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PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

太平洋恩利國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1174)

INTERIM RESULTS

FOR THE SIX-MONTH PERIOD ENDED 28 MARCH 2010

FINANCIAL HIGHLIGHTS	1HFY2010	1HFY2009	Change
Revenue (HK\$'million)	6,178.8	5,707.7	+8.3%
Profit for the period (HK\$'million)	671.4	655.7	+2.4%
Profit attributable to shareholders (HK\$'million)	334.8	327.0	+2.4%

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 from 29 September 2009 to 28 March 2010 (“1HFY2010”) together with the unaudited comparative figures for the corresponding period of the immediately preceding year for the six-month period ended 31 March 2009 (“1HFY2009”) as follows:

MANAGEMENT DISCUSSION AND ANALYSIS

Market And Business Review

During the first half of FY2010, the overall market for frozen fish and fish products remained strong with global demand for fish continuing to increase. This positive market trend is mainly driven by emerging economies such as the People’s Republic of China (the “PRC”) and region such as Africa, as well as the rising global demand for fish as a healthy source of protein.

The fishing division, which operates through its Singapore-listed subsidiary China Fishery Group Limited (“China Fishery”), increased in revenue by 1.5% to HK\$2,149.1 million (US\$277.3 million) from HK\$2,116.9 million (US\$273.1 million). The increase was mainly driven by higher catch volume from North Pacific trawling operations despite lower selling prices for fish roe as well as lower sales volumes for fishmeal products, primarily due to as lower inventory carried forward from last period.

South Pacific operations did not make any significant contribution to revenue during the period under review, as the major fishing season in the South Pacific spans from April to October.

The frozen fish SCM division, which operates through its Singapore-listed subsidiary Pacific Andes Resources Development Limited (“PARD”), continued to perform steadily. Revenue decreased slightly by 0.8% to HK\$1,841.8 million (US\$237.7 million) from HK\$1,856.4 million (US\$239.5 million). This was mainly caused by the temporary delay in product shipment into the PRC as ports in the Bohai Sea and the Huanghai Sea were temporarily closed due to ice buildup during winter.

Revenues for **the processing and distribution division** leapt 26.6% to HK\$2,171.4 million (US\$280.2 million) from HK\$1,715.0 million (US\$221.3 million). This was mainly because increased production capacity at the Hongdao processing complex which began operation in mid 2009 enabled us to raise sales volumes. In addition, through the adoption of the full traceability system at the state-of-the-art production facility, the Group was able to capture additional market share particularly in the European markets.

Financial Review

Turnover

Group turnover increased by 8.3% to HK\$6,178.8 million (US\$797.3 million) from HK\$5,707.7 million (US\$736.5 million), mainly on the back of increased contributions from the processing and distribution division. The fishing division accounted for 34.8% (1HFY2009: 37.1%) of total turnover, the frozen fish SCM division for 29.8% (1HFY2009: 32.5%) and the processing and distribution division 35.1% (1HFY2009: 30.1%).

Geographically, the PRC remains the Group's key market, with sales growing 3.1% to reach HK\$3,317.6 million, representing 53.7% of total turnover. Sales to Europe increased by 20.1% to HK\$1,406.5 million, accounting for 22.8% of total turnover. Sales to North America increased 4.2% to HK\$943.6 million, accounting for 15.3% of total turnover. Sales to East Asia accounted for 6.8% of total turnover, reflecting an increase of 2.1% to HK\$420.6 million.

Gross profit

Gross profit of the Group for the first half of FY2010 was HK\$1,215.0 million, an increase of 2.6% over the corresponding period last year. Gross profit margin went down slightly from 20.8% to 19.7% due mainly to the increased proportion of business from the processing and distribution division, which normally operates at a lower margin as compared to the fishing division.

Selling and distribution costs

Selling and distribution costs for the first half of FY2010 increased by 36.3% to HK\$231.0 million. This was mainly associated with rising sales of the processing and distribution division as well as the fishing division.

Administrative expenses

Administrative expenses increased by 8.9% to HK\$231.8 million from HK\$212.7 million, mainly as a result of increased headcount and other expenses in line with the increase in business activities.

Finance costs

Finance costs decreased by 19.7% to HK\$204.0 million during the period under review. The reduction was mainly due to lower borrowing interest rates and the repurchase of convertible bonds by PARD in March 2009.

Profit for the period

As a result of these factors, profit for the period increased by 2.4% to HK\$671.4 million from HK\$655.7 million. Profit attributable to owners of the Company increased by 2.4% to HK\$334.8 million from HK\$327.0 million. Taking account of the dilution effects of the one-for-two rights issue completed in June 2009, basic earnings per share were HK11.2 cents (1HFY2009: HK16.1 cents based on 2,037.2 million shares as restated for the Rights Issue).

Financial position and liquidity

As of 28 March 2010, total assets of the Group amounted to HK\$17,360.6 million (28 September 2009: HK\$17,136.8 million).

Property, plant and equipment increased by 13.0% to HK\$5,258.8 million. The increase was primarily linked with payment of the balance of the refurbishment cost of a factory vessel and catcher vessels operating in the South Pacific region. Trade receivables increased by 16.0% to HK\$1,536.9 million from HK\$1,325.1 million, due mainly to the temporary delay of product shipments in early 2010.

Trade and other payables increased by 34.5% to HK\$1,106.1 million, mainly due to higher suppliers' credits obtained from suppliers.

Total interest-bearing borrowings decreased by 9.6% to HK\$7,018.6 million, (including short-term borrowings of HK\$3,529.9 million and long-term borrowings of HK\$3,488.7 million).

Out of the Group's total interest-bearing borrowings, 74.4% of short-term borrowings and 75.7% of long-term borrowings was made by the Group's subsidiaries China Fishery and PARD. These loans were not guaranteed by the Company.

Equity attributable to the equity holders of the Company was HK\$5,211.6 million, 12.0% higher than the HK\$4,651.4 million as at 28 September 2009.

As of 28 March 2010, the net-debt-to-equity ratio of the Group, defined as a percentage of net interest bearing borrowings over shareholders' equity, improved to 73.4% from 92.8%. As at 28 March 2010, the Group held HK\$518.4 million in cash and bank balances.

The Group's borrowings are mainly denominated in US Dollars and carry LIBOR plus rates. As its turnover is mainly denominated in US Dollars and major expenses are made either in US Dollars or HK Dollars, the Group faces relatively low currency risk.

SUBSEQUENT EVENTS

The Group is particularly confident in its development strategy of targeting under-utilised and sustainable fishery resources. Subsequent to the reporting period, the Group has completed two acquisitions in Peru that are driven by this strategy.

In May 2010, the Group's subsidiary China Fishery acquired two Peruvian fishing companies at a total consideration of HK\$876 million (US\$113 million) and increased its fishing quota from 4.85% to 6.05% in the North of Peru and from 7.11% to 10.91% in South of Peru respectively. These transactions will enable us to increase production volume of fishmeal, and will further enhance economies of scale, allowing higher operating efficiencies for operations in Peru.

PROSPECTS

We continue to be positive about the growth potential of all our business divisions.

The fishing division is well-placed for continued growth. Higher Peruvian quota share following the acquisition of two Peruvian fishing companies and contributions from South Pacific operations are expected to have a positive impact on the Group's revenue and profitability in the second half of FY2010.

Also, higher expected catch volumes in the North Pacific will enhance operating efficiencies in the region.

The frozen fish SCM division will continue to benefit from worldwide growth in demand for fish, particularly in the PRC, where demand for fish as a healthy source of protein continues to grow. We will continue to strengthen our distribution in the PRC as well as in Eastern Europe and Africa to increase further the sales volume of frozen fish.

We are committed to best practices as a responsible employer, and so have invested substantially in production processes that are environmentally responsible, and focus keenly on ensuring safe working conditions, and ensuring our staff is treated with respect and dignity.

The Group believes strongly that retaining a stable, productive and skilled workforce will translate into longer term benefits including enhanced productivity, higher production efficiency and profitability. To further improve the well-being of our staff in the PRC, we proactively raised the average wage of our PRC workers by 12% after Chinese New Year in early 2010. This move preemptively addressed the nationwide challenge of labour shortages by ensuring enhanced retention of our skilled workforce and better productivity at our new Hongdao processing complex. With a higher production capacity at Hongdao, the Group expects to increase sales as we satisfy the continual rising demand for our products.

Despite higher export prices of our products due to the recent depreciation of Euro, we expect that demand for our frozen fish products will remain stable in the European markets, since they are seen as consumer staples meeting the basic needs of consumers.

The Group remain confident about future prospects. While striving to ensure our organic business growth, we see an opportunity-rich environment which we intend to seize. The Group will continue to search for good opportunities for growth in the highly fragmented fishing and seafood processing industry, creating fruitful returns for our shareholders.

EMPLOYEES AND REMUNERATION

As at 28 March 2010, the Group had a total of approximately 16,800 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.

The Company and its non-wholly owned subsidiaries, PARD and China Fishery, each has an employee share option scheme and an employee share award plan to allow for granting of share options and share awards to eligible employees based on their contribution to the Group.

PURCHASE, SALE OR REDEMPTION

During the six-month period ended 28 March 2010, 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 Listing Rules 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 2010.

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 2010.

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code of Corporate Governance (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 2010, 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. 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.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the website of the Stock Exchange (www.hkex.com.hk) as well as the website of the Company (www.pacificandes.com). The interim report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six-month period ended 28 March 2010

		Six-month period ended	
		29.9.2009 to 28.3.2010	1.10.2008 to 31.3.2009
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	6,178,821	5,707,657
Cost of sales		(4,963,802)	(4,522,904)
Gross profit		1,215,019	1,184,753
Other income	4	152,286	107,864
Selling and distribution expenses		(231,026)	(169,450)
Administrative expenses		(231,773)	(212,735)
Other expenses		(10,371)	(13,766)
Gain on deemed acquisition of additional interest in subsidiaries	5	–	7,058
Finance costs		(203,977)	(254,158)
Share of results of associates		100	(106)
Profit before taxation	6	690,258	649,460
Taxation	7	(18,835)	6,213
Profit for the period		671,423	655,673
Attributable to :			
Owners of the Company		334,829	326,999
Non-controlling interests		336,594	328,674
		671,423	655,673
Earnings per share	9		
Basic		HK11.2 cents	HK16.1 cents
Diluted		HK11.1 cents	HK15.4 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 28 March 2010

	Six-month period ended	
	29.9.2009 to 28.3.2010 <i>HK\$'000</i> (unaudited)	1.10.2008 to 31.3.2009 <i>HK\$'000</i> (unaudited)
Profit for the period	<u>671,423</u>	<u>655,673</u>
Other comprehensive income		
Surplus on revaluation of properties	88,270	7,651
Deferred tax liability arising on revaluation of properties	(14,556)	(4,397)
Reversal of deferred tax liability (<i>Note 7</i>)	33,000	–
Exchange differences arising on translation of foreign operations	<u>45,801</u>	<u>(13,490)</u>
Other comprehensive income (expense) for the period	<u>152,515</u>	<u>(10,236)</u>
Total comprehensive income for the period, net of tax	<u>823,938</u>	<u>645,437</u>
Total comprehensive income attributable to:		
Owners of the Company	464,556	318,935
Non-controlling interests	<u>359,382</u>	<u>326,502</u>
	<u>823,938</u>	<u>645,437</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 March 2010

	<i>Notes</i>	As at 28 March 2010 <i>HK\$'000</i> (unaudited)	As at 28 September 2009 <i>HK\$'000</i> (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		5,258,815	4,654,180
Investment properties		336,761	292,229
Prepaid lease payments		46,428	47,058
Goodwill		2,730,035	2,730,035
Deferred charter hire		1,318,640	1,404,960
Available-for-sale investment		7,800	7,800
Interests in associates		13,620	13,520
Other intangible assets		602,634	602,634
Other long term receivable		928	928
		10,315,661	9,753,344
CURRENT ASSETS			
Inventories		1,327,776	1,847,387
Trade, bills and other receivables	10	4,646,947	4,641,463
Trade receivables with insurance coverage	11	336,896	277,451
Trade receivables from associates		108,263	138,139
Amounts due from associates		12,219	6,291
Amount due from a jointly-controlled entity		1,446	1,421
Held-for-trading investments		4,498	3,224
Derivative financial instruments		19,112	–
Tax recoverable		24,937	46,661
Pledged deposits		44,455	59,491
Bank balances and cash		518,424	361,888
		7,044,973	7,383,416
CURRENT LIABILITIES			
Trade, bills and other payables	12	1,106,070	822,330
Bank advances drawn on discounted trade receivables with insurance coverage and discounted bills		391,020	309,669
Derivative financial instruments		–	7,512
Dividend payable		51,564	167,093
Deferred consideration payable		–	39,839
Taxation		113,225	107,444
Obligations under finance leases – due within one year		43,928	37,491
Bank borrowings – due within one year		3,094,891	3,737,225
		4,800,698	5,228,603
NET CURRENT ASSETS		2,244,275	2,154,813
TOTAL ASSETS LESS CURRENT LIABILITIES		12,559,936	11,908,157

	As at 28 March 2010 HK\$'000 (unaudited)	As at 28 September 2009 HK\$'000 (audited)
NON-CURRENT LIABILITIES		
Obligations under finance leases		
– due after one year	92,807	81,302
Bank borrowings – due after one year	1,138,393	1,345,739
Convertible bonds	602,350	591,666
Senior notes	1,655,188	1,661,208
Deferred taxation	272,813	316,258
	<u>3,761,551</u>	<u>3,996,173</u>
NET ASSETS	<u>8,798,385</u>	<u>7,911,984</u>
CAPITAL AND RESERVES		
Share capital	303,318	283,209
Share premium and reserves	4,908,234	4,368,186
	<u>5,211,552</u>	<u>4,651,395</u>
Equity attributable to owners of the Company	5,211,552	4,651,395
Equity component of convertible bonds of a listed subsidiary	37,445	37,445
Non-controlling interests	3,549,388	3,223,144
TOTAL EQUITY	<u>8,798,385</u>	<u>7,911,984</u>

Notes:

1. BASIC 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”).

Pursuant to a resolution of the Board of Directors dated 26 August 2009, the Company had changed its financial year end date from 31 March to 28 September. The reason for the change is set out in the Company’s announcement dated 26 August 2009. The Group’s subsidiaries, Pacific Andes Resources Development Limited (“PARD”) and China Fishery Group Limited (“China Fishery”), also simultaneously changed their financial year end date to 28 September.

The unaudited comparative figures presented for the condensed consolidated income statement, statement of comprehensive income, statement of change in equity and statement of cash flows and related notes cover the six-month period from 1 October 2008 to 31 March 2009. The directors of the Company considered that this is relevant for understanding to the current period’s performance.

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.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s financial statements for the six-month period ended 28 September 2009, except as described below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009, except for amendments to HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 39, HKFRS 5 and HKFRS 8
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners

The adoption of HKAS 27 (Revised) has resulted in a change in the accounting treatment for changes in the Group’s ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group’s ownership interest that do not result in loss of control of the subsidiary are accounted for as equity transactions. As the revised accounting policy has been applied prospectively from 29 September 2009, this change in accounting policy has not resulted in restatement of amounts reported in respect of prior accounting periods.

In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under HKAS 27 (Revised), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

In respect of the (i) the change in share of net assets attributable to the Group of HK\$926,000 in relation to the deemed acquisition of additional interests in a subsidiary resulting from shares issued to the Group by the subsidiary under scrip dividend; and (ii) the difference between the purchase consideration and decrease in the carrying of non-controlling interest of the subsidiary of HK\$2,279,000 relating to the acquisition of additional interest in a subsidiary during the period, the impact of the change in policy has been recognised directly in equity. Had the previous accounting policy been applied, the profit for the six-month period ended 28 March 2010 would have been increased by HK\$926,000 and the goodwill as at 28 March 2010 would have been increased by HK\$2,279,000.

The adoption of other new and revised HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to amendments to HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 39, HKFRS 5 and HKFRS 8 ³
HKAS 24 (Revised 2009)	Related Party Disclosures ²
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁴
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 9	Financial Instruments ⁵
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ²
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁴

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 January 2010

⁴ Effective for annual periods beginning on or after 1 July 2010

⁵ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the condensed consolidated financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue and results by operating segments is as follows:

The Group's operating 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
Fishing and fishmeal	– sales of fish and other marine catches from fishing activities and the production and sale of fishmeal and fish oil
Others	– property leasing and laboratory testing service income

These divisions are on 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 expense are the sales and operating expense reported in the Group's consolidated income statement that are directly attributable to a segment and the relevant portion of such sales and expense 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, corporate administrative expenses, gains and losses on revaluation of 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.

Inter-segment transfers: Segment sales and expenses include transfers between operating segments. These transfers are eliminated on consolidation.

Information regarding the above segments is reported below.

INCOME STATEMENT

For the six-month period ended 28 March 2010

	Frozen fish SCM HK\$'000 (unaudited)	Fish fillets processing and distribution HK\$'000 (unaudited)	Fishing and fishmeal HK\$'000 (unaudited)	Others HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
REVENUE					
External sales	<u>1,841,797</u>	<u>2,171,368</u>	<u>2,149,110</u>	<u>16,546</u>	<u>6,178,821</u>
RESULT					
Segment result	<u>215,008</u>	<u>190,335</u>	<u>672,336</u>	<u>8,574</u>	<u>1,086,253</u>
Unallocated corporate income					50,126
Unallocated corporate expenses					(242,144)
Finance costs					(203,977)
Profit before taxation					<u>690,258</u>
Taxation					(18,835)
Profit for the period					<u>671,423</u>

For the six-month period ended 31 March 2009

	Frozen fish SCM HK\$'000 (unaudited)	Fish fillets processing and distribution HK\$'000 (unaudited)	Fishing and fishmeal HK\$'000 (unaudited)	Others HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
REVENUE						
External sales	1,901,455	1,715,010	2,071,827	19,365	–	5,707,657
Inter-segment sales	–	–	45,089	–	(45,089)	–
Total	<u>1,901,455</u>	<u>1,715,010</u>	<u>2,116,916</u>	<u>19,365</u>	<u>(45,089)</u>	<u>5,707,657</u>
RESULT						
Segment result	<u>211,666</u>	<u>300,485</u>	<u>578,097</u>	<u>11,189</u>	<u>–</u>	<u>1,101,437</u>
Unallocated corporate income						28,682
Unallocated corporate expenses						(226,501)
Finance costs						(254,158)
Profit before taxation						649,460
Taxation						6,213
Profit for the period						<u>655,673</u>

4. OTHER INCOME

	Six-month period ended	
	29.9.2009 to 28.3.2010 HK\$'000 (unaudited)	1.10.2008 to 31.3.2009 HK\$'000 (unaudited)
Gross rental income	6,147	4,911
Agency income	8,399	3,293
Fair value changes on investment properties	42,456	3,388
Interest income	1,428	215
Compensation received from suppliers of fish	58,625	49,569
Gain on repurchase of convertible bonds	–	20,168
Exchange gain, net	16,898	14,198
Sundry income	18,333	12,122
	<u>152,286</u>	<u>107,864</u>

5. GAIN ON DEEMED ACQUISITION OF ADDITIONAL INTEREST IN SUBSIDIARIES

In October 2008, the Group acquired, in aggregate, an additional 0.23% and 0.045% of the issued share capital of the subsidiaries, PARD and China Fishery at a consideration of HK\$2,393,000 and HK\$1,016,000 respectively, while the carrying values of the Group's share of the identifiable assets and liabilities of the subsidiaries at the respective dates of acquisition attributable to the acquired interests, in aggregate, amounted to HK\$9,346,000 and HK\$1,121,000 respectively. The excess of the carrying values over the costs of acquisitions of HK\$7,058,000 was credited to the profit or loss.

6. PROFIT BEFORE TAXATION

	Six-month period ended	
	29.9.2009 to 28.3.2010 HK\$'000 (unaudited)	1.10.2008 to 31.3.2009 HK\$'000 (unaudited)
Profit before taxation has been arrived at after charging :		
Amortisation of deferred charter hire (included in cost of sales)	86,320	86,320
Amortisation of prepaid lease payments	463	785
Depreciation of property, plant and equipment	167,617	131,388
Loss on disposal of property, plant and equipment	596	–
Impairment loss on property, plant and equipment (<i>note</i>)	9,775	–
	<u>9,775</u>	<u>–</u>

Note: During the six-month period ended 28 March 2010, the directors had reviewed the carrying values of property, plant and equipment and certain idle plant and machinery of HK\$9,775,000 were fully impaired.

7. TAXATION

	Six-month period ended	
	29.9.2009 to 28.3.2010 HK\$'000 (unaudited)	1.10.2008 to 31.3.2009 HK\$'000 (unaudited)
The charge (credit) comprises :		
Profit for the period		
– Hong Kong	3,000	147
– other jurisdictions	37,595	46,138
	40,595	46,285
Under(over)provision in prior period		
– Hong Kong	3,432	968
– other jurisdictions	–	(6,853)
	3,432	(5,885)
Deferred taxation	(25,192)	(46,613)
Tax charge (credit) for the period	18,835	(6,213)

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the period.

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

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.

Pursuant to < 中華人民共和國企業所得稅法 > 財稅[2008] 149號, the Company's subsidiary, Pacific Andes Food Limited ("PAF"), obtained the 100% tax exemption from the tax bureau of the People's Republic of China during the current period. So, the deferred tax liability of HK\$33,000,000 previously recognised on revaluation of properties held by PAF accumulated in equity has been reversed in other comprehensive income during the current period.

8. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six-month period ended 28 March 2010.

On 22 March 2010, the Company declared a final dividend of HK1.7 cents per share amounting to HK\$51,564,000 for the six-month period ended 28 September 2009 with a scrip alternative to offer the right to shareholders to elect to receive the final dividend by allotment of new shares in lieu of cash. Subsequent to 28 March 2010, 30,003,261 shares of HK\$0.10 each in the Company were issued at HK\$1.43 per share as scrip dividend and cash dividend of HK\$8,659,000 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	
	29.9.2009 to 28.3.2010 HK\$'000 (unaudited)	1.10.2008 to 31.3.2009 HK\$'000 (unaudited)
Earnings attributable to the owners of the Company for the purpose of calculation of basic earnings per share	334,829	326,999
Effect of dilution arising on potential conversion of convertible bonds issued by a subsidiary	(777)	(12,295)
Earnings for the purpose of calculation of diluted earnings per share	<u>334,052</u>	<u>314,704</u>
Weighted average number of ordinary shares for the purposes of calculation of basic earnings per share	3,000,959,043	2,037,191,633
Effect of dilutive potential ordinary shares in respect of share award	<u>3,446,207</u>	<u>1,560,401</u>
Weighted average number of ordinary shares for the purposes of calculation of diluted earnings per share	<u>3,004,405,250</u>	<u>2,038,752,034</u>

For the six-month period ended 31 March 2009, the weighted average number of shares outstanding have been adjusted for the effect of rights issue in June 2009.

10. TRADE, BILLS AND OTHER RECEIVABLES

	28.3.2010 <i>HK\$'000</i> (unaudited)	28.9.2009 <i>HK\$'000</i> (audited)
Trade receivables	1,536,873	1,325,124
Bills receivables	115,898	29,787
	<hr/>	<hr/>
	1,652,771	1,354,911
Other receivables and prepayments	2,994,176	3,286,552
	<hr/>	<hr/>
	4,646,947	4,641,463
	<hr/>	<hr/>

The aged analysis of trade receivables and bills receivables based on the invoice date at the end of the reporting period is as follows:

	28.3.2010 <i>HK\$'000</i> (unaudited)	28.9.2009 <i>HK\$'000</i> (audited)
Less than 30 days	680,387	742,200
31 – 60 days	276,045	199,164
61 – 90 days	175,970	64,056
91 – 120 days	169,591	174,667
Over 120 days	350,778	174,824
	<hr/>	<hr/>
	1,652,771	1,354,911
	<hr/>	<hr/>

11. TRADE RECEIVABLES WITH INSURANCE COVERAGE

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:

	28.3.2010 <i>HK\$'000</i> (unaudited)	28.9.2009 <i>HK\$'000</i> (audited)
Less than 30 days	176,283	185,179
31 – 60 days	114,203	65,579
61 – 90 days	44,661	16,674
91 – 120 days	1,355	8,475
Over 120 days	394	1,544
	<hr/>	<hr/>
	336,896	277,451
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12. TRADE, BILLS AND OTHER PAYABLES

The age analysis of trade and bills payables based on the invoice date at the end of the reporting period is as follows:

	28.3.2010 <i>HK\$'000</i> (unaudited)	28.9.2009 <i>HK\$'000</i> (audited)
Less than 30 days	295,430	496,699
31 – 60 days	120,774	7,981
61 – 90 days	179,988	3,036
Over 90 days	100,742	8,187
	<hr/> 696,934 <hr/>	<hr/> 515,903 <hr/>

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

Hong Kong, 23 June 2010

As at the date of this announcement, 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.