PACIFIC ANDES
INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTERIM REPORT
For the six-month period ended 28 March 2013

STOCK CODE: 1174

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Directors") of Pacific Andes International Holdings Limited (the "Company") are pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six-month period ended 28 March 2013 ("1HFY2013") together with the unaudited comparative figures for the corresponding period of the immediately preceding year for the six-month period ended 28 March 2012 ("1HFY2012").

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six-month period ended 28 March 2013

		Six-month period ended	
		28.3.2013	28.3.2012
	Notes	**HK$'000**	HK$'000
		(unaudited)	(unaudited)
			(restated)
Revenue	*4*	**7,238,909**	8,401,135
Cost of sales		**(6,209,227)**	(6,918,085)
Gross profit		**1,029,682**	1,483,050
Other income	*5*	**408,241**	135,545
Selling and distribution expenses		**(283,824)**	(400,862)
Administrative expenses		**(306,829)**	(312,748)
Other expenses		**(26,201)**	(23,740)
Finance costs		**(374,043)**	(275,787)
Share of results of associates		**29,037**	31,475
Profit before taxation	*6*	**476,063**	636,933
Taxation	*7*	**94,781**	(43,784)
Profit for the period		**570,844**	593,149
Attributable to:			
Owners of the Company		**221,867**	189,811
Non-controlling interests		**348,977**	403,338
		570,844	593,149
Earnings per share	*9*		
Basic		**HK4.7 cents**	HK5.8 cents
Diluted		**HK4.7 cents**	HK5.8 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 28 March 2013

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Profit for the period	**570,844**	593,149
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of properties	**22,062**	24,279
Deferred tax liability arising on revaluation of properties	**(3,796)**	(3,543)
Items that may be subsequently reclassified to profit or loss:		
Fair value changes of available-for-sale investments	**15,226**	47,234
Reclassification adjustment transfer to profit or loss upon derecognition of available-for-sale investments	**–**	62,006
Exchange differences arising on translation of foreign operations	**(349)**	23,781
Other comprehensive income for the period	**33,143**	153,757
Total comprehensive income for the period, net of tax	**603,987**	746,906
Total comprehensive income attributable to:		
Owners of the Company	**253,238**	309,981
Non-controlling interests	**350,749**	436,925
	603,987	746,906

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 28 March 2013

	Notes	28 March 2013 HK$'000 (unaudited)	28 September 2012 HK$'000 (audited) (restated)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**6,746,921**	6,972,874
Investment properties	*10*	**676,583**	657,110
Prepaid lease payments		**41,855**	42,528
Goodwill	*11*	**2,976,668**	2,976,668
Prepayment to suppliers	*12*	**1,883,896**	887,040
Advances to suppliers	*12*	**315,900**	315,900
Available-for-sale investments	*13*	**585,505**	46,344
Interests in associates		**525,269**	506,445
Deposit paid for acquisition of property, plant and equipment		**47,266**	47,266
Other intangible assets	*14*	**1,847,868**	1,847,868
Other long term receivable		**290,794**	478,080
		15,938,525	14,778,123
CURRENT ASSETS			
Inventories		**2,473,074**	2,816,087
Trade, bills, other receivables and prepayments	*15*	**7,640,850**	10,354,291
Trade receivables with insurance coverage	*16*	**554,141**	511,218
Trade receivables from associates	*17*	**177,001**	89,808
Prepayment to suppliers – current portion	*12*	**226,964**	172,640
Amounts due from associates		**14,549**	13,672
Amount due from a jointly-controlled entity		**18,103**	17,719
Held-for-trading investments		**5,587**	7,085
Tax recoverable		**8,042**	15,670
Pledged deposits		**306**	207
Bank balances and cash		**2,316,410**	693,471
		13,435,027	14,691,868
CURRENT LIABILITIES			
Trade, bills and other payables	*18*	**2,617,482**	2,453,209
Bank advances drawn on discounted trade receivables with insurance coverage and discounted bills	*16*	**723,717**	569,828
Other financial liabilities		**84,108**	288,975
Taxation		**123,867**	149,553
Obligations under finance leases – due within one year		**30,786**	29,555
Bank borrowings – due within one year	*19*	**6,687,909**	7,242,519
		10,267,869	10,733,639
NET CURRENT ASSETS		**3,167,158**	3,958,229
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,105,683**	18,736,352

	Notes	**28 March 2013 HK$'000 (unaudited)**	28 September 2012 HK$'000 (audited) (restated)
NON-CURRENT LIABILITIES			
Obligations under finance leases			
– due after one year		**18,110**	33,817
Bank borrowings – due after one year	*19*	**2,055,624**	2,102,575
Bonds	*20*	**703,813**	690,082
Senior notes	*21*	**2,126,505**	2,120,094
Deferred taxation		**508,364**	581,403
		5,412,416	5,527,971
NET ASSETS		**13,693,267**	13,208,381
CAPITAL AND RESERVES			
Share capital	*22*	**472,207**	472,207
Share premium and reserves		**7,021,232**	6,819,936
Equity attributable to owners of the Company		**7,493,439**	7,292,143
Non-controlling interests			
Share of net assets of subsidiaries		**6,199,828**	5,916,238
TOTAL EQUITY		**13,693,267**	13,208,381

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 28 March 2013

	Attributable to owners of the Company										Non-controlling interests		
	Share capital HK$'000	Share premium HK$'000	Property revaluation reserve HK$'000	Translation reserve HK$'000	Other reserve HK$'000	Investment revaluation reserve HK$'000	Goodwill reserve HK$'000	Special reserve HK$'000	Retained profits HK$'000	Total HK$'000	Equity component of convertible bonds of a listed subsidiary HK$'000	Share of net assets of subsidiaries HK$'000	Total HK$'000
At 28 September 2011 (audited)													
– as previously stated	314,785	2,570,296	545,651	161,151	300,318	(72,590)	(135,913)	9,800	2,504,001	6,197,499	35,482	5,097,748	11,330,729
– prior year adjustment *(note 3)*	–	–	–	–	–	–	–	–	8,852	8,852	–	–	8,852
– as restated	314,785	2,570,296	545,651	161,151	300,318	(72,590)	(135,913)	9,800	2,512,853	6,206,351	35,482	5,097,748	11,339,581
Surplus on revaluation of properties	–	–	24,232	–	–	–	–	–	–	24,232	–	47	24,279
Deferred tax liability arising on revaluation of properties	–	–	(3,543)	–	–	–	–	–	–	(3,543)	–	–	(3,543)
Fair value changes of available-for-sale investments	–	–	–	–	–	31,387	–	–	–	31,387	–	15,847	47,234
Reclassification adjustment to profit or loss upon derecognition of available-for-sale investments	–	–	–	–	–	41,203	–	–	–	41,203	–	20,803	62,006
Exchange difference arising translation of foreign operations	–	–	–	26,891	–	–	–	–	–	26,891	–	(3,110)	23,781
Other comprehensive income	–	–	20,689	26,891	–	72,590	–	–	–	120,170	–	33,587	153,757
Profit for the period	–	–	–	–	–	–	–	–	189,811	189,811	–	403,338	593,149
Total comprehensive income for the period	–	–	20,689	26,891	–	72,590	–	–	189,811	309,981	–	436,925	746,906
Issue of shares	20	117	–	–	–	–	–	–	–	137	–	–	137
Deemed disposal of partial interests in subsidiaries	–	–	–	–	(3,220)	–	–	–	–	(3,220)	–	3,220	–
Dividend recognised as distribution *(note 8)*	–	–	–	–	–	–	–	–	(113,330)	(113,330)	–	–	(113,330)
At 28 March 2012 (unaudited)	314,805	2,570,413	566,340	188,042	297,098	–	(135,913)	9,800	2,589,334	6,399,919	35,482	5,537,893	11,973,294
At 28 September 2012 (audited)													
– as previously stated	472,207	3,163,790	603,597	177,229	297,098	–	(135,913)	9,800	2,694,370	7,282,178	–	5,916,238	13,198,416
– prior year adjustment *(note 3)*	–	–	–	–	–	–	–	–	9,965	9,965	–	–	9,965
– as restated	472,207	3,163,790	603,597	177,229	297,098	–	(135,913)	9,800	2,704,335	7,292,143	–	5,916,238	13,208,381
Surplus on revaluation of properties	–	–	21,571	–	–	–	–	–	–	21,571	–	491	22,062
Deferred tax liability arising on revaluation of properties	–	–	(3,796)	–	–	–	–	–	–	(3,796)	–	–	(3,796)
Fair value changes of available-for-sale investments	–	–	–	–	–	5,860	–	–	–	5,860	–	9,366	15,226
Exchange difference arising translation of foreign operations	–	–	–	7,736	–	–	–	–	–	7,736	–	(8,085)	(349)
Other comprehensive income	–	–	17,775	7,736	–	5,860	–	–	–	31,371	–	1,772	33,143
Profit for the period	–	–	–	–	–	–	–	–	221,867	221,867	–	348,977	570,844
Total comprehensive income for the period	–	–	17,775	7,736	–	5,860	–	–	221,867	253,238	–	350,749	603,987
Dividend paid *(note 8)*	–	–	–	–	–	–	–	–	(51,942)	(51,942)	–	(67,159)	(119,101)
At 28 March 2013 (unaudited)	472,207	3,163,790	621,372	184,965	297,098	5,860	(135,913)	9,800	2,874,260	7,493,439	–	6,199,828	13,693,267

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 28 March 2013

	Notes	Six-month period ended **28.3.2013** **HK$'000** **(unaudited)**	28.3.2012 HK$'000 (unaudited)
Operating activities			
Profit before taxation		**476,063**	636,933
Adjustments for non-cash items		**916,005**	737,903
Operating cash flows before movements in working capital		**1,392,068**	1,374,836
Decrease in inventories		**343,013**	56,714
Decrease (increase) in trade, bills, other receivables and prepayments		**2,670,518**	(976,500)
Increase in trade and other payables		**166,641**	1,045,354
Others		**(684,622)**	(412,392)
Net cash from operating activities		**3,887,618**	1,088,012
Investing activities			
Addition to property, plant and equipment		**(167,836)**	(586,353)
Addition of available-for-sale investments		**(534,456)**	(7,484)
Addition of prepayment to suppliers	*12*	**(1,170,000)**	–
Investment in an associate		**–**	(56,085)
Net (increase) redemption of pledged deposits		**(99)**	582,048
Cash outflow arising on acquisition of subsidiaries	*24*	**–**	(204,052)
Repayment of other long term receivables		**187,286**	–
Others		**32,003**	2,761
Net cash used in investing activities		**(1,653,102)**	(269,165)
Financing activities			
Dividend paid		**(51,942)**	–
Dividend paid to non-controlling shareholders		**(67,159)**	–
Net bank advances drawn on discounted trade receivables with insurance coverage and discounted bills raised		**153,889**	256,279
Net other bank borrowings repaid		**(601,561)**	(612,755)
Others		**(14,476)**	712
Net cash used in financing activities		**(581,249)**	(355,764)
Net increase in cash and cash equivalents		**1,653,267**	463,083
Cash and cash equivalents at beginning of the period		**693,471**	442,776
Effect of foreign exchange rate changes		**(30,328)**	(9,519)
Cash and cash equivalents at end of the period		**2,316,410**	896,340
Representing:			
Bank balances and cash		**2,316,410**	896,340

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 28 March 2013

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties, investment properties and derivative financial instruments, which are measured at fair values or revalued amounts, as appropriate.

Except as disclosed in note 3, the accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 28 September 2012.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

Amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets"

Under the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets", investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

As at 28 March 2013, the Group had investment properties amounting to HK$167,176,000 (28.9.2012: HK$165,090,000) located in the People's Republic of China ("PRC") and Japan. The Group measure its investment properties using the fair value model. As a result of the application of amendments to HKAS 12, the directors reviewed these investment property portfolio and concluded that these investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, the presumption set out in the amendments to HKAS 12 is rebutted. The Group continue to recognise deferred taxation on change in fair value of investment properties based on the tax consequences of recovering the entire investment properties through use.

3. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS** – *Continued*

Amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" – *Continued*

As at 28 March 2013, the Group had investment properties amounting to HK$509,407,000 (28.9.2012: HK$492,020,000) located in Hong Kong, Russia and Singapore. The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group's investment property portfolios and concluded that these investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodies in the investment property over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted. As a result of the application of the amendments to HKAS 12, the Group does not recognise any deferred taxes on changes in fair value of the investment property in Hong Kong and Singapore as the Group is not subject to any income taxes on disposal of its investment property. Previously, the Group recognised deferred taxes on change in fair value of investment property on the basis that the carrying amount of the investment property was mainly recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being decreased by HK$9,965,000 as at 28 September 2012, with the corresponding adjustment being recognised in retained profits. In addition, the application of the amendments has resulted in the Group's income tax expense for the six-month period ended 28 March 2013 and 28 March 2012 being increased by HK$188,000 and HK$492,000 respectively and hence resulted in the profit for the six-month period ended 28 March 2013 and 28 March 2012 being decreased by HK$188,000 and HK$492,000 respectively.

Impact of the application of amendments to HKAS 12

Impact on profit for the period

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
Increase in income tax expenses and decrease in profit for the period	**188**	492

Impact on condensed consolidated statement of financial position as at 29 September 2011 and 28 September 2012

	As at 29.9.2011 as originally stated HK$'000	Adjustment HK$'000	As at 29.9.2011 as restated HK$'000	**As at 28.9.2012 as originally stated HK$'000**	**Adjustment HK$'000**	**As at 28.9.2012 as restated HK$'000**
Deferred tax liabilities	602,919	(8,852)	594,067	**591,368**	**(9,965)**	**581,403**
Net assets	11,330,729	8,852	11,339,581	**13,198,416**	**9,965**	**13,208,381**
Retained profits	2,504,001	8,852	2,512,853	**2,694,370**	**9,965**	**2,704,335**
Total equity	11,330,729	8,852	11,339,581	**13,198,416**	**9,965**	**13,208,381**

The effect of the adoption of amendments to HKAS 12 above have no material impact on the Group's basic and diluted earnings per share for the current and prior period.

3. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS** – *Continued*

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. However, the Group has chosen not to rename the current heading of condensed consolidated income statement and condensed consolidated statement of comprehensive income. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to HKAS 1 also require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The Group has not early applied the new and revised standards, amendments or interpretation that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvement to HKFRSs 2009–2011 Cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial assets and Financial Liabilities[1]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKFRS 27 (as revised in 2011)	Investment Entities[3]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKFRS 19 (as revised in 2011)	Employee Benefits[1]
HKFRS 27 (as revised in 2011)	Separate Financial Statements[1]
HKFRS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2015.
[3] Effective for annual periods beginning on or after 1 January 2014.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS – *Continued*

The potential impact of the above new and revised standards, amendments and interpretations had been disclosed in previous consolidated financial statements of the Group. The directors of the Company are still in the process of ascertaining the financial impact of application of HKFRS 9, HKFRS 10 and HKFRS 11.

The directors anticipate that the application of the other new and revised standards, amendments and interpretation will have no material impact on the results and the financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the board of directors) in order to allocate resources to segments and to assess their performance.

The Group's operating and reportable segments under HKFRS 8 are based on different business divisions which are summarised as follows:

Frozen fish supply chain management ("SCM")	–	sales of frozen fish and other seafood products and shipping services
Fish fillets processing and distribution	–	selling and processing of frozen seafood products and distribution
Fishery and fish supply	–	sales of fish and other marine catches from fishery and fish supply activities and the production and sale of fishmeal and fish oil
Others	–	property leasing and laboratory testing service income

These divisions are the basis on which the Group reports its segment information to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance.

Segment sales and expenses: Segment sales and expenses are the sales and operating expenses reported in the profit or loss that are directly attributable to a segment and the relevant portion of such sales and expenses that can be allocated on a reasonable basis to a segment.

The accounting policies of the operating segments are the same as the Group's accounting policies in the preparation of the Group's financial statements. Segment result represents the profit earned by each segment without the allocation of certain other income, fair value changes in certain investment properties, administrative expenses, revaluation increase or decrease on properties, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

There are no inter-segment sales and expenses during the current and prior period.

Income from associates is allocated as they are specifically attributed to operating segments.

There is no material change in segment assets from the amount disclosed in the last annual financial statements of the Group.

Information regarding the above segments is reported below.

4. REVENUE AND SEGMENT INFORMATION – *Continued*

For the six-month period ended 28 March 2013

Segment revenue and results

	Frozen fish SCM HK$'000	Fish fillets processing and distribution HK$'000	Fishery and fish supply HK$'000	Others HK$'000	Consolidated HK$'000
REVENUE					
External sales to external customers	**2,756,974**	**2,344,619**	**2,112,107**	**25,209**	**7,238,909**
RESULT					
Segment result	**252,772**	**115,530**	**566,071**	**12,454**	**946,827**
Unallocated corporate income					**236,309**
Unallocated corporate expenses					**(333,030)**
Finance costs					**(374,043)**
Profit before taxation					**476,063**

For the six-month period ended 28 March 2012

Segment revenue and results

	Frozen fish SCM HK$'000	Fish fillets processing and distribution HK$'000	Fishery and fish supply HK$'000	Others HK$'000	Consolidated HK$'000
REVENUE					
External sales to external customers	3,077,284	2,609,563	2,694,550	19,738	8,401,135
RESULT					
Segment result	308,210	177,411	747,259	10,687	1,243,567
Unallocated corporate income					5,641
Unallocated corporate expenses					(336,488)
Finance costs					(275,787)
Profit before taxation					636,933

5. OTHER INCOME

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
Gross rental income	**7,189**	5,641
Agency income	**4,402**	6,374
Fair value changes on investment properties	**14,253**	–
Interest income	**2,847**	2,397
Compensation received from suppliers of fish	**52,516**	44,806
Fair value change on held-for-trading investments	**–**	1,366
Fair value change on derivative financial investments *(Note)*	**214,867**	–
Exchange gain, net	**93,423**	41,847
Sundry income	**18,744**	33,114
	408,241	135,545

Note: Fair value changes on derivative financial instruments classified as other financial liabilities represent the realised gain of HK$238,975,000 and unrealised loss of HK$24,108,000 on structured foreign currency forward contracts and cross-currency interest rate swap contract with banks for the six-month period ended 28 March 2013.

6. PROFIT BEFORE TAXATION

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
Profit before taxation has been arrived at after charging:		
Amortisation of prepayment to suppliers (included in cost of sales)	**118,820**	86,320
Amortisation of prepaid lease payments	**491**	488
Cost of inventories included in cost of sales	**5,414,131**	5,167,178
Depreciation of property, plant and equipment	**429,938**	392,699
Loss on disposal of property, plant and equipment	**463**	97
Loss from financial guarantee contracts, net	**10,000**	–

7. TAXATION

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
		(restated)
The (credit) charge comprises:		
Current tax for the period		
– Hong Kong	**–**	3,500
– other jurisdictions	**11,460**	19,975
	11,460	23,475
(Over) underprovision in prior period		
– Hong Kong	**(13)**	41
– other jurisdictions	**(28,581)**	–
	(28,594)	41
Deferred taxation *(Note)*	**(77,647)**	20,268
Tax (credit) charge for the period	**(94,781)**	43,784

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for the period.

Taxation in other jurisdictions are calculated at the rate prevailing in the respective jurisdictions.

In the opinion of the directors, a substantial portion of the Group's profits neither arise in, nor is derived from, Hong Kong and accordingly that portion of profit is not subject to Hong Kong Profits Tax.

Note: Deferred tax credit of HK$77,647,000 for the six-month period ended 28 March 2013 arose from the recognition of unused tax loss of fishery and fish supply operation in Peru incurred in the current interim period. Having considered the future profitability of fishery and fish supply operation in Peru, the directors of the Company are of the opinion that it is probable that future taxable profits will be available against which the tax loss can be utilised.

8. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six-month periods ended 28 March 2012 and 28 March 2013.

On 8 March 2013, the Company declared a final dividend of HK1.1 cents per share for the year ended 28 September 2012. Cash dividend of HK$51,942,000 were paid.

On 8 March 2012, the Company declared a final dividend of HK3.6 cents per share for the year ended 28 September 2011. Subsequent to 28 March 2012, cash dividend of HK$113,330,000 were paid.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
		(restated)
Earnings attributable to the owners of the Company for the purpose of calculation of basic and diluted earnings per share	**221,867**	189,811
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	**4,722,068,685**	3,302,490,714
Effect of dilutive potential ordinary shares in respect of share award	**–**	1,037,134
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	**4,722,068,685**	3,303,527,848

The weighted average number of ordinary shares for the six-month period ended 28 March 2012 for the purposes of basic and diluted earnings per share has been adjusted to reflect the bonus element of the rights issue as stated in note 22.

The computation of diluted earnings per share for the six-month period ended 28 March 2012 did not assume the conversion of the Group's subsidiary outstanding convertible bonds since their assumed exercise would result in an increase in earnings per share. The convertible bonds were fully redeemed in April 2012.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six-month period ended 28 March 2013, the Group incurred the following capital expenditures on property, plant and equipment:

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
Leasehold land and buildings	**22,221**	76,748
Leasehold improvements	**12,544**	6,082
Furniture, fixtures and office equipment	**983**	11,305
Motor vehicles	**9**	50
Plant and machinery	**77,137**	254,586
Vessels	**–**	67,860
Construction in progress	**54,942**	169,722
Total	**167,836**	586,353

The Group's leasehold land and buildings classified as property, plant and equipment were revalued by BMI Appraisals Limited and LLC Apex Group, independent property valuers, at 28 March 2013. BMI Appraisals Limited and LLC Apex Group have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was based on direct comparison method by reference to market transaction prices of similar properties or on income approach by taking into account the current rents passing and the reversionary income potential of tenancies. The valuation gave rise to a net revaluation increase of HK$22,062,000 (2012: HK$24,279,000) which credited to the property revaluation reserve.

During the six-month period ended 28 March 2013, the Group disposed of property, plant and equipment with a carrying amount of HK$11,666,000 (2012: HK$449,000) to independent third parties for HK$11,203,000 (2012: HK$352,000).

The Group's investment properties were revalued by BMI Appraisals Limited and Bogeria Consulting Company, independent property valuers, at 28 March 2013. The valuation was based on investment approach by taking into account the current rents passing and the reversionary income potential of tenancies. The revaluation gave rise to a fair value gain of HK$14,253,000 (2012: fair value loss of HK$3,585,000) which has been recognised in other income (2012: other expenses) in the condensed consolidated income statement.

11. GOODWILL

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Gross amount	**2,990,023**	2,990,023
Less: impairment	**(13,355)**	(13,355)
Carrying amount at end of period	**2,976,668**	2,976,668

For the purposes of impairment testing, goodwill is allocated to four cash generating units ("CGUs"). The carrying amounts of goodwill after impairment as at 28 March 2013 allocated to the CGUs are as follows:

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Frozen fish SCM division – Pacific Andes Resources Development Limited ("PARD")	**13,245**	13,245
Fish fillets processing and distribution division – National Fish and Seafood Inc.	**15,594**	15,594
Fishery and fish supply division:		
Contract supply business – China Fisheries International Limited ("CFIL")	**1,780,068**	1,780,068
Peruvian fishmeal division – CFG Investment S.A.C. ("CFGI")	**1,167,761**	1,167,761
	2,976,668	2,976,668

The recoverable amounts of these CGUs have been determined based on value in use calculations. The CGUs operate in a related and similar business environment. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of the future changes in the market.

Frozen Fish SCM division and Fish Fillets processing and distribution division

During the six-month period ended 28 March 2013, management of the Group conducted impairment review on the goodwill which is based on the cash flow forecast derived from the most recent financial budgets for the next five years for Frozen fish CGU and Fish fillets processing and distribution CGU respectively. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and discount rates of 20% (2012: 20%) for the Fish fillets processing and distribution CGU and 20% (2012: 20%) for the Frozen fish CGU. Management consider that the CGU exceeding the carrying amounts and no impairment for goodwill.

11. GOODWILL – *Continued*

Fishery and Fish supply division

The Group has engaged an independent financial advisor, BMI Appraisal Limited, to determine the value in use of the Contract supply business CGU and Peruvian fishmeal operation CGU under the Fishery and Fish supply division at 28 March 2013. Based on the report of the valuer dated 23 May 2013 and management's assessment of business prospects, management expects that carrying amount of respective goodwill to be recoverable and there is no impairment in value of the goodwill, other intangible assets and other assets allocated to these CGUs.

The key inputs and assumptions for determining the value in use of the CGUs for the Contract supply business and Peruvian fishmeal operation under Fishery and fish supply division are as follows:

(i) forecasted projected cash flows up to 2022 (28.9.2012: 2022) and projection of a terminal value using the perpetuity method;

(ii) industry growth rate of 2% per annum during the forecast period (28.9.2012: 2%); and

(iii) use of 8.10% (28.9.2012: 7.61%) for Contract supply business and use of 17.44% (28.9.2012: 17.14%) for Peruvian fishmeal operation to discount the projected cash flows to net present values.

12. PREPAYMENT TO SUPPLIERS/ADVANCES TO SUPPLIERS

Prepayment to suppliers is made to secure the fish supply under the long term supply agreements ("LSA"). Summary of these LSA are set out in the Company's announcement on 16 July 2012.

Advances to suppliers are unsecured, interest free and represent advances for working capital under the LSA. The advance amount will be offset against future payments made to the suppliers. Management does not expect the advances to suppliers to be repaid in the next 12 months.

The Group has entered into a new long term supply agreement with Perun Limited ("Perun") in November 2012 ("New LSA") to replace the Fourth LSA (defined and explained in note 23). The New LSA took retrospective effect from 1 October 2012 and shall terminate on 30 September 2030. In the current interim period, a fixed fee of US$150,000,000 (approximately HK$1,170 million) was prepaid by the Group to Perun for all the fish harvested by all the contracted vessels during the term of the New LSA. All other terms and conditions in the New LSA are similar to the Fourth LSA.

13. AVAILABLE-FOR-SALE INVESTMENTS

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Listed equity securities	**553,883**	9,536
Unlisted equity securities	**7,802**	7,802
Unlisted debt securities	**6,979**	15,522
Investment fund	**16,841**	13,484
	585,505	46,344

The listed equity securities were measured at fair value based on quoted market price in an active investment at 28 March 2013 and 28 September 2012. Other available-for-sale investments were stated at cost less impairment.

14. OTHER INTANGIBLE ASSETS

Other intangible assets comprise fishing and plant permits of HK$1,823,905,000 (28.9.2012: HK$1,823,905,000) granted by the authority in Peru with indefinite useful lives and club debentures of HK$23,963,000 (28.9.2012: HK$23,963,000).

Fishing and plant permits are granted by the authority in Peru. The fishing permits are attached to fishing vessels and are transferable to other vessels.

Management has obtained legal advice that the fishing and plant permits do not have a finite term and remain in full force and good standing as long as the applicable legal requirements are complied with. Accordingly, the cost of fishing and plant permits is not amortised.

As stated in note 11, the Group has engaged an independent financial advisor located in Hong Kong to determine the value in use of the CGUs in the Fishery and Fish supply division.

Since the cash inflows of the fishing and plant permits are not largely independent of those from other group of assets in the CGUs of CFIL and CFGI under Fishery and Fish supply division, the estimation of the recoverable amounts of the fishing and plant permits are included in the assessment of impairment of the CGUs of CFIL and CFGI. Based on the report and management's assessment of business prospects as disclosed in note 11, management considered that the recoverable amount of CGUs of CFIL and CFGI exceeds their carrying amounts, therefore, there is no impairment in value of the fishing and plant permits.

15. TRADE, BILLS, OTHER RECEIVABLES AND PREPAYMENTS

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Trade and bills receivables	**1,541,165**	2,261,677
Current portion of prepaid lease payments	**1,345**	1,345
Balance with suppliers *(Note a)*	**778,347**	874,951
Deferred expenditure *(Note b)*	**213,065**	175,040
Prepayments for frozen fish inventories	**4,630,813**	6,612,173
Other receivables and prepayments	**476,115**	429,105
	7,640,850	10,354,291

Notes:

a. The balances with suppliers represent advances to the suppliers to finance the working capital for the operation of the vessels under the LSA.

The balances with suppliers are stated net of amounts payable to vessel owners in respect of payments made by the vessel owners on behalf of the Group. This offset has been effected on the basis of arrangements amongst members of the Group, the vessel owners and the suppliers.

The amount is interest-free and covered by the security arrangements.

b. Deferred expenditure represents prepaid vessel and fishing-related operating expenses in respect of other fishing vessels which are not subject to the LSA.

The Group maintains a defined credit policy. For sales of goods, the Group allows credit period of 30 days to 180 days to its trade customers. The aged analysis of trade and bills receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period is as follows:

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Less than 30 days	**1,107,153**	572,143
31 – 60 days	**259,984**	264,212
61 – 90 days	**38,547**	289,692
91 – 120 days	**80,824**	858,854
Over 120 days	**54,657**	276,766
	1,541,165	2,261,677

Certain bills receivables are discounted to banks under the recourse receivable discounting advance facilities, where the Group continues to recognise as the Group remains exposed to the credit risks of such assets.

16. TRADE RECEIVABLES WITH INSURANCE COVERAGE/BANK ADVANCES DRAWN ON DISCOUNTED TRADE RECEIVABLES WITH INSURANCE COVERAGE AND DISCOUNTED BILLS

The trade receivables with insurance coverage have been discounted with recourse to certain banks under the receivable discounting facilities, whereby the Group continues to recognise the receivables as the Group remains exposed to the credit risk. The Group generally allows a credit period of 30 days to 180 days to its trade customers.

The aged analysis of the trade receivables with insurance coverage based on the invoice date at the end of the reporting period is as follows:

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Less than 30 days	**226,278**	233,333
31 – 60 days	**133,174**	133,384
61 – 90 days	**98,677**	62,598
91 – 120 days	**37,932**	25,490
Over 120 days	**58,080**	56,413
	554,141	511,218

17. TRADE RECEIVABLES FROM ASSOCIATES

For trade receivables from associates on sales of goods, the Group allows an average credit period of 30 days to 60 days. The age of trade receivables from associates at the end of the reporting period are all less than 30 days.

18. TRADE, BILLS AND OTHER PAYABLES

Included in trade, bills and other payables are trade payables of HK$2,341,468,000 (28.9.2012: HK$2,088,366,000). The average credit period on purchase of goods is 30 days. The aged analysis of trade and bills payables based on the invoice date at the end of the reporting period is as follows:

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Less than 30 days	**270,661**	1,687,606
31 – 60 days	**94,753**	227,196
61 – 90 days	**55,697**	154,510
Over 90 days	**1,920,357**	19,054
	2,341,468	2,088,366

19. BANK BORROWINGS

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Bank borrowings comprise:		
Trust receipt and bank loans	**6,292,912**	7,076,010
Club loans	**2,350,636**	2,169,818
Mortgage loans	**155,452**	162,396
Bank overdrafts	**15,484**	17,317
	8,814,484	9,425,541
Less: issuing costs	**(70,951)**	(80,447)
	8,743,533	9,345,094

The maturity of bank borrowings is as follows:

Within one year	**6,565,205**	7,114,896
In the second year	**1,702,786**	1,146,085
In the third year	**347,049**	949,166
In the fourth year	**5,410**	6,229
In the fifth year	**379**	1,095
	8,620,829	9,217,471
Carrying amount of bank borrowings that are not repayable within one year from the end of the reporting period but with repayable on demand clause (shown under current liabilities)	**122,704**	127,623
	8,743,533	9,345,094
Amount due within one year shown under current liabilities	**(6,687,909)**	(7,242,519)
Amount due after one year	**2,055,624**	2,102,575

20. BONDS

The Chinese Renminbi denominated unsecured bonds were issued on 2 June 2011 and will be redeemed on 2 June 2014. Interest of 6.5% per annum will be paid semi-annually until the settlement date.

The interest expense charged is calculated by applying an effective interest rate of 7.5% per annum to the bonds outstanding.

At 28 March 2013, the outstanding principal amounted to RMB570,000,000 (approximately HK$715,521,000) (28.9.2012: RMB570,000,000 (approximately HK$701,328,000)).

21. SENIOR NOTES

On 24 July 2012, the Group, through its subsidiary, CFGI issued guaranteed senior fixed rate notes with aggregate nominal value of US$300,000,000 (approximately HK$2,340,000,000) (the "Notes") which carry fixed interest of 9.75% per annum (interest payable semi-annually in arrear) and will be fully repayable by 30 July 2019.

The net carrying amount of the Notes was stated net of issue expenses totalling US$17,044,000 (approximately HK$132,947,000). Such expenses were amortised over the life of the Notes by charging the expenses to the profit or loss using effective interest rate of 10.92% per annum and increasing the net carrying amount of the Notes with the corresponding amount. As of 28 March 2013, accumulated amortisation amounted to US$1,023,000 (approximately HK$7,983,000 (28.9.2012: US$182,000 (approximately HK$1,422,000)).

During the year ended 28 September 2012, a total principal amount of US$12,000,000 (approximately HK$93,600,000) of Notes was purchased from market at a consideration of US$10,385,000 (approximately HK$81,003,000). At 28 March 2013, the outstanding principal of the Notes amounted to US$288,000,000 (approximately HK$2,246,400,000 (2012: US$288,000,000 (approximately HK$2,246,400,000)).

22. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.10 each		
At 28 September 2011	**3,147,850,033**	314,785
Exercise of warrants *(Note a)*	**195,757**	20
At 28 March 2012	**3,148,045,790**	314,805
Issue of shares under rights issue *(Note b)*	**1,574,022,895**	157,402
At 28 September 2012 and 28 March 2013	**4,722,068,685**	472,207

Notes:

a. On 16 January 2012, the Company issued 195,757 new ordinary shares of HK$0.10 each at an issue price of HK$0.70 per share by way of the share awards vested during the six-month period ended 28 March 2012. During that period, the number of shares forfeited as a result of termination of employees was 13,206.

b. On 6 March 2012, the Company announced a right issue of 1,574,022,895 new shares at an issue price of HK$0.49 per share by way of 1 new share for each 2 existing shares of the Company ("PAIH Rights Issue"). Gross proceeds of approximately of HK$771 million are received from full subscription of shares under the PAIH Rights Issue. The Company utilised the net proceeds for subscribing the right issue of PARD.

23. COMMITMENTS

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**52,722**	99,091

With effect from 16 July 2012, the Group has ongoing commitments to pay variable price for the supply of fish under the first, second and third LSA entered into with the suppliers for a period of 10 to 18 years up to 31 December 2025. Variable price is calculated at 20% of the revenue derived from the sales of fish before deduction of amortisation of fixed prepayment to suppliers.

In addition, the Group had ongoing commitment to pay fixed price for the supply of fish of US$12,000 (approximately HK$93,600) per day per vessel for 6 fishing vessels under the fourth LSA ("Fourth LSA") entered into with supplier up to 31 December 2012. The Fourth LSA has been replaced by the New LSA in November 2012 and details are set out in note 12.

24. ACQUISITION OF SUBSIDIARIES

During the six-month period ended 28 March 2012, the Group acquired the entire equity interest in Consorcio Vollmacht S.A.C. ("CV") and Negocios Rafmar S.A.C. ("NR") and accounted for these acquisitions using the acquisition method of accounting. The principal activities of CV and NR are operations of fishing vessels and fishmeal plant in Peru. The acquisition was completed on 7 November 2011.

The fair values of assets acquired and liabilities recognised at the date of acquisition and the goodwill arising on acquisition, are as follows:

	HK$'000
Property, plant and equipment	46,692
Other intangible assets	221,794
Other receivables	16,848
Other payables	(81,900)
Deferred taxation	(48,468)
Assets acquired and liabilities assumed	154,966
Goodwill arising on acquisition	49,086
Total consideration	204,052
Cash outflow arising on acquisitions:	
Cash consideration	204,052

24. ACQUISITION OF SUBSIDIARIES – *Continued*

During the six-month period ended 28 March 2013, the identification and determination of fair values of the net identifiable assets acquired were completed. No adjustment was made to the provisional amount recognised at the date of acquisition.

The goodwill arising on the acquisition of subsidiaries is attributable to the anticipated profitability of the business of the Group's Fishery and fish supply division and the anticipated future operating synergies from the combination.

It was not practicable to estimate the change in revenue and operating results for the Group had the above acquisitions been effected at the beginning of the financial period as the financial statements prior to the acquisitions have not been prepared under Hong Kong Financial Reporting Standards.

25. CONTINGENT LIABILITIES

At 28 March 2013, certain subsidiaries of the Group are parties to legal processes in Peru with potential claims amounting to US$4,911,000 (approximately HK$38,306,000) (28.9.2012: US$3,798,000 (approximately HK$29,629,000)). These relate to environmental matters, employment disputes and miscellaneous claims. The Group's legal advisor has advised that US$3,880,000 (approximately HK$30,264,000) (28.9.2012: US$2,928,000 (approximately HK$22,843,000)) of these claims is likely to have unfavourable outcome for the Group and the outcome for claims of US$1,031,000 (approximately HK$8,042,000) (28.9.2012: US$870,000 (approximately HK$6,786,000)) cannot be reasonably ascertained. Additionally, there are claims which the legal advisor has opined to have remote chances of resulting in unfavourable outcomes for the Group. At the end of the reporting period, the Group had made a provision of US$3,880,000 (approximately HK$30,264,000) (28.9.2012: US$2,928,000 (approximately HK$22,843,000)) for these claims where the outcome is likely to be unfavourable to the Group.

At 28 March 2013, the Group provided guarantees of Euro 110,000,000 (approximately HK$1,098,000,000) (28.9.2012: Euro 110,000,000 (approximately HK$1,089,000,000)) with an option to increase by a maximum amount of Euro 30,000,000 (approximately HK$299,000,000) (28.9.2012: Euro 30,000,000 (approximately HK$297,000,000)) to banks in respect of the facility guarantee and operational guarantee in favour of the wholly owned operating entities held by an investee of the Group in respect of which the Group held unlisted equity security classified as available-for-sale investments. Details of the arrangements are set out in the Company's circular dated 22 June 2012. At 28 March 2013, an amount of HK$60,000,000 (28.9.2012: HK$50,000,000) has been recognised in the condensed consolidated statement of financial position as liabilities.

Save as disclosed above, no member of the Group is engaged in any litigation or claims of material importance known to the directors to be pending and threatened against any members of the Group.

26. PLEDGE OF ASSETS

(a) At 28 March 2013, the Group has pledged land and buildings and investment properties with aggregate carrying values of approximately HK$339,570,000 (28.9.2012: HK$343,000,000) and HK$349,799,000 (28.9.2012: HK$341,095,000) respectively, as collateral for mortgage loans granted to the Group by certain banks. In addition to the above, inventories of a subsidiary in the United States of America of HK$329,953,000 (28.9.2012: HK$340,188,000) were pledged as security for general banking facilities arranged for that subsidiary.

(b) At 28 March 2013, deposits amounting to HK$306,000 (28.9.2012: HK$207,000) were pledged to a bank to secure an export invoice discounting facility granted to the Group.

(c) At 28 March 2013, inventories of fishmeal of HK$112,016,000 (28.9.2012: HK$41,255,000) and inventories of frozen fish and fillets and portions amounting to HK$130,355,000 (28.9.2012: HK$76,454,000) were also pledged as security for the revolving inventory financing facilities obtained from banks.

(d) At 28 March 2013, the obligations under finance leases were secured by the lessors' title to the leased property, plant and equipment of a subsidiary in Peru with carrying values of HK$27,241,000 (28.9.2012: HK$28,409,000).

(e) At 28 March 2013 and 28 September 2012, shares and net assets of certain subsidiaries were also pledged as securities for revolving inventory financing and syndicated bank loan facilities.

27. RELATED PARTY TRANSACTIONS

(a) During the period, the Group entered into the following significant transactions with associates of the Group:

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
Sales of frozen seafood	**274,734**	363,900
Purchase of frozen seafood	**13,662**	18,839
Agency income	**4,402**	6,374

(b)

	28.3.2013	28.9.2012
	HK$'000	HK$'000
Bank advance drawn by the Group on discounted trade receivables with insurance coverage of associates of the Group	**73,509**	76,750
The above advances are secured by trade receivables of:		
– associates of the Group	**81,677**	85,277

27. RELATED PARTY TRANSACTIONS – *Continued*

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six-month period ended	
	28.3.2013	28.3.2012
	HK$'000	HK$'000
Short-term benefits	**17,500**	17,125
Post-employment benefits	**383**	383
	17,883	17,508

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

28. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 26 February 2013, the Group's subsidiary, China Fishery Group Limited ("China Fishery") announced a voluntary cash offer at an offer price of NOK 53.85 (approximately HK$74.31) per share for all the outstanding shares of Copeinca ASA ("Copeinca"), Peru's second largest fishing company listed on the Oslo Børs with a secondary listing on the Lima Stock Exchange. The maximum consideration of the acquisition of Copeinca is US$600 million (approximately HK$4,680 million). Summary of these arrangements are set out in the Company's announcement on 26 February 2013. On 11 April 2013, the offer price is further increased to NOK 59.70 (approximately HK$82.39) in order to match the competing bid of NOK 59.70 (approximately HK$82.39) from Cermaq ASA. On 24 May 2013, China Fishery announced that the acceptance period of the voluntary cash offer expired and the condition for the completion of voluntary cash offer has not been met. Thus, the voluntary cash offer will not complete. China Fishery is currently reviewing its options with regards to a possible new voluntary cash offer.

On 26 February 2013, the Group's subsidiary, China Fishery announced a rights issue of upto 1,049,843,939 new shares at an issue price of S$0.34 per share by way of rights on 1 new share for each 1 existing shares of China Fishery ("China Fishery Rights Issue").

Subsequent to the period end date, gross proceeds of approximately S$348 million (approximately HK$2,195 million) were received from full subscription of shares under China Fishery Rights Issue. China Fishery intends to use the proceeds from the China Fishery Rights Issue for the acquisition of Copeinca. The Group's shareholding in China Fishery remained at 38.5% upon completion of China Fishery Rights Issue.

MANAGEMENT DISCUSSION AND ANALYSIS

Market And Business Review

During the six-month period ended 28 March 2013, although the underlying global demand for fish and fishery products remained strong, a number of major countries with markets for fish and fishery products continued to experience economic hardship and have exerted pressure on the global fish trade, thus, affecting the Group's performance during the period under review.

Nonetheless, the Group has maintained close management of its working capital and made significant progress in strengthening its balance sheet, resulting from a strong first half operating cash flow and a lower level of net borrowings.

Total Revenue

Total revenue decreased by 13.8% from HK$8,401.1 million (approximately US$1,077.1 million) to HK$7,238.9 million (approximately US$928.1 million). The Fishery and Fish Supply Division (the "FFS Division") accounted for 29.2% (1HFY2012: 32.1%) of total revenue; the Frozen Fish Supply Chain Management Division (the "Frozen Fish SCM Division") for 38.1% (1HFY2012: 36.6%) and the processing and distribution division for the remaining 32.4% (1HFY2012: 31.1%).

FFS Division

The Group's FFS Division, which operates through its Singapore-listed subsidiary China Fishery Group Limited ("China Fishery"), recorded a 21.6% drop in revenue from HK$2,694.6 million to HK$2,112.1 million. This was primarily due to (1) lower sales contribution from Contract Supply Business partly due to lower average selling prices of various products, and (2) lower sales contribution from Peruvian Fishmeal Operations as a result of the reduction in total allowable catch of Peruvian anchovy in the Northern and Central Zones of Peru for the November 2012 to January 2013 fishing season. Although the average selling prices of fishmeal and fish oil have increased, these increases have only been able to partially offset the reduction in overall volume.

Revenue from the China Fishery Fleet (the "CF Fleet") decreased by 67% from HK$303.4 million to HK$99.1 million, due to significantly lower inventory carried forward at the end of FY2012.

Revenue segmentation

HK$ million	**1HFY2013**	1HFY2012	Change
Contract Supply Business	**1,765**	1,907	-7%
Peruvian Fishmeal Operations	**248**	485	-49%
CF Fleet	**99**	303	-67%
Total	**2,112**	2,695	-22%

During the period under review, the FFS Division continued with its business strategy of increasing access to strategic fishery resources. On 26 February, 2013, China Fishery announced a voluntary cash offer for all the outstanding issued shares of Copeinca ASA ("Copeinca"), Peru's second largest fishing company (the "Tender Offer") and a 1-for-1 rights issue (the "Rights Issue") to partially fund this acquisition. Since the condition for completion of the Tender Offer was not met, the Tender Offer lapsed on 23 May 2013. With regards to a possible new voluntary cash tender offer, China Fishery is currently reviewing its options and will update the shareholders and investors in due course.

Frozen Fish SCM Division

The Group's Frozen Fish SCM Division, which operates through its Singapore-listed subsidiary Pacific Andes Resources Development Limited ("PARD"), recorded a 10.4% drop in revenue from HK$3,077.3 million to HK$2,757.0 million due to lower sales volume and average selling prices of products.

On 13 March 2013, the Division acquired an 11.3% equity interest in Camposol Holding Plc. ("Camposol"), a Norway listed agro-industrial company based in Peru. As the world's largest exporter of asparagus, along with a growing global demand for avocado, Camposol is well-positioned to continue its growth trend with its advanced farming technology and large land bank in Peru. The Group views Camposol as a natural extension within the Division's greater resources development strategy.

Processing and Distribution Division

The Processing and Distribution Division faces the continuing challenge of major retailers seeking more value from its suppliers, while the overall production costs in China continue to increase. Although the intensely competitive marketplace adversely affected volumes and margins, the Division's focus on improving efficiency, reducing costs and selectively increasing capacity and downstream capability was able to mitigate the negative effects on operating profit margin from lower prices and sales volume.

As a consequence of the above, revenue from the Group's Processing and Distribution Division decreased by 10.2% from HK$2,609.6 million (approximately US$334.6 million) to HK$2,344.6 million (approximately US$300.6 million).

Financial Review

Revenue by geographical markets

The PRC remained the Group's most important market. Sales to the PRC market increased by 1.3% to HK$4,138.1 million and accounted for 57.2% of total revenue. Sales to North America decreased by 13.7% to HK$1,182.8 million, accounting for 16.3% of total revenue. Sales to Europe decreased by 9.6% to HK$978.4 million, accounting for 13.5% of total revenue. The drop in sales to North America and Europe was due primarily to lower average selling prices of products. Sales to the Africa and East Asia accounted for the remaining 13.0% of total revenue.

Gross profit

Gross profit decreased by 30.6% from HK$1,483.1 million to HK$1,029.7 million, this was primarily due to lower contributions from the FFS Division.

Other income

Other income increased by 201.2% from HK$135.5 million to HK$408.2 million. This was mainly attributable to realized gains from foreign exchange derivative contracts on hedging of the receivables.

Selling and distribution expenses

Selling and distribution expenses decreased by 29.2% from HK$400.9 million to HK$283.8 million, in line with lower overall sales volume.

Finance costs

Finance costs increased by 35.6% from HK$275.8 million to HK$374.0 million, due mainly to additional interest expenses related to senior notes issued by China Fishery Group in July 2012.

Profit for the period

Higher profit contributions from the Frozen Fish SCM Division were offset by lower profitability from the FFS Division and the Processing and Distribution Division. Profit for the period decreased by 3.8% from HK$593.1 million to HK$570.8 million. Profit attributable to owners of the Company increased by 16.9% from HK$189.8 million to HK$221.9 million.

Financial position and liquidity

As of 28 March 2013, total assets of the Group amounted to HK$29,373.6 million (28 September 2012: HK$29,470.0 million).

Non-current assets increased by 7.9% from HK$14,778.1 million to HK$15,938.5 million. The increase was due mainly to (1) prepayment of the Fourth Long Term Supply Agreement for Contract Supply Business under the Fishery and Fish Supply Division, (2) acquisition of a 9.9% equity interest in Copeinca and (3) acquisition of an 11.3% equity interest in Camposol.

Current assets decreased by 8.6% from HK$14,691.9 million to HK$13,435.0 million. Lower accounts receivable and prepayment to fish suppliers were in line with lower sales volume. Bank balances and cash increased from HK$693.5 million to HK$2,316.4 million from the realization of accounts receivable.

Total interest-bearing borrowings decreased by 3.5% from HK$12,788.5 million to HK$12,346.5 million. Of the Group's total bank loans and other borrowings, 64.5% of short-term borrowings and 96.8% of long-term borrowings were made by the Group's subsidiaries China Fishery and PARD. These loans were not guaranteed by the Company. Net borrowings decreased by 17.1% from HK$12,094.8 million to HK$10,029.7 million.

Equity attributable to the equity holders of the Company was HK$7,493.4 million, 2.8% higher than HK$7,292.1 million as at 28 September 2012.

As of 28 March 2013, the net-debt-to-equity ratio of the Group, defined as a percentage of net of cash interest bearing borrowings of HK$10,029.7 million over total equity of HK$13,693.3 million, improved from 91.6% to 73.2%.

As of 28 March 2013, the long term debt to total debt ratio is 39.7%.

The Group's borrowings are mainly denominated in US Dollars and carry LIBOR plus rates. Revenues are denominated in US Dollars, Euro and Japanese Yen, and major expenses are made either in US Dollars or HK Dollars. The Group manages its foreign exchange risks through the use of foreign currency forward contracts. Pursuant to the Group's policies currently in place, foreign currency forward contracts are entered into by the Group for hedging purposes.

Details of the contingent liabilities and pledged of assets of the Group, please refer to notes 25 and 26 to the condensed consolidated financial statements respectively.

Subsequent events

China Fishery's Rights Issue was successfully completed on 19 April 2013. PARD had fully subscribed its pro-rata rights shares in the Rights Issue. A total of 1,294,480,241 shares have been subscribed in this issue, representing approximately 126.5% of 1,023,177,273 shares offered, raising approximately US$278 million (approximately HK$2,168 million) after expenses. The net proceeds from the Rights Issue are intended to partially fund the Tender Offer. Pending such development of the net proceeds, the proceeds are kept as fixed deposits with the banks. This capital raising exercise has reinforced the Group's financial position and provided the Group with further capacity for its prospective investment opportunities.

Dividend

In line with its past practice, the Board of Directors has not declared any interim dividend for the six-month period ended 28 March 2013.

Employees and Remuneration

As at 28 March 2013, the Group had a total of approximately 10,100 employees. Remuneration packages offered to employees were in line with industry standards and reviewed annually. The award of bonuses is discretionary and based on the performance of, firstly, the individual employee, and secondly, the Group. Each of the Company and its non-wholly owned subsidiaries, PARD and China Fishery, has an employee share award plan and the Company and PARD has an employee share option scheme for granting of share options and share awards to eligible employees based on their contribution to the Group.

Prospects

Despite the reported increase in the biomass of Peruvian anchovy, the Peruvian government has recently announced a 24.1% cut in the total allowable catch from previous year in the Northern and Central Zones to 2.05 million tonnes for the first 2013 fishing season, so as to ensure the long term sustainability of the anchovy resource. Although the reduction in total allowable catch of Peruvian anchovy is expected to impact the FFS Division's results in the second half of FY2013, the continued strength in fishmeal and fish oil prices is expected to mitigate this potential impact.

In terms of volume, the Group expects the Frozen Fish SCM Division to remain stable.

Although the challenging economic conditions in the EU may continue to impact the Processing and Distribution Division, the Group remains resilient and is confident that its efforts in maintaining its strong customer relationships, continuous strength in cost control, improving productivity and investing in automation, as well as exploring possible consolidation opportunities will enable the Division to steer through this difficult period.

PURCHASE, SALE OR REDEMPTION

During the six-month period ended 28 March 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities of the Company during the period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") as the code of conduct regarding directors' securities transactions (the "Model Code").

Specific enquiry has been made of all the directors of the Company who have confirmed their compliance with the required standards set out in the Model Code during the six-month period ended 28 March 2013.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements for the six-month period ended 28 March 2013.

The interim financial reports have been reviewed by the Company's auditors, in accordance with Hong Kong Standard on Review Engagements 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity".

The members of the Audit Committee are Mr. Lew V Robert (chairman), Mr. Kwok Lam Kwong, Larry and Mr Tao Kwok Lau, Clement, the independent non-executive directors of the Company.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has complied with all the applicable code provisions in the CG Code throughout the six-month period ended 28 March 2013, except for the following deviations:

CG Code Provision A.4.1 provides that Non-Executive Directors should be appointed for a specific term, subject to re-election. The Independent Non-Executive Directors of the Company were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the Company's Bye-Laws. The CG Code Provision A.1.1 also provides that board meetings should be held at least four times a year at approximately quarterly intervals. Although the Board only held one meeting in 1HFY2013, it had been informed of all notifiable transactions and development of the Group by email and telephone. The Board acknowledging the effective and efficient way of communication, discussion and exchange of ideas through physical Board meetings committed to hold at least four times a year at approximately quarterly intervals going forward. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, WARRANTS, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 28 March 2013 and to the best knowledge of the Directors or chief executive of the Company, the interests and short positions of the Directors or chief executive of the Company in the shares, warrants, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies, were as follows:

Directors	Number of ordinary shares held (long position) Personal Interest	Family Interest	Percentage of the issued share capital of the Company
Ng Joo Siang	–	4,828,171 *(Note)*	0.10%
Ng Puay Yee	1,304,245	–	0.03%

Note: These shares are held under the name of the spouse of Ng Joo Siang.

Save as disclosed above, as at 28 March 2013, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, warrants, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company or the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, WARRANTS AND UNDERLYING SHARES OF THE COMPANY

Save as disclosed below, as at 28 March 2013 or as otherwise notified to the Company and/ or the Stock Exchange, according to the register of interest kept by the Company under Section 336 of the SFO and so far as was known to the Directors or chief executive of the Company, no other person or companies (other than a Director or chief executive of the Company whose interests are disclosed above) had an interest or a short position in the shares, warrants or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Substantial Shareholder	**Capacity**	**Number of issued ordinary shares held (long position)**	**Percentage of the issued share capital of the Company** *(%)*
N.S. Hong Investment (BVI) Limited ("N. S. Hong")	Beneficial owner	2,593,278,434 *(Note)*	54.92

Note: N.S. Hong directly holds such shares.

Other than disclosed above, the Company has not been notified of any persons who had interests or short positions in the shares, warrants or underlying shares of the Company, which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of SFO.

By Order of the Board
Ng Joo Siang
Vice-Chairman and Managing Director

Hong Kong, 27 May 2013

As at the date of this report, the executive directors of the Company are Madam Teh Hong Eng, Mr. Ng Joo Siang, Mr. Ng Joo Kwee, Mr. Ng Joo Puay, Frank and Ms. Ng Puay Yee whilst the independent non-executive directors of the Company are Mr. Lew V Robert, Mr. Kwok Lam Kwong, Larry and Mr. Tao Kwok Lau, Clement.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Deloitte.

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TO THE BOARD OF DIRECTORS OF
PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements set out on pages 1 to 26, which comprises the condensed consolidated statement of financial position of Pacific Andes International Holdings Limited and its subsidiaries as of 28 March 2013 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that these condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

27 May 2013