

NOTES:

1. Basis of Preparation

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants, and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. Principal Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and certain investment in securities.

The accounting policies adopted for the preparation of the interim financial report are consistent with those adopted by the Group in the audited financial statements for the year ended 31 March 2001 except as described below.

In the current period, the Group has adopted, for the first time, a number of new and revised SSAPs issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following new/revised accounting policies.

Segment reporting

In the current period, the Group has changed the basis of identification of reportable segments to that required by SSAP 26 “Segment reporting”. Segment disclosures for the six months ended 30 September 2000 have been amended so that they are presented on a consistent basis.

Dividend proposed or declared after the balance sheet date

In accordance with SSAP 9 (Revised) “Events after the balance sheet date”, dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date, but are disclosed as a separate component of equity on the face of the balance sheet. This change in accounting policy has been applied retrospectively, resulting in a prior period adjustment.

Goodwill

In the current period, the Group has adopted SSAP 30 “Business combinations” and has elected not to restate goodwill (negative goodwill) previously eliminated against (credited to) reserves. Accordingly, goodwill arising on acquisitions prior to 1 April 2001 is held in reserves and will be charged to the income statement at the time of disposal of the relevant subsidiary or associate, or at such time as the goodwill is determined to be impaired. Negative goodwill arising on acquisitions prior to 1 April 2001 will be credited to income at the time of disposal of the relevant subsidiary or associate.

Goodwill arising on acquisitions after 1 April 2001 is capitalised and amortised over its estimated useful life. Negative goodwill arising on acquisitions after 1 April 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

3. Turnover and segment information

	Turnover		Profit (Loss) from operations	
	Six months ended		Six months ended	
	30.9.2001 HK\$'000	30.9.2000 HK\$'000	30.9.2001 HK\$'000	30.9.2000 HK\$'000
BY PRINCIPAL ACTIVITIES				
Frozen fish	768,105	625,958	53,231	34,729
Fillets and portions	647,759	459,207	41,992	44,043
Vegetables	10,239	103	388	(1,090)
Shipping services	7,365	11,494	260	1,287
Others	1,170	10,342	46	473
	1,434,638	1,107,104	95,917	79,442
BY GEOGRAPHICAL MARKET				
The People's Republic of China ("PRC")	701,509	478,634	51,524	38,331
North America	216,974	251,106	9,886	16,062
Western Europe	419,230	221,490	28,947	16,941
Japan	66,092	139,583	2,735	7,214
Others	30,833	16,291	2,825	894
	1,434,638	1,107,104	95,917	79,442

4. Profit from operations

Profit from operations has been arrived at after charging:

	Six months ended	
	30.9.2001	30.9.2000
	HK\$000	HK\$000
Depreciation	14,005	15,558

5. Taxation

The charge represented Hong Kong Profits Tax calculated at 16% of the estimated assessable profit for the period.

A substantial portion of the Group's profit is neither arose in, nor is derived from Hong Kong and accordingly it is not subject to Hong Kong Profits Tax.

6. Dividend

On 28 September 2001, a dividend of HK 3 cents per share (2000: nil) on 656,565,266 shares in issue was paid to shareholders as the final dividend for the year ended 31 March 2001.

The Directors do not declare any interim dividend for the six months ended 30 September 2001 (2000: nil).

7. Earnings per share

The calculation of basic earnings per share is based on the unaudited net profit for the period of HK\$37,157,000 (2000: HK\$30,238,000) and on the weighted average number of 656,585,000 (2000: 657,577,000) shares outstanding during the period.

Diluted earnings per share has not been presented as the exercise prices of the Company's outstanding share options are higher than the average market price per share for both periods presented.

8. Trade and other receivables

Included in trade and other receivables are trade receivables of HK\$463,216,000 (31.3.2001: HK\$574,468,000). The Group maintains a defined credit policy. For sales of goods, the Group allows an average credit period of 30 days to 120 days to its trade customers. The aged analysis of trade receivables at the balance sheet date is as follows:

	30.9.2001 (Unaudited) HK\$'000	31.3.2001 (Audited) HK\$'000
Less than 30 days	162,097	416,548
31 – 60 days	154,797	80,779
61 – 90 days	111,827	76,159
Over 90 days	34,495	982
	<u>463,216</u>	<u>574,468</u>

9. Trade receivables with insurance coverage

Trade receivables with credit insurance coverage have been pledged to certain banks under the receivable discounting facilities. The aged analysis at the balance sheet date is as follows:

	30.9.2001 (Unaudited) HK\$'000	31.3.2001 (Audited) HK\$'000
Less than 30 days	36,922	80,711
31 – 60 days	60,088	28,892
61 – 90 days	14,024	32,471
Over 90 days	23,428	538
	<u>134,462</u>	<u>142,612</u>

10. Trade and other payables

Included in trade and other payables are trade payables of HK\$104,970,000 (31.3.2001: HK\$185,660,000). The aged analysis of trade payables at the balance sheet is as follows:

	30.9.2001 (Unaudited) HK\$'000	31.3.2001 (Audited) HK\$'000
Less than 30 days	59,598	124,336
31 – 60 days	31,451	21,453
61 – 90 days	13,921	20,456
Over 90 days	–	19,415
	<u>104,970</u>	<u>185,660</u>

11. Bank borrowings

During the period, the Group obtained new banking facilities of HK\$264,000,000. The loans bear interest at market rates and are repayable on demand. The banking facilities were obtained to finance the working capital of the Group.

12. Share capital

During the period, 200,000 ordinary shares of HK\$0.10 each in the Company were repurchased and cancelled.

The directors considered that, as the Company's share were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

13. Share premium and reserves

	Investment revaluation reserve HK\$'000	Assets revaluation reserve HK\$'000	Share premium HK\$'000	Goodwill reserve HK\$'000	Special reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2001	(9,934)	33,844	281,444	(133,803)	9,800	307,704	489,055
Revaluation (decrease) increase arising on revaluation, net	(2,668)	986	-	-	-	-	(1,682)
Share repurchased and cancelled	-	-	(105)	-	-	-	(105)
Negative goodwill arising on group reconstruction	-	-	-	24,192	-	-	24,192
Net profit for the year	-	-	-	-	-	56,703	56,703
Dividend	-	-	-	-	-	(19,703)	(19,703)
At 1 April 2001 as original stated	(12,602)	34,830	281,339	(109,611)	9,800	344,704	548,460
Effect of adopting SSAP9 (Revised)	-	-	-	-	-	19,703	19,703
At 1 April 2001 as restated	(12,602)	34,830	281,339	(109,611)	9,800	364,407	568,163
Share repurchased and cancelled	-	-	(26)	-	-	-	(26)
Net profit for the period	-	-	-	-	-	37,157	37,157
2001 final dividend paid	-	-	-	-	-	(19,697)	(19,697)
At 30 September 2001	<u>(12,602)</u>	<u>34,830</u>	<u>281,313</u>	<u>(109,611)</u>	<u>9,800</u>	<u>381,867</u>	<u>585,597</u>

14. Contingent liabilities

At 30 September 2001, the Group had contingent liabilities in respect of bills discounted with recourse of approximately HK\$78,186,000 (31.3.2001: HK\$256,485,000).

15. Pledge of assets

At 30 September 2001, the Group has pledged land and buildings and investment properties with aggregate carrying values of approximately HK\$177 million (31.3.2001: HK\$178 million) and HK\$26 million (31.3.2001: HK\$26 million) respectively, as collateral for mortgage loans granted to the Group by certain banks.

16. Related party transactions

During the period, the Group entered into following significant transactions with an associate of the Group.

	30.9.2001	30.9.2000
	HK\$'000	HK\$'000
Sales of frozen seafood (<i>note</i>)	<u>277,397</u>	<u>281,033</u>

The associate also provides inventories and trade receivables as part of the security to a bank to secure the banking facilities of HK\$140,400,000 (31.3.2001: HK\$140,400,000) granted to the Group. At 30 September 2001, facilities amounting to HK\$80,095,000 (31.3.2001: HK\$76,381,000) were utilised by the Group.

Note:

Sales and purchase of frozen seafood were carried out at market price or, where no market price was available, at cost plus a percentage profit mark-up.