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DACHAN FOOD (ASIA) LIMITED

大成食品(亞洲)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3999)

RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

The board of directors (the “Board”) of DaChan Food (Asia) Limited (the “Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2009.

Highlights

| | Three months ended | | | Nine months ended 30 September | |
|--|----------------------|--------------------|--------------------|--------------------------------|--------------------|
| | 30 September 2009 | 30 June 2009 | 31 March 2009 | 2009 | 2008 |
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Turnover (USD'000) | 318,224 | 287,651 | 272,912 | 878,787 | 984,106 |
| Gross profit (USD'000) | 22,968 | 19,203 | 22,519 | 64,690 | 80,757 |
| Gross profit margin (%) | 7.2% | 6.7% | 8.3% | 7.4% | 8.2% |
| Profit attributable to equity shareholders of the Company (USD'000) | 4,364 | 3,594 | 3,368 | 11,326 | 21,092 |
| Earnings per share (US cents) | | | | | |
| – Basic | 0.43 | 0.36 | 0.33 | 1.12 | 2.09 |
| – Diluted | 0.43 | 0.36 | 0.33 | 1.12 | 2.09 |

This announcement is made as part of the Company’s adopted practice to publish its financial results quarterly and pursuant to Rule 13.09 of the Rules (the “Listing Rules”) governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

CONSOLIDATED INCOME STATEMENT
for the nine months ended 30 September 2009
(Expressed in United States dollars)

| | Nine months ended | |
|--|--------------------------|--------------------|
| | 30 September | |
| | 2009 | 2008 |
| | <i>USD'000</i> | <i>USD'000</i> |
| | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Turnover | 878,787 | 984,106 |
| Cost of sales | (814,097) | (903,349) |
| Gross profit | 64,690 | 80,757 |
| Change in fair value of biological assets less estimated point-of-sale costs | 233 | 55 |
| Fair value of agricultural produce on initial recognition | 3,882 | 6,977 |
| Reversal of fair value of agricultural produce due to sales and disposals | (3,868) | (6,476) |
| Other income | 2,900 | 9,745 |
| Distribution costs | (22,269) | (23,367) |
| Administrative expenses | (25,416) | (28,700) |
| Other operating expenses | (1,403) | (5,817) |
| Profit from operations | 18,749 | 33,174 |
| Finance costs | (1,576) | (3,799) |
| Share of losses of jointly controlled entities | (29) | (989) |
| Profit before taxation | 17,144 | 28,386 |
| Income tax | (2,695) | (4,579) |
| Profit for the year | 14,449 | 23,807 |
| Attributable to: | | |
| Equity shareholders of the Company | 11,326 | 21,092 |
| Minority interests | 3,123 | 2,715 |
| Profit for the year | 14,449 | 23,807 |
| Dividends payable to equity shareholders of the Company attributable to the year: | | |
| Dividend proposed | — | — |
| Earnings per share | | |
| – Basic (cents) | 1.12 | 2.09 |
| – Diluted (cents) | 1.12 | 2.09 |

CONSOLIDATED BALANCE SHEET*(Expressed in United States dollars)*

| | 30 September 2009 USD'000 (unaudited) | 31 December 2008 USD'000 (audited) |
|--|--|---|
| Non-current assets | | |
| Fixed assets | | |
| – property, plant and equipment | 151,220 | 145,593 |
| – lease prepayments | 17,952 | 17,999 |
| Interests in jointly controlled entities | 296 | – |
| Deferred tax assets | 1,787 | 759 |
| | <u>171,255</u> | <u>164,351</u> |
| Current assets | | |
| Inventories | 81,743 | 73,825 |
| Biological assets | 2,178 | 1,841 |
| Trade and other receivables | 82,058 | 66,377 |
| Income tax recoverable | 9 | 979 |
| Pledged bank deposits | 1,628 | 1,253 |
| Cash and cash equivalents | 52,990 | 60,505 |
| | <u>220,606</u> | <u>204,780</u> |
| Current liabilities | | |
| Interest-bearing borrowings | 18,135 | 23,145 |
| Trade and other payables | 110,618 | 91,364 |
| Amounts due to related parties | 1,193 | 867 |
| Income tax payable | 3,483 | 3,332 |
| | <u>133,429</u> | <u>118,708</u> |
| Net current assets | <u>87,177</u> | <u>86,072</u> |
| Total assets less current liabilities | <u>258,432</u> | <u>250,423</u> |
| Non-current liabilities | | |
| Interest-bearing borrowings | 4,097 | 6,145 |
| Deferred tax liabilities | 22 | 22 |
| | <u>4,119</u> | <u>6,167</u> |
| Net assets | <u>254,313</u> | <u>244,256</u> |

UNAUDITED CONSOLIDATED BALANCE SHEET

(Expressed in United States dollars)

| | 30 September 2009 USD'000 (unaudited) | 31 December 2008 USD'000 (audited) |
|--|--|---|
| Capital and reserves | | |
| Share capital | 12,957 | 12,957 |
| Reserves | 211,571 | 203,959 |
| Total equity attributable to equity shareholders of the Company | 224,528 | 216,916 |
| Minority interests | 29,785 | 27,340 |
| Total equity | 254,313 | 244,256 |

The Group experienced solid recoveries in operational performance and profitability in the third quarter of 2009. During the period, turnover and profit attributable to equity shareholders of the Company achieved growth of 10.6% and 21.4% quarter-on-quarter respectively. Gross profit margin also improved to 7.2% from 6.7% of the previous quarter.

Turnover and profit attributable to equity shareholders of the Company for the three months ended 30 September 2009, 30 June 2009 and 31 March 2009 were approximately USD318.2 million, USD287.7 million, USD272.9 million respectively and USD4.4 million, USD3.6 million, USD3.4 million respectively. The trend reflects an improvement in our business.

The improvement in financial performance was attributable to (1) a continued growth in our processed food business and (2) a strong growth in our feed business compared with previous quarters.

As a result of our continued effort in brand building, our processed food business achieved impressive growth during the period under review. Turnover and gross profit for the nine months ended 30 September 2009 increased by 23.7% and 174.6% to approximately USD44.4 million and USD7.8 million respectively, reflecting better brand recognition and network penetration.

The Group's balance sheet remains solid and its cash holdings are at a healthy level. Net assets increased by approximately USD10.1 million to approximately USD254.3 million as at 30 September 2009 from approximately USD244.2 million as at 31 December 2008. As at 30 September 2009, the Group had a net cash position (cash and cash equivalent minus interest-bearing borrowings) of USD30.8 million, with current ratio and gearing ratio held at healthy levels at 1.6 times and 8.9%, respectively.

2009 is a year full of challenges. The Group will focus on strengthening its competitive edge and consolidate its leadership position in quality chicken meat and livestock feeds production. Helped by continued rising income levels nationally and the stimulus package introduced by the Chinese government to boost consumer spending, we expect the market for food products will continue to grow in China. The Group is well-positioned to capitalize on the industry's growth in the long run.

As at the date of this announcement, the Company is a subsidiary of Great Wall Enterprise Co., Ltd. ("Great Wall Enterprise"), a company with its shares listed on the Taiwan Stock Exchange Corporation ("TSEC"), which holds approximately 52.32% equity interest in the Company through two of its wholly owned subsidiaries, namely, Waverley Star Limited (holding approximately 37.19%) and Asia Nutrition Technologies Corporation (holding approximately 15.13%). Pursuant to Taiwan Securities and Exchange Act and the listing rules of TSEC, Great Wall Enterprise is required to prepare its consolidated quarterly financial reports and to announce its quarterly operating results on the website. As the Company is an indirect subsidiary of Great Wall Enterprise, the operating results of the Group were incorporated into the financial statements of Great Wall Enterprise.

The purpose of this announcement is to disclose the financial information of the Company to the shareholders of the Company and prospective investors in Hong Kong in order to ensure timely disclosure of information in compliance with Rule 13.09 of the Listing Rules.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

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 consolidated financial statements for the nine months ended 30 September 2009, including the principles adopted by the Group.

By Order of the Board
Han Jia-Hwan
Chairman

Hong Kong, 23 October 2009

As at the date of this announcement, Mr. Han Jia-Hwan (Chairman), Mr. Chang Tiew-Shen (Chief Executive Officer) and Mr. Chen Fu-Shih 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.