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DACHAN FOOD (ASIA) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3999)

Announcement of Results for the Three Months Ended 31 March 2012

The board of directors (the “Board”) of DaChan Food (Asia) Ltd (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the three months ended 31 March 2012:

Highlights

	Three months ended 31 March		
	2012	2011	% Change
	<i>(unaudited)</i>	<i>(unaudited)</i>	
Turnover (RMB'000)	2,681,347	2,355,656	+13.8
Gross Profit (RMB'000)	191,427	196,471	-2.6
Gross profit margin (%)	7.1	8.3	
Profit attributable to equity shareholders of the Company (RMB'000)	42,168	43,879	-3.9
Basic earnings per share (RMB)	0.04	0.04	

CONSOLIDATED INCOME STATEMENT*(Expressed in RMB '000)*

	Three months ended 31 March	
	2012	2011
	<i>(unaudited)</i>	<i>(unaudited)</i>
Turnover	2,681,347	2,355,656
Cost of sales	(2,489,920)	(2,159,185)
Gross profit	191,427	196,471
Change in fair value of biological assets less costs to sell	1,010	947
Fair value of agricultural produce on initial recognition	6,718	11,797
Reversal of fair value of agricultural produce due to sales and disposals	(8,249)	(13,020)
Other operating income	1,891	3,065
Other net gains	4,948	1,529
Distribution costs	(78,210)	(67,231)
Administrative expenses	(48,653)	(64,293)
Profit from operations	70,882	69,265
Finance costs	(4,445)	(4,070)
Share of losses of equity-accounted investees	(823)	(289)
Profit before taxation	65,614	64,906
Income tax	(7,210)	(7,794)
Profit for the year	58,404	57,112
Attributable to:		
Equity shareholders of the Company	42,168	43,879
Non-controlling interests	16,236	13,233
Profit for the year	58,404	57,112
Earnings per share		
– Basic (RMB)	0.04	0.04
– Diluted (RMB)	0.04	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB '000)

	31 March 2012 <i>(unaudited)</i>	31 December 2011 <i>(audited)</i>
Non-current assets		
Fixed assets		
– property, plant and equipment	1,074,406	1,065,813
– lease prepayments	131,327	131,961
Interests in equity-accounted investees	27,342	28,194
Deferred tax assets	31,385	30,502
	<u>1,264,460</u>	<u>1,256,470</u>
Current assets		
Inventories	964,676	960,117
Biological assets	15,139	14,314
Trade receivables	293,468	380,717
Other receivables	440,916	370,757
Income tax recoverable	267	376
Cash and cash equivalents	393,328	512,110
	<u>2,107,794</u>	<u>2,238,391</u>
Current liabilities		
Trade payables	529,132	697,682
Other payables	280,262	388,852
Interest-bearing borrowings	496,504	393,442
Loan from an associate	–	–
Income tax payable	25,662	31,704
	<u>1,331,560</u>	<u>1,511,680</u>
Net current assets	<u>776,234</u>	<u>726,711</u>
Total assets less current liabilities	<u>2,040,694</u>	<u>1,983,181</u>
Non-current liabilities		
Interest-bearing borrowings	4,843	8,637
Deferred tax liabilities	471	466
	<u>5,314</u>	<u>9,103</u>
Net assets	<u>2,035,380</u>	<u>1,974,078</u>
Capital and reserves		
Share capital	97,347	97,330
Reserves	887,450	885,611
Retained profits	773,901	731,734
Total equity attributable to shareholders of the Company	<u>1,758,698</u>	<u>1,714,675</u>
Non-controlling interests	276,682	259,403
Total equity	<u>2,035,380</u>	<u>1,974,078</u>

In the first quarter of 2012, the Group recorded turnover of RMB2,681,347,000, representing an increase of 13.8% over the same period last year. The increase in turnover was mainly attributable to the growing sales volume recorded for the processed foods segment and the chicken meat segment. The sales volume of the feeds segment remained at the same level as its last year. However, as the price of chicken meat declined, the Group's gross profit slightly reduced by 2.6% year-on-year. For the three months ended 31 March 2012, profit attributable to equity shareholders of the Company amounted to RMB42,168,000.

The Group maintained a healthy financial structure. As at 31 March 2012, net assets were approximately RMB2,035,380,000, representing an increase of 3.1% as compared with 31 December 2011. As at 31 March 2012, the Group's cash and cash equivalents accounted for 11.66% of total assets, and both the current ratio and gearing ratio were maintained at healthy levels of 1.58 times and 25%, respectively.

Looking forward, in 2012, China's central government has emphasized the development of a highly modernized agricultural industry in accordance with the Twelfth Five-year Plan. Various policies will be introduced to assist farmers to establish large-scale breeding businesses, which will drive the development of the industry. The "Feeds Act", which is expected to be enacted this year, would establish stricter controls on product quality and safety as well as the industry, driving market demand for quality feeds and strengthening the competitive edge of the products of renowned enterprises. The Group will therefore put more emphasis on R&D on feed production technology so as to promote the advantages of its products. In addition, China's central government has recommended the introduction of a monitoring system for food safety in order to safeguard consumers. Consumer demand for quality meat products will continue to expand. The Group will continue to implement its food traceable system to ensure food safety for all consumers. In response to the rising costs of raw materials, the Group will also aim to optimize its operation, to tighten cost controls and to strengthen its internal control system. Looking ahead, the Group will not only continue the development of the feeds market in both China and Vietnam, but will also dedicate effort to expanding its foods segment and enhancing the value it adds to its meat products so as to consolidate its leading position as a quality meat protein supplier and a pioneer producer of poultry feeds.

The purpose of this announcement is to disclose the financial information of the Company to its shareholders and prospective investors in Hong Kong with the intention of ensuring compliance with the requirements of Rule 13.09 of the Listing Rules to disclose such information in a timely manner.

As at the date of this announcement, the Company is a subsidiary of Great Wall Enterprise Co. Ltd. ("Great Wall Enterprise", shares of which are listed on Taiwan Stock Exchange Corporation, or the "Taiwan Stock Exchange"), which indirectly holds an approximate 52.22% equity interest in the Company; therefore, the operating results of the Group will be consolidated into the financial statements of Great Wall Enterprise.

PURCHASES, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's unaudited consolidated financial statements for the three months ended 31 March 2012.

By Order of the Board

Han Jia-Hwan

Chairman

Hong Kong, 27 April 2012

As at the date of this announcement, Mr. Han Jia-Hwan (Chairman), Mr. Han Chia-Yin and Ms. Chen Li-Chin are the executive Directors, Mr. Han Chia-Yau, Mr. Harn Jia-Chen, Mr. Nicholas William Rosa and Mr. Chao Tien-Shin are the non-executive Directors, and Mr. Liu Fuchun, Dr. Chen Chih and Mr. Way Yung-Do are the independent non-executive Directors.