PACIFIC ANDES

INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTERIM REPORT

For the six-month period ended 28 March 2015

STOCK CODE: 1174

UNAUDITED INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Pacific Andes International Holdings Limited ("**Pacific Andes**" or the "**Company**") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six-month period ended 28 March 2015 ("**1HFY2015**"), together with the unaudited comparative figures for the corresponding period from the immediate preceding year for the six-month period ended 28 March 2014 ("**1HFY2014**").

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six-month period ended 28 March 2015

		Six-month period ended	
	Notes	**28.3.2015 HK$'000 (unaudited)**	28.3.2014 HK$'000 (unaudited)
Revenue	*4*	**5,276,358**	6,983,781
Cost of sales		**(4,200,810)**	(5,826,724)
Gross profit		**1,075,548**	1,157,057
Other income and gains	*5*	**183,660**	286,246
Selling and distribution expenses		**(165,382)**	(237,936)
Administrative expenses		**(331,418)**	(345,834)
Other expenses		**(213,277)**	(60,875)
Finance costs		**(496,637)**	(505,111)
Share of results of a joint venture		**–**	(3,189)
Share of results of associates		**94**	35,206
Profit before taxation	*6*	**52,588**	325,564
Taxation	*7*	**61,211**	(34,961)
Profit for the period		**113,799**	290,603
Profit for the period attributable to:			
Owners of the Company		**20,222**	85,677
Non-controlling interests		**93,577**	204,926
		113,799	290,603

		Six-month period ended	
		28.3.2015 HK cents	28.3.2014 HK cents (restated)
Earnings per share	*9*		
Basic		**0.3**	1.7
Diluted		**0.3**	1.7

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 28 March 2015

	Six-month period ended	
	28.3.2015	28.3.2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period	**113,799**	290,603
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of properties	**48,110**	47,781
Deferred tax liability arising on revaluation of properties	**(11,821)**	(16,695)
Items that will be subsequently reclassified to profit or loss:		
Fair value changes of available-for-sale investments	**–**	(3,282)
Exchange differences arising on translation of foreign operations	**(18,858)**	(42,427)
Other comprehensive income (expense) for the period	**17,431**	(14,623)
Total comprehensive income for the period	**131,230**	275,980
Total comprehensive income attributable to:		
Owners of the Company	**42,298**	77,760
Non-controlling interests	**88,932**	198,220
	131,230	275,980

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 28 March 2015

	Notes	**28.3.2015 HK$'000 (unaudited)**	28.9.2014 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*10*	**7,266,207**	7,540,256
Investment properties	*10*	**547,382**	549,792
Prepaid lease payments		**38,778**	39,468
Goodwill	*11*	**2,976,668**	2,976,668
Receivable from/prepayment to suppliers	*12*	**–**	167,896
Available-for-sale investments		**37,594**	37,655
Interests in associates		**38,949**	38,855
Other intangible assets	*13*	**9,561,492**	9,560,792
Other long term receivables		**370,485**	409,137
		20,837,555	21,320,519
Current assets			
Inventories		**1,653,374**	2,695,131
Trade, bills, other receivables and prepayments	*14*	**10,077,986**	11,886,902
Trade receivables with insurance coverage	*15*	**499,063**	410,193
Trade receivables from associates	*16*	**59,776**	66,052
Receivable from/prepayment to suppliers – current portion	*12*	**480,832**	850,200
Advance to a supplier	*12*	**315,900**	315,900
Amounts due from associates		**41,545**	31,115
Held-for-trading investments		**3,690**	172,365
Other financial assets		**–**	13,658
Tax recoverable		**59,360**	59,279
Bank balances and cash		**2,211,128**	1,245,314
		15,402,654	17,746,109

	Notes	28.3.2015 HK$'000 (unaudited)	28.9.2014 HK$'000 (audited)
Current liabilities			
Trade, bills and other payables	*17*	**685,990**	1,835,753
Amount due to a related party	*18*	**1,259,751**	–
Bank advances drawn on discounted trade receivables with insurance coverage and discounted bills	*15*	**726,423**	662,587
Other financial liabilities		**153,220**	57,000
Taxation		**129,974**	188,100
Bank borrowings – due within one year	*19*	**5,556,256**	8,649,128
Senior note	*21*	**1,949,651**	–
		10,461,265	11,392,568
Net current assets		**4,941,389**	6,353,541
Total assets less current liabilities		**25,778,944**	27,674,060
Non-current liabilities			
Bank borrowings – due after one year	*19*	**3,075,185**	3,844,895
Long term payables		**199,214**	193,984
Bonds	*20*	**1,114,045**	1,197,169
Senior notes	*21*	**2,155,846**	4,097,426
Deferred taxation		**2,518,373**	2,549,325
		9,062,663	11,882,799
Net assets		**16,716,281**	15,791,261
Capital and reserves			
Share capital	*22*	**708,310**	472,207
Share premium and reserves		**8,070,776**	7,851,521
Equity attributable to owners of the Company		**8,779,086**	8,323,728
Non-controlling interests			
Share of net assets of subsidiaries		**7,937,195**	7,467,533
Total Equity		**16,716,281**	15,791,261

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 28 March 2015

	Attributable to owners of the Company											
	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	Non-controlling interests HK$'000	Total HK$'000
At 28 September 2013 (audited and restated)	472,207	3,163,790	732,567	205,697	297,098	2,181	(135,913)	9,800	3,027,445	7,774,872	7,077,136	14,852,008
Surplus on revaluation of properties	–	–	46,027	–	–	–	–	–	–	46,027	1,754	47,781
Deferred tax liability arising on revaluation of properties	–	–	(16,695)	–	–	–	–	–	–	(16,695)	–	(16,695)
Fair value changes of available-for-sale investments	–	–	–	–	–	(2,181)	–	–	–	(2,181)	(1,101)	(3,282)
Exchange difference arising on translation of foreign operations	–	–	–	(35,068)	–	–	–	–	–	(35,068)	(7,359)	(42,427)
Other comprehensive income (expense)	–	–	29,332	(35,068)	–	(2,181)	–	–	–	(7,917)	(6,706)	(14,623)
Profit for the period	–	–	–	–	–	–	–	–	85,677	85,677	204,926	290,603
Total comprehensive income (expense) for the period	–	–	29,332	(35,068)	–	(2,181)	–	–	85,677	77,760	198,220	275,980
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	(62,272)	(62,272)
Dividend paid *(note 8)*	–	–	–	–	–	–	–	–	(51,942)	(51,942)	(67,589)	(119,531)
At 28 March 2014 (unaudited and restated)	472,207	3,163,790	761,899	170,629	297,098	–	(135,913)	9,800	3,061,180	7,800,690	7,145,495	14,946,185

	Attributable to owners of the Company											
	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**	**Non-controlling interests HK$'000**	**Total HK$'000**
At 28 September 2014 (audited)	**472,207**	**3,163,790**	**830,706**	**205,147**	**303,767**	**–**	**(135,913)**	**9,800**	**3,474,224**	**8,323,728**	**7,467,533**	**15,791,261**
Surplus on revaluation of properties	**–**	**–**	**51,761**	**–**	**–**	**–**	**–**	**–**	**–**	**51,761**	**(3,651)**	**48,110**
Deferred tax liability arising on revaluation of properties	**–**	**–**	**(11,821)**	**–**	**–**	**–**	**–**	**–**	**–**	**(11,821)**	**–**	**(11,821)**
Exchange difference arising on translation of foreign operations	**–**	**–**	**–**	**(17,864)**	**–**	**–**	**–**	**–**	**–**	**(17,864)**	**(994)**	**(18,858)**
Other comprehensive income (expense)	**–**	**–**	**39,940**	**(17,864)**	**–**	**–**	**–**	**–**	**–**	**22,076**	**(4,645)**	**17,431**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**20,222**	**20,222**	**93,577**	**113,799**
Total comprehensive income (expense) for the period	**–**	**–**	**39,940**	**(17,864)**	**–**	**–**	**–**	**–**	**20,222**	**42,298**	**88,932**	**131,230**
Transfer upon disposal of properties, plant and equipment	**–**	**–**	**(3,288)**	**–**	**–**	**–**	**–**	**–**	**3,288**	**–**	**–**	**–**
Issue of shares by a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**380,730**	**380,730**
Issue of shares on exercise of rights issue	**236,103**	**188,883**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**424,986**	**–**	**424,986**
Transaction costs attributable to issue of new ordinary shares	**–**	**(11,926)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(11,926)**	**–**	**(11,926)**
At 28 March 2015 (unaudited)	**708,310**	**3,340,747**	**867,358**	**187,283**	**303,767**	**–**	**(135,913)**	**9,800**	**3,497,734**	**8,779,086**	**7,937,195**	**16,716,281**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 28 March 2015

	Six-month period ended	
	28.3.2015	28.3.2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Operating activities		
Profit before taxation	**52,588**	325,564
Adjustments for non-cash items	**956,278**	1,066,762
Operating cash flows before movements in working capital	**1,008,866**	1,392,326
Decrease (increase) in inventories	**1,041,757**	(851,499)
Decrease in trade, bills, other receivables and prepayments and trade receivables with insurance coverage	**1,720,046**	378,609
(Decrease) increase in trade, bills and other payables	**(1,116,011)**	390,644
Others	**(643,774)**	(554,033)
Net cash from operating activities	**2,010,884**	756,047
Investing activities		
Addition to property, plant and equipment	**(69,707)**	(224,898)
Repayment from suppliers	**537,264**	–
Proceeds from disposal of held-for-trading investments	**163,101**	–
Others	**58,185**	(73,847)
Net cash from (used in) investing activities	**688,843**	(298,745)
Financing activities		
Proceeds from issue of shares from rights issue	**424,986**	–
Payment for transaction cost attributable to issue of new ordinary shares	**(11,926)**	–
Proceeds from shares issued by a subsidiary	**380,730**	–
Dividend paid to non-controlling shareholders	**–**	(67,589)
Advance from a related party	**1,259,751**	–
Net bank advances drawn on discounted trade receivables with insurance coverage and discounted bills raised	**63,836**	21,384
Bank borrowings raised	**–**	5,111,311
Repayment of bank borrowings	**(942,804)**	(5,054,435)
Repayment of working capital loans, net	**(2,919,778)**	(610,929)
Cash outflow arising on acquisition of additional interests in subsidiaries	**–**	(55,603)
Others	**–**	(15,707)
Net cash used in financing activities	**(1,745,205)**	(671,568)
Net increase (decrease) in cash and cash equivalents	**954,522**	(214,266)
Cash and cash equivalents at beginning of the period	**1,245,314**	921,335
Effect of foreign exchange rate changes	**11,292**	5,005
Cash and cash equivalents at end of the period	**2,211,128**	712,074
Representing:		
Bank balances and cash	**2,211,128**	712,074

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 28 March 2015

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, certain available-for-sale investments, held-for-trading investments and other financial liabilities, which are measured at fair values or revalued amounts, as appropriate.

Except as described in note 3 below, 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 2014.

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

The Group has applied the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") and interpretation issued by the HKICPA for the first time in the current period.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 19	Defined Benefit Plans: Employees Contributions
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to HKFRSs	Annual Improvement to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvement to HKFRSs 2011 – 2013 Cycle
HK(IFRIC) – Int 21	Levies

The application of the amendments to HKFRSs and interpretation in the current period has had no material effect in the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

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

HKFRS 9	Financial Instruments[4]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS16 and HKAS 41	Agriculture: Bearer Plant[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2012 – 2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Admendments to HKFRS10, HKFRS12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]

1 Effective for accounting periods beginning on or after 1 January 2016.
2 Effective for first annual financial statements beginning on or after 1 January 2016.
3 Effective for accounting periods beginning on or after 1 January 2017.
4 Effective for accounting periods beginning on or after 1 January 2018.

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
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	–	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 expense reported in the condensed consolidated income statement 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 investment properties, administrative expenses, other expenses, finance costs and taxation.

4. REVENUE AND SEGMENT INFORMATION – *Continued*

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating cash and cash equivalents, receivables, prepayments, advances, inventories, receivables from/prepayment to suppliers, certain property, plant and equipment and intangible assets. Segment liabilities consist principally of trade payable, accrued expenses, amount due to a related party and long term payables.

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

Share of results from associates and joint ventures are allocated as they are specifically attributable to operating segments, and correspondingly the investments in associates are included in segment assets of the Group.

Information regarding the above segments is reported below.

For the six-month period ended 28 March 2015 (unaudited)

Segment revenue and results

	Frozen fish SCM HK$'000	Processing and distribution HK$'000	Fishery and fish supply HK$'000	Others HK$'000	Consolidated HK$'000
REVENUE					
External sales to external customers	**1,562,157**	**2,149,416**	**1,564,785**	**–**	**5,276,358**
RESULTS					
Segment result	**144,070**	**363,818**	**565,772**	**–**	**1,073,660**
Unallocated corporate income					**20,260**
Unallocated corporate expenses					**(544,695)**
Finance costs					**(496,637)**
Profit before taxation					**52,588**

4. REVENUE AND SEGMENT INFORMATION – *Continued*

As at 28 March 2015 (unaudited)

Segment assets and liabilities

	Frozen fish SCM HK$'000	**Processing and distribution HK$'000**	**Fishery and fish supply HK$'000**	**Others HK$'000**	**Consolidated HK$'000**
ASSETS					
Segment assets	**7,640,595**	**5,692,665**	**22,258,662**	**–**	**35,591,922**
Unallocated corporate assets					**648,287**
Total assets					**36,240,209**
LIABILITIES					
Segment liabilities	**58,818**	**1,704,936**	**381,201**	**–**	**2,144,955**
Unallocated corporate liabilities					**17,378,973**
Total liabilities					**19,523,928**

For the six-month period ended 28 March 2014 (unaudited)

Segment revenue and results

	Frozen fish SCM HK$'000	Processing and distribution HK$'000	Fishery and fish supply HK$'000	Others HK$'000	Consolidated HK$'000
REVENUE					
External sales to external customers	2,124,262	2,300,153	2,535,715	23,651	6,983,781
RESULTS					
Segment result	223,337	205,679	769,834	11,166	1,210,016
Unallocated corporate income					146,955
Unallocated corporate expenses					(526,296)
Finance costs					(505,111)
Profit before taxation					325,564

4. REVENUE AND SEGMENT INFORMATION – *Continued*

As at 28 September 2014

Segment assets and liabilities

	Frozen fish SCM HK$'000	Processing and distribution HK$'000	Fishery and fish supply HK$'000	Others HK$'000	Consolidated HK$'000
ASSETS					
Segment assets	8,611,580	5,784,168	24,017,036	–	38,412,784
Unallocated corporate assets					653,844
Total assets					39,066,628
LIABILITIES					
Segment liabilities	126,801	1,422,328	537,608	–	2,086,737
Unallocated corporate liabilities					21,188,630
Total liabilities					23,275,367

5. OTHER INCOME AND GAINS

	Six-month period ended	
	28.3.2015 HK$'000	28.3.2014 HK$'000
Agency income	**1,974**	5,187
Compensation received from suppliers of fish	**96,886**	82,124
Exchange gain, net	**–**	143,818
Fair value change on held-for-trading investments	**–**	177
Fair value changes on investment properties	**9,716**	–
Interest income	**5,778**	6,545
Gross rental income	**10,544**	9,159
Gain from financial guarantee contracts, net	**25,000**	–
Sundry income	**33,762**	39,236
	183,660	286,246

6. PROFIT BEFORE TAXATION

	Six-month period ended	
	28.3.2015	28.3.2014
	HK$'000	HK$'000
Profit before taxation has been arrived at after charging (crediting):		
Amortisation of prepayment to suppliers (included in cost of sales)	**–**	108,143
Amortisation of prepaid lease payments	**502**	502
Cost of inventories included in cost of sales	**3,698,252**	4,626,365
Depreciation of property, plant and equipment	**341,743**	433,804
Exchange loss (gain), net	**35,474**	(143,818)
Impairment loss on property, plant and equipment	**–**	31,192
Loss on disposal of property, plant and equipment	**6,898**	1,377
Fair value change of derivative financial instruments (included in other expenses)	**134,878**	14,545
Fair value changes on investment properties	**(9,716)**	5,546
(Gain) loss from financial guarantee contracts, net	**(25,000)**	3,000

7. TAXATION

	Six-month period ended	
	28.3.2015	28.3.2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
The charge comprises:		
Current tax for period		
– Hong Kong	**–**	–
– Other jurisdictions	**22**	87,908
	22	87,908
(Over) under provision in prior period		
– Hong Kong	**–**	6
– Other jurisdictions	**(18,821)**	–
	(18,821)	6
Deferred taxation	**(42,412)**	(52,953)
Tax (credit) charge for the period	**(61,211)**	34,961

7. TAXATION – *Continued*

Hong Kong Profit Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for the period.

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

Pursuant to the Law Nº 30296 promulgated on 15 December 2014 by the Ministry of Economy and Finance in Peru, the income tax rate has been changed from 30% to 28% effective from the fiscal year beginning on 1 January 2015; will be changed from 28% to 27% effective from the fiscal year beginning on 1 January 2017; and 27% to 26% effective from the fiscal year beginning on 1 January 2019 onward for companies incorporated in Peru.

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

8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six-month period ended 28 March 2014 and 28 March 2015.

On 7 March 2014, the Company declared a final dividend of HK1.1 cents per share for the year ended 28 September 2013. Cash dividend of HK$51,942,000 were paid on 11 April 2014.

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	
	28.3.2015	28.3.2014
	HK$'000	HK$'000
Earnings attributable to the owners of the Company for the purposes of calculation of basic and diluted earnings per share	**20,222**	85,677
Weighted average number of ordinary shares for the purpose of calculation of basic and diluted earnings per share	**6,208,075,715**	5,103,353,734

For the period ended 28 March 2015 and 2014, the outstanding warrants issued by the Company's listed subsidiary, China Fishery Group Limited ("**China Fishery**"), are not included in the calculation of diluted earnings per share as the exercise price was higher than the average market price of the shares of China Fishery during the outstanding period.

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share has been adjusted by incorporating the effects of rights issue during the period ended 28 March 2015.

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

During the period, the Group incurred the following capital expenditures on property, plant and equipment:

	Six-month period ended	
	28.3.2015	28.3.2014
	HK$'000	HK$'000
Leasehold land and buildings	**16,131**	10,068
Freehold land and buildings	**–**	3,480
Leasehold improvements	**2,163**	837
Furniture, fixtures and office equipment	**1,294**	2,624
Motor vehicles	**214**	653
Plant and machinery	**16,440**	111,991
Vessels	**–**	28,034
Fishing nets	**–**	84
Construction in progress	**33,465**	67,127
Total	**69,707**	224,898

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 2015 and 28 September 2014 respectively. 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 revaluation increase of HK$48,110,000 (2014: HK$47,781,000) which was credited to the property revaluation reserve.

During the six-month period ended 28 March 2015, the Group disposed of property, plant and equipment with a carrying amount of HK$25,715,000 (2014: HK$12,267,000) to independent third parties for HK$18,817,000 (2014: HK$10,890,000).

The Group's investment properties were revalued by BMI Appraisals Limited, independent property valuer, at 28 March 2015 and 28 September 2014. The valuation was based on income 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$9,716,000 (2014: fair value loss of HK$5,546,000) which has been recognised in other income (2014: other expense) in the condensed consolidated income statement.

11. GOODWILL

	28.3.2015 HK$'000	28.9.2014 HK$'000
Gross amount	**2,990,023**	2,990,023
Less: impairment	**(13,355)**	(13,355)
Carrying amount at end of period	**2,976,688**	2,976,688

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 2015 allocated to the CGUs are as follows:

	28.3.2015 HK$'000	28.9.2014 HK$'000
Frozen fish SCM division – Pacific Andes Resources Development Limited ("**PARD**")	**13,245**	13,245
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

During the six-month period ended 28 March 2015, management of the Group determined that there is no indication of impairment of any of its groups of CGUs containing goodwill or intangible assets with indefinite useful lives.

12. RECEIVABLE FROM/PREPAYMENT TO SUPPLIERS AND ADVANCE TO A SUPPLIER

Receivable from/prepayment to suppliers

Since January 2004, a subsidiary, CFIL had entered into four vessel operating agreements with two companies, Perun Limited ("**Perun**") and Alatir Limited ("**Alatir**"), to prepay charter hire for certain vessels for a specified period of time up to 31 December 2030 together with the allocated fish quotas in Pacific Ocean.

With effect from 16 July 2012, these four vessel operating agreements were replaced by the long term supply agreements ("**LSAs**") for the purpose of simplifying the fish supply arrangements between CFIL and the counterparties and further clarifying the rights and obligations of the counterparties. Summary of these arrangements are set out in the Company's announcement on 16 July 2012. The Group did not believe that there will be any financial impact to the Group in replacing the vessel operating agreements with LSAs as the underlying commercial terms remain substantially unchanged.

12. RECEIVABLE FROM/PREPAYMENT TO SUPPLIERS AND ADVANCE TO A SUPPLIER – *Continued*

Receivable from/prepayment to suppliers – *Continued*

In November 2012, the Group has entered into a New LSA to replace the Fourth LSA. The New LSA took retrospective effect from 1 October 2012 and shall terminate on 30 September 2030.

On 24 March 2014, the Company announced termination of the four LSAs including the New LSA with effect from 1 April 2014. Under the termination agreements, the Group would be entitled to a refund of prepayments to suppliers in cash or in the form of fish supply of HK$850,200,000 by 28 September 2015 and the remaining balance of HK$167,896,000 by 28 March 2016. The amounts are unsecured and interest free. During the period ended 28 March 2015, an amount of HK$537,264,000 was settled in the form of cash by Perun and Alatir.

Advance to a supplier

As at 28 March 2015 and 28 September 2014, the advance to a supplier, Perun, was unsecured, interest-free and will be offset against future purchases of fish from the supplier.

The fair value of the Group's advance to a supplier approximates their carrying amount.

13. OTHER INTANGIBLE ASSETS

Other intangible assets comprise fishing and plant permits of HK$9,536,829,000 (28.9.2014: HK$9,536,829,000) granted by the authority in Peru with indefinite useful lives and club debentures of HK$24,663,000 (28.9.2014: HK$23,963,000).

Fishing 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 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 permits is not amortised.

14. TRADE, BILLS, OTHER RECEIVABLES AND PREPAYMENTS

	28.3.2015	28.9.2014
	HK$'000	HK$'000
Trade and bills receivables	**978,340**	1,772,959
Current portion of prepaid lease payments	**1,380**	1,380
Balance with suppliers *(note a)*	**559,780**	903,430
Deferred expenditure *(note b)*	**506,420**	325,296
Prepayments for fish and other seafood products	**6,302,077**	7,503,208
Other receivables and prepayments	**1,459,030**	1,067,615
Loan receivables *(note c)*	**270,959**	313,014
	10,077,986	11,886,902

14. TRADE, BILLS, OTHER RECEIVABLES AND PREPAYMENTS – *Continued*

Notes:

a. The balances with suppliers represent advances to the suppliers, Perun and Alatir to finance the working capital for the supply of fish to the Group. The balances with suppliers will be offset against future purchases of fish from these suppliers on the basis of arrangements amongst members of the Group and the suppliers.

   The balances with suppliers are interest-free and unsecured as at 28 March 2015 and 28 September 2014.

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

c. Loan receivable represents the amount due from Asarmona Holdings Limited ("**Asarmona**"). The loan is unsecured, carries interest at 3% per annum above Euribor and repayable within 10 business days after service of a written demand of Asarmona by the Group and expected to be recovered in the next twelve months after the end of the reporting period.

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:

	28.3.2015	28.9.2014
	HK$'000	HK$'000
Less than 30 days	**289,548**	560,282
31 – 60 days	**196,889**	282,603
61 – 90 days	**156,545**	100,574
91 – 120 days	**226,974**	819,742
Over 120 days	**108,384**	9,758
	978,340	1,772,959

15. 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 trade receivables with insurance coverage based on the invoice date at the end of the reporting period is as follows:

	28.3.2015	28.9.2014
	HK$'000	HK$'000
Less than 30 days	**270,104**	262,130
31 – 60 days	**98,753**	61,374
61 – 90 days	**24,710**	22,488
91 – 120 days	**11,647**	15,990
Over 120 days	**93,849**	48,211
	499,063	410,193

16. TRADE RECEIVABLES FROM ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES

The amounts due from associates are unsecured, interest-free and are repayable on demand and the Directors expect to recover these amounts within twelve months from the end of the reporting period.

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 and they are neither past due nor impaired. The Directors are of the opinion that the credit quality of the trade receivables from associates is of good quality.

17. TRADE, BILLS AND OTHER PAYABLES

Included in trade, bills and other payables are trade payables of HK$483,277,000 (28.9.2014: HK$871,252,000). 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:

	28.3.2015	28.9.2014
	HK$'000	HK$'000
Less than 30 days	**307,139**	221,937
31 – 60 days	**68,286**	69,624
61 – 90 days	**54,888**	14,725
Over 90 days	**52,964**	564,966
	483,277	871,252

18. AMOUNT DUE TO A RELATED PARTY

The amount represented an advance received from a related party which certain Directors of the Company is the shareholders. The amount is unsecured, bears fixed interest rate at 2.5% per annum and repayable within one year.

19. BANK BORROWINGS

	28.3.2015	28.9.2014
	HK$'000	HK$'000
Bank borrowings comprise:		
Trust receipt loans	**2,073,955**	4,002,420
Mortgage loans	**104,909**	107,853
Other bank loans	**6,535,388**	8,518,481
Bank overdrafts	**6,947**	27,010
	8,721,199	12,655,764
Less: issuing costs	**(89,758)**	(161,741)
	8,631,441	12,494,023

The maturity of bank borrowings is as follows:

Within one year	**5,457,308**	8,547,224
In the second year	**1,320,927**	1,304,152
In the third year	**1,588,191**	1,324,491
In the fourth year	**50,000**	1,073,881
In the fifth year	**50,000**	50,000
Over five year	**66,067**	92,371
	8,532,493	12,392,119
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)	**98,948**	101,904
	8,631,441	12,494,023
Less: Amount shown under current liabilities	**(5,556,256)**	(8,649,128)
Shown under non-current liabilities	**3,075,185**	3,844,895

20. BONDS

As at 28 March 2015, the amount represents Singapore dollar denominated unsecured and unguaranteed bonds (the "**SG Bonds**") which was issued on 30 July 2014 and will be redeemed on 30 July 2017. Interest of 8.5% per annum will be paid semi-annually until the settlement date. The interest expense charged for the SG Bonds is calculated by applying an effective interest rate of 9.5% per annum to the bonds outstanding.

Management estimates that the fair values of the SG Bonds approximate their carrying amounts as the SG Bonds' effective interest rates approximate the market rates available at the end of the reporting period.

At 28 March 2015, the outstanding principal of the SG Bonds amounted to S$200,000,000 (approximately HK$1,137,440,000) (2014: S$200,000,000 (approximately HK$1,227,000,000)).

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$17,045,000 (approximately HK$132,951,000). 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 2015, accumulated amortisation amounted to US$3,441,500 (approximately HK$26,844,000) (28.9.2014: US$2,934,700 (approximately HK$22,891,000)).

At 28 March 2015, the outstanding principal of the Notes amounted to US$288,000,000 (approximately HK$2,246,400,000) (28.9.2014: US$288,000,000 (approximately HK$2,246,400,000)).

Corporacion Pesquera Inca S.A.C. ("**CPI**"), a subsidiary of Copeinca AS ("**Copeinca**"), issued guaranteed senior fixed rate notes with nominal value of US$250,000,000 (approximately HK$1,950,000,000) ("**CPI Notes**"), which carry fixed interest rate of 9% per annum (interest payable semi-annually in arrear) and will be due in 2017. The CPI Notes are unsecured but guaranteed by Copeinca. In addition, certain covenants set out in the CPI Notes need to be compiled with.

The net carrying amount of the CPI Notes was stated net of issue expenses totaling US$948,000 (approximately HK$7,394,000). Such expenses were amortised over the life of the CPI Notes by charging the expenses to the profit or loss using effective interest rate of 9.39% per annum and increasing the net carrying amount of the CPI Notes with the corresponding amount. As at 28 March 2015, accumulated amortisation amounted to US$168,000 (approximately HK$1,311,000) (28.9.2014: US$144,000 (approximately HK$1,123,000)).

During the six-month period ended 28 March 2015, China Fishery announced to redeem the outstanding principal balance of the CPI Notes on 16 March 2015. The redemption date was further extended to 15 May 2015 and hence the outstanding balance of the CPI Notes is classified as current liability as at 28 March 2015. Subsequently, the CPI Notes are redeemed as of the date of this report.

22. SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.10 each		
At 29 September 2013, 28 March 2014, 28 September 2014	4,722,068,685	472,207
Issue of shares as rights issue	2,361,034,342	236,103
At 28 March 2015	7,083,103,027	708,310

On 11 November 2014, the Company announced a rights issue of 2,361,034,342 new shares at an issue price of HK$0.18 per share on the basis of 1 new share for every 2 existing shares of the Company ("**PAIH Rights Issue**"). Gross proceeds of approximately of HK$425 million are received from full subscription of shares under the PAIH Rights Issue. The Company utilised the net proceeds for subscribing its pro-rata entitlement under the rights issue of PARD.

23. COMMITMENTS

	28.3.2015	28.9.2014
	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	**–**	12,246

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for asset or liability.

Financial liabilities	**Fair value as at 28.3.2015 HK$'000**	Fair value as at 28.9.2014 HK$'000	**Fair value hierarchy**	**Valuation technique(s) and key inputs**	**Sensitivity**
Listed equity securities classified as held-for-trading investments	**3,690**	172,365	Level 1	Quoted bid prices in an active market	Not applicable
Listed equity securities classified as available-for-sale investments	**2,516**	6,237	Level 1	Quoted bid prices in an active market	Not applicable
Structured foreign currency forward contracts treated as derivative financial instruments classified as other financial (liabilities) assets	**(121,220)**	13,658	Level 3	Discounted cash flows	
				1) Volatility of exchange rates	A significant increase in volatility would result in a significant decrease in fair value and vice versa.
				2) Correlation of the exchange rates involved in the contract	A significant increase in correlation would result in a significant increase in fair value and vice versa.

There were no transfers between Level 1 and 2 in the current period and prior year.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated financial statements approximate their fair values.

25. CONTINGENT LIABILITIES

At 28 March 2015, certain subsidiaries of the Group are parties to legal processes in Peru with potential claims amounting to US$37,440,000 (approximately HK$292,032,000) (28.9.2014: US$30,164,000 (approximately HK$235,277,000)). These relate to environmental matters, employment disputes and miscellaneous claims. The Group's legal advisor has advised that US$16,084,000 (approximately HK$125,458,000) (28.9.2014: US$14,144,000 (approximately HK$110,321,000)) of these claims is likely to have unfavourable outcome for the Group and the outcome for claims of US$21,356,000 (approximately HK$166,574,000) (28.9.2014: US$16,019,000 (approximately HK$124,948,000)) 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$16,084,000 (approximately HK$125,458,000) (28.9.2014: US$14,144,000 (approximately HK$110,321,000)) for claims where the outcome is likely to be unfavourable to the Group.

At 28 March 2015, the Group provided guarantees of Euro110,000,000 (approximately HK$996,556,000) (28.9.2014: Euro110,000,000 (approximately HK$1,168,000,000)) with an option to increase by a maximum amount of Euro30,000,000 (approximately HK$271,788,000) (28.9.2014: Euro30,000,000 (approximately HK$319,000,000)) to banks in respect of the facility guarantee and operational guarantee in favour of the wholly-owned operating entities held by Asarmona (note 14(c)). Details of the arrangements are set out in the Company's circular dated 22 June 2012. At 28 March 2015, an amount of HK$32,000,000 (28.9.2014: HK$57,000,000) has been recognised in the condensed consolidated statement of financial position as other financial 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 2015, the Group has pledged land and buildings and investment properties with aggregate carrying values of approximately HK$638,060,000 (28.9.2014: HK$627,200,000) and HK$314,920,000 (28.9.2014: HK$292,600,000) 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 (the "**United States**") with carrying amount of HK$470,666,000 (28.9.2014: HK$505,735,000) were pledged as security for general banking facilities arranged for that subsidiary.

(b) At 28 March 2015, inventories of fishmeal of HK$5,460,000 (28.9.2014: HK$385,974,000) and inventories of frozen fish and fillets and portions amounting to nil (28.9.2014: HK$249,483,000) were also pledged as security for the revolving inventory financing facilities obtained from banks.

(c) At 28 March 2015 and 28 September 2014, 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, other than the balances and the related terms as disclosed in the condensed consolidated statement of financial position and set out in notes 16 and 18, the Group entered into the following significant transactions with associates of the Group:

	Six-month period ended	
	28.3.2015	28.3.2014
	HK$'000	HK$'000
Sales of frozen seafood	**168,695**	347,554
Vessel charter income	**126,751**	135,250
Purchase of frozen seafood	**28,966**	24,748
Agency income	**1,974**	5,187

(b)

	28.3.2015	28.9.2014
	HK$'000	HK$'000
Bank advance drawn by the Group on discounted trade receivables with insurance coverage of associates of the Group	**35,137**	57,764
The above advances are secured by trade receivables of:		
– associates of the Group	**39,041**	64,182

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

	Six-month period ended	
	28.3.2015	28.3.2014
	HK$'000	HK$'000
Short-term benefits	**12,394**	17,290
Post-employment benefits	**383**	383
	12,777	17,673

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 11 February 2015, the Company's subsidiary, China Fishery, announced proposing to raise up to approximately S$295.8 million (approximately HK$1,709.7 million) (after deduction of expenses) by way of the rights issue on the basis of four rights shares for every five existing ordinary shares held by the shareholders of China Fishery, in which up to 1,714,006,713 rights shares will be issued at the subscription price of S$0.173 (approximately HK$1.0) per rights share. The rights issue was completed on 30 April 2015. The Group had subscribed for 1,154,376,739 shares under the rights issue and the effective percentage of shareholding of the Group in China Fishery remains unchanged.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

According to the Food and Agricultural Organisation, 2014 represents the first year in which more farmed fish than wild fish was consumed and the overall prices of fish products have also reached record heights due to strong demand growth. More fish was produced due to the increasingly dominant aquaculture sector.

During the period under review, we saw a sharp fall in global oil prices. The Brent Crude Oil price falls from over US$90/barrel to approximately US$55/barrel, which reduced our operating costs, in particular for our Fishery and Fish Supply Division (the "**FFS Division**") and Frozen Fish SCM Division, we are benefitting from higher margins as a result of lower fuel costs.

The fishmeal and fish oil industries in Peru were significantly impacted by the reduced catch for the 2014 A Season[1] and the closure of the 2014 B Season[2] fishing in the North Centre Anchovy fishery in Peru. This was related to a temporary warming of the sea water which had caused the Anchovy to disperse and move south. Nonetheless, demand for fishmeal and fish oil continued to grow driven by the robust aquaculture sector. With a temporally shrinkage in supply due to El Niño and warming of water along the Peruvian coast in 2014, this sent fishmeal prices soaring upwards to its historical high or over US$2,400 per ton in December 2014.

Business Review

*Processing and Distribution Division (the "**P&D Division**")*

The P&D Division continued to focus on driving cost efficiencies and product diversification in China and Europe during the period. Through the integration and consolidation of production lines, improving production efficiency and reducing costs, we saw improvement in product yields.

In the case of our subsidiary in the United States, the successful re-branding and re-launch of the Matlaw's brand across broader product range has further improved the brand awareness among the retail sector, we are now in a position to begin reaping the financial benefits of these new products in the form of higher sales.

During the period under review, revenue generated from the P&D Division decreased by 6.6% from HK$2,300.2 million to HK$2,149.4 million, due primarily to lower sales volume and lower selling prices of frozen fish fillet products.

[1] A Season – normally from April to July
[2] B Season – normally from November to January

Frozen Fish SCM Division

As a key focus of the Group's Frozen Fish SCM Division is to reduce it borrowings and working capital requirements, the trading business is operating in a manner which avoids the need to hold long term inventories, and so this has led to lower volumes during the period under review. Therefore, revenue recorded a 26.5% drop from HK$2,124.3 million to HK$1,562.2 million.

EBITDA margins improving from 12.6% in 1HFY2014 to 13.1% in 1HFY2015 attributable to lower fuel costs.

FFS Division

As foreshadowed in previous announcements, performance of the FFS Division in 1HFY2015 was significantly impacted by the reduction in fishmeal and fish oil production, due primarily to reduced catch of Anchovy in the 2014 A Season[3] and the closure of the 2014 B Season[4] fishing in the North Centre Anchovy fishery in Peru. As a result of measures taken to optimise operating efficiencies and minimise expenses, in addition to higher average selling prices of fishmeal and fish oil products, the FFS Division was successful in remaining profitable throughout this challenging period.

Revenue segmentation under the FFS Division is as follows:

	1HFY2015 (HK$' million)	1HFY2014 (HK$' million)	Change
Peruvian Fishmeal Operations	**794**	1,587	-50%
Contract Supply Business	**598**	821	-27%
China Fishery Fleet	**173**	128	+36%
Total	**1,565**	2,536	-38%

Corporate Development

For the entire Pacific Andes Group, one of our core strategies for FY2015 is to strengthen our balance sheet so that we are well positioned for the next stage of growth. We have made good progress on this strategy in the past six months, evidenced by the fact that our current net-debt-to-equity ratio is lower than it was prior to the Copeinca acquisition by China Fishery in 2013.

3 A Season – normally from April to July

4 B Season – normally from November to January

The Group has carried out a chain of rights issue during the period under review.

PAIH Rights Issue

During the period under review, the Company raised approximately HK$410.0 million by way of a rights issue of 2,361,034,342 rights shares on the basis of one rights share for every two shares of the Company at the subscription price of HK$0.18 per rights share which recorded a total subscription rate of 124.84%. The net proceeds from the PAIH Rights Issue have been used for financing the subscription of its pro-rata entitlement under the PARD Rights Issue (as defined below). The PAIH Rights Issue was completed in December 2014. Details of the PAIH Rights Issue were disclosed in the Company's announcements dated 11 November 2014 and 16 December 2014 and the prospectus of the Company dated 26 November 2014.

PARD Rights Issue

During the period under review, PARD, an indirect non-wholly-owned subsidiary of the Company, raised approximately S$195.5 million (approximately HK$1,143.0 million) by way of a rights issue of 3,832,793,870 rights shares on the basis of four rights shares for every five shares of PARD at the subscription price of S$0.051 per rights share (the "**PARD Rights Issue**"). The net proceeds from the PARD Rights Issue have been used for financing the subscription of its pro-rata entitlement under the CFGL Rights Issue (as defined below). The PARD Rights Issue was completed in January 2015. Details of the PARD Rights Issue were disclosed in the Company's announcements dated 25 November 2014, 4 December 2014, 23 December 2014, 31 December 2014 and 22 January 2015.

CFGL Rights Issue

During the period under review, China Fishery, an indirect non-wholly-owned subsidiary of the Company, has undertaken a rights issue of 1,637,083,636 rights shares on the basis of four rights shares for every five shares of China Fishery at the subscription price of S$0.173 (approximately HK$1.0) per rights share (the "**CFGL Rights Issue**") and raised approximately S$282.5 million (approximately HK$1,651.6 million) (the "**CFGL Net Proceeds**"). Out of the CFGL Net Proceeds, approximately S$237.1 million (approximately HK$1,386.2 million) has been used, together with certain internal funding of the Group, for funding the redemption of the US$250.0 million (approximately HK$1,950.0 million) 9.0% notes due 2017 issued by Copeinca and its subsidiaries (the "**Copeinca Notes**"). The remaining CFGL Net Proceeds of approximately S$45.5 million (approximately HK$266.0 million) may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis as the directors of China Fishery may deem appropriate in the interests of China Fishery. The CFGL Rights Issue was completed in April 2015 and recorded a total subscription rate of 107.75%. Details of the CFGL Rights Issue were disclosed in the Company's announcements dated 11 February 2015, 6 March 2015, 25 March 2015, 2 April 2015, 24 April 2015 and 12 May 2015.

Financial Review

Revenue

Revenue decreased by 24.4% from HK$6,983.8 million (approximately US$895.4 million) to HK$5,276.4 million (approximately US$676.5 million). The P&D Division for 40.7% (1HFY2014: 33.3%) of total revenue; the Frozen Fish SCM Division for 29.6% (1HFY2014: 30.4%) of total revenue; and the FFS Division accounted for the remaining 29.7% (1HFY2014: 36.3%).

Revenue by Geographical Markets

The geographical breakdown of the Group's revenue, highlighted by a significant increase in Europe following greater market efforts, is as follows:

	% of Revenue	
Destination	**1HFY2015**	1HFY2014
The People's Republic of China	**43.3%**	53.6%
North America	**25.1%**	21.4%
Europe	**20.2%**	14.5%
East Asia	**2.6%**	2.0%
Africa	**2.5%**	2.2%
South America	**2.2%**	4.3%
Others	**4.1%**	2.0%

Gross Profit

The Group recorded a gross profit of HK$1,075.5 million, representing a decrease of 7.0%. Gross profit margin increased from 16.6% to 20.4%, attributable primarily to higher average selling prices of fishmeal and fish oil, lower fuel costs and the implementation of effective cost management measures throughout the operations.

Other Income

Other income decreased by 35.8% from HK$286.2 million to HK$183.7 million. This was due primarily to the lower of foreign exchange gains.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 30.5% from HK$237.9 million to HK$165.4 million, due primarily to lower sales volume.

Administrative Expenses

Administrative expenses decreased by 4.2% from HK$345.8 million to HK$331.4 million, attributable primarily to the implementation of various cost control measures.

Other Expenses

Other expenses increased by 250.4% from HK$60.9 million to HK$213.3 million due primarily to the net loss from change in fair value of derivatives and exchange contracts. We also recorded foreign exchange losses during the period under review.

Finance Costs

Finance costs decreased by 1.7% from HK$505.1 million to HK$496.6 million due primarily to lower working capital loans.

Net Profit for the period

As a result of the above-mentioned factors, net profit for the period decreased by 60.8% from HK$290.6 million to HK$113.8 million.

Statement of Financial Position

As at 28 March 2015, total assets of the Group amounted to HK$36,240.2 million (28 September 2014: HK$39,066.6 million).

Non-current assets decreased by 2.3% from HK$21,320.5 million to HK$20,837.6 million.

Current assets decreased by 13.2% from HK$17,746.1 million to HK$15,402.6 million. The decrease was due mainly to i) improved working capital management to reduce inventories and trade receivables; ii) reduced in prepayment to suppliers; and iii) partial refund of the LSAs prepayments.

Current liabilities decreased by 8.2% from HK$11,392.6 million to HK$10,461.3 million, due to repayment of bank loans. Bank loans reduced by 35.8% from HK$8,649.1 million to HK$5,556.3 million.

Non-current liabilities decreased by 23.7% from HK$11,882.8 million to HK$9,062.7 million. As at 28 March 2015, total interest-bearing borrowings decreased by 21.0% from HK$18,451.2 million to HK$14,577.4 million.

With the completion of the PAIH Rights Issue and the PARD Rights Issue and with our continued focus on enhancing the Group's capital structure, net-debt-to-equity ratio, defined as a percentage of net of cash interest bearing borrowings of HK$12,366.3 million over total equity of HK$16,716.3 million, improved from 109.0% to 74.0%.

Cash Flow and Liquidity

Net cash generated from operations during 1HFY2015 was HK$2,010.9 million, mainly generated from the sale of inventories and collection of other receivables. Net cash generated from investing activities was HK$688.8 million, primarily attributable to the refund received from the LSAs suppliers. Capital expenditure reduced to HK$69.7 million (1HFY2014: HK$224.9 million) in 1HFY2015. Net cash used in financing activities of HK$1,745.2 million was primarily for the repayment of bank loans of HK$3,798.8 million. Cash balance rose by 77.6% from HK$1,245.3 million to HK$2,211.1 million by 28 March 2015 mainly due to the completion of PAIH Rights Issue and PARD Rights Issue.

Capital Structure

The authorised share capital of the Company was increased from HK$800,000,000 divided into 8,000,000,000 shares to HK$1,000,000,000 divided into 10,000,000,000 shares by the creation of additional 2,000,000,000 new shares of a par value of HK$0.10 each, effective from 24 March 2015.

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, HK Dollars, RMB or Peruvian Sol. 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.

Dividend

In line with the Company's past practice, the Board of Directors does not recommend the payment of an interim dividend for the six-month period ended 28 March 2015 (2014: Nil).

Employees and Remuneration

As at 28 March 2015, the Group had a total of approximately 5,900 employees. Remuneration packages offered to employees are 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 each of the Company and PARD has an employee share option scheme, for granting of share awards and share options to eligible employees based on their contribution to the Group.

Events after the Reporting Period

On 22 May 2015, the Company announced that PARD (as one of the guarantors), an indirect non-wholly-owned subsidiary of the Company, and Pacific Andes Food (Hong Kong) Company Limited (as borrower), an indirect wholly-owned subsidiary of PARD, entered into a facility agreement (the "**Fubon Facilities Agreement**") with certain financial institutions comprising Bank of Panhsin, Chailease International Financial Services Co., Ltd., Chang Hwa Commercial Bank, Ltd., Singapore Branch, Entie Commercial Bank Co., Ltd., First Commercial Bank, Ltd., Hong Kong Branch, Taipei Fubon Commercial Bank Co., Ltd., Taishin International Bank, Taiwan Cooperative Bank, Ltd., Hong Kong Branch and Taiwan Shin Kong Commercial Bank Company Limited (in alphabetical order) (as lenders), in respect of the provision of a US$72 million (approximately HK$561.6 million) term loan facility (the "**Fubon Facility**") by the lenders to the borrower for a term of 3 years. Under the Fubon Facilities Agreement, it is an event of default if (i) the Group does not or ceases to own directly or indirectly at least 51% of the entire issued share capital of PARD; (ii) the Group does not or ceases to maintain management control over PARD; (iii) the Ng Family (as defined in the Fubon Facilities Agreement) does not or ceases to beneficially own, directly or indirectly, at least 50% of the shares (of each class) of, and equity interests in, the Company; and (iv) the Ng Family does not or ceases to maintain management control over the Company. Details of the Fubon Facilities Agreement were disclosed in the Company's announcement dated 22 May 2015.

Save as disclosed above, details of the significant event after the reporting period of the Group is also set out in note 28.

Prospects

In March 2014, the Group stated a target to reduce its net-debt-to-equity ratio to below 75% within three years and further stated that reducing net debt would be our focus for FY2015. We are pleased to report that our net-debt-to-equity ratio has improved from 109.8% in March 2014 to 74.0% as of 28 March 2015, well ahead of target.

With the completion of the chain Rights Issues of PAIH, PARD and China Fishery, and the full redemption of the Copeinca Notes on 15 May 2015, the Group's gearing improved further. The significant reduction in net borrowings will have a positive impact on the Group's interest expenses.

In the second half of FY2015, the performance of the P&D Division is targeted to improve from the expansion of its sales channels in Europe and Australia and penetration of new markets. The P&D Division will continue to streamline its cost structure, building on the cost rationalization programs implemented last year.

The FFS Division will continue to realise synergies from the further integration of the Peruvian Fishmeal Operations. With the completion of the Copeinca Notes redemption, the FFS Division can complete the integration of the operations of its two operating subsidiaries in Peru which will unlock the full value of the synergies and efficiencies from the combined operations. The integration of the operations is expected to be completed within this calendar year.

The Peruvian Ministry of Production announced in early April, an increased Total Allowable Catch of 2.58 million MT for the 2015 A Season[5] of the North Centre Anchovy fishery. We have made a strong start to the important A Season[5] fishing and caught more than 60% of its quota as of 20 May 2015. The objective is to fully utilise the quota at the earliest possible date.

5 A Season – normally from April to July

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 28 March 2015 and to the best knowledge of the Directors and chief executives of the Company, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**"), which were recorded in the register required to be kept under section 352 of the SFO; or were notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long Position in the shares of the Company

Name of Director	Number of ordinary shares held — Personal Interest	Number of ordinary shares held — Family Interest	Approximate percentage of the issued share capital of the Company
Mr. Ng Joo Siang	–	7,242,256 *(Note)*	0.10%
Ms. Ng Puay Yee	1,956,367	–	0.03%

Note: There shares were held under the name of the spouse of Mr. Ng Joo Siang. By viture of the SFO, Mr Ng Joo Siang was deemed to be interested in these shares.

(ii) Long Position in the shares of the associated corporation of the Company

The relevant associated corporation of the Company is N.S. Hong Investment (BVI) Limited ("**N.S. Hong**").

Name of Director	Number of ordinary shares in N.S. Hong — Personal interest	Number of ordinary shares in N.S. Hong — Corporate interest	Approximate percentage of the issued share capital of N. S. Hong
Madam Teh Hong Eng	1,750	–	17.50%
Mr. Ng Joo Siang	–	1,250 *(Note)*	12.50%
Mr. Ng Joo Kwee	–	1,250 *(Note)*	12.50%
Mr. Ng Joo Puay, Frank	1,250	–	12.50%
Ms. Ng Puay Yee	–	1,250 *(Note)*	12.50%

Note: The interests in N.S. Hong held by each of Mr. Ng Joo Siang, Mr. Ng Joo Kwee and Ms. Ng Puay Yee was held through each of their wholly-owned companies, namely, New Venture (BVI) Limited, NJK Investment Ltd. and Pacific Innovation (BVI) Limited, respectively.

Save as disclosed above, as at 28 March 2015, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or in the shares, underlying shares and debentures of any of the associated corporations of the Company (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under section 352 of the SFO; or were notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 28 March 2015 and so far as was known to the Directors and chief executives of the Company, the interests and short positions of the persons or corporations (other than the Directors and chief executives of the Company in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity	Number of ordinary shares held (long position)	Approximate percentage of the issued share capital of the Company
N.S. Hong	Beneficial owner	3,889,917,651 *(Note)*	54.92%

Note: N.S. Hong is the registered holder of such shares.

Save as disclosed above, as at 28 March 2015, the Company had not been notified of any persons or corporations whom had interests or short positions in the shares or underlying shares of the Company, which were required to be recorded in the register kept by the Company pursuant to section 336 of SFO.

SHARE OPTION SCHEMES AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

On 9 September 2004, the Company adopted a share option scheme (the "**Scheme**") which provides incentives to any participant to contribute to the Group and to enable the Group to recruit high-calibre employees and attract human resources that are valuable to the Group. The Scheme was expired on 8 September 2014. No share options were granted since the adoption of the Scheme.

The Company adopted a new share option scheme (the "**New Scheme**") at the annual general meeting of the Company held on 24 March 2015 for the purpose of providing incentives to Participants as defined in the New Scheme to contribute to the Group and enabling the Group to recruit high-calibre employees and attracting human resources that are valuable to the Group. The New Scheme shall be valid and effective for ten years from the date of adoption of the New Scheme. Detailed terms of the New Scheme were disclosed in the circular of the Company dated 2 February 2015.

No share options were granted since the date of adoption of the New Scheme and up to 28 March 2015.

At no time during the period under review was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE AWARD PLAN

The Company adopted a share award plan on 28 October 2006 for the benefit of Directors and employees of the Group (the "**SA Plan**"). The SA Plan is administered by the Remuneration Committee of the Company (the "**RC**"), currently comprising Mr. Kwok Lam Kwong, Larry (Chairman), Mr. Lew V Robert, Mr. Tao Kwok Lau, Clement, Mr. Ng Joo Siang and Mr. Ng Joo Puay, Frank.

The RC may determine in its sole discretion to grant shares to participants of the SA Plan. The aggregate number of ordinary shares which may be issued under the SA Plan shall not exceed 5% of the issued share capital of the Company from time to time. The shares will be vested only after satisfactory completion of time-based targets and/or time-and-performance-based targets and shall not be more than 10 years from the date of the grant of the shares. Upon vesting, the participant may receive any or a combination of the following:

(a) new ordinary shares credited as fully paid up;
(b) existing shares repurchased from open market; and
(c) cash equivalent value of such shares.

No share awards outstanding as at 28 March 2015.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the continuing disclosure requirement of Rule 13.21 of the Listing Rules, the following disclosures are included in respect of the facilities with covenants relating to the specific performance obligations on the controlling shareholders of the Company:

On 24 July 2012, CFGI (as issuer), an indirect-wholly-owned subsidiary of China Fishery, China Fishery (as parent guarantor) and certain of the Company's subsidiaries whom are subsidiary guarantors entered into a purchase agreement with The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch International, Standard Chartered Bank, Australia and New Zealand Banking Group Limited, Jefferies & Company, Inc., Rabo Securities USA, Inc. and Deutsche Bank AG, Singapore Branch (collectively known as Joint Lead Managers and Joint Bookrunners) in connection with the issue of US$300 million (approximately HK$2,340 million) 9.75% senior notes due 2019 (the "**Notes**"). The Notes contained conditions that make reference to the shareholding interests of certain controlling shareholders or places restrictions on any change of control of the Company. Under the terms of the Notes, CFGI and China Fishery have an obligation to repurchase the Notes on the occurrence of a Change of Control Triggering Event (as defined in the Notes). Details of the Notes were disclosed in the Company's announcement dated 25 July 2012. As at 28 March 2015, the aggregate principal amount of the Notes remained outstanding was US$288 million (approximately HK$2,246.4 million).

On 20 March 2014, China Fishery (as one of the guarantors), an indirect non-wholly-owned subsidiary of the Company, and certain of its subsidiaries (as borrowers) entered into a facility agreement with an international bank consortium comprising China CITIC Bank International Limited, Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. (also known as Rabobank International), Hong Kong Branch, DBS Bank (Hong Kong) Limited, Standard Chartered Bank (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited (in alphabetical order) (as lenders) in respect of the provision of the US$650,000,000 (approximately HK$5,070 million) 4-year term and revolving credit facilities (the "**Facility**") by the lenders to the borrowers (the "**Facility Agreement**").

Under the Facility Agreement, it is an event of default if the Ng Family (as defined in the Facility Agreement), the controlling shareholder of the Company, (i) does not or ceases to hold (directly or indirectly) at least 50.1% of the beneficial shareholding interest in the Company, free from any Security (as defined in the Facility Agreement); or (ii) does not or ceases to have management control of the Company, PARD, an indirect non-wholly-owned subsidiary of the Company, or China Fishery. Details of the Facility Agreement were disclosed in the Company's announcement dated 24 March 2014. As at 28 March 2015, the aggregate principal amount of the Facility remained outstanding was US$450 million (approximately HK$3,510 million).

On 21 March 2014, Pacific Andes Treasury Management Limited (as borrower), a non-wholly-owned subsidiary of the Company, and the Company (as guarantor) entered into a facility agreement with Malayan Banking Berhad, Hong Kong Branch, for a term loan facility (the "**New Facility Agreement**") in the principal amount of up to US$100,000,000 (approximately HK$780 million) (the "**New Facility**"). Under the New Facility Agreement, the Ng Family (as defined in the New Facility Agreement) must (i) maintain at least 50% of the direct or indirect legal and beneficial interest in the Company; (ii) maintain management control over the Company; and (iii) remain the single largest shareholder of the Company. Otherwise, it will constitute an event of default under the New Facility Agreement. Details of the New Facility Agreement were disclosed in the Company's announcement dated 24 March 2014. As at 28 March 2015, the aggregate principal amount of the New Facility remained outstanding was US$100 million (approximately HK$780 million).

On 22 July 2014, the Company announced that PARD, an indirect non-wholly-owned subsidiary of the Company, entered into a subscription agreement with DBS Bank Ltd. in connection with the issue of S$200 million (approximately HK$1,256 million) 8.5% bonds due 2017 (the "**SG Bonds**"). The SG Bonds contained conditions that make reference to the shareholding interests of certain controlling shareholders (as defined in the SG Bonds) of PARD or place restrictions on any Change of Control (as defined in the SG Bonds) of PARD which constitute a specific performance obligation. Details of the SG Bonds were disclosed in the Company's announcement dated 22 July 2014. As at 28 March 2015, the aggregate principal amount of the SG Bonds remained outstanding was S$200 million (approximately HK$1,137. 4 million).

CHANGE IN INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the Director since the date of the Company's annual report 2014 (as defined below) and up to the date of this interim report is set out below:

– Mr. Kwok Lam Kwong, Larry, an Independent Non-executive Director, was appointed as independent non-executive director of Wing Lung Bank Limited with effect from 12 May 2015.

PURCHASE, SALE OR REDEMPTION

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six-month period ended 28 March 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules (the "**Model Code**") to regulate the Directors' securities transactions. Specific enquiry has been made with all of the Directors and all of them have complied with the required standard set out in the Model Code during the six-month period ended 28 March 2015.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to 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 2015, except for Madam Teh Hong Eng, being the Chairperson of the Board of Directors (the "**Chairperson**"), was unable to attend the annual general meeting of the Company held on 24 March 2015 due to other business commitment. Mr. Ng Joo Siang, being the Vice Chairman and the Managing Director, was authorised by the Chairperson to chair the said meeting, and those deviations have been disclosed in the "Corporate Governance Report" contained in the Company's Annual Report 2014 published on 27 January 2015 (the "**Annual Report 2014**"). For more information about the corporate governance practices of the Company, please refer to the "Corporate Governance Report" contained in the Annual Report 2014.

REVIEW OF THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 consolidated interim financial statements for the six-month period ended 28 March 2015 and this interim report.

This interim report has been reviewed by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of 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, all are the independent non-executive Directors.

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

Hong Kong, 26 May 2015

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.

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 23, which comprises the condensed consolidated statement of financial position of Pacific Andes International Holdings Limited and its subsidiaries as of 28 March 2015 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 the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

26 May 2015