STRUCTURED FOR FUTURE GROWTH

Annual Report 2013

PACIFIC ANDES
INTERNATIONAL HOLDINGS LIMITED

STOCK CODE: 1174

INFORMATION FOR INVESTORS

Listing Information
Listing: The Stock Exchange of Hong Kong Limited
Stock code: 1174

Ticker Symbol
Reuters: 1174.HK
Bloomberg: 1174 HK Equity

Key Dates

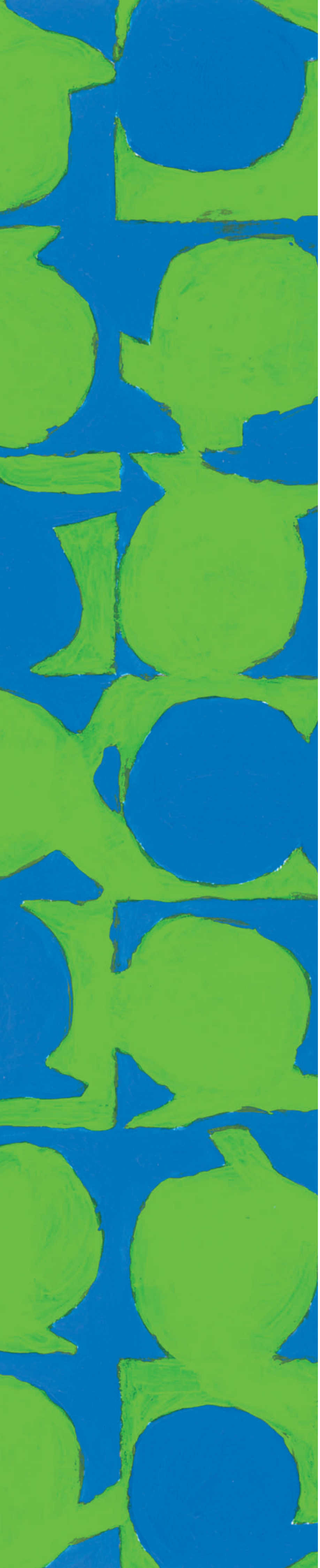
Payment of FY2012 Final Dividend	26 March 2013
Announcement of FY2013 Interim Results	27 May 2013
Announcement of FY2013 Final Results	19 December 2013
Financial Year End	28 September

Share Information (as at 28 September 2013)
Board lot size: 2,000 shares
Nominal value per share: HK$0.1
Issued Shares: 4,722,068,685 shares
Market capitalisation: HK$1,699,944,726
Earnings per share for FY2013: 8.2 HK cents
Proposed dividend per share for FY2013: 1.1 HK cents

Share Registrar & Transfer Offices
Principal
HSBC Securities Services (Bermuda) Limited
6 Front Street
Hamilton HM11
Bermuda

Hong Kong Branch
Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong
Tel: 852-2980 1333
Fax: 852-2810 8185

Investor Relations Contact
For enquiries from investors and securities analysts, please contact:
Investor Relations Department
Tel: 852-2589 4191
Fax: 852-2858 2764
E-mail: ir@pacificandes.com



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CORPORATE INFORMATION

Board of Directors

Executive Directors

Teh Hong Eng *(Chairperson)*
Ng Joo Siang *(Managing Director and Vice-Chairman)*
Ng Joo Kwee
Ng Joo Puay, Frank
Ng Puay Yee

Independent Non-Executive Directors

Lew V Robert
Kwok Lam Kwong, Larry
Tao Kwok Lau, Clement

Audit Committee

Lew V Robert *(Chairman)*
Kwok Lam Kwong, Larry
Tao Kwok Lau, Clement

Nomination Committee

Tao Kwok Lau, Clement *(Chairman)*
Kwok Lam Kwong, Larry
Lew V Robert
Ng Joo Siang

Remuneration Committee

Kwok Lam Kwong, Larry *(Chairman)*
Lew V Robert
Tao Kwok Lau, Clement
Ng Joo Siang
Ng Joo Puay, Frank

Company Secretary

Chan Tak Hei

Solicitors

Baker & McKenzie

Auditor

Deloitte Touche Tohmatsu

Principal Bankers

Australia and New Zealand Banking Group Limited, Hong Kong Branch
China CITIC Bank International Limited
DBS Bank (Hong Kong) Limited
Malayan Banking Berhad, Hong Kong Branch
Rabobank International, Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Office

Room 3201-3210
Hong Kong Plaza
188 Connaught Road West
Hong Kong
Tel: 852-2547 0168
Fax: 852-2858 2764

Stock Code

1174

Website

http://www.pacificandes.com

CORPORATE PROFILE

Established in 1986 and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 1994, Pacific Andes International Holdings Limited (the "Company") and its subsidiaries (1174.HK, "Pacific Andes" or the "Group") is a fully integrated group of companies with operations across the entire seafood value chain, which includes harvesting, sourcing, ocean logistics and transportation, food safety testing, processing, marketing and distribution of frozen fish products, as well as fishmeal and fish oil.

The Group's businesses span across the world with a particular emphasis on the People's Republic of China (the "PRC") and Peru. It has processing businesses and sizeable investments based in the PRC, Germany, France, the U.S. and Peru. Today, Pacific Andes stands among the world's largest fishery groups, producers of fishmeal and fish oil, suppliers of frozen fish into the PRC market and fish fillet producers.

Pacific Andes' resources development and supply chain management division, Pacific Andes Resources Development Limited ("PARD"), and its fishery and fish supply division, China Fishery Group Limited ("China Fishery"), have been listed on the Singapore Exchange Securities Trading Limited since 1996 and 2006, respectively. In 2013, the Group acquired Copeinca ASA ("Copeinca"), Peru's second largest fishing company listed on the Oslo Børs.

VISION

To be a world leader in the sourcing, processing, distribution and sales of seafood products, providing millions of people throughout the world with a natural source of healthy protein every day.

MISSION

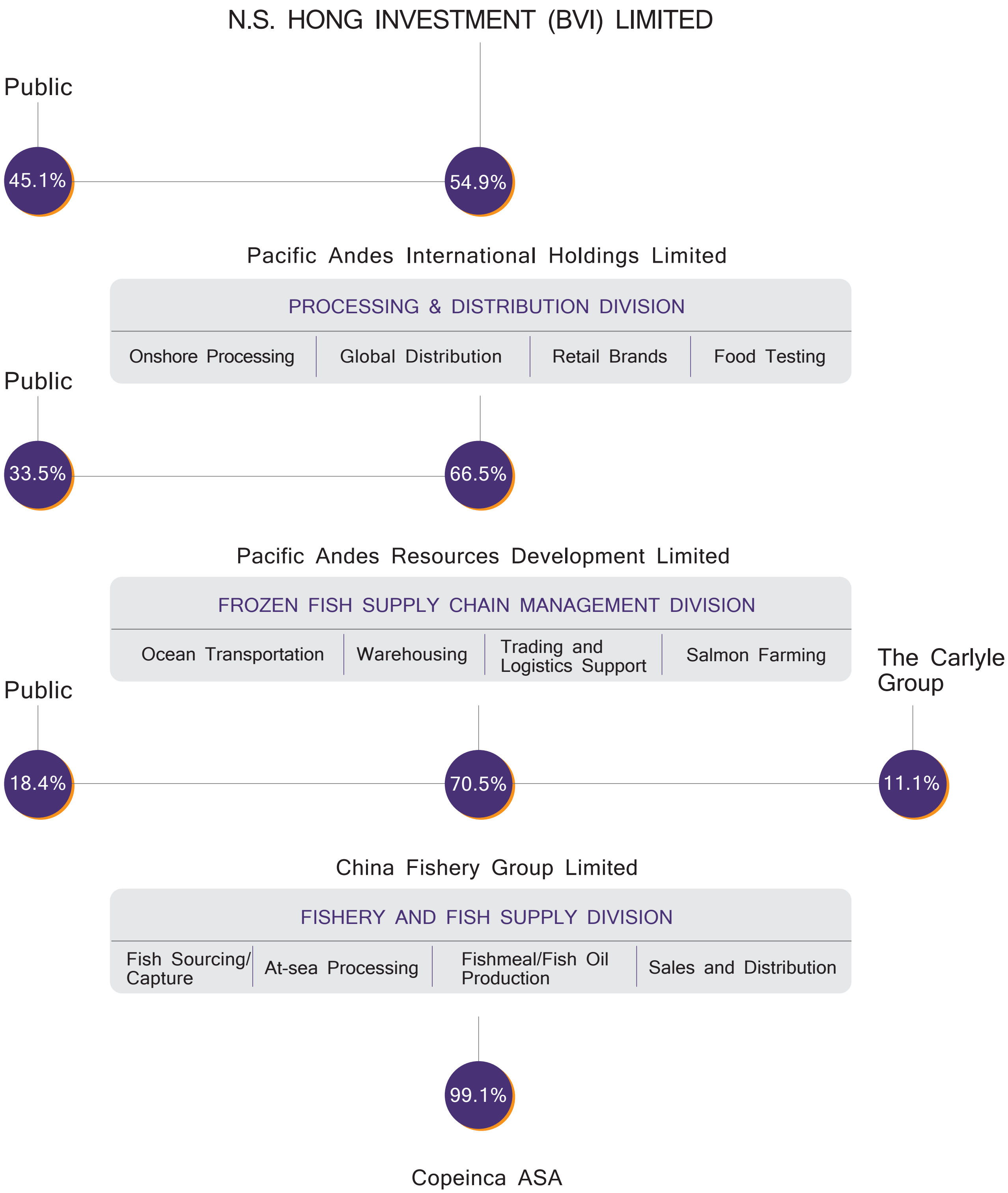
To offer world class seafood products of the highest quality and safety, while remaining firmly committed to the sustainability of seafood resources and the environment.

To be at the forefront of market-leading best practices and industry standards, always fulfilling our responsibilities to the consumers worldwide and to our customers, regulators, employees, investors and the communities in which we operate.

To play a leading role in global food security through the supply of safe and high quality seafood products to meet the increasing nutritional needs of consumers across all continents.

To maintain a working environment which is safe, and encourages and harnesses the energy and passion of our employees, who are the lifeblood of our organisation.

CORPORATE & BUSINESS STRUCTURE



Note: Shareholdings as at 28 September 2013

CORPORATE & BUSINESS STRUCTURE

PROCESSING & DISTRIBUTION DIVISION

The Processing and Distribution Division produces a wide range of frozen fish fillets, portions and other value-added seafood products for its own labels, as well as customers' brands in its processing facilities located in the PRC, and the U.S., together with investments in Germany and France. Its distribution network spans across the world, selling its products to leading food processors and retailers on a global basis.

FROZEN FISH SUPPLY CHAIN MANAGEMENT DIVISION

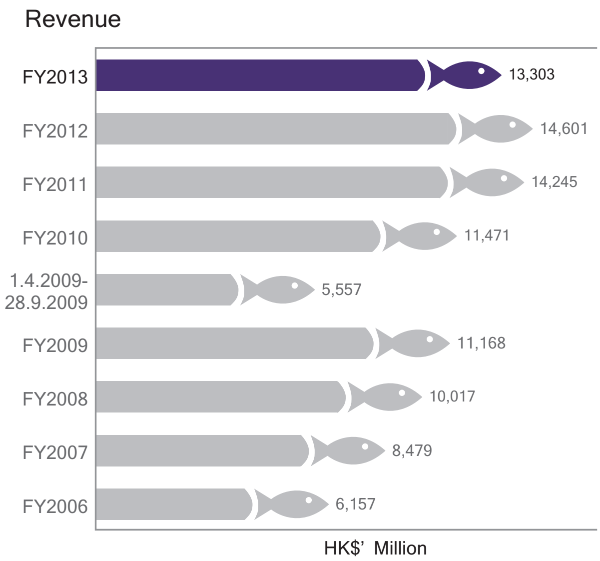
The Frozen Fish Supply Chain Management Division ("Frozen Fish SCM Division") focuses on the development, marketing and distribution of a wide selection of frozen fish and related products. It offers a full range of logistical services to fishing vessels, markets and distributes frozen ocean-caught fish to wholesalers or re-processors around the world.

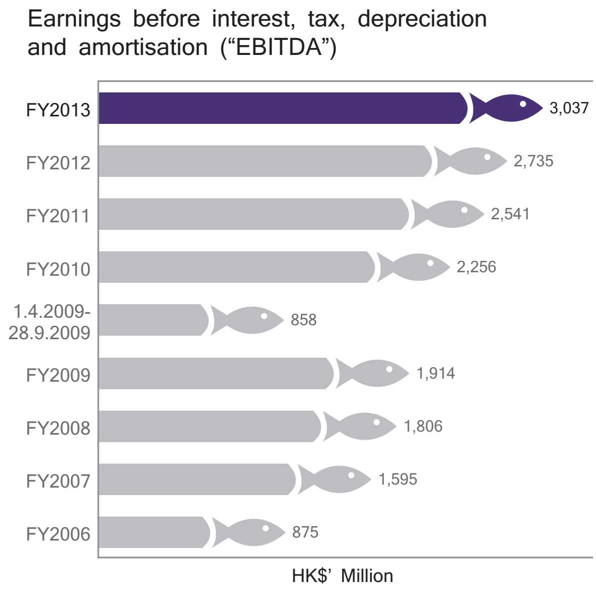
FISHERY AND FISH SUPPLY DIVISION

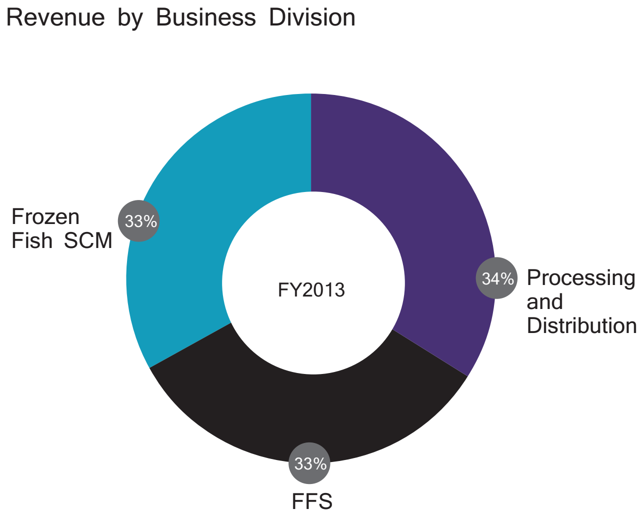
The Fishery and Fish Supply Division ("FFS Division") sources, harvests, onboard-processes and delivers high-quality fish supplies to consumers around the world. It also engages in fishing and fishmeal processing business in Peru for worldwide distribution.

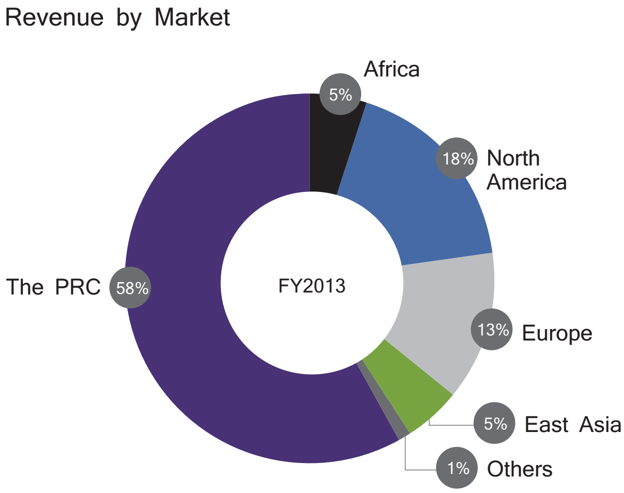
Copeinca is one of the largest fishmeal and fish oil producers in Peru. It produces its fishmeal and fish oil from anchovy harvested off the coast of Peru, and exports most of its production. Typical customers are fish and animal feed producers, as well as refineries for omega-3 products.

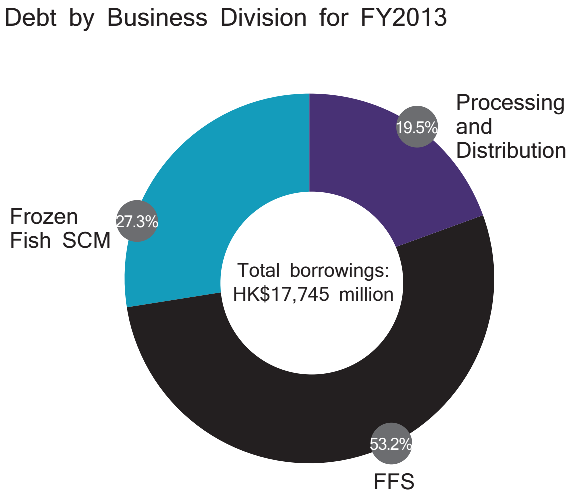
FINANCIAL HIGHLIGHTS





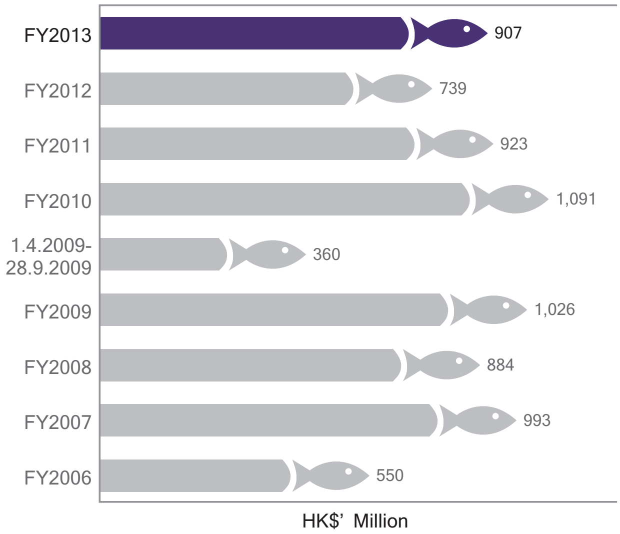




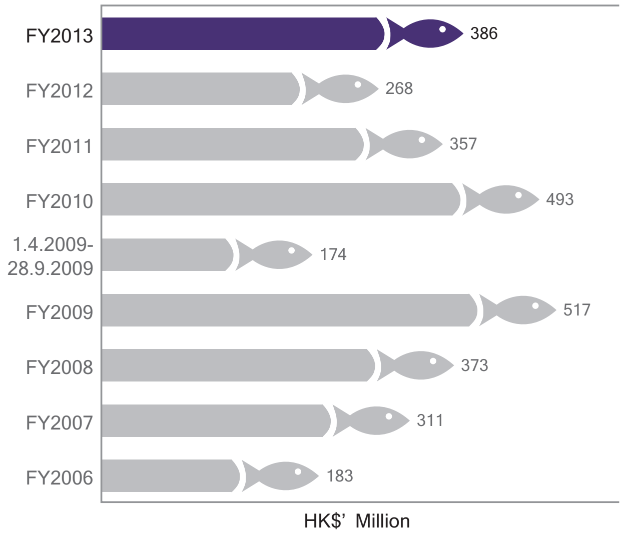


FINANCIAL HIGHLIGHTS

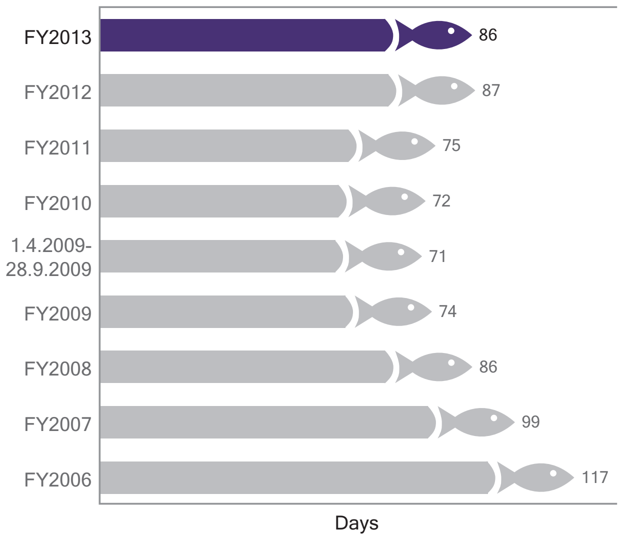
Profit



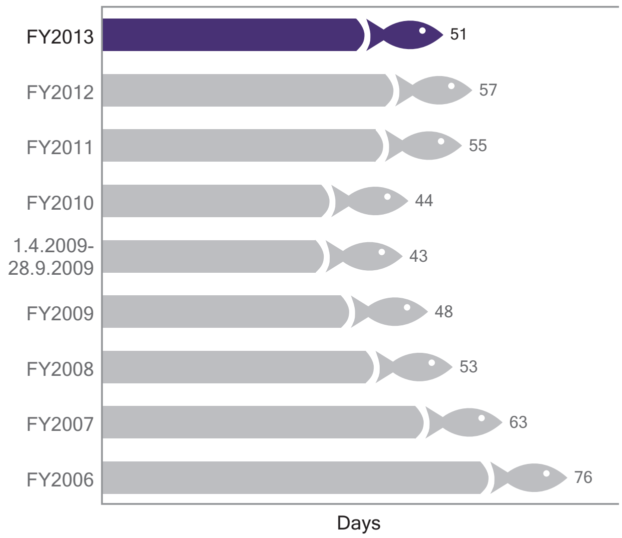
Profit Attributable to Owners of the Company



Inventory Turnover Days



Net Debtor Turnover Days



Note: As a result of the change in financial year end date from 31 March to 28 September since 2009, FY2006 to FY2009 cover twelve-month period ended 31 March, while FY2010 to FY2013 cover the twelve-month period ended 28 September.

MANAGING DIRECTOR'S REPORT

On behalf of the board (the "Board") of directors of the Company (the "Directors"), I am pleased to present the annual results of Pacific Andes for the year ended 28 September 2013 ("FY2013").

As we reflect on what the Group has accomplished strategically during the year, we are encouraged by the structural and organisational progress we have made to prepare ourselves for continued future growth. We believe we are now well structured for growth, and our team has been working tirelessly to prepare the Group for long-term success.

Pacific Andes continues to employ a two-pronged strategy of acquisitions and organic growth to expand the business. During the year, both our FFS Division and Processing and Distribution Division have expanded their operations through acquisitions and strategic investments.

FY2013 has been a year of momentum and transformation for the Group's FFS Division. The acquisition of Copeinca, the second largest fishing company in Peru, was a significant milestone for us. Our FFS Division has become one of the largest fishmeal and fish oil producer in Peru, as well as one of the leading fishmeal and fish oil exporters in the world.

To further develop and strengthen relationships with our customers in Europe, and with the key goal of building partnerships through first class customer service and quality products, we continued to expand our processing and distribution business in Europe through an investment in The Seafood Traders GmbH ("TST") in Germany.

All the acquisitions and investments that we made have been meticulously analysed against a number of criteria, most importantly their strategic fit and potential to drive the Group's growth as an industry leader.

Market Overview

In 2013, a number of traditional markets for fish and fishery products have gradually returned to historical norm following the global financial crisis. Although the underlying demand for fish and fishery products remained strong, overall economic recovery for these major markets has been slow, thereby exerting some pressure on the global fish trade. However, the upward trend in terms of increase in fish consumption from shifts in demographic, economic, and lifestyle/health factors around the world has remained intact, as the demand for fish is expected to continue to increase. Nevertheless, for the short term, fish prices have stayed relatively stable.

During the year under review, prices for some of the Group's major species have been generally softer which slightly affected the profitability of our trading and processing business.

Results Highlights

In FY2013, profit attributable to owners of the Company increased by 44.1% to HK$385.9 million. However, prices for some of the Group's major species were generally lower, which affected the revenue of its trading and processing business. Revenue decreased by 8.9% to HK$13,302.8 million. The Board has recommended the payment of a final cash dividend of 1.1 HK cents per share (FY2012: 1.1 HK cents per share) to the shareholders of the Group (the "Shareholders") subject to approval in the Company's forthcoming annual general meeting (the "Annual General Meeting").

Corporate Social Responsibility

We continued to implement our sustainability strategy in FY2013. During the year, we deepened our engagement with our suppliers, customers and industry partners on sustainable fishery management. We also enhanced our internal capacity to implement our sustainable practices by providing expanded training and guidance to our staff in different business areas. Highlights of our sustainability initiatives and achievements can be found on page 28 of this report.

MANAGING DIRECTOR'S REPORT

Prospects

We remain positive about the growth potential for all of our business divisions. The acquisitions and investments completed in 2013 are expected to become additional growth engines for the Group and will provide increasing revenue and profitability to drive our development in the global seafood industry.

At present, aquaculture already supplies over 40% (approximately 63 million tonnes per year) of fish consumed globally. As wild fish stocks are now better managed, aquaculture is expected to be a key source of future growth to meet the increasing demand for fish. The Food and Agriculture Organisation of the United Nations estimates that an additional 50 million* tonnes of farmed fish will be required to meet the demand from a rising world population by 2030. Fishmeal and fish oil are key feed inputs into aquaculture.

With a currently robust Peruvian Anchovy biomass level estimated at between 10.8 million tonnes and 12.1 million tonnes, the Peruvian Government increased the Total Allowable Catch ("TAC") for the second 2013 fishing season (from November 2013 to January 2014) to 2.3 million tonnes. This is 2.8 times higher compared to the same fishing season in 2012. This is strong evidence that the Peruvian Anchovy resource is sustainable and is well managed under the effective fishery management policy adopted by the Peruvian Government. This significant increase in the TAC of Peruvian Anchovy, coupled with the rising demand for fish globally, forms a bright backdrop for the fishmeal and fish oil business.

Our subsidiary, China Fishery, is therefore well-positioned to capitalise on these positive trends with the foundation that it has been laying during the past years with a number of acquisitions in Peru. More immediate, the Group will focus on the realisation of synergies and cost savings from Copeinca.

The Group will also explore the possibility of increasing the value of the catch by promoting Peruvian Anchovy for direct human consumption. This presents a long-term value proposition for the overall growth of the Group's business.

Our strategy in the processing and distribution business has been, and continues to be, to further expand our penetration in the value chain and bring more new products to the Chinese domestic market. The investment in TST is further evidence that we are moving forward in that direction and have strengthened our foothold in the European market.

Looking forward to FY2014, the Group expects the Frozen Fish SCM Division to remain stable.

On the corporate front, we will focus our efforts on reducing our indebtedness and continuing to optimise the debt profile. Despite some negative developments in the global financial markets, we aim to refinance our debts at acceptable market terms and expect to extend maturities of our debt facilities as planned.

The Group remains committed in its endeavor to strengthen its balance sheet and improve the Group's organisational and capital structures, setting the stage for our business to deliver sustainable growth well into the future.

Acknowledgements

In closing, I would like to commend my Directors, management and colleagues for all their dedication and hard work in ensuring that Pacific Andes further strengthens its position as the leading global integrated company in the seafood sector. I firmly believe that our efforts will result in better performance in the future, and I wish to thank everyone for his/her valuable contribution and support.

Ng Joo Siang
Managing Director and Vice-Chairman
27 December 2013

* *Source: http://www.fao.org/news/story/en/item/202782/icode/*

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

FFS Division

The Group's FFS Division, which operates through its subsidiary, China Fishery, spent HK$5,745 million (approximately US$737 million) to acquire a 99.1% stake in Copeinca (the "Copeinca Acquisition") on 30 August 2013. Therefore, the FY2013 results include a maiden one month (from 31 August 2013 to 28 September 2013) contribution from Copeinca.

Revenue decreased by 8.1% from HK$4,711.2 million to HK$4,329.1 million. This was primarily due to (1) lower sales contribution from Contract Supply Business partly due to lower average selling prices of various products, and (2) lower sales contribution from Peruvian Fishmeal Operations as a result of the reduction in TAC of Peruvian Anchovy in the Northern and Central Zones of Peru for the November 2012 to January 2013 fishing season.

Although the average selling prices of fishmeal and fish oil have increased, these increases have only been able to partially offset the reduction in overall volume. The effect of higher average selling prices of fishmeal/fish oil and the one-month contribution of revenue from Copeinca (US$31.5 million or approximately HK$245.7 million) reduced this impact.

The Division's newly established fishing operations in Namibia commenced activities in FY2013 and already made positive contributions to the performance of China Fishery Fleet (the "CF Fleet"). However, revenue from CF Fleet decreased by 44.0% from HK$389.2 million to HK$217.6 million, due primarily to the strategic decision on not operating the fishing fleet in the South Pacific Ocean during the year under review.

Revenue segmentation

HK$ million	**FY2013**	FY2012	Change
Peruvian Fishmeal Operations	**1,292.4**	1,397.1	-7.5%
Contract Supply Business	**2,819.1**	2,924.9	-3.6%
CF Fleet	**217.6**	389.2	-44.0%
Total	**4,329.1**	4,711.2	-8.1%

China Fishery completed a 1-for-1 rights issue (the "CFGL Rights Issue") in April 2013, raising US$277.6 million (approximately HK$2,165.2 million) net of costs to partially fund the acquisition of Copeinca, with the balance funded by bank financing (US$354.3 million or approximately HK$2,763.5 million) and internal resources.

Frozen Fish SCM Division

The Group's Frozen Fish SCM Division, which operates through its subsidiary PARD, recorded a 8.9% drop in revenue from HK$4,869.6 million to HK$4,435.0 million, due to both lower sales volume and average selling prices of products.

The Division's performance benefitted from its associated company, Tassal Group Limited ("Tassal"), which has been delivering robust profit contributions.

Processing and Distribution Division

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

Revenue from the Processing and Distribution Division decreased by 10.0% from HK$4,976.5 million (approximately US$638.0 million) to HK$4,479.4 million (approximately US$574.3 million).

During the year, the Division bought a 19% stake in TST, a fast growing supplier and distributor of frozen seafood products in Germany. The Group believes TST makes for a good long-term strategic fit with its existing businesses and complements well with the Division's earlier entry into the German and French processing markets.

Financial Review

Revenue

Revenue decreased by 8.9% from HK$14,601.4 million (approximately US$1,872.0 million) to HK$13,302.8 million (approximately US$1,705.5 million). The FFS Division accounted for 32.5% (FY2012: 32.3%) of total revenue; the Frozen Fish SCM Division for 33.3% (FY2012: 33.4%); and the Processing and Distribution Division for the remaining 33.7% (FY2012: 34.1%).

Revenue by geographical markets

The PRC remained the Group's most important market. Sales to the PRC market increased by 16.9% to HK$7,685.2 million and accounted for 57.8% of total revenue. Sales to North America decreased by 3.5% to HK$2,436.6 million, accounting for 18.3% of total revenue. Sales to Europe decreased by 26.9% to HK$1,751.3 million, accounting for 13.2% of total revenue. The drop in sales to North America and Europe was due primarily to lower average selling prices of products. Sales to Africa, East Asia and other countries accounted for the remaining 10.7% of total revenue.

Gross profit

Gross profit decreased by 21.3% from HK$2,590.9 million to HK$2,039.0 million, primarily due to lower sales from the FFS Division.

Overall gross profit margin decreased from 17.7% to 15.3% reflecting (i) lower catch and sales volume from the FFS Division, (ii) lower revenue contribution from the FFS Division, and (iii) lower average selling prices and higher production costs in the Processing and Distribution Division.

Other income

Other income increased by 59.7% from HK$490.6 million to HK$783.4 million. This was mainly attributed to realised gains of HK$346.2 million from foreign exchange derivative contracts on hedging of the receivables and fair value gain of HK$133.8 million from derivative financial instruments.

The Group recognised a HK$499.6 million bargain purchase gain upon Copeinca Acquisition by China Fishery.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and distribution expenses

Selling and distribution expenses decreased by 25.4% from HK$737.0 million to HK$550.1 million, in line with lower overall sales volume.

Other expenses

Other expenses increased by 77.1% from HK$333.6 million to HK$590.8 million. This was due primarily to (1) expenses of HK$32.0 million associated with the CFGL Rights Issue completed in April 2013, (2) transaction costs of HK$105.0 million incurred for the Copeinca Acquisition, and (3) provision for diminution in value of HK$350.4 million of plants and vessels under the FFS Division.

Finance costs

Finance costs increased by 25.6% from HK$580.6 million to HK$729.4 million, due mainly to additional interest expenses related to senior notes issued by China Fishery in July 2012 and the bridge loan used to fund part of the consideration for the Copeinca Acquisition.

Profit for the year

As a result of the above-mentioned factors, profit for the year increased by 22.9% from HK$738.5 million to HK$907.3 million. Profit attributable to owners of the Company increased by 44.1% from HK$267.9 million to HK$385.9 million.

Financial position and liquidity

As of 28 September 2013, total assets of the Group amounted to HK$38,428.7 million (28 September 2012: HK$29,470.0 million).

Non-current assets increased by 62.0% from HK$14,778.1 million to HK$23,945.8 million due mainly to (i) prepayment of the Fourth Long-term Supply Agreement for Contract Supply Business under the FFS Division, and (ii) the assets acquired under the Copeinca Acquisition.

Current assets decreased by 1.4% from HK$14,691.9 million to HK$14,482.9 million. Lower accounts receivable and prepayment to fish suppliers were in line with lower sales volume.

Bank balances and cash increased from HK$693.5 million to HK$924.5 million from collection of accounts receivable and lower working capital requirement.

As of 28 September 2013, the Group's total debt outstanding stood at HK$17,745.2 million, which included HK$2,131.7 million of the 9.75% senior notes due 2019, HK$1,949.2 million of Copeinca's 9.00% senior notes due 2017, HK$2,763.5 million of the bridge loan, and other short-term and long-term borrowings. The Group is in the process of refinancing the bridge loan for the Copeinca Acquisition into a medium to long term bank loan.

Of the Group's total bank loans and other borrowings, 71.7% of short-term borrowings and 99.6% of long-term borrowings were 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$7,794.5 million, 6.9% higher than HK$7,292.1 million as at 28 September 2012.

As of 28 September 2013, the net-debt-to-equity ratio of the Group, defined as a percentage of net of cash interest bearing borrowings of HK$16,820.6 million over total equity of HK$14,903.0 million, increased from 91.6% to 112.9%.

As of 28 September 2013, the long term debt to total debt ratio is 31.9%.

The Group's borrowings are mainly denominated in US Dollars and carry LIBOR plus rates.

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

Subsequent events

The mandatory general offer for Copeinca was completed on 8 November 2013. Following the settlement, China Fishery owns 70,044,592 Copeinca shares, representing approximately 99.78% of the issued shares and votes in Copeinca.

China Fishery has on 5 December 2013 entered into a warrant issuance agreement to issue 96,153,846 China Fishery warrants (the "CFGL Warrants") to CAP III-A Limited, a substantial shareholder currently holding a 11.1% stake in China Fishery, at an exercise price of S$0.52 (approximately HK$3.24) per CFGL Warrant share, subject to adjustments in accordance with the terms and conditions of the CFGL Warrants (the "Proposed Issuance").

The Proposed Issuance is subject to the Company's independent shareholder's approval by means of a written approval in lieu of holding a general meeting (the Company has applied and obtained a waiver from the Stock Exchange from strict compliance with Rule 14A.43 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) and specific shareholders' approval at an extraordinary general meeting of China Fishery. As at the date of this report, the written approval from the independent shareholder has been obtained. Accordingly, no special general meeting will be convened in this regard.

Details of the Proposed Issuance have been disclosed in the Company's announcement dated 5 December 2013 and the Company's circular dated 6 January 2014.

For details of contingent liabilities and pledged assets of the Group, please refer to notes 46 and 47 to the consolidated financial statements respectively.

Employees and Remuneration

As at 28 September 2013, the Group had a total of approximately 9,700 (2012: 9,700) 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 for granting share awards, and each of the Company and PARD has an employee share option scheme for granting of share options, to eligible employees based on their contributions to the Group.

DIRECTORS' PROFILES

Executive Directors

Teh Hong Eng 78, is the Chairperson and Executive Director of the Company. She is responsible for general administration and strategic planning. Madam Teh is also director of several subsidiaries of the Group as well as N.S. Hong Investment (BVI) Limited ("N.S. Hong"), the controlling Shareholder. She joined the Group in 1986 and has over 30 years of experience in administration and financial investments. Madam Teh is an Executive Director of PARD, an indirect non-wholly owned subsidiary of the Company listed in Singapore.

Madam Teh is the mother of Mr. Ng Joo Siang, Mr. Ng Joo Kwee, Mr. Ng Joo Puay, Frank and Ms. Ng Puay Yee.

Ng Joo Siang 54, is the Managing Director, the Vice-Chairman and an Executive Director of the Company. He is responsible for overall corporate policy making, strategic planning, development, investment and management of the Group. Mr. Ng is also member of the Nomination Committee and the Remuneration Committee of the Company and director of several subsidiaries of the Group as well as N.S. Hong, the controlling Shareholder. He is the Chairman, an Executive Director and a member of the Nominating Committee of PARD and an Executive Director, the Chairman of the Investment Committee and a member of the Corporate Social Responsibility Committee of China Fishery, both PARD and China Fishery are indirect non-wholly owned subsidiaries of the Company listed in Singapore. Currently, Mr. Ng is also the Chairman, an Executive Director and the President of each of the Human Resources, Ethics, Corporate Governance and Social Responsibility Committee and Strategies, Acquisitions and New Business Committee and member of the Audit, Control and Risk and Finance Committee of Copeinca, an indirect non-wholly owned subsidiary of the Company listed in both Norway and Peru. Mr. Ng graduated from Louisiana State University, Baton Rouge, Louisiana in the USA, majoring in International Trade and Finance, and has over 30 years' experience in the trading of seafood products. Prior to joining the Company in 1986, he was in the ship agency business, overseeing the chartering and operation of ocean-going vessels calling at various Asian ports.

Mr. Ng is a son of Madam Teh Hong Eng. He is the brother of Mr. Ng Joo Kwee, Mr. Ng Joo Puay, Frank and Ms. Ng Puay Yee.

Ng Joo Kwee 53, is the Executive Director of the Company. He is responsible for all production of frozen seafood in the PRC. Mr. Ng is also director of several subsidiaries of the Group and N.S. Hong, the controlling Shareholder. He is an Executive Director of PARD and the Executive Chairman and the Executive Director of China Fishery, both PARD and China Fishery are indirect non-wholly owned subsidiaries of the Company listed in Singapore. Mr. Ng studied in the USA at Southeastern Louisiana University in Hammond, Louisiana. From 1983 to 1989, he was president of a fish trading company in Taiwan. In 1989, Mr. Ng joined the Group as general manager of its PRC operations, responsible for daily operations, trading activities and the sourcing of frozen seafood products from South America, India, the PRC and Russia. In 1994, he resigned from the Company, but rejoined in March 1996.

Mr. Ng is a son of Madam Teh Hong Eng. He is the brother of Mr. Ng Joo Siang, Mr. Ng Joo Puay, Frank and Ms. Ng Puay Yee.

Ng Joo Puay, Frank 51, is the Executive Director of the Company. He is responsible for international sales and marketing of the Group's frozen seafood products outside the PRC. Mr. Ng is also a member of the Remuneration Committee of the Company and director of several subsidiaries of the Group as well as N.S. Hong, the controlling Shareholder. He is the Executive Director and the Managing Director of PARD, an indirect non-wholly owned subsidiary of the Company listed in Singapore. Mr. Ng studied in Loyola University in New Orleans, Louisiana, in the USA, majoring in business administration. He has over 20 years of experience in the seafood trading business. Prior to joining the Company in 1987, he was the trading manager of a fish trading company in Taiwan for three years.

Mr. Ng is a son of Madam Teh Hong Eng. He is the brother of Mr. Ng Joo Siang, Mr. Ng Joo Kwee and Ms. Ng Puay Yee.

Ng Puay Yee 41, is the Executive Director of the Company. She is responsible for global sales and marketing of the Group's frozen fish and seafood products. Ms. Ng is also director of several subsidiaries of the Group as well as N.S. Hong, the controlling Shareholder. She is an alternate director to Madam Teh Hong Eng in PARD, an indirect non-wholly owned subsidiary of the Company listed in Singapore. Currently, Ms. Ng is also the Vice-Chairman, an Executive Director and member of each of the Human Resources, Ethics, Corporate Governance and Social Responsibility Committee and Strategies, Acquisitions and New Business Committee of Copeinca, an indirect non-wholly owned subsidiary of the Company listed in both Norway and Peru. In addition, Ms. Ng also oversees the Group's global raw material sourcing. She graduated from the Indiana University of Bloomington, USA, majoring in Mass Communication. Ms. Ng joined the Group in 1995. She is a member of the Corporate Social Responsibility Committee of China Fishery, an indirect non-wholly owned subsidiary of the Company listed in Singapore, and is an active board member of various fish trade organisations around the world such as the Groundfish Forum Council, where she is on the executive committee, Whitefish CEO Sustainability Committee, and the National Fishery Institute Executive Committee. Ms. Ng is also a board member of the Young Presidents' Organization Hong Kong Chapter, and is an active member of the young business leaders' community in Hong Kong, having chaired the Entrepreneurs' Organization Hong Kong Chapter in 2008/9.

Ms. Ng is the daughter of Madam Teh Hong Eng. She is the sister of Mr. Ng Joo Siang, Mr. Ng Joo Kwee and Mr. Ng Joo Puay, Frank.

DIRECTORS' PROFILES

Independent Non-Executive Directors

Lew V Robert 57, is the Independent Non-Executive Director of the Company. He is also the Chairman of the Audit Committee and member of each of the Nomination Committee and the Remuneration Committee of the Company. Mr. Lew joined the Company in 1994. He is currently the Independent Chairman of Pak Tak International Limited, a company listed on the Main Board of the Stock Exchange. Mr. Lew is also currently a director of a corporation of certified public accountants in Hong Kong. He has over 30 years of experience in corporate assurance advisory, taxation and business consultation. Mr. Lew graduated from the University of British Columbia in Canada in 1979. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Alberta Institute of Chartered Accountants.

Kwok Lam Kwong, Larry, B.B.S. J.P. 57, is the Independent Non-Executive Director of the Company. He is also the Chairman of the Remuneration Committee and member of each of the Audit Committee and Nomination Committee of the Company. Mr. Kwok is a solicitor practising in Hong Kong, and is currently the Managing Partner, Asia Strategy & Markets of King & Wood Mallesons. He is also qualified to practise as a solicitor in Australia, England and Wales and Singapore. Mr. Kwok is a fellow member of the Hong Kong Institute of Certified Public Accountants and CPA Australia respectively. He is also a member of The Institute of Chartered Accountants in England & Wales. Mr. Kwok graduated from the University of Sydney, Australia, with a Bachelor Degree in Economics and Laws respectively, and a Master Degree in Laws. He has also completed the Advanced Management Program at the Harvard Business School. Mr. Kwok joined the Company in 1994. He is currently a Non-Executive Director of First Shanghai Investments Limited and an Independent Non-Executive Director of Café de Coral Holdings Limited, Shenyin Wanguo (H.K.) Limited and Starlite Holdings Limited (all listed on the Main Board of the Stock Exchange). Mr. Kwok serves as Chairman of the Transport Advisory Committee and a member of the Hospital Governing Committee of Prince of Wales Hospital, Mainland Opportunities Committee of the Financial Services Development Council, Competition Commission, Land and Development Advisory Committee, Social Workers Registration Board and Mandatory Provident Fund Schemes Advisory Committee.

Tao Kwok Lau, Clement, B.B.S. J.P. 65, is the Independent Non-Executive Director of the Company. He is also the Chairman of the Nomination Committee and member of each of the Audit Committee and the Remuneration Committee of the Company. Mr. Tao joined the Company in 2009. He is currently the Managing Director of Associated Advisers Limited, a Licensed Corporation under the Securities and Futures Commission (the "SFC") and a member of the Hong Kong Confederation of Insurance Brokers. Mr. Tao has been with Associated Advisers Limited since 1988. He is a Fellow of The Hong Kong Institute of Directors, a Responsible Officer licensed by the SFC and a Chartered Financial Consultant. Mr. Tao is at present the Chairman of the Investment Committee of The Life Underwriters Association of Hong Kong Limited. He is a member of the Independent Police Complaints Council. Mr. Tao received a Bachelor of Social Sciences degree from the University of Hong Kong in 1971 with major in Economics. He was awarded with a Badge of Honour in 1983 and Bronze Bauhinia Star in 1999 respectively by the Hong Kong Government and the Government of the Hong Kong Special Administrative Region. Mr. Tao was appointed Justice of Peace in 1995.

DIRECTORS' REPORT

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Group for the year ended 28 September 2013.

Principal Activities

The Company acts as an investment holding company and provides corporate management services to group companies. The activities of its principal subsidiaries are fishing and fishmeal processing, the operation of fishing vessels, global sourcing, processing onshore and international distribution of a variety of frozen seafood products, trading of marine fuel and the provision of shipping and agency services. The activities of its principal associates are trading of processed and frozen fish products and hatching, farming, processing, sales and marketing of Atlantic salmon and its jointly controlled entity is engaged in property holding.

Details of the Company's principal subsidiaries, associates and jointly controlled entity at 28 September 2013 are set out in notes 50, 51 and 28 respectively to the consolidated financial statements.

An analysis of the Group's turnover and contribution to profit by principal activities and geographical markets is set out in note 6 to the consolidated financial statements.

Customers and Suppliers

For the year ended 28 September 2013, the five largest customers of the Group together accounted for less than 30% (2012: less than 30%) of the Group's turnover. The five largest suppliers of the Group together accounted for approximately 48% (2012: 44%) of the Group's total purchases, with the largest supplier accounting for 14% (2012: 17%).

At no time during the year did a Director, an associate of a Director or a Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers or suppliers.

Results and Appropriations

The results of the Group for the year ended 28 September 2013 are set out in the consolidated income statement on page 31.

The Directors recommend the payment of a final dividend of 1.1 HK cents (2012: 1.1 HK cents) per share to the Shareholders for the year ended 28 September 2013, amounting to HK$51,943,000 (2012: HK$51,943,000) and the retention of the remaining profit for the period of HK$334,001,000 (2012: HK$215,932,000 (restated)).

Emolument Policy

The emolument policy for the employees of the Group is set and reviewed by management on the basis of their merit, qualifications and competence with reference to the current market benchmarks.

The emoluments of the Directors are decided by the Remuneration Committee of the Company (the "Remuneration Committee"), having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share award plan and a share option scheme as an incentive to Directors and eligible employees, details of the share award plan and the share option scheme are set out in note 40 to the consolidated financial statements.

Property, Plant and Equipment

During the year, the Group spent approximately HK$232,506,000 (2012: approximately HK$890,564,000) on the acquisition of property, plant and equipment.

Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

DIRECTORS' REPORT

Investment Properties

The Group has revalued its investment properties at 28 September 2013.

Details of movements during the year in investment properties of the Group are set out in note 16 to the consolidated financial statements.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

Share Capital, Share Options and Share Awards

Details of movements in the share capital, share options and share awards are set out in notes 39 and 40 to the consolidated financial statements respectively.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws (the "Bye-Laws") or the laws in Bermuda.

Obligations under Finance Leases and Borrowings

Details of obligations under finance leases and bank borrowings of the Group are set out in notes 34 and 35 to the consolidated financial statements respectively.

Bonds and Senior Notes

Details of the bonds and senior notes are set out in notes 36 and 37 to the consolidated financial statements.

Directors

The Directors during the year and up to the date of this report are:

Executive Directors:

Teh Hong Eng	(Chairperson)
Ng Joo Siang	(Managing Director and Vice-Chairman)
Ng Joo Kwee	
Ng Joo Puay, Frank	
Ng Puay Yee	

Independent Non-Executive Directors:

Lew V Robert
Kwok Lam Kwong, Larry
Tao Kwok Lau, Clement

In accordance with the provisions of the Bye-Laws, Ng Joo Siang, Ng Joo Kwee and Ng Joo Puay, Frank shall retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

The term of office for each of the Independent Non-Executive Director is subject to his retirement by rotation in accordance with the Bye-Laws.

Independence of Independent Non-Executive Directors

The Company has received annual written confirmations from each of its Independent Non-Executive Director in respect of their independence during the year and all of them are still being considered to be independent.

Directors' Service Contracts

Each of Teh Hong Eng, Ng Joo Siang, Ng Joo Kwee and Ng Joo Puay, Frank has entered into a service agreement with the Company's subsidiary and Ng Puay Yee has entered into a service agreement with the Company. These service agreements shall be valid unless terminated by either party by giving at least one year's written notice.

Other than as disclosed above, no Director proposed for re-election at the Annual General Meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' and Chief Executives' Interests

(i) Directors' interests in shares

As at 28 September 2013, the interests of the Directors and the chief executive of the Company and their associates in the shares, underlying shares, and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")), which were required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of listed Issuers (the "Model Code") were as follows:

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

Note: These shares are held under the name of the spouse of Ng Joo Siang. By virtue of the SFO, Ng Joo Siang was deemed to be interested in the shares held by his spouse.

(ii) Share option scheme

Particulars of the share option scheme are set out in note 40 to the consolidated financial statements.

There is no share options outstanding during the year. No share options was granted by the Company during the year.

Other than as disclosed above, no Director, chief executive or their respective associates had any personal, family, corporate or other interests or short positions in any securities of the Company or any of its associated corporations as defined in the SFO as at 28 September 2013.

(iii) Share award plan

Particulars of the share award plan are set out in note 40 to the consolidated financial statements.

(i) The Company adopted a share award plan (the "Plan") on 28 October 2006 for the benefit of the Directors and the employees of the Group.

(ii) The Plan is administered by the Remuneration Committee, currently comprising Kwok Lam Kwong, Larry (Chairman), Lew V Robert, Tao Kwok Lau, Clement, Ng Joo Siang and Ng Joo Puay, Frank.

(iii) The Remuneration Committee may determine in its sole discretion to grant shares to participants of the Plan. 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.

(iv) No share awards outstanding as at 28 September 2013.

(v) The aggregate number of ordinary shares which may be issued under the Plan shall not exceed 5% of the issued share capital of the Company from time to time.

Other than as disclosed above, as at 28 September 2013, none of the Directors or the chief executives of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Arrangements to Purchase Shares or Debentures

Other than as disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries, a party to any arrangements 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.

Directors' Interest in Contracts of Significance

No contract of significance, to which the Company, its holding company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Substantial Shareholder's Interest

As at 28 September 2013, the interests of the persons or corporations in the shares of the Company, other than the Directors, which were required to be recorded in the register to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	**Capacity**	**Number of issued ordinary shares held (long position)**	**Approximate percentage of the issued share capital of the Company**
N.S. Hong	Beneficial owner	2,593,278,434 Note	54.92%

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

Other than disclosed above, as at 28 September 2013, the Company has not been notified by any other persons or corporations, other than the Directors, whom has interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

Related Party Transactions

The Group had also entered into the following transactions with National Fish & Seafood Inc. ("NFS") and its subsidiary, and Kyoshoku Co., Ltd. ("Kyoshoku") and its subsidiary, in which the Group has a 60% attributable interest, respectively, and PARD and its subsidiaries in which the Group has a 66% attributable interest as at 28 September 2013:

	HK$'000
Sales to Kyoshoku and its subsidiary	43,863
Interest income received from Kyoshoku and its subsidiary	2,679
Interest expense paid to NFS and its subsidiary	12,546
Administrative income received from PARD and its subsidiaries	34,787
Interest income received from PARD and its subsidiaries	111

DIRECTORS' REPORT

The interest income was calculated at interest rates ranging from 2.18% to 2.21% per annum on the outstanding amounts due from PARD and its subsidiaries and the outstanding amounts due from Kyoshoku and its subsidiaries respectively. The interest expense was calculated at interest rate of 4% per annum or the outstanding amounts due to NFS and its subsidiary respectively. The administrative income received from PARD and its subsidiaries was calculated in accordance with the management agreement signed on 3 September 1996 upon the listing of the shares of PARD on The Singapore Exchange Securities Trading Limited and a supplemental agreement dated 22 July 2003. Sales and purchases of frozen seafood were carried out at market price or, where no market price was available, at cost plus a percentage profit mark-up. These transactions were in the ordinary and usual course of business.

During the year, the Company executed guarantees to certain banks in respect of banking facilities in the amount of HK$663,000,000 granted to NFS and its subsidiary and in the amount of HK$39,400,000 granted to Kyoshoku and its subsidiaries. These guarantees given by the Company were in the ordinary and usual course of business.

None of these related party transactions constituted a connected transaction or a continuing connected transaction of the Group as defined in and required to be disclosed under Chapter 14A of the Listing Rules.

Public Float

As at the date of this report, the Company has maintained the prescribed public float under Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct for securities transaction by Directors. Specific enquiry has been made to all Directors and they have confirmed that they have complied with the required standards set out in the Model Code throughout the year.

Events after the Reporting Period

Details of significant events occurring after the reporting period are set out in note 52 to the consolidated financial statements.

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 audited consolidated financial statements for the year ended 28 September 2013.

Auditor

A resolution will be submitted to the Annual General Meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Ng Joo Siang
Managing Director and Vice-Chairman
27 December 2013

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

The Board is committed to maintaining a high standard of corporate governance. The Board believes that sound and reasonable corporate practices are essential for the growth of the Group and for safeguarding and maximising Shareholders' interests.

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 FY2013, except for the following deviations:

The CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Independent Non-Executive Directors were not appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the 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.

The CG Code provision A.5.6 stipulates that the nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. The Nomination Committee of the Company (the "Nomination Committee") would review the board composition from time to time and it considered that the board diversity is in place and therefore written policy is not required. Due to the amendment of the Listing Rules effective 1 September 2013, a board diversity policy (the "Board Diversity Policy") has been adopted in December 2013. The Board Diversity would be considered from a number of aspects, including but not limited to skills, experience, knowledge, expertise, culture, independence, age and gender.

The CG Code provision E.1.2 stipulates that the chairman of the board should invite the chairmen of the audit, remuneration, nomination and any other committees to attend the annual general meeting. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend answering questions at the annual general meeting. During the year, Mr. Kwok Lam Kwong, Larry, the Chairman of the Remuneration Committee, did not attend the Company's annual general meeting held on 8 March 2013 due to other business commitment. However, there were members of the Remuneration Committee present at the said meeting to answer questions raised by the Shareholders.

Board of Directors

The Board is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and financial performances. The Board delegates to the management team the day-to-day management of the Company's business including the preparation of annual and interim reports, and for implementation of internal control, business strategies and plans developed by the Board.

The Board currently comprises five Executive Directors and three Independent Non-Executive Directors. Accordingly, the Independent Non-Executive Directors represented more than one-third of the Board members. The Executive Directors have extensive experience in the frozen seafood and shipping industries and the Independent Non-Executive Directors possess appropriate legal, accounting and professional qualifications and financial management expertise.

The Independent Non-Executive Directors also serve the important function of ensuring and monitoring the basis of an effective corporate governance framework. The Board considers that each Independent Non-Executive Director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each Independent Non-Executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. On 18 December 2013, the Nomination Committee has conducted an annual review of the independence of all Independent Non-Executive Directors. Taking into account the independence criteria as set out in Rule 3.13 of the Listing Rules in assessing the independence of the Independent Non-Executive Directors, the Nomination Committee concluded that all the Independent Non-Executive Directors satisfied the Listing Rule requirement of independence.

The biographies of the Board members are set out in Directors' Profiles on pages 14 and 15 of this annual report. Save for the relationships as detailed in the biographies, there is no other relationship among the Board to the best knowledge of the Board members. The Company has also maintained on its website and that of the Stock Exchange an updated list of its Directors identifying their roles and functions and whether they are Independent Non-Executive Directors. The Independent Non-Executive Directors are explicitly identified in all of the Company's corporate communications.

Board meetings are held at regular interval. The Board would meet more frequently as and when required. The external auditor have attended the Annual General Meeting convened on 8 March 2013 for FY2012.

The Board met four times during the year. The attendance of the Directors at the Board meetings and general meetings for FY2013 is as follows:

	Meetings attended/ Meetings held during the term of office	
Name of Director	**Board meetings**	**General meetings**
Executive Directors:		
Teh Hong Eng *(Chairperson)*	3/5	3/3
Ng Joo Siang *(Managing Director and Vice-Chairman)*	5/5	2/3
Ng Joo Kwee	1/5	1/3
Ng Joo Puay, Frank	5/5	1/3
Ng Puay Yee	1/5	3/3
Independent Non-Executive Directors:		
Lew V Robert	2/5	2/3
Kwok Lam Kwong, Larry	2/5	1/3
Tao Kwok Lau, Clement	2/5	3/3

The Board carries out its functions according to the powers conferred upon it by the Bye-Laws which is uploaded onto the websites of the Company and the Stock Exchange and since then, no significant changes has been made.

Pursuant to the Bye-Laws, one-third or the number nearest to one-third of the Directors for the time being shall retire from office at each annual general meeting. The retiring Directors shall be eligible for re-election. New appointments either to fill a casual vacancy or as an addition to the Board are subject to re-election by the Shareholders at the next following annual general meeting of the Company. The terms of all Independent Non-Executive Directors shall be subject to retirement from office by rotation and re-election at the annual general meeting. Each of the Independent Non-Executive Directors shall retire by rotation at least once every three years. Any further appointment of an Independent Non-Executive Director who has served the Board for more than nine years will be subject to separate resolution to be approved by Shareholders.

The Board members are updated and apprised of any laws and regulations applicable to the Company and its Directors as well as any amendments thereto.

Continuous Professional Development

On a continuing basis, the Directors are encouraged to keep up to date on all matters relevant to the Group and attend briefings and seminars as appropriate.

According to the records maintained by the Company, the Directors have participated in the following continuous professional development to develop and refresh their knowledge and skills in compliance with the CG Code on continuous professional development during the year:

Name of Director	Attending training conducted by professional parties	Reading materials relevant to the Company's business or director's duties and responsibilities	Attending seminars
Executive Directors:			
Teh Hong Eng *(Chairperson)*		✓	
Ng Joo Siang *(Managing Director and Vice-Chairman)*		✓	
Ng Joo Kwee		✓	
Ng Joo Puay, Frank		✓	
Ng Puay Yee		✓	
Independent Non-Executive Directors:			
Lew V Robert		✓	✓
Kwok Lam Kwong, Larry		✓	✓
Tao Kwok Lau, Clement	✓		✓

Chairperson and Managing Director

The roles of Chairperson and Managing Director are segregate and discharged by different individuals. The Chairperson of the Company is Teh Hong Eng while Ng Joo Siang acts as the Managing Director of the Company.

The Chairperson of the Company is responsible for the leadership and effective running of the Board and ensuring that all significant and key issues are discussed and where required, resolved by the Board timely and constructively.

The Managing Director of the Company is delegated with the authority and responsibility to manage the Group's business in all aspects effectively, implement major strategies, make day-to-day decisions and coordinate overall business operations.

Directors' Securities Transactions

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct for securities transactions by the Directors. Specific enquiry has been made to all Directors and they have confirmed that they have complied with the required standard set out in the Model Code for FY2013.

Auditor's Remuneration

The external auditor of the Company received approximately HK$15,859,000 and HK$10,601,000 for audit services and non-audit services rendered to the Group respectively during FY2013. The non-audit services is mainly comprised of interim review and other assurance services.

Board Committees

The Company currently maintains three board committees (namely Audit Committee, Remuneration Committee and Nomination Committee) with terms of reference which are posted on the websites of the Company and the Stock Exchange. The Board is responsible for performing the corporate governance duties set out in the CG Code. During the year, the Board has formulated policies regarding Procedures for Nomination of Director (which policy is posted on the Company's website), Shareholders' Communication and Code of Conduct, based on which the Board conducts periodic reviews to ensure compliance. As at the date of this report, the Board Diversity Policy has also been adopted.

Audit Committee

The Audit Committee currently comprises three Independent Non-Executive Directors, namely Lew V Robert (Chairman), Kwok Lam Kwong, Larry and Tao Kwok Lau, Clement.

During the year, two meetings were held. The attendance of the members at the Audit Committee Meeting for FY2013 is as follows:

Name of Director	Meetings attended/ Meetings held during the term of office
Lew V Robert	2/2
Kwok Lam Kwong, Larry	2/2
Tao Kwok Lau, Clement	2/2

The primary duties of the Audit Committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor and assessing their independence and performance, reviewing of the effectiveness of financial reporting processes and internal control systems of the Group and reviewing the Group's financial information and compliance.

During the year and up to the date of this report, the works performed by the Audit Committee are principally as follows:

– reviewed the interim results for the period ended 28 March 2013 and annual results for the year ended 28 September 2013 of the Group and the internal control system and recommended to the Board

– discussed with the management of the Company the fairness and adequacy of accounting standards and policies of the Group in preparation of the annual financial statements

– reviewed and discussed with external auditor the financial reporting of the Company

– reviewed, recommended and approved the retirement and re-appointment of external auditor

– reviewed, recommended and approved the remuneration of external auditor

Remuneration Committee

The Remuneration Committee has been established by the Company in accordance with the requirement of the CG Code. The Remuneration Committee currently comprises five members, being three Independent Non-Executive Directors including Kwok Lam Kwong, Larry (Chairman), Lew V Robert and Tao Kwok Lau, Clement, and two Executive Directors including Ng Joo Siang and Ng Joo Puay, Frank.

The Remuneration Committee is responsible for reviewing the remuneration of the Directors and senior management and making recommendation to the Board for approval. The fees of the Independent Non-Executive Directors are recommended by the Remuneration Committee to the Board for approval at the annual general meeting of the Company (with the relevant committee members abstaining from voting on the resolution concerning his own remuneration).

During the year and up to the date of this report, the works performed by the Remuneration Committee are principally as follows:

– reviewed the Group's remuneration policy and reviewed the remuneration package of the Executive Directors and senior management for FY2013 and recommended to the Board

– recommendation of directors' fees for the Independent Non-Executive Directors

– administered the vesting of share awards

– approval of bonus payment to Executive Directors

During the year, one meeting was held. The attendance of the members at the Remuneration Committee Meeting for FY2013 is as follows:

Name of Director	**Meetings attended/ Meetings held during the term of office**
Kwok Lam Kwong, Larry *(Chairman)*	1/1
Lew V Robert	1/1
Tao Kwok Lau, Clement	1/1
Ng Joo Siang	0/1
Ng Joo Puay, Frank	1/1

Nomination Committee

The Nomination Committee has been established by the Company in the Board meeting held on 23 December 2011 in compliance with the requirement of the CG Code. The Nomination Committee currently comprises four members, being three Independent Non-Executive Directors including Tao Kwok Lau, Clement (Chairman), Lew V Robert and Kwok Lam Kwong, Larry, and one Executive Director being Ng Joo Siang.

The principal responsibilities of the Nomination Committee are regular reviewing of the Board composition, identifying and nominating suitable candidates as Board members, assessing of the independence of the Independent Non-Executive Directors and Board evaluation.

During the year and up to the date of this report, the works performed by the Nomination Committee are principally as follows:

– reviewed the structure, size and composition of the Board

– considered the re-election of Directors and recommended to the Board

– assessed the independence of the Independent Non-Executive Directors

– formulated the Board Diversity Policy and recommended to the Board for approval

Below is the summary of the Board Diversity Policy:

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and hence the purpose of the Board Diversity Policy aims to build and maintain a Board with a diversity of Directors, in terms of skills, experience, knowledge, expertise, culture, independence, age and gender. These differences will be taken into account in determining the optimum composition of the Board. The Nomination Committee will discuss the measurable objectives for implementing diversity on the Board from time to time and recommend them to the Board for adoption.

The Nomination Committee will report annually on the composition of the Board under diversified perspectives, and monitor the implementation of this policy to ensure the effectiveness of this policy. It will also discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

During the year, one meeting was held. The attendance of the members at the Nomination Committee Meeting for FY2013 is as follows:

Name of Director	**Meetings attended/ Meetings held during the term of office**
Tao Kwok Lau, Clement *(Chairman)*	1/1
Lew V Robert	1/1
Kwok Lam Kwong, Larry	1/1
Ng Joo Siang	1/1
Ng Joo Puay, Frank (by invitation)	1/1

Accountability

The Directors are acknowledged of their responsibility for preparating of the financial statements of the Group for the year ended 28 September 2013 under applicable statutory and regulatory requirements which give true and fair view of the state of affairs, the results of operations and cashflow of the Group. The Directors ensure that the financial statements for FY2013 were prepared in accordance with the statutory requirements and the applicable accounting standards, and have been prepared on a going concern basis.

Internal Controls

The Board reviews the internal control system of the Company annually and will take any necessary and appropriate action to maintain an adequate internal control system to safeguard Shareholders' investments and the Company's assets. The effectiveness of the internal control system of the Group is discussed on an annual basis with the Audit Committee.

The Company has set up an internal audit department, which reports directly to the Audit Committee. The Audit Committee, on an annual basis, will assess the effectiveness of the internal audit department by examining the scope of the internal audit work and its independence of areas reviewed and the internal auditor's report. The Audit Committee is satisfied that the internal audit department has adequate resources and appropriate standing within the Company to undertake its activities independently and objectively.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, Mr. Chan Tak Hei, a full time employee of the Company. Mr. Chan has confirmed that he has taken no less than 15 hours of the relevant professional training for the year ended 28 September 2013 in compliance with Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

Shareholders' Rights

The Company is committed to pursue active dialogue with Shareholders as well as to provide disclosure of information concerning the Group's material developments to Shareholders, investors and other stakeholders.

The AGM serves as an effective forum for communication between Shareholders and the Board. Notice of the AGM together with the meeting materials are despatched to all Shareholders not less than 20 clear business days prior to the AGM. The Chairpersons of the Board and of the Audit Committee, the Remuneration Committee and the Nomination Committee, or in their absence, other members of the respective committee, are invited to the AGM to answer questions from Shareholders. External auditor is also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and its independence.

Vote of Shareholders at general meeting will be taken by poll in accordance with the Listing Rules, unless otherwise required and permitted. Detailed procedures for conducting a poll will be explained to the Shareholders at the inception of general meeting to ensure that Shareholders are familiar with such voting procedures. Separate resolution will be proposed by the chairman of general meeting in respect of each substantial issue. The poll results will be posted on the websites of the Company and the Stock Exchange on the same day of the general meeting.

Pursuant to the Bye-Laws, a special general meeting can be convened on the written requisition of any two or more members holding in aggregate not less than one-tenth of such of the paid up capital of the Company as the date of the deposit carries the right of voting at general meetings of the Company. Such requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office of the Company.

Enquiries directed to the Board are facilitated by email to ir@pacificandes.com or through the online messaging system on the Company's website. All the Company's announcements, press releases and conducive corporate information are made available on the Company's website to enhance the transparency of the Company. To further promote effective communication, Shareholders, investors and other stakeholders may subscribe to the email alerts on the Company's website at http://www.pacificandes.com/html/ir_content_email.php.

Investor Relations and Communication

There was no amendment made to the constitutional documents of the Company during the year.

The Company has a proactive policy for promoting investor relations and communications by maintaining regular dialogue and fair disclosure with institutional investors, fund managers, analysts and the media. To ensure our investors have a better understanding of the Group, our Management attends investor meetings on a regular basis and has participated in a number of investor conferences in the region and communicates with research analysts and institutional investors in an on-going manner.

The Group recognises the importance of timely and non-selective disclosure of information. The Company's corporate website www.pacificandes.com, which features a dedicated Investor Relations section, facilitates effective communication with Shareholders, investors and other stakeholders, making corporate information and other relevant financial and non-financial information available electronically and in a timely manner. Latest information of the Company includes annual reports, interim reports, announcements, press releases and constitutional documents.

Details of the last Shareholders' meeting, key calendar events for Shareholders' attention as well as share information, including market capitalisation as of 28 September 2013, are set out in the "Investor" section on the Company's corporate website.

The Group values feedback from Shareholders on its efforts to promote transparency and foster investor relationships. Comments and suggestions are welcome, and they can be addressed to the Investor Relations Department by mail or by email to the Group at ir@pacificandes.com.

CORPORATE SOCIAL RESPONSIBILITY

Pacific Andes is committed to offering a responsibly-derived range of quality seafood products.

A Board-level CSR Committee ("CSRC") was established in 2010 by its fishery and fish supply arm, China Fishery. The Committee consists of five non-executive directors (three of whom are independent non-executive directors) and three members of the executive directorate. In 2011 the Committee appointed a marine ecologist, Dr. Keith Sainsbury, as an adviser. Dr. Sainsbury brings to the Committee a wealth of expertise and research on the assessment, ecology, exploitation and conservation of marine resources and ecosystems.

The CSRC continued implementing processes to uphold the Company's commitment.

Support for sustainable fisheries management

In May 2013 Pacific Andes' Peruvian operations was audited and approved for Friend of the Sea ("FOS") certification. This certification covers all Peruvian processing plants and fleet operations and meets fishmeal and fish oil standards set by customers in Europe. This is in addition to our Responsible Sourcing certification from the International Fishmeal and Fish Oil Organisation ("IFFO") held by all our processing plants in Peru.

Pacific Andes continued to support and follow closely the Marine Stewardship Council ("MSC") certification process for Alaska pollock, with the Sea of Okhotsk pollock achieving MSC certification on 24 September 2013. Pollock is a midwater trawl fishery and pelagic trawls rarely come into contact with the seabed. This type of fishing is not associated with damage to marine habitat or significant levels of discarding of unwanted species (by-catch).

Atlantic Pacific Fishing

Pacific Andes' fishery and fish supply subsidiary China Fishery established a joint venture fishing company, Atlantic Pacific Fishing ("APF"), in Namibia in 2012. In FY2013 it continued to successfully harvest horse mackerel in partnership with two local Namibian consortium groups. In line with the Company's sustainability position, 'In for the Long Term', establishing a joint venture company with Namibian citizens not only made good commercial sense, but also enabled management to gain a deeper understanding of Namibia's historical and social context and the requirements and expectations of Namibia's labour standards. There was only one new quota holder group formed in Namibia in 2013 and this group decided to partner with APF to harvest their allocated mackerel quota. APF offered a sustainable long term business model, together with the highest return to the quota rights holder shareholders.

APF aims to create long term employment prospects for Namibians, as well as to bring skills and knowledge transfer to the industry. In order to ensure our strategy meets local stakeholder expectations and needs, Pacific Andes conducted a stakeholder engagement exercise, working with a local Namibian consultant and fisheries expert. 17 stakeholder representatives from the Ministry of Fisheries and Marine Resources and other government departments, trade unions, NGOs, community groups, joint venture shareholders and media were invited to provide feedback on our operations in Namibia in terms of performance and expectations on corporate governance, social and environmental issues.

Sustainability audits on fisheries

Under the guidance of the CSRC, Pacific Andes established a list of criteria to review the environmental and social risk profiles of the major fisheries associated with its business. In FY2013 it completed a third audit on the Namibian horse mackerel fishery, covering a range of environmental and social risk issues and identifying management strategies to mitigate each risk. An audit on Peruvian anchovy also commenced and will be completed in FY2014.

CORPORATE SOCIAL RESPONSIBILITY

Group-wide sustainability platform

In order to ensure a robust system for environmental data collection and management at Group level, Pacific Andes embarked on the development of a web-based platform in May 2013. This online platform will be used to capture all relevant environmental data across operations, to set targets and key performance indicators, and reduce our environmental impacts. It also provides a management system for measuring and reporting on our global carbon footprint.

APEC Policy Partnership on Food Security ("PPFS")

In 2012 Pacific Andes became a founding member on APEC's Policy Partnership on Food Security ("PPFS"), an initiative that brings private sector knowledge and resources to APEC governments to ensure sustainable fisheries and food security by 2020. We continued our active participation in FY2013 in two working groups under PPFS – Working Group 1: "Stock-take & Road Map Towards 2020" and Working Group 2: "Sustainable Development of Agriculture and Fisheries Sectors". As the only direct fishing and fish processing company on the policy group, we have an important role to play in driving the sustainable fisheries and aquaculture agendas. Our contribution was thus important for the development of the PFFS Road Map.

Materiality and risk assessment

Subsequent to the year end the CSRC conducted a materiality workshop to identify the priority CSR issues facing the industry. The workshop enabled open discussion amongst executive and non-executive Directors on matters related to environmental compliance, social responsibility and emerging stakeholder expectations and will form the basis for the next Sustainability Report.

Sustainability report

Pacific Andes produces a stand-alone Sustainability Report every two years. As a part of the reporting process, the Group engages with its stakeholders to understand how they feel about the Company's response to economic, environmental and social issues. The Group is in the process of pulling together its second stand-alone Sustainability Report, which will be published in FY2014.

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE SHAREHOLDERS OF
PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Pacific Andes International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 125, which comprise the consolidated statement of financial position as at 28 September 2013, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 28 September 2013, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 December 2013

CONSOLIDATED INCOME STATEMENT

For the year ended 28 September 2013

	NOTES	2013 HK$'000	2012 HK$'000 (restated)
Revenue	6	**13,302,768**	14,601,432
Cost of sales		**(11,263,734)**	(12,010,579)
Gross profit		**2,039,034**	2,590,853
Other income	7	**783,403**	490,617
Gain on bargain purchase on acquisition of subsidiaries	41	**499,584**	19,872
Selling and distribution expenses		**(550,091)**	(737,018)
Administrative expenses		**(648,733)**	(703,201)
Other expenses	8	**(590,753)**	(333,639)
Finance costs	9	**(729,434)**	(580,554)
Share of results of associates	21	**57,540**	38,459
Profit before taxation	10	**860,550**	785,389
Taxation	12	**46,748**	(46,889)
Profit for the year		**907,298**	738,500
Profit for the year attributable to:			
Owners of the Company		**385,944**	267,875
Non-controlling interests		**521,354**	470,625
		907,298	738,500

		2013 HK cents	2012 HK cents (restated)
Earnings per share			
Basic	14	**8.2**	6.8
Diluted	14	**8.2**	6.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 28 September 2013

	2013 HK$'000	2012 HK$'000 (restated)
Profit for the year	**907,298**	738,500
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of properties	**181,014**	68,594
Deferred tax liability arising on revaluation of properties	**(39,830)**	(4,904)
Items that will be subsequently reclassified to profit or loss:		
Fair value changes of available-for-sale investments	**104,317**	47,234
Reclassification adjustment transfer to profit or loss upon derecognition of available-for-sale investments	**(101,035)**	62,006
Exchange differences arising on translation of foreign operations	**39,806**	14,171
Other comprehensive income for the year	**184,272**	187,101
Total comprehensive income for the year, net of tax	**1,091,570**	925,601
Total comprehensive income attributable to:		
Owners of the Company	**554,301**	415,944
Non-controlling interests	**537,269**	509,657
	1,091,570	925,601

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 28 September 2013

	NOTES	**28 September 2013 HK$'000**	28 September 2012 HK$'000 (restated)	29 September 2011 HK$'000 (restated)
Non-current assets				
Property, plant and equipment	15	**7,874,208**	6,972,874	6,948,312
Investment properties	16	**728,041**	657,110	653,245
Prepaid lease payments	17	**40,848**	42,528	43,941
Goodwill	18	**2,976,668**	2,976,668	2,927,582
Prepayment to suppliers	19	**1,786,916**	887,040	1,059,680
Advance to a supplier	19	**–**	315,900	315,900
Available-for-sale investments	20	**44,699**	46,344	319,174
Interests in associates	21	**543,513**	506,445	3,093
Deposit paid for acquisition of property, plant and equipment		**–**	47,266	26,257
Other intangible assets	22	**9,560,792**	1,847,868	1,481,867
Other long term receivables	23	**390,109**	478,080	928
		23,945,794	14,778,123	13,779,979
Current assets				
Inventories	24	**2,467,509**	2,816,087	2,918,894
Trade, bills, other receivables and prepayments	25	**9,795,621**	10,354,291	7,947,174
Trade receivables with insurance coverage	26	**546,197**	511,218	382,352
Trade receivables from associates	27	**95,065**	89,808	86,272
Prepayment to suppliers – current portion	19	**205,123**	172,640	172,640
Advance to a supplier	19	**315,900**	–	–
Amounts due from associates	27	**3,424**	13,672	11,169
Amount due from a jointly controlled entity	28	**18,486**	17,719	16,949
Held-for-trading investments	29	**8,668**	7,085	3,397
Tax recoverable		**102,349**	15,670	24,199
Pledged deposits	31	**111**	207	583,113
Bank balances and cash	32	**924,452**	693,471	442,776
		14,482,905	14,691,868	12,588,935
Current liabilities				
Trade, bills and other payables	33	**1,465,579**	2,453,209	2,255,187
Bank advances drawn on discounted trade receivables with insurance coverage and discounted bills	26	**609,446**	569,828	357,739
Bonds	36	**721,476**	–	–
Convertible bonds		**–**	–	619,829
Other financial liabilities	30	**159,218**	288,975	70,153
Taxation		**126,470**	149,553	152,139
Obligations under finance leases – due within one year	34	**30,151**	29,555	31,745
Bank borrowings – due within one year	35	**10,719,971**	7,242,519	6,819,792
		13,832,311	10,733,639	10,306,584
Net current assets		**650,594**	3,958,229	2,282,351
Total assets less current liabilities		**24,596,388**	18,736,352	16,062,330

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 28 September 2013

	NOTES	**28 September 2013 HK$'000**	28 September 2012 HK$'000 (restated)	29 September 2011 HK$'000 (restated)
Non-current liabilities				
Obligations under finance leases – due after one year	34	**3,666**	33,817	63,372
Bank borrowings – due after one year	35	**1,579,565**	2,102,575	3,352,259
Long term payables	33	**1,407,011**	–	–
Bonds	36	**–**	690,082	713,051
Senior notes	37	**4,080,896**	2,120,094	–
Deferred taxation	38	**2,622,238**	581,403	594,067
		9,693,376	5,527,971	4,722,749
Net assets		**14,903,012**	13,208,381	11,339,581
Capital and reserves				
Share capital	39	**472,207**	472,207	314,785
Share premium and reserves		**7,322,295**	6,819,936	5,891,566
Equity attributable to owners of the Company		**7,794,502**	7,292,143	6,206,351
Non-controlling interests				
Equity component of convertible bonds of a listed subsidiary		**–**	–	35,482
Share of net assets of subsidiaries		**7,108,510**	5,916,238	5,097,748
Total equity		**14,903,012**	13,208,381	11,339,581

The financial statements on pages 31 to 125 were approved and authorised for issue by the Board of Directors on 27 December 2013 and are signed on its behalf by:

Ng Joo Siang
DIRECTOR

Ng Joo Puay, Frank
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 September 2013

	Attributable to owners of the Company										Non-controlling Interests		
	Share capital HK$'000	Share premium HK$'000	Properties revaluation reserve HK$'000	Translation reserve HK$'000	Other reserve HK$'000	Investment revaluation reserve HK$'000	Goodwill reserve HK$'000	Special reserve HK$'000	Retained profits HK$'000	Total HK$'000	Equity component of convertible bonds of a listed subsidiary HK$'000	Share of net assets of subsidiaries HK$'000	Total HK$'000
At 29 September 2011													
- as originally stated	314,785	2,570,296	545,651	161,151	300,318	(72,590)	(135,913)	9,800	2,504,001	6,197,499	35,482	5,097,748	11,330,729
- prior year adjustments (note 2)	–	–	–	–	–	–	–	–	8,852	8,852	–	–	8,852
- as restated	314,785	2,570,296	545,651	161,151	300,318	(72,590)	(135,913)	9,800	2,512,853	6,206,351	35,482	5,097,748	11,339,581
Surplus on revaluation of properties	–	–	64,305	–	–	–	–	–	–	64,305	–	4,289	68,594
Deferred tax liability arising on revaluation of properties	–	–	(4,904)	–	–	–	–	–	–	(4,904)	–	–	(4,904)
Fair value changes of available-for-investments	–	–	–	–	–	31,387	–	–	–	31,387	–	15,847	47,234
Reclassification adjustment to profit or loss upon derecogntion of available-for-sale investments	–	–	–	–	–	41,203	–	–	–	41,203	–	20,803	62,006
Exchange differences arising on translation of foreign operations	–	–	–	16,078	–	–	–	–	–	16,078	–	(1,907)	14,171
Other comprehensive income	–	–	59,401	16,078	–	72,590	–	–	–	148,069	–	39,032	187,101
Profit for the year	–	–	–	–	–	–	–	–	267,875	267,875	–	470,625	738,500
Total comprehensive income for the year	–	–	59,401	16,078	–	72,590	–	–	267,875	415,944	–	509,657	925,601
Issue of shares on exercise of rights issue net of issue expenses	157,402	593,377	–	–	–	–	–	–	–	750,779	–	–	750,779
Issue of shares on share awards	20	117	–	–	–	–	–	–	–	137	–	–	137
Deemed disposal of partial interests in subsidiaries	–	–	–	–	(3,220)	–	–	–	–	(3,220)	–	3,220	–
Release upon redemption of convertible bonds	–	–	–	–	–	–	–	–	35,482	35,482	(35,482)	–	–
Release upon disposal of property, plant and equipment	–	–	(1,455)	–	–	–	–	–	1,455	–	–	–	–
Issue of shares by a subsidiary	–	–	–	–	–	–	–	–	–	–	–	461,038	461,038
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(155,425)	(155,425)
Dividends recognised as distribution	–	–	–	–	–	–	–	–	(113,330)	(113,330)	–	–	(113,330)
At 28 September 2012 (restated)	472,207	3,163,790	603,597	177,229	297,098	–	(135,913)	9,800	2,704,335	7,292,143	–	5,916,238	13,208,381
Surplus on revaluation of properties	–	–	177,538	–	–	–	–	–	–	177,538	–	3,476	181,014
Deferred tax liability arising on revaluation of properties	–	–	(39,830)	–	–	–	–	–	–	(39,830)	–	–	(39,830)
Fair value changes of available-for-investments	–	–	–	–	–	38,727	–	–	–	38,727	–	65,590	104,317
Reclassification adjustment to profit or loss upon derecognition of available-for-sale investments	–	–	–	–	–	(36,546)	–	–	–	(36,546)	–	(64,489)	(101,035)
Exchange differences arising on translation of foreign operations	–	–	–	28,468	–	–	–	–	–	28,468	–	11,338	39,806
Other comprehensive income	–	–	137,708	28,468	–	2,181	–	–	–	168,357	–	15,915	184,272
Profit for the year	–	–	–	–	–	–	–	–	385,944	385,944	–	521,354	907,298
Total comprehensive income for the year	–	–	137,708	28,468	–	2,181	–	–	385,944	554,301	–	537,269	1,091,570
Acquisition of interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	60,420	60,420
Release upon disposal of property, plant and equipment	–	–	(8,738)	–	–	–	–	–	8,738	–	–	–	–
Issue of shares by a subsidiary	–	–	–	–	–	–	–	–	–	–	–	661,742	661,742
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(67,159)	(67,159)
Dividends recognised as distribution	–	–	–	–	–	–	–	–	(51,942)	(51,942)	–	–	(51,942)
At 28 September 2013	472,207	3,163,790	732,567	205,697	297,098	2,181	(135,913)	9,800	3,047,075	7,794,502	–	7,108,510	14,903,012

The retained profits of the Group include retained profits of HK$76,700,000 (2012: HK$39,632,000) and retained profits of HK$82,968,000 (2012: HK$76,198,000) attributable to associates and a jointly controlled entity of the Group, respectively.

The special reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries at the date on which they were acquired by the Company and the nominal value of the Company's shares issued for the exchange of shares under the group reorganisation in 1994.

The other reserve of the Group represents the change in net assets attributable to the Group in relation to changes in ownership interests in subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28 September 2013

	2013 HK$'000	2012 HK$'000
Operating activities		
Profit before taxation	**860,550**	785,389
Adjustments for:		
Interest income	**(7,100)**	(9,761)
Interest expense	**729,434**	580,554
Amortisation of prepayment to suppliers	**237,641**	172,640
Share of results of associates	**(57,540)**	(38,459)
Amortisation of prepaid lease payments	**1,005**	982
Depreciation of property, plant and equipment	**943,159**	860,899
(Gain) loss on disposal of available-for-sale investments	**(101,035)**	1,644
Fair value changes on investment properties	**(28,542)**	(1,136)
Fair value change on held-for-trading investments	**(1,583)**	(3,688)
Unrealised (gain) loss on derivative financial instruments	**(133,757)**	230,822
Loss (income) from financial guarantee contracts, net	**4,000**	(12,000)
Gain on repurchase of bonds	**–**	(4,000)
Gain on purchase of senior notes	**–**	(7,378)
Impairment loss on property, plant and equipment	**350,356**	44,067
Gain on disposal of property, plant and equipment	**(3,513)**	(703)
Gain on bargain purchase on acquisition of subsidiaries	**(499,584)**	(19,872)
Excess on acquisition of an associate, net	**–**	(10,515)
Share award expenses	**–**	137
Operating cash flows before movements in working capital	**2,293,491**	2,569,622
Decrease in inventories	**921,792**	104,606
Decrease (increase) in trade, bills, other receivables and prepayments	**1,012,547**	(2,537,102)
Increase in trade receivables with insurance coverage	**(34,979)**	(128,866)
Increase in trade receivables with associates	**(5,257)**	(3,536)
Decrease (increase) in amounts due from associates	**10,248**	(2,503)
Increase in amount due from a jointly controlled entity	**(767)**	(770)
Increase in trade, bills and other payables	**232,844**	72,314
Cash generated from operations	**4,429,919**	73,765
Tax paid	**(92,239)**	(109,543)
Interest paid	**(662,052)**	(522,389)
Net cash from (used in) operating activities	**3,675,628**	(558,167)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28 September 2013

	Note	2013 HK$'000	2012 HK$'000
Investing activities			
Interest received		**7,100**	9,761
Dividend received from an associate		**20,472**	18,515
Proceeds on disposal of available-for-sale investments		**222,016**	–
Proceeds on disposal of property, plant and equipment		**15,331**	7,615
Deposit paid for acquisition of property, plant and equipment		**–**	(21,009)
Addition to property, plant and equipment		**(232,506)**	(876,476)
Addition to investment properties		**–**	(8,180)
Addition to available-for-sale investments		**(116,054)**	(34,186)
Prepayments to suppliers		**(1,170,000)**	–
Repayment (additions) to other long term receivables		**87,971**	(325,106)
Withdrawal of pledged deposits		**96**	582,906
Acquisition of interest in an associate		**–**	(56,085)
Acquisition of assets		**(19,500)**	–
Acquisition of subsidiaries	41	**(5,745,191)**	(233,480)
Net cash used in investing activities		**(6,930,265)**	(935,725)
Financing activities			
Proceeds from issue of shares from rights issue		**–**	771,271
Proceeds from shares issued by a subsidiary		**661,742**	461,038
Share issue expenses		**–**	(20,492)
Net proceeds from issue of senior notes		**–**	2,207,053
Redemption of convertible bonds		**–**	(638,104)
Repurchase of bonds		**–**	(33,352)
Purchase of senior notes		**–**	(81,003)
Dividend paid to non-controlling shareholders		**(67,159)**	(155,425)
Dividend paid		**(51,942)**	(113,330)
Repayments of obligations under finance leases		**(29,555)**	(31,745)
Repayments of mortgage loans		**(11,180)**	(13,179)
Net bank advances drawn on discounted trade receivables with insurance coverage and discounted bills raised		**39,618**	212,089
Increase in bank overdrafts		**9,436**	792
Bank borrowings raised		**2,763,540**	780,000
Repayment of bank borrowings		**(663,000)**	(1,372,534)
Additions (repayment) of working capital loans, net		**845,600**	(222,036)
Net cash from financing activities		**3,497,100**	1,751,043
Net increase in cash and cash equivalents		**242,463**	257,151
Cash and cash equivalent at beginning of the year		**693,471**	442,776
Effect of foreign exchange rate changes		**(11,482)**	(6,456)
Cash and cash equivalents at end of the year		**924,452**	693,471
Representing by:			
Bank balances and cash		**924,452**	693,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 September 2013

1. General

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate and ultimate holding company is N.S. Hong Investment (BVI) Limited, a company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is different from the functional currency of the Company, which is United States dollars, as the directors of the Company control and monitor the performance and financial position of the Company and the Group by using Hong Kong dollars.

The Company acts as an investment holding company and provides corporate management services to group companies. Details of the principal activities engaged in by the principal subsidiaries, associates and a jointly-controlled entity are set out in notes 50, 51, and 28 respectively.

2. Application of New and Revised Hong Kong Financial Reporting Standards

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

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 1	Presentation of Financial Statements (as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012)
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

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

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

As at 28 September 2013, the Group had investment properties amounting to HK$219,137,000 (2012: HK$165,090,000) located in the People's Republic of China (''PRC'') and Japan. The Group measures its investment properties using the fair value model. As a result of the application of amendments to HKAS 12, the directors reviewed these investment property portfolio and concluded that these investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, the presumption set out in the amendments to HKAS 12 is rebutted. The Group continues to recognise deferred taxation on change in fair value of investment properties based on the tax consequences of recovering the entire investment properties through use.

2. Application of New and Revised Hong Kong Financial Reporting Standards – continued

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

As at 28 September 2013, the Group had investment properties amounting to HK$359,570,000 (2012: HK$359,801,000) located in Hong Kong and Singapore. The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group's investment property portfolios and concluded that these investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodies in the investment property over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted. As a result of the application of the amendments to HKAS 12, the Group does not recognise any deferred taxes on changes in fair value of the investment property in Hong Kong and Singapore as the Group is not subject to any income taxes on disposal of its investment property. Previously, the Group recognised deferred taxes on change in fair value of investment property on the basis that the carrying amount of the investment property was mainly recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being decreased by HK$9,965,000 as at 28 September 2012, with the corresponding adjustment being recognised in retained profits. In addition, the application of the amendments has resulted in the Group's income tax expense for the years ended 28 September 2013 and 28 September 2012 being increased by HK$543,000 and decreased by HK$1,113,000 respectively and hence resulted in the profit for year ended 28 September 2013 and 28 September 2012 being decreased by HK$543,000 and increased by HK$1,113,000 respectively.

Impact of the Application of Amendments to HKAS 12

Impact on profit for the year

	2013 **HK$'000**	2012 HK$'000
Increase (decrease) in income tax expenses and decrease (increase) in profit for the year	**543**	(1,113)

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

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

2. Application of New and Revised Hong Kong Financial Reporting Standards – continued

Impact of the Application of Amendments to HKAS 12 – continued

Impact on Net Assets and Equity as at 28 September 2013

	As at 28.9.2013 HK$'000
Decrease in deferred taxation and increase on net assets	**9,422**
Increase in retained profits and total on equity	**9,422**

The effect of the adoption of amendments to HKAS 12 described above on the Group's basic and diluted earnings per share for the current and prior year is as follows:

	Basic earnings per share		Diluted earnings per share	
	2013	2012	**2013**	2012
	HK cents	HK cents	**HK cents**	HK cents
Figures before adjustments	**8.2**	6.7	**8.2**	6.7
Amendments to HKAS 12 adjustments	**–**	0.1	**–**	0.1
Figures after adjustments	**8.2**	6.8	**8.2**	6.8

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

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

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

2. Application of New and Revised Hong Kong Financial Reporting Standards – continued

Amendments to HKAS 1 "Presentation of Financial Statements" (as part of the Annual Improvements to HKFRSS 2009 - 2011 Cycle Issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is "Annual Improvements to HKFRSs 2009 – 2011 Cycle". The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In the current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" for the first time, which has resulted in an effect on the information in the consolidated statement of financial position at 29 September 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position at 29 September 2011 without the related notes.

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle, except for the amendments to HKAS 1[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]

2. Application of New and Revised Hong Kong Financial Reporting Standards – continued

HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[2]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[2]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HK(IFRIC) – Int 21	Levies[2]

1 Effective for annual periods beginning on or after 1 January 2013
2 Effective for annual periods beginning on or after 1 January 2014
3 Effective for annual periods beginning on or after 1 July 2014
4 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

The application of HKFRS 11 will change the classification and subsequent accounting of the Group's jointly controlled entity which has been accounted for using proportionate consolidation method. Under HKFRS 11, the jointly controlled entity will be classified as a joint venture and will be accounted for using the equity method, resulting in the aggregation of the Group's proportionate share of the joint venture's respective net assets and items of profit or loss and other comprehensive income into a single line item which will be presented in the consolidated statement of financial position and in the consolidated income statement as "interest in a joint venture" and "share of result of a joint venture".

The potential impact of HKFRS 9, HKFRS 10, amendments to HKFRS 7 and amendments to HKAS 32 had been disclosed in previous consolidated financial statements of the Group.

Other than more extensive disclosures as required by the relevant new and revised standards, amendments and interpretations, the directors are still in the process of ascertaining the financial impact on the results and the financial position of the Group of application of these new and revised standards, amendments and interpretations.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties, investment properties, available-for-sale investments and derivative financial instruments, which are measured at revalued amounts or fair values as appropriate, as explained in the accounting policies set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein.

Allocation of Total Comprehensive Income to Non-Controlling Interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's Ownership Interests in Existing Subsidiaries

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. Significant Accounting Policies – continued

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another standard.

3. Significant Accounting Policies – continued

Business Combinations – continued

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill

Goodwill arising on acquisitions of net assets and operations of another entity or a jointly controlled entity prior to 1 January 2001 continues to be held in reserves, and will be charged to the retained profits at the time when the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. Significant Accounting Policies – continued

Interests in Associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost or deemed cost (see below) and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognising its share of further losses. Additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

When the Group obtains significant influence over an investee which was previously classified as available-for-sale investments, the Group derecognises the available-for-sale investments with gains or losses reclassified from other comprehensive income to profit or loss. The fair value of the previously held interest at the date significant influence is obtained and the cost paid for the additional equity interest in the associate became the deemed costs of the investment in the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. Significant Accounting Policies – continued

Jointly Controlled Entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The Group recognises its interests in jointly controlled entities using proportionate consolidation. The Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entities are combined with the Group's similar line items, line by line, in the consolidated financial statements.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of a jointly controlled entity recognised at the date of acquisition is recognised as goodwill.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group' consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group's interests.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income from operating leases is recognised in the profit or loss on a straight-line basis over the terms of the relevant leases.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

3. Significant Accounting Policies – continued

Property, Plant and Equipment

Property, plant and equipment, other than leasehold land and buildings and construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Freehold land is stated at cost and is not amortised.

Leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and amortisation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any revaluation increase arising on the revaluation of leasehold land and buildings is recognised in other comprehensive income and accumulated in the properties revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the properties revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued land and building is recognised in profit or loss. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Construction in progress is property, plant and equipment in the course of construction for production (own use purposes). Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

If an investment property carried at fair value becomes an item of property, plant and equipment because its use has changed as evidenced by commencement of owner-occupation, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

When leasehold land and buildings are in the course of development for production, or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of cost of buildings under construction.

3. Significant Accounting Policies – continued

Property, Plant and Equipment – continued

Depreciation is provided to write off the cost or fair value of items of property, plant and equipment other than freehold land and construction in progress over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method as follows:

Leasehold land and buildings	25 years or lease term, whichever is shorter
Buildings on freehold land	33 years
Leasehold improvements	3 – 10 years
Furniture and fixtures	3 – 10 years
Office equipment	$2^1/_2$ – 10 years
Motor vehicles	$2^1/_2$ – 20 years
Plant and machinery	2 – 10 years
Vessels	5 – 20 years
Fishing nets	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Vessel component costs include the cost of major components which are usually replaced or renewed at drydockings. The Group capitalises drydocking costs as they are incurred and depreciates these costs over their estimated useful lives of 5 years, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment Properties

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. For a transfer of an owner-occupied property to an investment property, the deemed cost of investment properties is the fair value of the owner-occupied property at the date of transfer. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

3. Significant Accounting Policies – continued

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and conditions, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Impairment Losses on Tangible and Intangible Assets other than Goodwill (See Accounting Policy in respect of Goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

3. Significant Accounting Policies – continued

Intangible Assets

Intangible Assets Acquired Separately

Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses above).

Each period, the estimated useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy above.

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets above).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss in the period when the asset is derecognised.

Deferred Expenditure

Expenditure incurred which is directly attributable to activities carried out for the purpose of catching fish and other marine catches during voyages is initially recognised as prepaid expenses in the consolidated statement of financial position and released to profit or loss as an expense when the fish and marine catches are sold and revenue is recognised for the sale. Expenditure on each voyage is deferred to the extent that there is reasonable probability of recovery from sale of fish and other marine catches from that voyage. When it is probable that the costs incurred or to be incurred on a voyage will exceed the estimated value of the catches, the expected loss is recognised in profit or loss immediately.

Prepayment to Suppliers

The amount represents prepayment for future supply of fishery products under the long term supply agreements or future charter hire expense for fishing vessels under the vessel operating agreements which have been prepaid or contractually agreed to be prepaid. They are amortised and charged to profit or loss as cost of sales pro-ratably over the period for which the prepayment is made and the benefits are expected to accrue.

Under the vessel operating agreements, the Group pays charter hire fees based on fixed rates and variable rates based on contracted percentages of the annual operating profit attributable to the vessels procured by counterparties (note 19). Prepayments to suppliers represents the fixed portion of charter hire costs. As the fixed portions of charter hire cost are payable during the charter hire period regardless of whether the vessels are deployed (save for certain exceptions during the earlier part of the charter hire), the Group expenses fixed charter hire cost on a time proportionate basis in profit or loss and does not include this cost in deferred expenses.

3. Significant Accounting Policies – continued

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

The Group's financial assets are classified into financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments. The classification depends on the nature and purpose of the financial assets and determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Financial Assets At Fair Value Through Profit Or Loss

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets held for trading are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

3. Significant Accounting Policies – continued

Financial Instruments – continued

Financial Assets – continued

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including other long term receivables, trade, bills and other receivables, trade receivables with insurance coverage, trade receivables from associates, amounts due from associates, amount due from a jointly-controlled entity, pledged deposits, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Available-For-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss and loans and receivables or held to maturity investments.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment of financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment of financial assets below).

Impairment of Financial Assets

Financial assets, other than financial assets at fair value through profit or loss, are assessed for indicators of impairment at end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. Significant Accounting Policies – continued

Financial Instruments – continued

Financial Assets – continued

Impairment of Financial Assets – continued

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, bills receivables and trade receivables with insurance coverage, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days to 180 days and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent period.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, bills receivables and trade receivables with insurance coverage, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. Significant Accounting Policies – continued

Financial Instruments – continued

Financial Assets – continued

Impairment of Financial Assets – continued

Impairment losses on available-for-sale equity investments carried at fair value will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in the investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Rights, options, or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount of any currency are equity instruments, regardless of the currency in which the exercise price is denominated if the entity offers the rights, options, or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial Liabilities at Fair Value through Profit or Loss ("FVTPL")

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise.

Other Financial Liabilities

The Group's other financial liabilities (including trade, bills and other payables, bank advances and borrowings, bonds, senior notes and long term payables) are subsequently measured at amortised cost, using the effective interest rate method.

3. Significant Accounting Policies – continued

Financial Instruments – continued

Financial Liabilities and Equity Instruments – continued

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

A financial guarantee contracts issued by the Group are initially measured at their fair values less transaction costs and, subsequently measured at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

Derivative Financial Instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3. Significant Accounting Policies – continued

Financial Instruments – continued

Derecognition – continued

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Share-Based Payment Transactions

Equity-Settled Share-Based Payment Transactions

Share Options/Share Awards Granted to Employees

The fair value of services received determined by reference to the fair value of share options or share awards granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve or share awards reserve).

At the end of the reporting period, the Group revises its estimates of the number of options and shares that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve or share awards reserve.

At the time when the share options are exercised or share awards are vested, the amount previously recognised in the share options reserve or share awards reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share options reserve will be transferred to retained profits.

3. Significant Accounting Policies – continued

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. Significant Accounting Policies – continued

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled entity, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Significant Accounting Policies – continued

Taxation – continued

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as Lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as Lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. Significant Accounting Policies – continued

Leasing – continued

Leasehold Land and Building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Retirement Benefits Costs

Payments to defined contribution retirement benefit plans and the Mandatory Provident Fund Scheme are charged as an expense when employee have rendered service entitling them to the contributions.

4. Critical Accounting Judgment and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Critical Accounting Judgment and Key Sources of Estimation Uncertainty – continued

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred Taxation on Investment Properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties in Hong Kong and Singapore are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties in Hong Kong and Singapore, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of these investment properties as the Group is not subject to any income taxes on disposal of its investment properties.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Carrying Amounts of Prepayment to Suppliers and Advance to A Supplier

As at 28 September 2013, the carrying amounts of prepayment to suppliers (note 19) and advance to a supplier were HK$1,992,039,000 (2012: HK$1,059,680,000) and HK$315,900,000 (2012: HK$315,900,000) respectively. The operation of vessels by independent vessel owners under the long term supply agreements with the suppliers (see note 19) has been profitable after deducting recognition of the prepayment to suppliers over the periods for which the amounts have been prepaid. The directors expect the operations to remain profitable in the foreseeable future and the carrying amounts of the prepayment to suppliers and advance to a supplier to be recoverable from future operations.

Carrying Amount of Vessels and Fishing and Plant Permits

The carrying amounts of vessels and fishing and plant permits (see notes 15 and 22) totalled HK$2,122,469,000 and HK$9,536,829,000, respectively, as at 28 September 2013 (2012: HK$1,922,312,000 and HK$1,823,905,000 respectively). Determining whether the carrying amounts of these assets can be recovered requires an estimation of the value in use of the cash-generating units and a suitable discount rate in order to calculate present value. Any change in estimates or assumptions may result in decrease in recoverable amount and impairment of vessels and fishing and plant permits being recognised in profit or loss. Management has evaluated these projections using assumptions on catch quantities, prices of catch and operating cost of this cash-generating unit. During the year ended 28 September 2013, impairment on vessels of HK$312,556,000 (2012: HK$44,067,000) has been recognised in the profit or loss and details are set out in note 15.

4. Critical Accounting Judgment and Key Sources of Estimation Uncertainty – continued

Key Sources of Estimation Uncertainty – continued

Carrying Amount of Goodwill

The Group in determining whether goodwill is impaired estimates the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. Any change in estimates or assumptions may result in decrease in recoverable amount and impairment of goodwill being recognised in profit or loss.

Based on management's assessment, management is of the view that the carrying amount of goodwill of HK$2,976,668,000 (2012: HK$2,976,668,000) is not impaired. Information relating to the carrying amount and management's assessment of goodwill is provided in note 18.

Useful Lives of Property, Plant and Equipment

The carrying amount of property, plant and equipment in use amounting to HK$7,195,284,000 (2012: HK$6,282,500,000) (excluding the carrying amounts of freehold land of HK$213,581,000 (2012: HK$65,958,000), and construction in progress of HK$465,343,000 (2012: HK$624,416,000)), have been determined after charging depreciation on a straight-line basis over the estimated useful life of these assets.

Components of these carrying amounts are detailed in note 15. Any change in estimated useful lives of these assets will affect the depreciation charge to be recognised in profit or loss in each reporting period.

Management reviews the estimated useful lives of these assets at the end of the reporting period and has determined that the useful lives as stated in note 3 remain appropriate.

Estimation of Allowance of Doubtful Debts

At 28 September 2013, the Group provided the aggregate allowance for doubtful trade, bills and other receivables amounting to HK$172,000 (2012: HK$334,000), where there is objective evidence of impairment. The identification of doubtful debts requires the use of judgment and estimates of future cash receipts. Where the future discounted cash flow of trade, bills and other receivables and other long term receivables is lower than the carrying amount, such difference represents the allowance for doubtful debts and is recognised as an expense in profit or loss.

5. Financial Instruments, Financial Risks and Capital Risks Management

a. Categories of Financial Instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2013	2012
	HK$'000	HK$'000
Financial assets		
Held-for-trading investments	**8,668**	7,085
Available-for-sale investments	**44,699**	46,344
Loans and receivables (including cash and cash equivalents)	**4,547,084**	4,151,136
	4,600,451	4,204,565
Financial liabilities		
Amortised cost	**20,500,960**	15,155,464
Obligations under finance lease	**33,817**	63,372
Derivative financial instruments classified as held for trading	**105,218**	238,975
Financial guarantee contracts	**54,000**	50,000
	20,693,995	15,507,811

b. Financial Risk Management Policies and Objectives

The Group's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Group.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates, other price risk, credit qualities of counterparties and liquidity.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

There has been no material change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign Currency Risk Management

Non-Derivative Foreign Currency Monetary Assets and Monetary Liabilities

The Group entities transact largely in their functional currencies, which in most instances is the United States dollars. In addition, certain group entities with functional currency of Chinese Renminbi and United States dollars obtained borrowings denominated in United States dollars and Euro. Foreign exchange risk arises largely from transactions denominated in currencies such as United States dollars, Peruvian Nuevo Soles, Chinese Renminbi, Hong Kong dollars, Euro, Japanese Yen and British pounds.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		**Assets**	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States dollars	**994,911**	796,288	**109,002**	62,113
Peruvian Nuevo Soles	**97,365**	108,480	**223,774**	66,040
Chinese Renminbi	**737,242**	706,430	**3,211**	11,489
Hong Kong dollars	**53,390**	42,152	**5,751**	4,642
Euro	**272,648**	9,290	**1,116,667**	476,628
Singapore dollars	**927**	424	**2,083**	2,048
Japanese Yen	**896**	1,625	**144**	242
British pounds	**210**	337	**22,074**	28,851
Norwegian Kroner	**1,637**	1,056	**7,802**	226
Danish Krone	**–**	2,743	**–**	12
Namibian dollars	**9,888**	22	**45,784**	4,371
Canadian dollars	**–**	–	**–**	2,819

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(i) Foreign Currency Risk Management – continued

Non-Derivative Foreign Currency Monetary Assets and Monetary Liabilities – continued

Foreign Currency Sensitivity

The following details the sensitivity to a 10% appreciate and depreciate in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates.

	2013		2012	
	Appreciate (depreciate) in foreign exchange rates	**Increase (decrease) in Group's profit HK$'000**	Appreciate (depreciate) in foreign exchange rates	Increase (decrease) in Group's profit HK$'000
United States dollars	**10%**	**(79,591)**	10%	(69,015)
	(10%)	**79,591**	(10%)	69,015
Peruvian Nuevo Soles	**10%**	**12,641**	10%	(4,244)
	(10%)	**(12,641)**	(10%)	4,244
Chinese Renminbi	**10%**	**(73,403)**	10%	(69,494)
	(10%)	**73,403**	(10%)	69,494
Euro	**10%**	**84,402**	10%	46,734
	(10%)	**(84,402)**	(10%)	(46,734)

For other foreign currencies, the management considers that the amounts involved are insignificant and accordingly no sensitivity analysis is presented.

In management's opinion, the sensitivity analysis is unrepresentative of the foreign exchange risk inherent in the financial assets and financial liabilities as the year end exposure does not reflect the exposure during the year.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(i) Foreign Currency Risk Management – continued

Derivative Financial Liabilities

The Group has entered into structured foreign currency forward contracts with banks to reduce its exposure to currency fluctuation risk of contracted and anticipated sales which are denominated in foreign currencies. The derivative is not accounted for under hedge accounting. The Group is required to estimate the fair value of the structured foreign currency forward contract and cross-currency interest rate swap contract at end of the reporting period.

At 28 September 2013, the fair values of structured foreign currency forward contracts and cross-currency interest rate swap contract amounted to HK$87,101,000 (2012: HK$218,845,000) and HK$18,117,000 (2012: HK$20,130,000) respectively. The Group has exposure to fluctuation of the exchange rate of the relevant foreign currencies against the functional currencies of each group entity.

Foreign Currency Sensitivity

The following details the sensitivity based on the exposure to the Group's structured foreign currency forward contracts outstanding at the end of the reporting period. The sensitivity to foreign currency risk has been determined based on management's assessment of the reasonably possible change in forward exchange rate between various foreign currencies and functional currencies of respective group entities. If the forward exchange rate had been 10% appreciate/depreciate while all other input variables of the valuation models were held constant, the Group's profit for the year would increase (decrease) as follows:

	2013		2012	
	Appreciate (depreciate) in foreign exchange rates	**Increase (decrease) in Group's profit HK$'000**	Appreciate (depreciate) in foreign exchange rates	Increase (decrease) in Group's profit HK$'000
Euro	**10%**	**3,755**	10%	3,797
	(10%)	**(3,755)**	(10%)	(3,797)
Japanese Yen	**10%**	**3,107**	10%	16,537
	(10%)	**(3,107)**	(10%)	(16,537)
British pounds	**10%**	**593**	10%	1,308
	(10%)	**(593)**	(10%)	(1,308)

In management's opinion, the sensitivity analysis is unrepresentative of the foreign currency risk inherent in the structured foreign currency forward contracts because (i) the year end exposure does not reflect the exposure during the year; and (ii) the valuation models involve multiple input variables and certain variables are interdependent.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(ii) Interest Rate Risk Management

Non-Derivative Financial Assets and Financial Liabilities

Interest-earning financial assets comprise loan receivable, pledged deposits and bank balances (notes 25, 31 and 32). Summary quantitative data of the Group's interest-bearing financial liabilities can be found in section (iv) of this note.

The Group is exposed to cash flow interest rate risk primarily from variable rate bank borrowings (note 35). The Group manages its exposure to cash flow interest rate risk relating to changes in interest rates by entering into fixed rate borrowings through issue of senior notes (note 37) and bonds (note 36), certain bank borrowings (note 35) and use of finance leases for which rates are fixed at inception of the finance leases (note 34). Although the Group is also exposed to fair value interest rate risk in relation to fixed rate borrowings, the Group's policy is to obtain the most favourable interest rates available and also by reviewing the terms of the interest-bearing liabilities to minimise the adverse effects of changes in interest rates.

The sensitivity analyses below have been determined based on the exposure to variable interest rates for variable rate borrowings at the end of the reporting period and assuming the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's post-tax profit for the year would decrease/increase by HK$51,819,000 (2012: HK$41,297,000).

Derivative Financial Liabilities

During the year, the Group entered into cross-currency interest rate swap contract with a bank to reduce its exposure to interest rate risk in relation to fixed-rate bonds (note 36). The derivative is not accounted for under hedge accounting. The Group is required to estimate the fair value of the interest rate swap contract at the end of the reporting period, which therefore exposed the Group to interest rate risk.

Interest Rate Sensitivity

The sensitivity to interest rate risk has been determined based on management's assessment of the reasonably possible change in forward interest rate between Chinese Renminbi and United States dollars. If forward interest rates had been 50 (2012: 50) basis points higher/lower and all other variable were held constant, the Group's profit for the year ended 28 September 2013 would increase/decrease by HK$910,000 (2012: HK$1,008,000).

In management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk inherent in the interest rate swap because (i) the year end exposure does not reflect the exposure during the year; and (ii) the valuation model involves multiple input variables and certain variables are interdependent.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(iii) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

At 28 September 2013 and 28 September 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from:

– the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and

– the amount of contingent liabilities in relation to financial guarantees issued by the Group as disclosed in note 46.

Sales of goods, fishes and related products are made to companies which the Group assesses to be of good credit rating through their trading and payment history as well as such commercial information which the Group obtains from time to time. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customers. Limits and credit quality attributed to customers are reviewed periodically. Trade receivables that are neither past due not impaired are due substantially from companies with good collection track records with the Group. Management considers that the credit risk associated with the Group's trade receivables has been mitigated by the above risk management practices. The recoverable amount of each individual trade receivable is reviewed at the end of each reporting period and allowance is made for any estimated irrecoverable amount.

The Group has concentration of credit risk as follows: 25% (2012: 25%) and 43% (2012: 49%) of the Group's trade receivables, bills receivables and trade receivables with insurance coverage were due from the Group's largest customer and the five largest customers respectively. The Group allows a credit period of 30 days to 180 days to these five largest customers. These five largest customers include one supermarket chain, and four corporations which are engaged in selling of seafood products. The supermarket chain mainly operates in North America and the four corporations operate in many different countries. They have good historical repayment records and low default rates, and such trade and bills receivables are neither past due nor impaired. Other trade receivables consist of a large number of customers, spread across diverse geographical areas. In this regard, the Group does not have any other significant concentration of credit risk.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(iii) Credit Risk Management – continued

As at 28 September 2013, the Group has loan receivables of HK$862,755,000 (2012: HK$477,152,000) due from Asarmona Holdings Limited ("Asarmona") (notes 23 and 25). The loan of HK$389,181,000 (2012: HK$477,152,000) which is classified as non-current, is interest free and secured by (i) 81% unlisted equity shares of two investees of which the Group holds 19% interest each and (ii) 100% equity interest in Asarmona, a wholly-owned subsidiary of one of the investees. The Group has classified its investments in the two investees as available-for-sale investments. The loan of HK$473,574,000 (2012: nil), which is classified as current, is unsecured, carries interest at 3% per annum above Euro Interbank Offered Rate ("Euribor") and repayable within 10 business days after service of a written demand by the Group.

The Group also provided guarantees to banks in respect of the bridging loan facility guarantee and operational guarantee in favour of the wholly-owned operating entities held by Asarmona (note 46), which are one of the leading suppliers and distributors of private label of co-pack frozen seafood products in Europe. The management closely monitors the financial positions of the investees and allowance is made for estimated irrecoverable amount, if necessary.

The credit risk on bank balances is limited because the counterparties are reputable financial institutions.

At the end of the reporting period, the Group has significant concentration of credit risk from two suppliers. As explained in note 19, the Group prepaid an aggregate amount of HK$1,992 million (2012: HK$1,060 million) to the suppliers for future supply of fishing products, the benefits of which are to be realised over 10 to 18 years up to 2025. In addition, the Group has made advances to these suppliers to finance the working capital for supply of fish to the Group as detailed in note 25(a). The Group mitigates the risk relating to obligations of the counterparties in respect of the long term supply agreements through the security documents described in note 19.

As at 28 September 2013, the Group also advanced HK$315,900,000 (2012: HK$315,900,000) to a supplier for working capital under the long term supply agreements.

Other than as explained above, the Group has no significant concentration of credit risk with any single counterparty or group of counterparties having similar characteristics.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(iv) Liquidity Risk Management

The Group maintains sufficient cash and cash equivalents and obtains a mix of short-term and long-term external financing to fund its operations.

Liquidity and Interest Risk Analyses

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights within one year after the reporting date. The maturity analysis for other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

	Weighted average effective interest rate %	On demand or within 1 year HK$'000	Within 2 to 5 years HK$'000	After 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
2013						
Non-derivative financial liabilities						
Non-interest bearing	–	1,382,595	1,407,011	–	2,789,606	2,789,606
Obligations under finance leases	8.06	37,541	4,375	–	41,916	33,817
Variable interest rate instruments (note a)	2.83	11,474,424	1,567,007	–	13,041,431	12,885,201
Fixed interest rate instruments	9.44	1,175,005	3,351,850	2,348,231	6,875,086	4,826,153
Financial guarantee contracts (note b)		1,148,000	–	–	1,148,000	54,000
		15,217,565	6,330,243	2,348,231	23,896,039	20,588,777

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(iv) Liquidity Risk Management – continued

Liquidity and Interest Risk Analyses – continued

	Weighted average effective interest rate %	On demand or within 1 year HK$'000	Within 2 to 5 years HK$'000	After 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
2012						
Non-derivative financial liabilities						
Non-interest bearing	–	2,430,366	–	–	2,430,366	2,430,366
Obligations under finance leases	8.49	39,798	41,916	–	81,714	63,372
Variable interest rate instruments (note a)	2.79	7,956,434	2,144,416	–	10,100,850	9,891,484
Fixed interest rate instruments	9.51	271,694	1,630,312	2,648,572	4,550,578	2,833,614
Financial guarantee contracts (note b)		1,089,000	–	–	1,089,000	50,000
		11,787,292	3,816,644	2,648,572	18,252,508	15,268,836

The undiscounted cash flows for variable rates instruments are subject to changes if the changes in interest rates is not equal to the estimated interest rates.

Notes:

(a) Bank borrowings with a repayment on demand clause are included in the "on demand or within 1 year" time band in the above maturity analysis. As at 28 September 2013 and 28 September 2012, the aggregate principal amounts of these bank borrowings amounted to HK$127,435,000 and HK$139,868,000 respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid two to twenty years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK$146,864,000 (2012: HK$162,293,000).

(b) The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

Derivative Financial Liabilities

At 28 September 2013, the undiscounted contractual net cash outflows on structured foreign exchange forward contracts and cross-currency interest rate swap that settle on a net basis based on remaining contractual maturity within 1 year and within 2 to 5 years from the end of the reporting period were HK$37,261,000 (2012: HK$624,000) and HK$67,957,000 (2012: HK$238,351,000) respectively.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(v) Other Risk Management

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The management had performed an analysis of the nature of market risk associated with the equity securities and concluded that the quoted price risk was more prominent in evaluating the market risk of this kind of investments. The management managed this exposure in accordance with the limits set by the Group.

The management considered that the Group's exposure to equity security price risk arising from equity investments which are stated at cost less impairment or fair value is minimal as the amount involved is insignificant for both years.

(vi) Fair Values Of Financial Assets and Financial Liabilities

Fair value of listed equity securities is determined based on the quoted market bid price available on the relevant stock exchange.

Structured foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching remaining maturities of the contracts.

The fair value of interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

The fair value of financial guarantee contracts at initial recognition is at the present value of the expected loss of the guarantee where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

The fair value of the other financial assets and financial liabilities (i.e. excluding quoted available-for-sale investments, held-for-trading investments and derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

b. Financial Risk Management Policies and Objectives – continued

(vi) Fair Values of Financial Assets and Financial Liabilities – continued

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2013		2012	
	Level 1	**Level 2**	Level 1	Level 2
	HK$'000	**HK$'000**	HK$'000	HK$'000
Assets				
Held-for-trading investments	**8,868**	**–**	7,085	–
Available-for-sale investments	**14,909**	**2,685**	9,536	15,522
Liabilities				
Derivative financial instruments	**–**	**105,218**	–	238,975

There were no transfers between Level 1 and Level 2 during the year.

Except for senior notes, the directors consider that the carrying amounts of financial assets and financial liabilities that are recorded at amortised cost in the consolidated financial statements approximate to their fair values.

5. Financial Instruments, Financial Risks and Capital Risks Management – continued

c. Capital Risk Management Policies and Objectives

The Group's objectives in managing capital are to maintain an optimal capital structure so as to maximise the return to its shareholders, to protect the interests of its stakeholders, safeguard the Group's ability to continue as a going concern and to be able to service its debts when they are due. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, obtain various forms of borrowings in the market and issue new shares at an appropriate price when necessary.

The capital structure of the Group consists of net debt, which comprises the obligations under finance leases, bank borrowings, bonds and senior notes disclosed in notes 34, 35, 36 and 37, net of cash and cash equivalents and shareholders' equity.

Management constantly reviews the capital structure to achieve the aforementioned objectives. As a part of this review, management considers the cost of capital and the risks associated with the share capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the repayment of existing debt.

The Group's overall strategy remains unchanged from the last year.

6. Revenue and Segment Information

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

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

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

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

Segment sales and expenses: Segment sales and expenses are the sales and operating 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.

6. 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, prepayment to suppliers, certain investment properties, certain property, plant and equipment, deposits paid for acquisition of property, plant and equipment and intangible assets. Additions to non-current assets are the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year and comprises purchase of property, plant and equipment, investment properties, goodwill, deposits paid for acquisition of property, plant and equipment and other intangible assets directly attributable to the segment. Segment liabilities consist principally of trade payable, accrued expenses, and long term payables.

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

Investments in associates: Income from associates is allocated as they are specifically attributable to operating segments, and correspondingly the investments in associates are included in segment assets of the Group.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned by each segment without the allocation of certain other income, fair value changes in certain investment properties, administrative expenses, other expenses, 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.

Information regarding the above segments is reported below.

2013

Segment Revenue and Results

	Frozen fish SCM HK$'000	Fish fillets processing and distribution HK$'000	Fishery and Fish supply HK$'000	Others HK$'000	Consolidated HK$'000
REVENUE					
External sales	4,434,985	4,479,369	4,329,107	59,307	13,302,768
RESULT					
Segment result	538,347	400,449	1,685,285	27,546	2,651,627
Unallocated corporate income					177,843
Unallocated corporate expenses					(1,239,486)
Finance costs					(729,434)
Profit before taxation					860,550

6. Revenue and Segment Information – continued

Segment Assets and Liabilities

	Frozen fish SCM HK$'000	Fish fillets processing and distribution HK$'000	Fishery and Fish supply HK$'000	Others HK$'000	Consolidated HK$'000
ASSETS					
Segment assets	8,247,319	5,521,922	23,688,398	268,094	37,725,733
Unallocated corporate assets					702,966
Total assets					38,428,699
LIABILITIES					
Segment liabilities	50,676	2,302,377	494,416	25,121	2,872,590
Unallocated corporate liabilities					20,653,097
Total liabilities					23,525,687

Other Segment Information

	Frozen fish SCM HK$'000	Fish fillets processing and distribution HK$'000	Fishery and Fish supply HK$'000	Others HK$'000	Consolidated HK$'000
Interests in associates	542,615	898	–	–	543,513
Additions to non-current assets*	9,926	89,844	128,534	23,702	252,006
Additions to non-current assets* arising from acquisition of subsidiaries	–	–	9,402,275	–	9,402,275
Net exchange gain	124,637	74,749	106,493	–	305,879
Gain on bargain purchase on acquisition of subsidiaries	–	–	499,584	–	499,584
Depreciation of property, plant and equipment	41,164	128,841	749,818	23,336	943,159
Impairment of property, plant and equipment	–	–	350,356	–	350,356
Amortisation of prepaid lease payments	–	1,005	–	–	1,005
Amortisation of prepayment to suppliers	–	–	237,641	–	237,641

* Non-current assets excluding available-for-sale investments, prepayment for suppliers, advance to a supplier, interests in associates and other long term receivables.

6. Revenue and Segment Information – continued

2012

Segment Revenue and Results

	Frozen fish SCM HK$'000	Fish fillets processing and distribution HK$'000	Fishery and Fish supply HK$'000	Others HK$'000	Consolidated HK$'000
REVENUE					
External sales	4,869,592	4,976,466	4,711,206	44,168	14,601,432
RESULT					
Segment result	767,140	485,359	1,105,263	31,431	2,389,193
Unallocated income					13,590
Unallocated expenses					(1,036,840)
Finance costs					(580,554)
Profit before taxation					785,389

Segment Assets and Liabilities

	Frozen fish SCM HK$'000	Fish fillets processing and distribution HK$'000	Fishery and Fish supply HK$'000	Others HK$'000	Consolidated HK$'000 (restated)
ASSETS					
Segment assets	9,376,689	5,407,182	13,870,613	246,359	28,900,843
Unallocated assets					569,148
Total assets					29,469,991
LIABILITIES					
Segment liabilities	48,610	2,078,163	308,214	18,222	2,453,209
Unallocated liabilities					13,808,401
Total liabilities					16,261,610

6. Revenue and Segment Information – continued

Other Segment Information

	Frozen fish SCM HK$'000	Fish fillets processing and distribution HK$'000	Fishery and Fish supply HK$'000	Others HK$'000	Consolidated HK$'000
Interests in associates	505,547	898	–	–	506,445
Additions to non-current assets*	99,222	171,785	642,975	54,857	968,839
Additions to non-current assets* arising from acquisition of subsidiaries	–	–	316,417	–	316,417
Net exchange gain	139,878	65,725	1,303	–	206,906
Gain on bargain purchase on acquisition of subsidiaries	–	–	19,872	–	19,872
Depreciation of property, plant and equipment	38,880	115,147	681,344	25,528	860,899
Impairment of property, plant and equipment	–	–	44,067	–	44,067
Amortisation of prepaid lease payments	–	982	–	–	982
Amortisation of prepayment to suppliers	–	–	172,640	–	172,640

* Non-current assets excluding available-for-sale investments, prepayment for suppliers, advance to a supplier, interests in associates and other long term receivables.

Geographical Information

The Group's operations are located in Hong Kong and other regions in the People's Republic of China ("PRC"), North America, South America, Europe, East Asia, Africa and other parts of the world. The Group does not have a single identifiable country of domicile.

The Group's revenue from external customers based on the locations of the customers and information about its segment assets (non-current assets excluding available-for-sale investments, advance to a supplier, interests in associates and other long term receivables) by geographical location are detailed below. The geographical location of revenue is based on the location where the goods are delivered and services are rendered by the Group. The geographical location of non-current assets is based on the location of operation of the subsidiaries holding the non-current assets.

	Revenue from external customers		**Non-current assets**	
	2013 HK$'000	2012 HK$'000	**2013 HK$'000**	2012 HK$'000
Hong Kong and other regions in the PRC	**7,685,153**	6,571,699	**3,307,817**	3,065,912
North America	**2,436,599**	2,525,267	**42,498**	30,110
South America	**52,395**	9,326	**15,119,527**	4,436,901
Europe	**1,751,250**	2,394,444	**4,344,779**	5,674,700
East Asia	**643,634**	1,411,088	**152,852**	223,731
Africa	**671,228**	1,666,849	**–**	–
Others	**62,509**	22,759	**–**	–
	13,302,768	14,601,432	**22,967,473**	13,431,354

6. Revenue and Segment Information – continued

Information about major customers

For the year ended 28 September 2013, there is only one customer with revenue more than 10% of the Group's total revenue, being a customer from fishery and fish supply segment with revenue of HK$1,745,625,000.

There is no customer with revenue more than 10% of the Group's total revenue for the year ended 28 September 2012.

7. Other Income

	2013	2012
	HK$'000	HK$'000
Other income comprises of:		
Agency income	**9,690**	10,311
Compensation received from suppliers of fish (note i)	**156,234**	183,608
Exchange gain, net (note ii)	**305,879**	206,906
Fair value change on held-for-trading investments	**1,583**	3,688
Fair value change on investment properties (note 16)	**28,542**	1,136
Income from financial guarantee contracts, net	**–**	12,000
Unrealised gain on derivative financial instruments	**133,757**	–
Gain on repurchase of bonds (note 36)	**–**	4,000
Gain on purchase of senior notes (note 37)	**–**	7,378
Rental income from properties	**15,544**	12,454
Gain on disposal of property, plant and equipment	**3,513**	703
Interest income	**7,100**	9,761
Gain on disposal of available-for-sale investments, net	**101,035**	–
Sundry income (note iii)	**20,526**	38,672
	783,403	490,617

Notes:

i. Compensation received from suppliers of fish relates to compensation for non-delivery of fish from suppliers within stipulated timeframe.

ii. The amount included realised gain on derivative financial instruments of HK$346,232,000 (2012: HK$171,614,000).

iii. For the year ended 28 September 2012, sundry income included HK$74,718,000 representing the excess of the Group's share of the net fair value of the identifiable assets and liabilities of Tassal Group Limited ("Tassal") over the deemed cost at the date significant influence is obtained by the Group, net with the reclassification of fair value loss of HK$62,006,000 on Tassal from investment revaluation reserve to profit or loss.

8. Other Expenses

	2013 HK$'000	2012 HK$'000
Other expenses comprise of:		
Impairment loss on property, plant and equipment (note 15)	**350,356**	44,067
Transaction costs attributable to issue of rights shares of a listed subsidiary	**31,960**	21,613
Loss on disposal of available-for-sale investments	**–**	1,644
Unrealised loss on derivative financial instruments	**–**	230,822
Expenses related to acquisition of subsidiaries	**104,972**	–
Loss on financial guarantee contracts	**4,000**	–
Labour contingency expense	**13,804**	–
Others	**85,661**	35,493
	590,753	333,639

9. Finance Costs

	2013 HK$'000	2012 HK$'000
Interest on bank borrowings wholly repayable within five years	**629,289**	453,023
Interest on finance leases	**4,268**	7,232
Interest on convertible bonds wholly repayable within five years	**–**	30,448
Interest on bonds wholly repayable within five years	**53,186**	53,083
Interest on senior notes wholly repayable after five years	**42,691**	36,768
	729,434	580,554

10. Profit Before Taxation

	2013 HK$'000	2012 HK$'000
Profit before taxation has been arrived at after charging:		
Amortisation of prepayment to suppliers – fixed costs (included in cost of sales)	**237,641**	172,640
Variable price for the supply of fish (included in cost of sales)	**303,492**	20,576
Variable charter hire (included in cost of sales)	**–**	35,420
Auditor's remuneration	**15,859**	11,451
Depreciation of property, plant and equipment	**943,159**	860,899
Amortisation of prepaid lease payments (included in administrative expenses)	**1,005**	982
Cost of inventories included in cost of sales	**9,723,506**	8,364,626
Transportation, declaration & certificate expenses (included in selling and distribution expenses)	**209,889**	368,017
Directors' emoluments (note 11)	**28,218**	29,106
Salaries and other staff costs	**230,972**	221,585
Crew wages	**141,344**	520,518
Retirement benefits scheme contributions	**15,130**	19,842
Total staff costs	**387,446**	761,945
and after crediting:		
Net rental income from investment properties and vessels after outgoings of HK$9,633,000 (2012: HK$8,340,000)	**22,650**	16,078

11. Directors' and Chief Executives' and Employee's Emoluments

	Fees HK$'000	Salaries and other benefits-in-kind-cash HK$'000	Benefits in-kind HK$'000	Performance related incentive payment HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
2013						
Executive Directors						
Teh Hong Eng	**–**	**3,183**	**1,974**	**800**	**–**	**5,957**
Ng Joo Siang	**–**	**3,955**	**1,974**	**800**	**216**	**6,945**
Ng Joo Kwee	**–**	**3,375**	**1,153**	**800**	**216**	**5,544**
Ng Joo Puay, Frank	**–**	**2,562**	**899**	**640**	**173**	**4,274**
Ng Puay Yee	**–**	**2,981**	**675**	**600**	**162**	**4,418**
Independent Non-Executive Directors						
Lew V Robert	**360**	**–**	**–**	**–**	**–**	**360**
Kwok Lam Kwong, Larry	**360**	**–**	**–**	**–**	**–**	**360**
Tao Kwok Lau, Clement	**360**	**–**	**–**	**–**	**–**	**360**
	1,080	**16,056**	**6,675**	**3,640**	**767**	**28,218**

	Fees HK$'000	Salaries and other enefits-in-kind-cash HK$'000	Benefits in-kind HK$'000	Performance related incentive payment HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
2012						
Executive Directors						
Teh Hong Eng	–	3,193	1,974	800	–	5,967
Ng Joo Siang	–	4,510	1,974	800	216	7,500
Ng Joo Kwee	–	3,428	1,077	800	216	5,521
Ng Joo Puay, Frank	–	2,742	848	640	173	4,403
Ng Puay Yee	–	3,313	710	600	162	4,785
Independent Non-Executive Directors						
Lew V Robert	310	–	–	–	–	310
Kwok Lam Kwong, Larry	310	–	–	–	–	310
Tao Kwok Lau, Clement	310	–	–	–	–	310
	930	17,186	6,583	3,640	767	29,106

Mr. Ng Joo Siang is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

None of the directors or chief executive waived any emoluments for both years.

Performance related incentive payment is determined having regard to the performance of individuals and market trends.

11. Directors' and Chief Executives' and Employee's Emoluments – continued

Benefits-in-kind mainly represent the estimated monetary value with reference to the ratable value of accommodation provided to certain directors and chief executive of the Company.

Benefits-in-kind-cash represent the tax benefit and children education benefits provided to certain directors and chief executive of the Company.

Details of the emoluments of the five highest paid individuals included four (2012: five) directors set out above. The emoluments of the remaining one (2012: nil) highest paid individual are as follows:

	2013	2012
	HK$'000	HK$'000
Salaries and other benefits	**4,614**	–
Retirement benefits scheme contributions	**238**	–
	4,852	–

12. Taxation

	2013	2012
	HK$'000	HK$'000 (restated)
The charge comprises:		
On profit for the year		
– Hong Kong	**292**	2,318
– People's Republic of China	**8,265**	4,634
– other jurisdictions	**20,190**	108,656
	28,747	115,608
Overprovision in prior year		
– Hong Kong	**(9,036)**	(122)
– other jurisdictions	**(16,519)**	–
	(25,555)	(122)
Deferred taxation (note 38)	**(49,940)**	(68,597)
Tax (credit) charge for the year	**(46,748)**	46,889

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Taxation in other jurisdictions is mainly derived from the Peruvian tax rate of 30% applied to the estimated assessable profit for the year after deduction of statutory employee profit sharing of 10% from the estimated assessable profit.

12. Taxation – continued

In the opinion of the directors, substantially all of the Group's profits neither arise in, nor are derived from, Hong Kong and accordingly those profits are not subject to Hong Kong Profits Tax.

The tax (credit) charge for the year can be reconciled to the profit before taxation as follows:

	2013 HK$'000	2012 HK$'000 (restated)
Profit before taxation	**860,550**	785,389
Tax at average income tax rate of 27.6% (2012: 28.8%)	**237,512**	227,053
Tax effect of expenses not deductible for tax purpose	**60,613**	30,075
Tax effect of income not taxable for tax purpose	**(300,283)**	(203,938)
Overprovision in respect of prior year	**(25,555)**	(122)
Tax effect of tax losses not recognised	**5,089**	3,739
Utilisation of tax losses previously not recognised	**(16,517)**	(5,857)
Utilisation of other deductible temporary differences previously not recognised	**136**	–
Tax effect of share of results of associates	**(9,494)**	(5,026)
Others	**1,751**	965
Tax (credit) charge for the year	**(46,748)**	46,889

Note: The average income tax rate represents the weighted average tax rate of the operations in different jurisdictions on the basis of the relative amounts of profit before taxation and the relevant statutory rates.

13. Dividends

	2013 HK$'000	2012 HK$'000
Dividends:		
Proposed final dividend of 1.1 HK cents (2012: 1.1 HK cents) per share	**51,943**	51,943

The final dividend for the year ended 28 September 2013 of 1.1 HK cents has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

On 8 March 2013, the Company declared a final dividend of 1.1 HK cents per share for the year ended 28 September 2012. Subsequently, cash dividend of HK$51,943,000 were paid.

On 8 March 2012, the Company declared a final dividend of 3.6 HK cents per share for the year ended 28 September 2011. Subsequently, cash dividends of HK$113,330,000 were paid.

14. 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:

	2013 HK$'000	2012 HK$'000 (restated)
Earnings attributable to the owners of the Company for the purposes of calculation of basic and diluted earnings per share	**385,944**	267,875
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	**4,722,068,685**	3,957,983,990
Effect of dilutive potential ordinary shares in respect of share award	**–**	1,025,383
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	**4,722,068,685**	3,959,009,373

The weighted average number of ordinary shares for 2012 for the purposes of basic and diluted earnings per share had been adjusted to reflect the bonus element of the rights issue during that year.

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

15. Property, Plant and Equipment

	Land and buildings HK$'000	Freehold land HK$'000	Buildings on freehold land HK$'000	Leasehold improvement HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Plant and equipment HK$'000	Vessels HK$'000	Fishing nets HK$'000	Construction in progress HK$'000	Total HK$'000
THE GROUP												
COST OR VALUATION												
At 29 September 2011	1,884,504	45,868	172,946	110,774	26,793	176,149	51,373	3,274,779	2,323,177	73,265	421,432	8,561,060
Additions	116,097	19,118	–	5,703	1,700	21,563	1,854	376,800	67,862	9,879	269,988	890,564
Acquisition of subsidiaries	–	972	6,822	–	–	–	–	36,201	46,373	632	3,623	94,623
Disposals	(3,330)	–	(165)	(25)	(308)	(947)	(1,276)	(49,039)	(26,728)	(19,793)	–	(101,611)
Reclassification	–	–	–	–	–	–	–	47,194	25,127	–	(72,321)	–
Transfer to other intangible assets (note 22)	–	–	–	–	–	–	–	(144,207)	–	–	–	(144,207)
Reclassification from investment properties (note 16)	10,200	–	–	–	–	–	–	–	–	–	–	10,200
Adjustment on revaluation	(11,744)	–	–	–	–	–	–	–	–	–	–	(11,744)
Exchange realignment	12,513	–	–	467	(13)	475	217	2,368	–	–	1,694	17,721
As at 28 September 2012	2,008,240	65,958	179,603	116,919	28,172	197,240	52,168	3,544,096	2,435,811	63,983	624,416	9,316,606
Additions	27,270	–	–	20,180	664	2,573	1,053	104,357	1,603	–	74,806	232,506
Acquisition of subsidiaries	–	145,491	112,305	–	3,136	15,436	69	718,099	615,126	47,076	47,626	1,704,364
Acquisition of assets	–	–	–	–	–	–	–	–	19,500	–	–	19,500
Disposals	(10,700)	–	–	(30)	(220)	(872)	(3,438)	(2,092)	(20,905)	–	–	(38,257)
Reclassification	161,253	1,270	27,991	–	313	2,325	–	82,845	12,136	372	(288,505)	–
Reclassification from investment properties (note 16)	2,849	–	–	–	–	–	–	–	–	–	–	2,849
Adjustment on revaluation	99,677	–	–	–	–	–	–	–	–	–	–	99,677
Exchange realignment	35,094	862	3,737	2,017	(214)	300	760	17,645	8,195	1,357	7,000	76,753
As at 28 September 2013	2,323,683	213,581	323,636	139,086	31,851	217,002	50,612	4,464,950	3,071,466	112,788	465,343	11,413,998
Comprising:												
28 September 2013												
At cost	–	213,581	323,636	139,086	31,851	217,002	50,612	4,464,950	3,071,466	112,788	465,343	9,090,315
At valuation	2,323,683	–	–	–	–	–	–	–	–	–	–	2,323,683
	2,323,683	213,581	323,636	139,086	31,851	217,002	50,612	4,464,950	3,071,466	112,788	465,343	11,413,998
28 September 2012												
At cost	–	65,958	179,603	116,919	28,172	197,240	52,168	3,544,096	2,435,811	63,983	624,416	7,308,366
At valuation	2,008,240	–	–	–	–	–	–	–	–	–	–	2,008,240
	2,008,240	65,958	179,603	116,919	28,172	197,240	52,168	3,544,096	2,435,811	63,983	624,416	9,316,606
DEPRECIATION, AMORTISATION AND IMPAIRMENT												
At 29 September 2011	–	–	17,909	89,142	23,280	96,775	36,488	927,502	364,668	56,984	–	1,612,748
Provided for the year	80,459	–	5,105	9,461	1,526	13,291	4,540	597,316	131,492	17,709	–	860,899
Impaired during the year	–	–	–	–	–	–	–	–	44,067	–	–	44,067
Eliminated on disposals	(121)	–	(24)	(25)	(300)	(568)	(1,031)	(47,991)	(26,728)	(17,911)	–	(94,699)
Adjustment on revaluation	(80,338)	–	–	–	–	–	–	–	–	–	–	(80,338)
Exchange realignment	–	–	–	316	(57)	112	113	571	–	–	–	1,055
As at 28 September 2012	–	–	22,990	98,894	24,449	109,610	40,110	1,477,398	513,499	56,782	–	2,343,732
Provided for the year	81,444	–	8,933	9,730	1,628	16,033	4,363	659,060	141,504	20,464	–	943,159
Impaired during the year	–	–	–	–	560	1,605	87	35,137	312,556	411	–	350,356
Eliminated on disposals	(107)	–	–	(30)	(218)	(644)	(3,206)	(1,329)	(20,905)	–	–	(26,439)
Adjustment on revaluation	(81,337)	–	–	–	–	–	–	–	–	–	–	(81,337)
Exchange realignment	–	–	869	1,632	(244)	(820)	543	5,129	2,343	867	–	10,319
As at 28 September 2013	–	–	32,792	110,226	26,175	125,784	41,897	2,175,395	948,997	78,524	–	3,539,790
CARRYING VALUES												
As at 28 September 2013	2,323,683	213,581	290,844	28,860	5,676	91,218	8,715	2,289,555	2,122,469	34,264	465,343	7,874,208
As at 28 September 2012	2,008,240	65,958	156,613	18,025	3,723	87,630	12,058	2,066,698	1,922,312	7,201	624,416	6,972,874

15. Property, Plant and Equipment – continued

The carrying amount of the Group's plant and equipment include an amount of HK$26,463,000 (2012: HK$28,409,000) in respect of assets held under finance leases.

The Group's freehold land of HK$213,581,000 (2012: HK$65,958,000) are all situated outside Hong Kong.

The net book values of leasehold land and buildings shown above comprises:

	2013	2012
	HK$'000	HK$'000
Land and building in Hong Kong held under long leases	**672,640**	694,657
Land and buildings outside Hong Kong held under medium-term leases	**1,651,043**	1,313,583
	2,323,683	2,008,240

During the year ended 28 September 2013, the Group made an impairment loss of HK$273,000,000 (2012: nil) for the processing vessel and HK$77,356,000 (2012: HK$44,067,000) for certain fishing vessels and plant and machineries that management has identified for scrapping included in Fishery and Fish supply division.

The recoverable amount is the higher of fair value less costs to sell and value in use. The recoverable amounts of property, plant and equipment were determined based on value in use calculation and based on certain key assumptions. The value in use calculation of the processing vessel uses cash flow projections based on financial budgets approved by management covering a five-year period and discount rates of 13.7%. Key assumptions for the value in use calculations including budgeted gross margin and forecasted fishing activities, which are determined based on the unit's past performance and management's expectations for the market development including trend of fish consumption, fish prices and level of fishing activities. The impairment losses of the processing vessel recognised in the current year are mainly attributable to the under-utilised operating capacity of the processing vessel, which is normally used for fish catches in international waters, due to limited catch and low volumes of supplies from suppliers to support the North Atlantic processing activity. Impairment losses are fully provided on other idling fishing vessels and plant and machineries are also recognised in the profit or loss.

In last year, management obtained legal advice that the plant permit did not have finite term and remain in full force and good standing as long as applicable legal requirements were complied with. Accordingly, the carrying amount of the plant permit of HK$144,207,000 was reclassified to fishing and plant permits in other intangible assets.

The Group's interests in leasehold land and buildings in Singapore, Japan and Russia cannot be allocated reliably between the land and building elements and so the entire leases are classified as finance leases. The leasehold land and buildings of the Group in Hong Kong and the PRC, Singapore, Japan and Russia were revalued at 28 September 2013 and 2012 on a basis of a valuation carried out on that date by BMI Appraisals Limited and LLC Apex Group, independent property valuers. 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 the direct comparison method by reference to market transaction prices of similar properties or on income approach by taking into account the current rents passing and the reversionary income potential of tenancies. The valuation gave rise to a net revaluation increase of HK$181,014,000 (2012: HK$68,594,000) which has been credited to the properties revaluation reserve.

Certain land and buildings have been pledged to secure mortgage loans of the Group (note 47).

If leasehold land and buildings of the Group had not been revalued, they would have been included on a historical cost basis at the following amounts:

	HK$'000
Cost	1,725,912
Accumulated depreciation	(360,207)
Carrying value	
At 28 September 2013	1,365,705
At 28 September 2012	1,245,356

16. Investment Properties

	2013 HK$'000	2012 HK$'000
FAIR VALUE		
At beginning of the year	**657,110**	653,245
Exchange realignment	**(2,028)**	4,749
Additions	**47,266**	8,180
Transferred to property, plant and equipment (note 15)	**(2,849)**	(10,200)
Increase in fair value recognised to profit or loss	**28,542**	1,136
At end of the year	**728,041**	657,110

(a) The Group's leasehold interests in land and building of HK$578,707,000 (2012: HK$524,892,000) which are held to earn rentals or capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

(b) The carrying amount of investment properties includes land and buildings situated in Hong Kong and outside of Hong Kong as follows:

	2013 HK$'000	2012 HK$'000
Land and buildings in Hong Kong held under long leases	**100,450**	98,580
Land and buildings in Hong Kong held under medium-term leases	**199,530**	200,730
Land and buildings outside Hong Kong held under medium-term leases	**9,241**	9,853
Land and buildings outside Hong Kong held under long leases	**269,486**	215,729
Freehold land outside Hong Kong	**149,334**	132,218
	728,041	657,110

(c) The investment properties of the Group were revalued at 28 September 2013 and 2012 on a basis of a valuation carried out on that date by BMI Appraisals Limited and Bogeria Consulting Company, independent property valuers. BMI Appraisals Limited and Bogeria Consulting Company have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was based on the 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 revaluation gave rise to a fair value gain of HK$28,542,000 (2012: HK$1,136,000) which has been recognised in the profit or loss.

(d) Certain investment properties have been pledged to secure mortgage loans of the Group (note 47).

17. Prepaid Lease Payments

	2013 HK$'000	2012 HK$'000
The Group's prepaid lease payments comprise:		
Leasehold land outside Hong Kong:		
Medium-term lease	**42,228**	43,873
Analysed for reporting purposes as:		
Non-current asset	**40,848**	42,528
Current asset (included in trade, bills, other receivables and prepayments in note 25)	**1,380**	1,345
	42,228	43,873

18. Goodwill

	HK$'000
GROSS AMOUNT	
At 29 September 2011	2,940,937
Arising on the acquisition of subsidiaries (note 41)	49,086
At 28 September 2012 and 28 September 2013	2,990,023
IMPAIRMENT	
At 29 September 2011, 28 September 2012 and 28 September 2013	(13,355)
CARRYING AMOUNTS	
At 28 September 2013	2,976,668
At 28 September 2012	2,976,668

18. Goodwill – continued

For the purposes of impairment testing, goodwill is allocated to four groups of cash generating units ("CGUs"). The carrying amounts of goodwill after impairment as at 28 September 2013 and 2012 allocated to the groups of units are as follows:

	2013	2012
	HK$'000	HK$'000
Frozen Fish SCM division		
– Pacific Andes Resources Limited ("PARD")	**13,245**	13,245
Fish Fillets processing and distribution division		
– National Fish and Seafood Inc.	**15,594**	15,594
Fishery and Fish supply division:		
Contract supply business		
– China Fisheries International Limited ("CFIL")	**1,780,068**	1,780,068
Peruvian fishmeal operation		
– CFG Investment S.A.C. ("CFGI")	**1,167,761**	1,167,761
	2,976,668	2,976,668

The fishing and plant permit in note 22 allocated HK$1,838,918,000 (2012: HK$1,823,905,000) to the CGU of CFGI and HK$7,697,911,000 (2012: nil) to the CGU of Corporacion Pesquera Inca S.A.C. (a subsidiary of Copeinca ASA) ("CPI") which are under Fishery and Fish supply division.

The recoverable amounts of these CGUs or groups of CGUs have been determined based on a value in use calculations. These groups of CGUs operate in related and similar business environments. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and the expected changes to selling prices and direct costs. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to these groups of CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of the future changes in the market. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of these groups of CGUs to exceed the recoverable amount of these groups of CGUs.

Frozen Fish SCM division and Fish Fillets processing and distribution division

The management of the Group conducted impairment reviews on each of the Frozen Fish SCM CGU and Fish Fillets processing and distribution CGU.

The value in use calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and discount rates of 20% (2012: 20%) for the Fish Fillets processing and distribution CGU and 20% (2012: 20%) for the Frozen Fish SCM CGU. A key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the unit's past performance and management's expectations for the market development. Management considered that the recoverable amounts of these CGUs exceed their carrying amounts and there is no impairment in goodwill.

18. Goodwill – continued

Fishery and Fish supply division

The Group has engaged an independent financial advisor, BMI Appraisals Limited, to determine the value in use of the CGU of CFIL and the CGU of CFGI under Fishery and Fish supply division at 28 September 2013 and 2012. Based on the report of the valuer and management's assessment of business prospects, management considered that the recoverable amounts of these CGUs exceed their carrying amounts and there is no impairment in goodwill, other intangible assets and other assets allocated to these CGUs.

The key inputs and assumptions for determining the value in use of the CGUs for CFIL and CFGI under Fishery and Fish supply division are as follows:

(i) forecasted projected cash flows up to 2015. Key assumptions included the past performance and management's expectations for the market development, including trend of fish consumption, fish prices and level of fishing activities;

(ii) industry growth rate of 3% (2012: 2%) per annum during the forecast period and extrapolation period. Projection of terminal value is done using the perpetuity method; and

(iii) use of 8.93% (2012: 7.61%) for CFIL and use of 18.01% (2012: 17.14%) for CFGI to discount the projected cash flows to net present values.

The recoverable amounts of other intangible assets allocated to the CGU of CPI under Fishery and Fish supply division closed to their carrying amounts as the acquisition occurred close to the end of the reporting period.

19. Prepayment to Suppliers/Advance to a Supplier

Prepayment to suppliers

	2013 **HK$'000**	2012 HK$'000
Prepayment to suppliers	**3,394,560**	2,224,560
Less: accumulated amortisation	**(1,402,521)**	(1,164,880)
	1,992,039	1,059,680
Included as current assets	**(205,123)**	(172,640)
Included as non-current assets	**1,786,916**	887,040
Cost:		
At beginning of year	**2,224,560**	2,224,560
Additions	**1,170,000**	–
At end of the year	**3,394,560**	2,224,560
Accumulated amortisation:		
At beginning of year	**1,164,880**	992,240
Amortisation during the year included in cost of sales	**237,641**	172,640
At end of year	**1,402,521**	1,164,880

19. Prepayment to Suppliers/Advance to a Supplier – continued

Prepayment to suppliers – continued

Since January 2004, a subsidiary, CFIL, had entered into the first, second and third vessel operating agreements with two companies, Perun Limited ("Perun") and Alatir Limited ("Alatir"), to prepay fixed charter hire for 17 (2012: 17) vessels for a period of 10 to 18 years up to 31 December 2030 (2012: 31 December 2025) together with the allocated fish quotas in Pacific Ocean.

To secure the prepayments and balance with suppliers (note 25(a)) and to ensure that the counterparties comply with their obligations under the vessel operating agreements, the counterparties executed the following documents (collectively referred to as "Security Documents") in favour of CFIL:

(i) charges of all the issued shares of Perun and Alatir;

(ii) debentures over all the present and future assets of Perun and Alatir; and

(iii) an entrusted management agreement to vest upon the nominee of CFIL, the management and controls of Perun and Alatir in respect of and limited to the performance and obligations of the vessel operating agreements.

On January 2007, CFIL further entered into the fourth vessel operating agreements with Perun to pay a fix fee per vessel per calendar day, for 6 vessels for a period of 5 years from the date of first sailing.

Under the vessel operating agreements, variable charter hire costs are determined when the net profit derived from operating the fishing vessels can be determined. Variable charter hire cost is accrued as an expense at the same time when revenue is recognised.

With effect from 16 July 2012, these vessel operating agreements were replaced by the long term supply agreements ("LSA") 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 LSA as the underlying commercial terms remain substantially unchanged.

To secure the prepayments and to ensure that the counterparties comply with their obligations under the LSA, the counterparties executed the following documents in favour of CFIL:

(i) charges of all the issued shares of the counterparties (the "Charges"); and

(ii) debentures over all the present and future assets of the counterparties (the "Debentures").

If an event of default occurs, CFIL shall, pursuant to the terms of the Charges and the Debentures, be entitled to exercise its rights over the security created by those security arrangements. Such events of default include, among others:

(i) any default by the counterparties in the due performance of any undertaking, condition or obligation to be performed and observed in the LSA, the Charges, the Debentures or any other instruments or agreements entered for the benefit of CFIL; and

(ii) any failure of the counterparties to pay any sum payable from time to time to CFIL on the due date whether in connection with the LSA, the Charges, the Debentures or any other security granted in favour of CFIL by each of Perun and Alatir.

The Group has entered into a new LSA with a supplier, Perun, in November 2012 to replace the Fourth LSA (as defined in note 45). The new LSA took retrospective effect from 1 October 2012 and shall terminate on 30 September 2030. During the current year, the fixed fees payable under the new LSA for the entire duration of the LSA, amounting to US$150,000,000 (approximately HK$1,170 million) in aggregate, was prepaid by the Group to Perun. This is different from the previous Fourth LSA which provided for a fixed price of US$12,000 (approximately HK$93,600) per vessel per calendar day. Other than this, all other terms and conditions in the new LSA are similar to the Fourth LSA.

19. Prepayment to Suppliers/Advance to a Supplier – continued

Prepayment to suppliers – continued

Under the long term supply agreements, the Group also pays variable price for the supply of fish based on contracted percentages of the revenue derived from the sales of fish before deduction of amortization of fixed prepayment to suppliers.

Advance to a supplier

In connection with the signing of LSA, CFIL replaced the existing agreements relating to advance to a supplier, Perun, of HK$315,900,000 (2012: HK$315,900,000) with new agreements, whereby the advance to a supplier as of 28 September 2013 and 28 September 2012 is unsecured, interest-free and represent advances for working capital under the LSA. The advance amount will be offset against future payments made to a supplier. As at 28 September 2013, the management expects the advance to a supplier to be repaid in the next 12 months and therefore reclassifies the amount as current assets.

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

20. Available-For-Sale Investments

	2013 **HK$'000**	2012 HK$'000
Listed equity securities	**14,909**	9,536
Unlisted equity securities	**7,802**	7,802
Unlisted debt securities	**2,685**	15,522
Unlisted private equity fund	**19,303**	13,484
	44,699	46,344

The unlisted equity securities and the private equity fund are carried at cost, less impairment as no fair value can be reliably determined.

21. Interests in Associates

	2013 **HK$'000**	2012 HK$'000
Cost of investments – unlisted	**1,920**	1,920
Deemed cost of investments in Tassal – listed outside Hong Kong (note)	**408,690**	408,690
Adjustment on share of net fair value of the identifiable Assets and liabilities over the cost of acquisition of Tassal (note)	**74,718**	74,718
Share of post-acquisition results and other comprehensive income, net of dividends received	**58,185**	21,117
	543,513	506,445
Market value of listed investments	**752,470**	366,475

Note: The deemed cost of investments is based on the quoted market price at the date of initial recognition. The fair values of assets and liabilities of Tassal were reassessed at the date of initial recognition and adjustment on share of net fair value of the identifiable assets, liabilities and contingent liabilities over the deemed cost of acquisition of Tassal after the reassessment is HK$74,718,000.

21. Interests in Associates – continued

Particulars of the Group's principal associates as at 28 September 2013 and 2012 are set out in note 51.

The financial year end date for Tassal is 30 June. For the purpose of applying the equity method of accounting, the consolidated financial information of Tassal for the year ended 30 June 2013 (2012: from the date Tassal became an associate of the Group, i.e. 21 November 2011 to 30 June 2012) have been used as the Group considers that it is impracticable for Tassal to prepare a separate set of financial statements as of 28 September.

The summarised financial information in respect of the Group's associates prepared using accounting policies in conformity to the Group is set out below:

	2013	2012
	HK$'000	HK$'000
Total assets	**3,745,671**	4,100,899
Total liabilities	**(1,556,591)**	(1,772,466)
Net assets	**2,189,080**	2,328,433
Group's share of associates' net assets	**543,513**	506,445

	2013	2012
	HK$'000	HK$'000
Revenue	**2,855,645**	3,139,581
Profit for the year	**247,377**	162,633
Group's share of profit of associates for the year	**57,540**	38,459

At 28 September 2012, the carrying amount of the Group's interest in Tassal of HK$503,354,000 was higher than its fair value of HK$366,475,000. The management of the Group carried out impairment review on the entire carrying amount of its interest in Tassal as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its entire carrying amount. In determining the value in use of the investment, the Group estimated the present value of the estimated future cash flows expected to arise from its operating activities for the next 10 years and from its ultimate disposal. The key assumptions included growth rate of Tassal of 3% to 8% for the first five years and 3% thereafter, and use of 11.5% to discount the cash flow projections to net present values. Based on the assessments, the recoverable amount of the Group's interest in Tassal exceeded its entire carrying amount at 28 September 2012. Hence, no impairment against the Group's interest in Tassal was considered necessary.

22. Other Intangible Assets

	Fishing and plant permits HK$'000	Club memberships HK$'000	Total HK$'000
Cost			
At 29 September 2011	1,457,904	23,963	1,481,867
From acquisition of subsidiaries (note 41)	221,794	–	221,794
Reclassification from property, plant and equipment (note 15)	144,207	–	144,207
At 28 September 2012	1,823,905	23,963	1,847,868
From acquisition of subsidiaries (note 41)	7,697,911	–	7,697,911
Exchange realignment	15,013	–	15,013
At 28 September 2013	9,536,829	23,963	9,560,792

Fishing and plant permits are granted by the authority in Peru. The fishing permits are attached to fishing vessels and are transferable to other vessels. Management has obtained legal advice that the fishing and plant permits do not have a finite term and remain in full force and good standing as long as the applicable legal requirements are complied with. Accordingly, the cost of fishing and plant permits is not amortised.

During the year ended 28 September 2012, the cost of acquiring the subsidiaries which owns the fishing vessels and plant (note 41) are allocated to the respective component of assets acquired on the basis of valuation report dated 16 July 2011 prepared by independent third party valuer in Peru, J.R.Z. Valuaciones S.A.C..

During the year ended 28 September 2013, the cost of acquiring the subsidiaries which owns the fishing vessels and plant (note 41) are allocated to the respective component of assets acquired on the basis of valuation report dated 13 December 2013 prepared by independent third party valuer in Peru, JRB Consultores S.A.C..

The estimation of recoverable amounts of the fishing and plant permits are included in the assessment of impairment of the CGUs of CFGI and CPI. Details of calculation of recoverable amounts of these CGUs are set out in note 18.

Club memberships have infinite life and are not amortised.

23. Other Long Term Receivables

Included in other long term receivables is a loan receivable of HK$389,181,000 (2012: HK$477,152,000) due from Asarmona. The loan is interest free and is secured by (i) 81% unlisted equity shares of two investees of which the Group holds 19% interest each and (ii) 100% equity interest in Asarmona, a wholly-owned subsidiary of one of the investees. The purpose of making the loan is to finance the working capital of the underlying operating entities held by the two investees and Asarmona. The loan was originally repayable on demand but was re-negotiated during the year ended 28 September 2012 and was agreed to be repayable after three years.

The Group's other long term receivables that are not denominated in the functional currencies of the respective entities are as follows:

	2013	2012
	HK$'000	HK$'000
Hong Kong dollars	**–**	959
Euro	**389,181**	444,850

24. Inventories

	2013	2012
	HK$'000	HK$'000
Inventories, at cost, consists of the following:		
Frozen fish and other seafood products	**980,481**	2,006,584
Fillets and portions	**810,687**	618,957
Fishmeal	**557,277**	74,302
Supplies	**35,165**	42,026
Fuel	**30,524**	23,870
Packing materials	**53,375**	50,348
	2,467,509	2,816,087

Certain inventories have been pledged as security for the financing facilities obtained from banks (note 47).

25. Trade, Bills, Other Receivables and Prepayments

	2013	2012
	HK$'000	HK$'000
Trade and bills receivables	**1,839,515**	2,261,677
Current portion of prepaid lease payments (note 17)	**1,380**	1,345
Balances with suppliers (note a)	**801,487**	874,951
Deferred expenditure (note b)	**372,629**	175,040
Prepayments for fish	**5,815,115**	6,612,173
Other receivables and prepayments	**491,921**	429,105
Loan receivable (note c)	**473,574**	–
	9,795,621	10,354,291

25. Trade, Bills, Other Receivables and Prepayments – continued

The Group maintains a defined credit policy. For sales of goods, the Group generally 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:

	2013	2012
	HK$'000	HK$'000
Less than 30 days	**615,825**	572,143
31 – 60 days	**265,130**	264,212
61 – 90 days	**226,555**	289,692
91 – 120 days	**683,314**	858,854
Over 120 days	**48,691**	276,776
	1,839,515	2,261,677

An allowance for estimated irrecoverable amount of trade receivables of HK$172,000 (2012: HK$334,000) has been determined by reference to management's estimation of irrecoverable amounts. The Group has provided fully for receivables over 180 days old based on historical experience.

At the end of the reporting period, the trade receivables past due but not impaired are as follows:

	2013	2012
	HK$'000	HK$'000
Less than 30 days	**–**	7,215
31 – 60 days	**–**	25,451
61 – 90 days	**–**	88,959
Over 90 days	**–**	68,726
Balance at end of the year	**–**	190,351

The Group does not hold any collateral over these balances and has not provided for allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable.

The directors of the Company are of the opinion that the credit quality of the remaining trade receivable balances of HK$1,839,515,000 (2012: HK$2,071,326,000) that are neither past due nor impaired at the end of the reporting period is of good quality. Bills receivable are repayable on the pre-determined date and the counterparties are mainly banks with high credit rating, therefore, the directors of the Company consider these balances are not impaired.

25. Trade, Bills, Other Receivables and Prepayments – continued

The Group's trade, bills, other receivables and prepayments that are not denominated in the functional currencies of the respective entities are as follows:

	2013 HK$'000	2012 HK$'000
United States dollars	**2,788**	2,821
Peruvian Nuevo Soles	**119,161**	63,683
Chinese Renminbi	**41**	7,842
Hong Kong dollars	**2,109**	1,192
Euro	**475,247**	6,921
Norwegian Krone	**226**	226
Danish Krone	**–**	12
Namibian dollars	**35,806**	3,517
British pounds	**500**	–

Movement in the allowance for doubtful debts

	2013 HK$'000	2012 HK$'000
Balance at beginning of the year	**334**	4,858
Written off against trade receivables during the year	**(162)**	(4,524)
Balance at end of the year	**172**	334

Notes:

a. The balances with suppliers represent advances to the suppliers to finance the working capital for the supply of fish to the Group under the LSA as disclosed in note 19.

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

The amount is interest-free and covered by the security arrangements set out in note 19.

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

c. Loan receivable represent the amount due from 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.

26. 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 full recourse to certain banks under the receivable discounting facilities, where the Group continues to recognise as the Group remains exposed to the credit risk. The Group generally allows a credit period of 30 days to 180 days to its trade customers.

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

	2013	2012
	HK$'000	HK$'000
Less than 30 days	**203,696**	233,333
31 – 60 days	**148,327**	133,384
61 – 90 days	**49,593**	62,598
91 – 120 days	**38,222**	25,490
Over 120 days	**106,359**	56,413
	546,197	511,218

Trade receivables with insurance coverage are neither past due nor impaired.

The Group's trade receivables with insurance coverage that are not denominated in the functional currencies of the respective entities are as follows:

	2013	2012
	HK$'000	HK$'000
Euro	**239,328**	14,567
British pounds	**15,316**	26,401

The bank advances drawn on discounted trade receivable with insurance coverage and discounted bills carried an average effective interest rate of approximately 2.6% (2012: 2.8%) per annum and are repayable within one year. At 28 September 2013, these bank advances include an aggregate amount of HK$61,749,000 (2012: HK$76,750,000) representing bank advances drawn by the Group on discounted trade receivables with insurance coverage of associates of the Group.

27. 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 of the Company are of the opinion that the credit quality of the trade receivables from associates is of good quality.

28. Amount due from a Jointly-Controlled Entity

The amount due from a jointly-controlled entity is unsecured, interest-free and is repayable within one year.

The details of the jointly-controlled entity are as follows:

Name of jointly-controlled entity	Principal activity/country of incorporation/place of business	Effective equity interest held by Group	
		2013	2012
Able Team Investments Limited ("Able Team")	Investment property holding/ Hong Kong/Russia	**33.3%**	33.3%

Note: The Group's jointly-controlled entity represents the 33.3% equity interest in Able Team. The following amounts are included in the financial statements of the Group as a result of proportionate consolidation of the jointly-controlled entity, Able Team.

	2013	2012
	HK$'000	HK$'000
Non-current assets	**164,357**	151,379
Current assets	**15,072**	14,735
Current liabilities	**(33,049)**	(27,648)
Non-current liabilities	**(47,519)**	(40,817)
Net assets	**98,861**	97,649

	2013	2012
	HK$'000	HK$'000
Revenue	**16,739**	11,964
Cost of sales	**(24,456)**	(20,269)
Other income	**24,132**	13,257
Finance costs	**(3,280)**	(969)
Profit before taxation	**13,135**	3,983
Taxation	**(6,365)**	(2,796)
Profit for the year	**6,770**	1,187
Other comprehensive income	**5,613**	2,939

29. Held-for-trading Investments

Held-for-trading investments represents equity securities listed outside Hong Kong.

30. Other Financial Liabilities

	2013 HK$'000	2012 HK$'000
Derivative financial instruments (note)	**105,218**	238,975
Financial guarantee contracts (note 46)	**54,000**	50,000
	159,218	288,975

Note:

The Group has entered into structured foreign currency forward contracts and cross-currency interest rate swap with banks to reduce its exposure to currency fluctuation risk of contracted and anticipated sales and payment of operating expenses which are denominated in foreign currencies and interest rate risk in relation to fixed-rate bonds. The derivatives are not accounted for under hedge accounting. At 28 September 2013, the fair value of the structured foreign currency forward contracts of HK$87,101,000 (2012: HK$218,845,000) and cross-currency interest rate swap of HK$18,117,000 (2012: HK$20,130,000), which are settled on a net basis. The major terms of the structured foreign currency forward contracts and cross-currency interest rate swap are as follows:

(i) Structured foreign currency forward contracts

Aggregate principal amounts	Maturity dates	Contracted exchange rates
At 28 September 2013		
Sell JPY 66,410,460,000	From October 2013 to July 2016	US$1 at JPY89.90 to JPY94.95
Sell Euro 194,500,000	From January 2014 to July 2015	Euro 1 at US$1.2800 to US$1.3845
Sell GBP 23,000,000	August 2015	GBP1 at US$1.6115
Sell US$430,000,000	From July 2015 to May 2016	US$1 at RMB6.40 to RMB6.70
Sell Euro 30,000,000	May 2016	Euro 1 at RMB8.55
At 28 September 2012		
Sell JPY 51,680,562,000	From October 2012 to August 2015	US$1 at JPY 73.80 to JPY 80.51
Sell Euro 434,500,000	From January 2014 to July 2015	Euro 1 at US$1.28 to US$1.36
Sell GBP 80,500,000	August 2014	GBP 1 at US$1.6270 to US$1.6310
Sell US$330,000,000	From October 2012 to June 2015	US$1 at RMB7.0

(ii) Cross-currency interest rate swap contract

At 28 September 2013 and 2012

The Group received 0.65% per annum on principal amount of RMB600,000,000 and paid London Inter-Bank Offer Rate on principal amount of US$95,238,000. The maturity date is 2 June 2014.

31. Pledged Deposits

Deposits are pledged to the banks to secure an export invoice discounting facility and short term loans granted to the Group. The interest rates on the deposits is 0.30% (2012: nil to 0.60%) per annum.

32. Bank Balances and Cash

Bank balances and cash comprises cash at bank and on hand held by the Group.

The interest rates on cash placed with financial institutions ranged from nil to 5.3% (2012: nil to 0.4%) per annum.

The Group's cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	2013	2012
	HK$'000	HK$'000
United States dollars	**106,214**	59,292
Peruvian Nuevo Soles	**104,613**	2,357
Chinese Renminbi	**3,170**	3,647
Hong Kong dollars	**2,714**	2,491
Euro	**12,911**	9,952
Singapore dollars	**2,078**	2,034
British pounds	**6,258**	2,450
Japanese Yen	**144**	242
Namibian dollars	**9,978**	854
Canadian dollars	**–**	2,819
Norwegian Kroner	**7,576**	–

33. Trade, Bills and Other Payables

	2013	2012
	HK$'000	HK$'000
Trade, bills and other payables	**2,695,283**	2,360,273
Interest payable	**94,323**	70,093
Provision for claims	**82,984**	22,843
	2,872,590	2,453,209
Included as current liabilities	**(1,465,579)**	(2,453,209)
Included as long term payables under non-current liabilities	**1,407,011**	–

Long term payables include payables to fish suppliers of HK$1,170,000,000, which are interest free, unsecured and repayable on the 24th month from the date of the agreement dated 27 September 2013.

33. Trade, Bills and Other Payables – continued

Included in trade, bills and other payables are trade and bills payables of HK$1,126,503,000 (2012: HK$2,088,366,000). The average credit period on purchase of goods is 30 days (2012: 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:

	2013 HK$'000	2012 HK$'000
Less than 30 days	**302,070**	1,687,606
31 – 60 days	**159,646**	227,196
61 – 90 days	**21,420**	154,510
Over 90 days	**643,367**	19,054
	1,126,503	2,088,366

The Group's trade, bills and other payables that are not denominated in the functional currencies of the respective entities are as follows:

	2013 HK$'000	2012 HK$'000
United States dollars	**226,585**	94,152
Peruvian Nuevo Soles	**97,365**	108,480
Chinese Renminbi	**15,766**	16,348
Hong Kong dollars	**7,637**	1,473
Euro	**3,309**	5,079
Singapore dollars	**927**	424
British pounds	**210**	337
Japanese Yen	**896**	1,625
Norwegian Krone	**1,637**	1,056
Danish Krone	**–**	2,743
Namibian dollars	**9,888**	22

34. Obligations under Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**37,541**	39,798	**30,151**	29,555
In more than one year but not more than two years	**4,375**	37,541	**3,666**	30,151
In more than two years but not more than three years	**–**	4,375	**–**	3,666
	41,916	81,714	**33,817**	63,372
Less: future finance charges	**(8,099)**	(18,342)	**–**	–
Present value of lease obligations	**33,817**	63,372	**33,817**	63,372
Less: Amount due within one year shown under current liabilities			**(30,151)**	(29,555)
Amount due after one year			**3,666**	33,817

As at 28 September 2013, certain of its plant and machineries were held under finance leases and the effective borrowing rate is 8.06% (2012: 8.49%) per annum. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All finance lease obligations are denominated in United States dollars, the functional currency of the relevant group entities.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets (note 15).

35. Bank Borrowings

	2013 HK$'000	2012 HK$'000
Bank borrowings comprise:		
Trust receipt loans	**5,044,337**	4,435,519
Club loan	**1,868,455**	2,169,818
Mortgage loans	**151,216**	162,396
Other bank loans	**5,242,694**	2,640,491
Bank overdrafts	**26,753**	17,317
	12,333,455	9,425,541
Less: issuing costs	**(33,919)**	(80,447)
	12,299,536	9,345,094
Analysed as:		
Secured	**1,529,179**	1,206,042
Unsecured	**10,770,357**	8,139,052
	12,299,536	9,345,094
The maturity of bank borrowings is as follows:		
Within one year	**10,601,307**	7,114,896
In the second year	**1,560,951**	1,146,085
In the third year	**3,354**	949,166
In the fourth year	**3,644**	6,229
In the fifth year	**3,828**	1,095
Over 5 years	**7,788**	–
	12,180,872	9,217,471
Carrying amount of bank borrowings that are not repayable within one year from the end of the reporting period but contain repayable on demand clause (shown under current liabilities)	**118,664**	127,623
	12,299,536	9,345,094
Less: Amount shown under current liabilities	**(10,719,971)**	(7,242,519)
	1,579,565	2,102,575

35. Bank Borrowings – continued

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2013 **HK$'000**	2012 HK$'000	**2013**	2012
Effective interest rate:				
Fixed-rate borrowings	**23,781**	23,438	**9.80% to 10.00%**	8.50% to 11.50%
Variable-rate borrowings	**12,275,755**	9,321,656	**1.37% to 6.90%**	2.13% to 7.50%

The mortgage loans bear interest at 2.25% below the Hong Kong dollars Prime lending rate in Hong Kong and are repriced on a monthly basis.

On 30 April 2012, the Group obtained an unsecured term loan amounting to US$100,000,000 (approximately HK$780,000,000) which carries an annual interest margin of LIBOR plus 3.5% per annum and is repayable in 5 installments with the first installment repayable in May 2013.

During the year ended 28 September 2013, the Group obtained a term loan amounting to US$354,300,000 (approximately HK$2,763,540,000) bearing interest at London Inter-Bank Offer Rate plus 2.5% per annum and repayable in 2014.

The Group's bank borrowings that are not denominated in the functional currencies of the respective entities are as follows:

	2013 **HK$'000**	2012 HK$'000
United States dollars	**768,326**	702,136
Hong Kong dollars	**45,753**	40,679
Euro	**271,886**	4,211

36. Bonds

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

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

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

During the year ended 28 September 2012, a principal amount of RMB30,000,000 (approximately HK$37,127,000) was purchased from market at a consideration RMB26,175,000 (approximately HK$33,352,000) resulting in a gain on repurchase of bonds of HK$4,000,000.

At 28 September 2013, the outstanding principal of the bonds amounted to RMB570,000,000 (approximately HK$726,539,000) (2012: RMB570,000,000 (approximately HK$701,328,000)).

37. 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 Notes are listed on the Singapore Exchange Securities Trading Limited. They are unsecured and guaranteed by a subsidiary, China Fishery Group Limited ("China Fishery") and certain subsidiaries of China Fishery. The guarantees are effectively subordinated to secured obligations of each guarantor, to the extent of the value of assets serving as security.

Prior to 30 July 2016, CFGI may redeem the Notes in whole or, subject to certain conditions, in part at the principal amount of the Notes plus accrued interest to the redemption date and a "make-whole" premium. On or after 30 July 2016, CFGI may redeem the Notes in whole or in part at the principal amount of the Notes plus an applicable premium and accrued interest provided that any partial redemption shall not result in less than US$100 million (approximately HK$780 million) of outstanding Notes. At any time prior to and up to 30 July 2016, CFGI may redeem up to 35% of the Notes, with net cash proceeds from issue of ordinary shares of China Fishery or sale of ordinary shares of CFGI, at the redemption price equal to 109.75% of the principal amount of the Notes plus accrued and unpaid interests, if any, as of the redemption date.

The Notes contained certain covenants that limited China Fishery's ability of certain subsidiaries to, among other things:

- incur or guarantee additional indebtedness and issue disqualified or preferred shares;
- declare dividends or purchase or redeem shares;
- make investments or other specified restricted payments;
- issue or sell shares of certain subsidiaries;
- sell assets or create any lien; and
- enter into sale and leaseback transactions.

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 at 28 September 2013, accumulated amortisation amounted to US$1,668,000 (approximately HK$13,012,000) (2012: US$182,000 (approximately HK$1,422,000)).

During the year ended 28 September 2012, a total principal amount of US$12,000,000 (approximately HK$93,600,000) of Notes was purchased from market at a consideration of US$10,385,000 (approximately HK$81,003,000), resulting in a gain on purchase of Notes of HK$7,378,000. At 28 September 2013, the outstanding principal of the Notes amounted to US$288,000,000 (approximately HK$2,246,400,000) (2012: US$288,000,000 (approximately HK$2,246,400,000)).

Since the trading volume of the Notes in public market is low, management considered that the market price at 28 September 2013 may not be representative of the fair value of the Notes. Management estimates the fair value of the Notes at 28 September 2013 to be approximately HK$2,126,982,000 (2012: HK$1,816,996,000). The fair value has been calculated by assuming redemption on 30 July 2019, using effective interest rate of 14.19% per annum with reference to the US Treasury Zero Coupon Bonds and holding the credit risk margin constant.

CPI, a subsidiary of Copeinca ASA ("Copeinca") which is acquired by the Group during the current year, has 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.

37. Senior Notes – continued

Prior to 10 February 2014, CPI may redeem the CPI Notes in whole or, subject to certain conditions, in part at the principal amount of the CPI Notes plus accrued interest to the redemption date with an applicable premium. On or after 10 February 2014, CPI may redeem the CPI Notes in whole or in part at the principal amount of the CPI Notes plus an applicable premium and accrued interest provided that any partial redemption shall not results in less than US$100,000 (approximately HK$780,000) of outstanding CPI Notes. At any time prior to and up to 10 February 2013, CPI may redeem up to 35% of the CPI Notes at a redemption price equal to 109% of the principal amount of the CPI Notes plus accrued and unpaid interest, if any, as of the redemption date.

The CPI Notes contained certain covenants that limited Copeinca's ability and the ability of certain subsidiaries' abilities to, among other things:

- incur or guarantee additional indebtedness and issue disqualified or preferred shares;
- declare dividends or purchase or redeem shares;
- make investments or other specified restricted payments;
- issue or sell shares of certain subsidiaries;
- sell assets or create any lien; and
- enter into sale and leaseback transactions.

Management estimated the fair value of the CPI Notes at 28 September 2013 to be approximately US$251,250,000 (approximately HK$1,959,750,000). The fair value has been calculated based on the bid price extracted from Bloomberg as at 28 September 2013.

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 9.59% per annum and increasing the net carrying amount of the CPI Notes with the corresponding amount. As at 28 September 2013, accumulated amortisation amounted to US$112,000 (approximately HK$874,000).

38. Deferred Taxation

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation	Fair value adjustment (note)	Tax losses	Others	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 29 September 2011					
– as previously stated	122,005	513,701	(16,953)	(15,834)	602,919
– prior year adjustment (note 2)	(8,852)	–	–	–	(8,852)
– as restated	113,153	513,701	(16,953)	(15,834)	594,067
Acquisition of subsidiaries (note 41)	–	48,468	–	–	48,468
Change (credit) to profit or loss	5,895	(75,300)	(1,545)	2,353	(68,597)
Charge to other comprehensive income	4,904	–	–	–	4,904
Exchange realignment	2,561	–	–	–	2,561
At 28 September 2012 (restated)	126,513	486,869	(18,498)	(13,481)	581,403
Acquisition of subsidiaries (note 41)	–	2,048,216	–	–	2,048,216
Change (credit) to profit or loss	4,328	(53,157)	(1,111)	–	(49,940)
Charge to other comprehensive income	39,830	–	–	–	39,830
Exchange realignment	(3,019)	5,748	–	–	2,729
At 28 September 2013	167,652	2,487,676	(19,609)	(13,481)	2,622,238

Note: Being deferred tax effect on fair value adjustments of fishing and plant permits on business combination.

38. Deferred Taxation – continued

At the end of the reporting period, the Group has unutilised estimated tax losses of HK$231,275,000 (2012: HK$273,333,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$118,845,000 (2012: HK$112,109,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$112,430,000 (2012: HK$161,224,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK$62,690,000 that will gradually expire until 2019 (2012: HK$102,420,000 that will gradually expire until 2018). During the year, no unutilised tax losses expired (2012: nil). Other losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of HK$5,529,000 (2012: HK$6,354,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the New Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

39. Share Capital

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.10 each		
Authorised:		
At 29 September 2011, 28 September 2012 and 28 September 2013	4,000,000,000	400,000
Issued and fully paid:		
At 29 September 2011	3,147,850,033	314,785
Issue of shares in respect of vested share awards	195,757	20
Issue of shares as rights issue	1,574,022,895	157,402
At 28 September 2012 and 2013	4,722,068,685	472,207

On 16 January 2012, the Company issued 195,757 new ordinary shares of HK$0.10 each at an issue price of HK$0.70 per share in relation to the share awards vested during the year.

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

40. Share Option Scheme and Share Award Plan

Share option scheme

On 9 September 2004, the Company adopted a share option scheme (the "Scheme"). The Scheme is to provide 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. Under the terms of the Scheme, which was adopted on 9 September 2004 and will expire on 8 September 2014, the Board may grant options to any individual being an employee, officer, agent, consultant or representative of the Company or any other members of the Group (including any executive, non-executive and independent non-executive director of any member of the Group) based on his work experience, knowledge in the industry and other relevant factors to subscribe for the shares in the Company (the "Shares"). The subscription price for the Shares under the options to be granted under the Scheme will be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the option, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the option; and (c) the nominal value of the Shares.

The exercisable period will be determined by the Board and in any event must not be more than 10 years from the date of the grant of the option. The total number of Shares issued and which may be issued upon exercise of all options (whether exercised, cancelled or outstanding) granted under the Scheme and any other share option scheme(s) of any member of the Group in any 12-month period immediately preceding any proposed date of the grant of options to each participant must not exceed 1% of shares in issue as at the proposed grant date.

No option has been granted since the adoption of the Scheme.

Share award plan

The Company adopted a share award plan ("Plan") on 28 October 2006 for the benefit of the directors and the employees of the Group.

The Plan is administered by the Remuneration Committee of the Company, currently comprising Kwok Lam Kwong, Larry, Lew V Robert, Tao Kwok Lau, Clement, Ng Joo Siang and Ng Joo Puay, Frank.

The Remuneration Committee may determine in its sole discretion to grant shares to participants of the Plan. 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, at the discretion of the employer, 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.

The number of shares in respect of which share award had been granted on 16 January 2009 under the Plan, to the employees of the Group was 7,009,801 representing 0.4% of the shares of the Company in issue at that date. The number of shares forfeited as a result of termination of employees amounted to 1,125,800 as at 28 September 2011. The remaining outstanding was 5,884,001, representing 0.2% of the shares of the Company in issue at 28 September 2011. The share awards were vested on 16 January 2012 upon satisfaction of specified service condition. During the year ended 28 September 2012, the number of shares forfeited as a result of termination of employees was 13,206. The vested share awards were satisfied by issue of 195,757 new ordinary shares of the Company. During the last year, the remaining share awards was settled by payment of cash equivalent value of 5,675,038 shares of the Company.

40. Share Option Scheme and Share Award Plan – continued

Share award plan – continued

The number of shares in respect of which share award had been granted on 3 March 2010 under the Plan, to the employees of the Group was 1,087,998, representing 0.04% of the shares of the Company in issue at that date. The number of shares forfeited as a result of termination of employees amounted to 207,241 at 28 September 2012. The remaining outstanding was 880,757, representing 0.02% of the shares of the Company in issue at 28 September 2012. The share awards was vested on 31 December 2012 upon satisfaction of specified service condition. During the year, vested share awards was settled by payment of cash equivalent value of shares of the Company.

The number of shares in respect of which share award had been granted on 31 December 2010 under the Plan, to the employees of the Group was 262,895, representing 0.009% of the shares of the Company in issue at that date. The number of shares forfeited as result of termination of employees was 185,473 at 28 September 2012, respectively. The remaining outstanding was 77,422, representing 0.002% of the shares of the Company in issue at 28 September 2012. The share awards will be vested on 31 December 2013 upon satisfaction of specified service condition. All the share awards have been forfeited during the year ended 28 September 2013.

The total number of shares in respect of which award may be granted under the Scheme is not permitted to exceed 5% of the shares of the Company in issue at any point in time. The estimated fair value of the award granted on 16 January 2009, 3 March 2010 and 31 December 2010 is insignificant to the Group. The key inputs to fair value include expected volatility and expected life.

Expected volatility was determined by using the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

41. Acquisition of Subsidiaries

The Group acquired the following subsidiaries during the years ended 28 September 2013 and 2012 and accounted for these acquisitions using the acquisition method of accounting:

(i) 28 September 2013

During the year, the Group acquired 99.1% equity interest in Copeinca, Peru's second largest fishing company listed on the Oslo Børs with a secondary listing on the Lima Stock Exchange. The acquisition was completed on 30 August 2013.

The Group acquired Copeinca primarily to expand the Peruvian fishmeal operation under Fishery and Fish supply division.

(a) Consideration transferred (at acquisition date fair values)

	Total HK$'000
Cash consideration	6,143,981

41. Acquisition of Subsidiaries – continued

(i) 28 September 2013 – continued

(b) Assets acquired and liabilities assumed at the date of acquisition

	Total
	HK$'000
Property, plant and equipment (note 15)	1,704,364
Other intangible assets (note 22)	7,697,911
Inventories	573,214
Trade, bills, other receivables and prepayments	453,842
Tax recoverable	56,297
Bank balances and cash	398,790
Trade, bills, and other payables	(137,378)
Taxation	(35,582)
Bank borrowings	(10,046)
Senior notes	(1,949,211)
Deferred taxation (note 38)	(2,048,216)
Provisional fair value of net identifiable assets acquired	6,703,985

The provisional fair value of trade and other receivables at the date of acquisition amounted to HK$453,842,000 and equal to the gross amount. There are no contractual cash flows not expected to be collected.

(c) Gain on bargain purchase arising on acquisition

	Total
	HK$'000
Cash consideration	6,143,981
Add: Non-controlling interests	60,420
Less: Provisional fair value of net identifiable assets acquired	(6,703,985)
Gain on bargain purchase on acquisition credited to profit or loss	(499,584)

In relation to above acquisition, as the Group has made competitive offer price in acquiring the shares of Copeinca from the existing shareholders. The intrinsic value of the fishing and plant permit has not been reflected by the market price and also the offer price made by the Group. After re-assessment by the management of the Group, the fair value of net identifiable assets exceeds the purchase consideration, resulting in the bargain purchase gain.

The initial accounting for the acquisition of Copeinca has only been provisionally determined as the acquisition occurred close to the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary valuations and other calculations to assess the fair value for the items listed above had not been finalised and they have therefore only been provisionally determined based on the management's best estimate of the likely values.

41. Acquisition of Subsidiaries – continued

(i) 28 September 2013 – continued

(d) Net cash outflow on acquisition of subsidiaries

	2013 HK$'000
Total consideration paid in cash	**6,143,981**
Less: Bank balances and cash	**(398,790)**
	5,745,191

(e) During the year ended 28 September 2013, the acquisition of the subsidiary resulted in inclusion of post-acquisition revenue of HK$246 million and profit of HK$56 million in the Group's consolidated financial statements.

Had the acquisition been completed on 29 September 2012, total Group revenue for the year would have been HK$14,653 million, and profit for the year would have been HK$607 million. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 29 September 2012, nor is it intended to be a projection of future results.

(ii) 28 September 2012

Subsidiaries incorporated in Peru	**Date of acquisition**
Consorcio Vollmacht S.A.C.	7 November 2011
Negocios Rafmar S.A.C.	7 November 2011
Pesqueros del Pacifico S.A.C.	14 June 2012
Inversiones Pesqueras West S.A.C.	14 June 2012
Subsidiary incorporated in Namibia	**Date of acquisition**
Brandberg Namibia Investments Company (Proprietary) Limited	5 March 2012

The Group acquired the subsidiaries primarily to achieve higher operating efficiencies of Peruvian fishmeal operation under Fishery and Fish supply division.

41. Acquisition of Subsidiaries – continued

(ii) 28 September 2012 – continued

(a) Consideration transferred (at acquisition date fair values)

	Consorcio Vollmacht S.A.C. HK$'000	Negocios Rafmar S.A.C. HK$'000	Inversiones Pesqueras West S.A.C. HK$'000	Pesqueros del Pacifico S.A.C. HK$'000	Brandberg Namibia Investments Company (Proprietary) Limited HK$'000	Total HK$'000
Cash consideration	49,452	154,600	31,428	*	*	235,480

* Amount less than HK$1,000.

(b) Assets acquired and liabilities assumed at the date of acquisition

	Consorcio Vollmacht S.A.C. HK$'000	Negocios Rafmar S.A.C. HK$'000	Inversiones Pesqueras West S.A.C. HK$'000	Pesqueros del Pacifico S.A.C. HK$'000	Brandberg Namibia Investments Company (Proprietary) Limited HK$'000	Total HK$'000
Property, plant and equipment (note 15)	–	46,692	47,931	–	–	94,623
Other intangible assets (note 22)	79,076	142,718	–	–	–	221,794
Inventories	–	–	1,799	–	–	1,799
Other receivables and prepayments	–	16,848	5,205	–	–	22,053
Bank balances and cash	–	–	2,000	–	–	2,000
Trade and other payables	(19,851)	(62,049)	(5,635)	–	–	(87,535)
Deferred taxation (note 38)	(23,002)	(25,466)	–	–	–	(48,468)
Fair value of net identifiable assets acquired	36,223	118,743	51,300	–	–	206,266

41. Acquisition of Subsidiaries – continued

(ii) 28 September 2012 – continued

(c) Goodwill (gain on bargain purchase) arising on acquisition

	Consorcio Vollmacht S.A.C. HK$'000	Negocios Rafmar S.A.C. HK$'000	Inversiones Pesqueras West S.A.C. HK$'000	Pesqueros del Pacifico S.A.C. HK$'000	Brandberg Namibia Investments Company (Proprietary) Limited HK$'000	Total HK$'000
Cash consideration	49,452	154,600	31,428	–	–	235,480
Less: Fair value of net identifiable assets acquired	(36,223)	(118,743)	(51,300)	–	–	(206,266)
Goodwill arising on acquisitions (note 18)	13,229	35,857	–	–	–	49,086
Gain on bargain purchase on acquisition credited to profit or loss	–	–	(19,872)	–	–	(19,872)

The fair values of identifiable assets of Consorcio Vollmacht S.A.C. and Negocios Rafmar S.A.C. were initially determined on a provisional basis. During the year ended 28 September 2013, the Group completed the valuation of the net identifiable assets of the acquiree. No adjustment was made to the fair values of identifiable assets and liabilities. Goodwill arose in these acquisitions because the cost of the acquisition included a control premium. In addition, the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected synergies, revenue growth, and future market development of Peruvian fishmeal operation under Fishery and Fish Supply division. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

In relation to acquisition of Inversiones Pesqueras West S.A.C., as the purchase consideration was fixed and agreed upon with the vendors based on a certain multiple of the net assets of the acquiree prior to the date of acquisition ("acquisition contract date"), the increase in value of the net identifiable assets during the period from the acquisition contract date to the date of acquisition is not reflected in the pre-determined purchase consideration. After re-assessment by the management of the Group, the fair value of net identifiable assets exceeds the purchase consideration, resulting in the bargain purchase gain.

(d) Net cash outflow on acquisition of subsidiaries

	2012 HK$'000
Total consideration paid in cash	235,480
Less: Bank balances and cash	(2,000)
	233,480

41. Acquisition of Subsidiaries – continued

(ii) 28 September 2012 – continued

(e) Impact of acquisition on the results of the Group

During the year ended 28 September 2012, the acquisition of the subsidiaries resulted in inclusion of post-acquisition revenue of HK$873,600 and loss of HK$6,474,000 in the Group's consolidated financial statements.

It is not practicable to estimate the change in revenue and operating results for the Group had the above acquisitions being effected at the beginning of the financial year as financial information of the acquirees prior to the acquisitions has not been prepared based on Hong Kong Financial Reporting Standards.

42. Acquisition of Assets

During the financial year, the Group acquired the entire issued share capital of J. Wiludi & Asociados Consultores En Pesca S.A.C. which own a fishing vessel for a consideration of HK$19,500,000. The transaction was determined by management to be an acquisition of assets rather than a business combination as defined in HKFRS 3 (Revised) *Business Combinations*.

43. Retirement Benefits Scheme

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those funds of the Group under the control of trustees. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

Employees of the subsidiaries in the PRC, the United States, Singapore, Japan and Peru are members of pension schemes operated by the respective governments and private sectors. The subsidiaries are required to contribute a certain percentage of the relevant part of the payroll of these employees to the pension schemes to fund the benefits. The only obligation for the Group with respect to the pension schemes is the required contributions under the pension schemes.

44. Operating Lease Arrangements

The Group as lessee

	2013 **HK$'000**	2012 HK$'000
Minimum lease payments paid and expensed during the year:		
Amortisation of prepayment to suppliers	**–**	172,640
Fixed prepayment to suppliers	**–**	163,987
Variable charter hire	**–**	35,420
Rental of premises	**10,936**	19,893
	10,936	391,940

44. Operating Lease Arrangements – continued

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2013	2012
	HK$'000	HK$'000
Within one year	**5,069**	3,825
In the second to fifth years inclusive	**9,190**	8,134
After five years	**2,698**	2,149
	16,957	14,108

Leases for premises are negotiated with lease terms between 1 to 7 years.

The Group as lessor

Rental income earned from properties during the year were HK$15,544,000 (2012: HK$12,454,000). Certain of the Group's investment properties and a portion of its freehold building and equipment in Peru have committed tenants ranging from one to five years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments in respect of investment properties and a portion of its freehold building and equipment which fall due as follows:

	2013	2012
	HK$'000	HK$'000
Within one year	**8,622**	7,460
In the second to fifth years inclusive	**7,772**	6,319
After five years	**1,931**	2,219
	18,325	15,998

45. Commitments

	2013	2012
	HK$'000	HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**111,115**	99,091

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

In addition, the Group has ongoing commitment to pay fixed price for the supply of fish of US$12,000 (approximately HK$93,600) per vessel per calender day for 6 fishing vessels under the fourth LSA entered into with Perun (the "Fourth LSA") up to 31 December 2012.

46. Contingent Liabilities

Certain subsidiaries of the Group are parties to legal processes in Peru with potential claims amounting to US$29,925,000 (approximately HK$233,415,000) (2012: US$3,798,000 (approximately HK$29,629,000)). These relate to environmental matters, employment disputes and miscellaneous claims. The Group's legal advisor has advised that US$10,639,000 (approximately HK$82,984,000) (2012: US$2,928,000 (approximately HK$22,843,000)) of these claims is likely to have unfavourable outcome for the Group and the outcome for claims of US$19,286,000 (approximately HK$150,431,000) (2012: US$870,000 (approximately HK$6,786,000)) cannot be reasonably ascertained. Additionally, there are claims which the legal advisor has opined to have remote chances of resulting in unfavourable outcomes for the Group. At the end of the reporting period, the Group had made a provision of US$10,639,000 (approximately HK$82,984,000) (2012: US$2,928,000 (approximately HK$22,843,000))) for these claims where the outcome is likely to be unfavourable to the Group.

At 28 September 2013, the Group provided guarantees of Euro110,000,000 (approximately HK$1,148,000,000) (2012: Euro110,000,000 (approximately HK$1,089,000,000)) to banks with the option to increase by a maximum amount of Euro 30,000,000 (approximately HK$313,000,000) (2012: Euro 30,000,000 (approximately HK$297,000,000)) in respect of the facility guarantee. In addition, the Group has provided operational guarantee in favour of the wholly-owned operating entities held by Asarmona (see Note 5b (iii)). Details of the arrangements are set out in the Company's circular dated 22 June 2012. At 28 September 2013, an amount of HK$54,000,000 (2012: HK$50,000,000) has been recognised in the consolidated statement of financial position as liabilities.

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

47. Pledge of Assets

(a) At 28 September 2013, the Group has pledged land and buildings and investment properties with aggregate carrying values of approximately HK$321,930,000 (2012: HK$343,000,000) and HK$351,811,000 (2012: HK$341,095,000) respectively, as collateral for mortgage loans granted to the Group by certain banks. In addition to the above, inventories of a subsidiary in the United States of America of HK$297,834,000 (2012: HK$340,188,000) were pledged as security for general banking facilities arranged for that subsidiary.

(b) At 28 September 2013, deposits amounting to HK$111,000 (2012: HK$207,000) are pledged to a bank to secure an export invoice discounting facility granted to the Group.

(c) At 28 September 2013, inventories of fishmeal of HK$63,885,000 (2012: HK$41,255,000) and inventories of frozen fish and fillets amounting to HK$205,341,000 (2012: HK$76,454,000) were also pledged as security for the revolving inventory financing facilities obtained from banks.

(d) At 28 September 2013, the obligations under finance leases were secured by the lessors' title to the leased property, plant and equipment of a subsidiary in Peru with carrying values of HK$26,463,000 (2012: HK$28,409,000).

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

48. Transfer of Financial Assets

The following were the financial assets of the Group (measured at amortised cost) transferred to banks, which did not qualify for derecognition in their entirety, at the end of the reporting periods:

Trade receivables with insurance coverage discounted to banks with recourse:

	2013 HK$'000	2012 HK$'000
Carrying amount of transferred assets	**546,197**	511,218
Carrying amount of associated liabilities	**547,697**	493,078

Under the above arrangements, the Group transferred the contractual rights to receive cash flows from the trade receivables with insurance coverage and bills receivables to certain banks by discounting them for cash on a full recourse basis. Therefore, the directors of the Company consider the Group retained substantially all of the risk and rewards of ownership of the trade receivables with insurance coverage and bills receivables and continued to recognise the trade and bills receivables in the consolidated statement of financial position. Associated liabilities have been recognised and included in bank advances drawn on discounted trade receivables with insurance coverage and discounted bills.

49. Related Party Transactions

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

	2013 HK$'000	2012 HK$'000
Sales of frozen seafood	**599,010**	717,906
Purchases of frozen seafood	**20,707**	35,574
Agency income	**9,690**	10,311

(b)

	2013 HK$'000	2012 HK$'000
Bank advances drawn by the Group on discounted trade receivables with insurance coverage of:		
– associates of the Group	**61,749**	76,750
The above advances are secured by trade receivables of:		
– associates of the Group	**68,610**	85,277

50. Particulars of Principal Subsidiaries

Particulars of the Company's principal subsidiaries as at 28 September 2013 and 2012 are as follows:

Name	Place/ country of incorporation or registration/ operation	Issued and fully paid-up capital/ contributed capital	Proportion of nominal value of issued capital held by the Company/ subsidiaries 2013 %	2012 %	attributable to the Group 2013 %	2012 %	Principal activities
Aqua Foods (Qingdao) Co., Ltd.	PRC (note a)	Registered US$5,000,000	**100**	100	**100**	100	Seafood processing
Bonaire Developments Limited	British Virgin Islands/Hong Kong	Ordinary US$1	**100**	100	**100**	100	Property holding
CFG Investment S.A.C. ("CFGI")	Peru	Registered US$5,000,300	**71**	71	**38**	38	Fishing and fishmeal processing
Copeinca ASA (note d)	Norway	Ordinary NOK351,000,000	**99**	–	**38**	–	Investment holding
Champion Shipping Limited	British Virgin Islands/Worldwide	Ordinary US$1	**100**	100	**66**	66	Vessel holding
Coporacion Pesquera Inca S.A.C. ("CPI")	Peru	Registered Peruvian Nuevo Soles 457,417,784	**99**	–	**38**	–	Operation of fishing vessels and fishmeal plants, sales of fish and marine catches, fishmeal and fish oil
Chasterton Group Limited	British Virgin Islands/Hong Kong	Ordinary US$1	**100**	100	**100**	100	Property holding
China Fishery Group Limited (note c)	Cayman Islands	Ordinary 2013: US$102,317,728 2012: US$51,158,864	**71**	71	**38**	38	Investment holding
China Fisheries International Limited	Samoa/Worldwide	Ordinary US$1,000	**71**	71	**38**	38	Management and operation of fishing vessels and sales of fish and other marine catches
Clamford Holding Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	**100**	100	**100**	100	Investment holding
Europaco Limited	British Virgin Islands/ Worldwide	Ordinary US$1	**100**	100	**100**	100	Trading of processed seafood products
Europaco (AP) Limited	British Virgin Islands/ Worldwide	Ordinary US$1	**100**	100	**100**	100	Trading of processed seafood products

50. Particulars of Principal Subsidiaries – continued

Name	Place/ country of incorporation or registration/ operation	Issued and fully paid-up capital/ contributed capital	Proportion of nominal value of issued capital held by the Company/ subsidiaries 2013 %	2012 %	attributable to the Group 2013 %	2012 %	Principal activities
Europaco (EP) Limited	British Virgin Islands/ Worldwide	Ordinary US$1	**100**	100	**100**	100	Trading of processed seafood products
Europaco (HP) Limited	Hong Kong/Worldwide	Ordinary HK$2	**100**	100	**100**	100	Trading of processed seafood products
Europaco (QP) Limited	Samoa/Worldwide	Ordinary US$1	**100**	100	**100**	100	Trading of processed seafood products
Fastact Group Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	**100**	100	**100**	100	Property holding
Glorious Ocean Limited	Hong Kong/Hong Kong	Ordinary HK$2	**100**	100	**100**	100	Property holding, provision of treasury and administrative services
Grandluck Enterprises Limited	Hong Kong/Hong Kong	Ordinary US$1	**100**	100	**100**	100	Property holding
National Fish and Seafood Limited	Hong Kong/Worldwide	Ordinary HK$2	**100**	100	**60**	60	Trading of frozen seafood products
National Fish & Seafood Inc.	USA/Worldwide	Ordinary US$10,000	**60**	60	**60**	60	Trading and processing of frozen seafood products
Nouvelle Foods International Limited	British Virgin Islands/Worldwide	Ordinary US$1	**100**	100	**100**	100	Trading of processed seafood products
Pacific Andes Enterprises (BVI) Limited	British Virgin Islands/ Worldwide	Ordinary US$1	**100**	100	**66**	66	Trading of frozen seafood products
Pacific Andes Enterprises (Hong Kong) Limited	Hong Kong/Hong Kong	Ordinary HK$200 Non-voting deferred HK$10,000,000 (note b)	**100**	100	**100**	100	Property holding, provision of treasury and administrative services and trading of frozen seafood products
Pacific Andes Food (Hong Kong) Company Limited	Hong Kong/Hong Kong	Ordinary HK$10,000	**100**	100	**66**	66	Provision of treasury and administrative services
Pacific Andes Food Limited	PRC (note a)	Registered US$117,000,000	**100**	100	**100**	100	Seafood processing

50. Particulars of Principal Subsidiaries – continued

Name	Place/ country of incorporation or registration/ operation	Issued and fully paid-up capital/ contributed capital	Proportion of nominal value of issued capital held by the Company/ subsidiaries 2013 %	2012 %	attributable to the Group 2013 %	2012 %	Principal activities
Pacific Andes Food (BVI) Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	**100**	100	**100**	100	Investment holding
Pacific Andes Resources Development Limited ("PARD") (note c)	Bermuda/Singapore	Ordinary S$239,549,617	**66**	66	**66**	66	Investment holding
Pacific Andes International Holdings (BVI) Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	**100**	100	**100**	100	Investment holding
Pacific Andes Treasury Management Limited	Hong Kong/Hong Kong	Ordinary HK$10,000,000	**100**	100	**100**	100	Provision of treasury services
Pacos Processing Limited	Cayman Island/ Worldwide	Ordinary US$1	**100**	100	**100**	100	Trading of processed seafood products
Pacos Trading Limited	Cayman Island/ Worldwide	Ordinary US$1	**100**	100	**66**	66	Investment holding
Paco Alpha Limited	British Virgin Islands/ Worldwide	Ordinary US$1	**100**	100	**66**	66	Vessel holding
Paco Beta Limited	British Virgin Islands/ Worldwide	Ordinary US$1	**100**	100	**66**	66	Trading of marine fuel
Parkmond Group Limited	British Virgin Islands/ Worldwide	Ordinary US$1	**100**	100	**66**	66	Trading of frozen seafood products
Pelican Food Limited	British Virgin Islands/ Worldwide	Ordinary US$100	**100**	100	**100**	100	Investment holding
Qingdao Canning Foodstuff Co. Ltd.	PRC (note a)	Registered US$12,100,000	**100**	100	**100**	100	Seafood processing
Sevenseas Enterprises Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	**100**	100	**100**	100	Property holding
Xinxing Foodstuffs (Qingdao) Company Limited	PRC (note a)	Registered US$910,000	**100**	100	**100**	100	Seafood processing
青島太平洋恩利國際貿易有限公司	PRC (note a)	Registered RMB30,000,000	**100**	100	**100**	100	Trading of seafood products

50. Particulars of Principal Subsidiaries – continued

Notes:

(a) The subsidiaries are wholly foreign owned enterprises registered in the PRC.

(b) The non-voting deferred shares carry practically no rights to dividends nor receive notice of nor to attend or vote at any general meeting of the relevant company nor to participate in any distribution on winding up.

(c) The subsidiaries are listed on the Singapore Exchange Securities Trading Limited.

(d) The subsidiary is listed on the Oslo Stock Exchange of Norway with a secondary listing on Bolsa de Valores de Lima (being the stock exchange in Peru).

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the year or constituted a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Except for PARD which has issued bonds (note 36), CFGI and CPI which has issued senior notes (note 37), none of the subsidiaries had any debt securities outstanding at the end of the reporting period.

51. Particulars of Principal Associates

Particulars of the Group's principal associates as at 28 September 2013 and 2012 are as follows:

Name	Forms of business structure	Place of incorporation	Attributable proportion of nominal value of issued/ registered capital held by the Company 2013 %	2012 %	Principal activities
Global Research Group Inc.	Incorporated	British Virgin Islands	**50**	50	Investment holding
Global Research Services Inc.	Incorporated	British Virgin Islands	**50**	50	Provision of interactive electronic data base
Pacos Processing Limited	Incorporated	Republic of Cyprus	**20**	20	Trading of processed seafood products
Paco-EP Limited	Incorporated	Republic of Cyprus	**20**	20	Trading of processed seafood products
Paco-GP Limited	Incorporated	Republic of Cyprus	**20**	20	Trading of processed seafood products
Paco-HP Limited	Incorporated	Republic of Cyprus	**20**	20	Trading of processed seafood products
Pacos (QP) Limited	Incorporated	Republic of Cyprus	**20**	20	Trading of processed seafood products

51. Particulars of Principal Associates – continued

Name	Forms of business structure	Place of incorporation	Attributable proportion of nominal value of issued/ registered capital held by the Company 2013 %	2012 %	Principal activities
Pacos Trading Limited	Incorporated	Republic of Cyprus	**13***	13*	Provision of shipping services
Paco (ET) Limited	Incorporated	Republic of Cyprus	**13***	13*	Inactive
Paco (GT) Limited	Incorporated	Republic of Cyprus	**13***	13*	Inactive
Paco (HT) Limited	Incorporated	Republic of Cyprus	**13***	13*	Inactive
Tassal	Incorporated	Australia	**23**	23	Hatching, farming, processing, sales and marketing of Atlantic salmon

* The Group is able to exercise significant influence because these companies are associates of Pacos Trading Limited (Cayman), a wholly owned subsidiary of PARD which owned 20% interests on them, and Pacos Trading Limited (Cayman) is able to exercise significant influence on these associates.

52. Events After the Reporting Period

On 8 November 2013, the Group's subsidiary, Grand Success Investment (Singapore) Limited have further acquired 476,500 shares of Copeinca ASA. The Group's interests in Copeicna ASA have been increased from 99.1% to 99.8%.

On 5 December 2013, the Group's subsidiary, China Fishery, entered into a warrant issuance agreement to issue 96,153,846 warrants to CAP III-A Limited at a consideration of US$1.0 (approximately HK$7.8), a substantial shareholder currently holding an 11.1% stake of China Fishery. The issuance is subject to shareholders' approval of the Company and China Fishery, respectively.

FINANCIAL SUMMARY

	1.4.2009 to 28.9.2009 HK$'000 (note)	29.9.2009 to 28.9.2010 HK$'000 (note)	29.9.2010 to 28.9.2011 HK$'000 (restated)	29.9.2011 to 28.9.2012 HK$'000 (restated)	**29.9.2012 to 28.9.2013 HK$'000**
Results					
Revenue	5,556,761	11,470,543	14,245,411	14,601,432	**13,302,768**
Operating profit	393,031	1,144,452	988,644	746,930	**803,010**
Share of results of associates	724	1,515	(242)	38,459	**57,540**
	393,755	1,145,967	988,402	785,389	**860,550**
Taxation	(34,118)	(55,138)	(61,759)	(46,889)	**46,748**
Profit for the year/period	359,637	1,090,829	926,643	738,500	**907,298**
Non-controlling interests	(185,844)	(597,804)	(565,979)	(470,625)	**(521,354)**
	173,793	493,025	360,664	267,875	**385,944**

	28.9.2009 HK$'000	28.9.2010 HK$'000	28.9.2011 HK$'000	28.9.2012 HK$'000	**28.9.2013 HK$'000**
Assets and liabilities					
Total assets	17,136,760	21,164,871	26,368,914	29,469,991	**38,428,699**
Total liabilities	(9,224,776)	(10,736,796)	(15,029,333)	(16,261,610)	**(23,525,687)**
Total equity	7,911,984	10,428,075	11,339,581	13,208,381	**14,903,012**
Equity component of convertible bonds of a listed subsidiary	(37,445)	(35,482)	(35,482)	–	**–**
Share of net assets of subsidiaries	(3,223,144)	(4,583,702)	(5,097,748)	(5,916,238)	**(7,108,510)**
Equity attributable to owners of the Company	4,651,395	5,808,891	6,206,351	7,292,143	**7,794,502**

Note: Restatement regarding the adoption of amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" has not been preformed for the period from 1 April 2009 to 28 September 2009 and for the year ended 28 September 2010.