18,016	36.2	18.1	11.0
Rabbit meat	(2,245)	(1.8)	16,898	8.9	(19,143)	(113.3)	(12.8)	5.6
Chicken meat	3,757	1.8	10,304	6.0	(6,547)	(63.5)	0.6	13.8
Other products	7,216	8.8	7,077	7.0	139	2.0	(2.2)	15.6
Total	76,518	8.6	84,053	8.6	(7,535)	9.0	7.2	10.9

Despite of the increased raw material and labor cost, the Group's gross profit margin still maintained at 8.6%. This was attributable to the effectiveness of costs management and the positive effects of new measures, including increasing level of automation, reducing manual processes and increasing sales contribution from high value-added chicken related processed food.

Processed Food Products

Processed food products were still the main profit contributor for 9M2015. Gross profit margin increased from 9.7% to 14.2% for 9M2015 was due mainly to the increase in selling prices of the processed food products as a result of value add initiatives undertaken, such as products design and enhancement in flavor and recipe.

Chilled and Frozen Rabbit Meat

The decrease in gross profit margin of chilled and frozen rabbit meat from 8.9% to -1.8% for 9M2015 was due to the decrease of rabbit meat demand and price as explained above under the "Chilled and Frozen Meat Products - Chilled and Frozen Rabbit Meat". Also the substantial depreciation of Euro against RMB since late 2014 had adversely affected overseas revenue leading to a loss on gross profit.

Chilled and Frozen Chicken Meat

The gross profit of the chilled and frozen chicken meat decreased from 6.0% to 1.8% in 9M2015 was due to the decrease in selling prices.

Other Products

Other products are mainly pet food products and chicken and rabbit meat by-products, which are not the core profit drivers of the Group. Due to the increase in prices of pet food products, gross profit margin increased from 7.0% to 8.8% in 9M2015 and gross profit increased from RMB7.1 million to RMB7.2 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 RMB9.2 million, RMB4.6 million and RMB2.1 million respectively. The rest were mainly sales of rabbit excrement as fertilizer. The increase in other income was due to the increase of government grants by the Chinese government in relation to the increase of agricultural operations and business in 9M2015.

Selling and Distribution Expenses

Selling and distribution expenses comprised mainly transportation, promotion costs, salary and welfare. The selling and distribution expenses decreased by 13.0% to approximately RMB17.9 million in line with the decrease of sales.

Administrative Expenses

Administrative expenses comprised mainly staff costs, professional fees, travelling expenses and other miscellaneous administrative expenses. The 9.9% 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 in the daily operation, mainly related to the handling of damaged packaging materials which had increased during the period.

Finance Costs

Finance costs decreased by 7.9% to RMB30.4 million for 9M2015 were due mainly to the decrease of interest rates and bank borrowings for the Group's future working capital purpose in 9M2015.

Taxation

The increase was due mainly to the increase of taxable income during the period.

Review of the Group financial position as at 30 September 2015

The Group's property, plant and equipment were mainly leasehold buildings and plant and machinery. The increase by 9.3% to approximately RMB672.2 million as at 30 September 2015 was due mainly to an acquisition of leasehold buildings and plant and construction in process of approximately RMB96.5 million. This was offset by a depreciation charge of RMB39.0 million.

The reduction in prepaid premium for land leases for 9M2015 amounting to approximately RMB3.4 million was due mainly to amortisation.

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 2015 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 RMB16.0 million or 9.8% to approximately RMB180.0 million in anticipation of an increase in demand in the last quarter of 2015. The average inventory turnover day for 9M2015 was 57 days compared to 45 days for the year ended 31 December 2014 ("FY2014"). The increase in turnover days was due to the increase of inventory level of rabbit skin related products in the first quarter of 2015. As at the date of this announcement, more than half of rabbit skin inventory had been sold to customers and the Group will assess whether the remaining inventories will be eventually sold in coming winter and make provision for the unsold rabbit skin in the fourth quarter of this year.

Trade receivables increased by approximately RMB5.1 million or 7.2% to approximately RMB76.6 million in 9M2015. The average trade receivable turnover day for 9M2015 was 22 days compared to 21 days for FY2014.

Prepayments, other receivables and deposits decreased by approximately RMB6.4 million or 12.6% to approximately RMB44.1 million as at 30 September 2015.

Cash and cash equivalents, including pledged deposits, decreased by approximately RMB33.2 million or 6.0% to approximately RMB518.3 million. Approximately RMB102.5 million of the bank deposit was secured against the interest-bearing borrowings by the Group.

Trade and bills payables increased by approximately RMB42.5 million or 23.6% from approximately RMB179.8 million as at 31 December 2014 to approximately RMB222.3 million as at 30 September 2015 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 increase was due to the increase of deposits placed by customers compared to 31 December 2014.

The interest-bearing bank borrowings decreased by approximately RMB27.7 million to approximately RMB674.0 million after taking into account the additional bank borrowings of approximately RMB439.0 million and the loan repayment of approximately RMB466.7 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 transactions.

Tax payables increased slightly from RMB2.5 million as at 31 December 2014 to RMB2.6 million as at 30 September 2015.

Statement of Cash Flow

Operating activities

Cash generated from operating activities increased from approximately RMB54.5 million to approximately RMB88.9 million for 9M2015. The increase in operating cash flow was mainly due to the effective cash management on the inventories, trade receivables and accrued liabilities and other payables for 9M2015.

Investing activities

Net cash used in investing activities amounted to approximately RMB126.9 million due mainly to the purchase of leasehold buildings and plant and construction in process.

Financing activities

Net cash generated mainly represented the additional bank borrowings of approximately RMB439.0 million and repayment of bank borrowings of approximately RMB466.7 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

The effective cost reduction measures implemented by the Group and the allocation of resources to high value-added sales have improved the Group's profitability in 9M2015. However, the oversupply of rabbit related products in the PRC market still had a negative impact on the performance of the Group's chilled and frozen rabbit meat segment.

Going forward, the Group will continue to apply various pro-active and prudent measures such as exercising a better pricing strategy take into account of the market condition, acceleration of the development of sales channels, strengthening the Group's brand building

and exploring new products development. The Group believes that the profitability of the Group will improve with the recovery of the industry.

The Group will continue to reduce our costs by identifying and restructuring or discontinuing unprofitable operations. To diversify the Group's businesses and broaden its revenue base, the Group will also look for opportunities to commence new business segments, such as to extend the production and sales of our pet food products or develop any potential business opportunities.

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/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for 9M2015.

13. Interested Person Transactions

The Group does not have an IPT mandate.

BY ORDER OF THE BOARD

Fong William

CFO & Company Secretary

13 November 2015

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. Chong Soo Hoon, Sean, 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 2015 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

13 November 2015