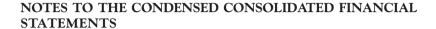
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Four Seas eFood Holdings Limited



1. Basis of preparation of interim accounts

These unaudited condensed consolidated interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants, and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

These condensed interim accounts should be read in conjunction with the 2001 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31 March 2001 except that the group has changed certain of its accounting policies following its adoption of the following Statements of Standard Accounting Practice (SSAP's) issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1 January 2001;

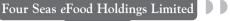
SSAP 9 (revised): Events after the balance sheet date SSAP 26: Segment reporting

The changes to the group's accounting policies and the effect of adopting these new policies are set out below:

(a) SSAP 9 (revised): Events after balance sheet date

In accordance with the revised SSAP 9, the group no longer recognizes dividends proposed or declared after the balance sheet date as a liability at the balance sheet date. This change in accounting policy has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

As detailed in Note 12, opening retained earnings at 1 April 2000 have increased by HK\$3,717,300 which is the reversal of the provision for the 2000 proposed final dividend previously recorded as a liability as at 31 March 2000 although not declared until after balance sheet date. Opening retained earnings at 1 April 2001 have increased by HK\$2,478,200 which is the reversal of the provision for 2001 proposed final dividend previously recorded as a liability as at 31 March 2001 although not declared until after the balance sheet date.



This adjustment has resulted in a decrease in current liabilities at 30 September 2001 by HK\$2,478,200 (31 March 2001: HK\$2,478,200) for provision for proposed dividends that is no longer required.

Changes to headings used in the previously reported 31 March 2001 balance sheet and profit and loss account relating to dividends and profit for the year retained have also been made to reflect the changes resulting from SSAP 9 (revised).

(b) SSAP 26: Segment Reporting

In Note 2 to these condensed interim accounts the group has disclosed segment revenue and results as defined under SSAP 26. In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format. Comparative information has been given.

2. Segmental information

An analysis of the group's turnover and profit before taxation for the period by principal activities and markets is as follows:

	Turnover Six months ended 30 September		Profit before taxation Six months ended 30 September	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Principal activities:				
Sale of frozen meat, seafood and				
vegetables	254,826	263,335	9,206	5,804
Manufacturing and sale of ham and	23 1,626	200,000	3 ,2 00	3,001
ham related products		25,671		2,181
	254,826	289,006	9,206	7,985
Profit on disposal of subsidi	iaries		_	60,872
Finance costs			(3,846)	(4,315)
Share of profits of an associ	iated company		10,367	6,448
			15,727	70,990

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	Turnover Six months ended 30 September		Profit before taxation Six months ended 30 September	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Principal markets:				
Hong Kong	196,558	201,659	6,541	5,638
Mainland China ("PRC")	50,725	78,895	2,319	2,122
Macau	7,543	8,452	346	225
	254,826	289,006	9,206	7,985
Profit on disposal of subsidia	aries		_	60,872
Finance costs			(3,846)	(4,315)
Share of profits of an associa	ated company		10,367	6,448
			15,727	70,990

3. Other revenues

An analysis of other revenue is as follows:

	Six months ended 30 September	
	2001	2000
	HK\$'000	HK\$'000
Interest income	983	1,265
Rental income from leasehold land and building	354	1,565
	1,337	2,830



4. Operating Profit before finance costs

Operating profit is arrived at after charging:

	Six months ended 30 September	
	2001 HK\$'000 HK\$	
Deprecation of fixed assets Operating leases of land and buildings	1,549 7,738	1,684 4,883

5. Taxation

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profit for the year. PRC income tax has been calculated at the rate of taxation prevailing in the area in which the Group operates.

The amount of taxation charged to the consolidated profit and loss account represents:

	Six months ended	
	30 September	
	2001	2000
	HK\$'000	HK\$'000
Group:		
Hong Kong profits tax	1,247	326
PRC taxation		11
	1,247	337
Associates:		
Hong Kong	1,656	1,080
PRC	38	25
	1,694	1,105
Tax charge for the year	2,941	1,442





Six months ended 30 September 2001 2000 HK\$'000 HK\$'000

Proposed interim dividend of HK 1 cent per share (2000: HK 1 cent per share)

2,478 2,478

7. Earnings per share

The calculation of earnings per share is based on the Group's profit attributable to shareholders of HK\$12,786,000 (2000: HK\$69,491,000) and the weighted average number of 247,820,000 (2000: 247,820,000) ordinary shares in issue during the year.

Fully diluted earnings per share is not presented as there is no dilution effect had all the outstanding share options been exercised in full.

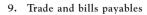
8. Trade receivables

Details of the aging of the trade receivables are as follows:

	30 September	31 March
	2001	2001
	HK\$'000	HK\$'000
Current	59,846	55,763
1 to 2 months	9,069	32,972
over 2 months	6,610	3,756
	75,525	92,491

The Group has a defined credit policy with general credit terms ranging from 30 days to 90 days.

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Details of the aging trade and bills payables are as follows:

	30 September 2001 HK\$'000	31 March 2001 HK\$'000
Current 1 to 2 months Over 2 months	18 136 102	13,142 243 150
	256	13,535
10. Bank loan - secured		
	30 September 2001 HK\$'000	31 March 2001 HK\$'000
Wholly repayable within five years Current portion of bank loan	25,490 (5,712)	28,346 (5,712)
	19,778	22,634
The Group's bank loan was repayable as follows:		
	30 September 2001 HK\$'000	31 March 2001 HK\$'000
Within first year In the second year In the third to fifth year	5,712 5,712 14,066	5,712 5,712 16,922
	25,490	28,346

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There were no movements in the share capital of the Company since the last balance date to the current reporting date.

As at 30 September 2001, there was a total of 5,550,000 (at 31 March 2001: 5,550,000) share options exercisable between 8 October 1998 and 26 November 2002 at HK\$0.62 per share, remaining outstanding.

12. Retained earnings

30 Se	ptember 2001	31 March 2001
H	1K\$'000	HK\$'000
Balance as at 1 April, as previously reported	131,125	117,885
Prior year adjustment Proposed final dividend	2,478	3,717
As restated	133,603	121,602
Final dividend paid	(2,478)	(3,717)
Profit for the period/year	12,786	57,087
Goodwill written off	_	(38,891)
Interim dividend paid		(2,478)
	143,911	133,603
Representing:		
Retained profits	141,433	131,125
Prosposed dividend	2,478	2,478
	143,911	133,603



13. Contingent liabilities

	30 September 2001 HK\$'000	31 March 2001 HK\$'000
Guarantees for banking facilities to subsidiaries (a) Issued irrevocable letters of	313,700	193,700
credit/shipping guarantees (b)	1,678	2,765
	315,378	196,465

- (a) Corporate guarantees were provided by the Company to its subsidiaries for obtaining general banking facilities.
- (b) Irrevocable letters of credit were issued to suppliers and shipping guarantees were given to bankers for purchases of goods.

14. Related party transactions

Significant related party transactions, which were carried out in the normal course of the Group's business, are as follows:

	Six months ended 30 September	
	2001	2000
	HK\$'000	HK\$'000
Rental and building management fee received from:		
Related companies	156	64
An associated company	_	926
	156	990

Tenancy agreement was entered into with a related party to lease office space for a period of 2 years.