



Pacific Andes' Singapore Subsidiaries PARD and China Fishery Announce FY2010 First Quarter Results

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Well Positioned to Take Full Advantage of Market Opportunities Present in the Global Fishing Industry

(Hong Kong, 10 February 2010) – Leading international frozen seafood supplier **Pacific Andes International Holdings Limited** (HKEx: 1174) (“Pacific Andes” or “the Group”) today announced the first quarter results of its Singapore-listed subsidiary, **Pacific Andes Resources Development Limited** (“PARD”) and **China Fishery Group Limited** (“China Fishery”), a subsidiary of PARD, for the financial year ending 28 September 2010 (“1QFY2010”).

PARD

HK\$ Million	1QFY2010	1QFY2009	Change
Revenue	1,564.0	1,562.1	+0.1%
Gross Profit	311.4	289.4	+7.6%
Net Profit	150.5	132.5	+13.5%
Net Profit Attributable to owners	100.4	87.1	+15.2%

For the first quarter of the financial year ending 28 September 2010, PARD recorded stable revenue of HK\$1,564.0 million (1QFY2009: HK\$1,562.1 million). Gross profit increased by 7.6% to HK\$311.4 million, due mainly to higher operating efficiencies achieved by the fishing operations. Net profit grew 13.5% to HK\$150.5 million while net profit attributable to owners grew 15.2% to HK\$100.4 million.

Revenue from the frozen fish supply chain management (“Frozen Fish SCM”) division, which accounted for 49.4% of turnover, rose 3.1% to HK\$772.9 million due to an increase in sales volume. Revenue from the fishing division, which accounted for 50.6% of total revenue, dropped 2.6% to HK\$791.1 million. Revenue from the North Pacific trawling operations increased due mainly to increased catch from un-utilised fishing quota from previous quarters. Deferral of utilization of fishing quota was a strategic move adopted by the Group as previously announced. However, it was partially offset by the lower revenue recorded from the fishmeal sales due to lower sales volume despite higher fishmeal price.

Financial position of PARD remained strong in 1QFY2010, net debt to equity ratio increased slightly to 75.4% from 72.1% mainly due to higher working capital required for the fishing division.

China Fishery

US\$ Million	1QFY2010	1QFY2009	Change
Revenue	101.4 (HK\$790.9 million)	104.8 (HK\$817.4 million)	-3.2%
Gross Profit	33.8 (HK\$263.6 million)	25.6 (HK\$199.7 million)	+32.2%
Net Profit after Tax	18.3 (HK\$142.7 million)	16.2 (HK\$126.4 million)	+12.5%
EBITDA	34.5 (HK\$269.1 million)	28.3 (HK\$220.7 million)	+22.1%
Earnings per share (US cents)	2.12 (HK 16.5 cents)	1.89 (HK 14.7 cents)	+12.2%

Revenue of China Fishery declined marginally by 3.2% to US\$101.4 million (HK\$790.9 million). Gross profit was up 32.2% to US\$33.8 million (HK\$263.6 million). Although the Group incurred additional operating expenses of US\$5.0 million (HK\$39 million) attributable to the South Pacific expansion, net profit was up 12.5% to US\$18.3 million (HK\$142.7 million) in 1QFY2010 while net profit margin improved from 15.5% to 18.0%. In line with the increase in net profit, earnings per share rose to 2.12 US cents (HK16.5 cents).

Trawling operations achieved an increase of 18.2% in revenue to US\$88.2 million (HK\$688.0 million) due mainly to increased catch from un-utilised fishing quota from previous quarters. Deferment of utilisation of fishing quota was a strategic move adopted by the Group as previously announced.

Sales volume for fishmeal decreased 81.0% to 6,200 MT due to lower inventory carried forward from 4QFY2009. The high quarter-end inventory was due to the timing effects of sales and logistics. Fishmeal production remained stable at 33,400 MT. Significantly higher fishmeal prices made up for the reduction in sales volume resulting in a smaller reduction in fishmeal revenue to US\$13.3 million (HK\$103.7 million).

On the balance sheet level, non-current assets increased 3.4% to US\$695.2 million (HK\$5,422.6 million) due to the acquisition of an additional catcher vessel and capitalisation of progress payments for the refurbishment of a factory vessel for the Group's South Pacific operations.

The factory vessel, a state-of-the-art, adopts a unique operating model of both harvesting and processing fish onboard, which will further enhance operational and cost efficiencies. Crew size and fuel consumption are expected to be lowered thereby reducing the Group's carbon footprint. This new production concept of a factory vessel working alongside the Group's fleet of catcher vessels will maximise both operating and production capacity.

Net debt to equity ratio increased from 84.3% to 92.9% due mainly to higher working capital requirements for the fishing season.

Commenting on the outlook of PARD and China Fishery, **Mr. Ng Joo Siang, Vice-Chairman and Managing Director of Pacific Andes** said, "We are positive about the growth potential for both our frozen fish SCM and fishing divisions. The Frozen Fish SCM division will continue to ride the growth in demand for frozen seafood products in the PRC in line with rising affluence and increasing population. We intend to further strengthen our distribution in the PRC to leverage on the demand and we also have plans to continue expanding our distribution network in Europe and Africa to increase the sales volume of frozen fish. Meanwhile, our fishing division is set to benefit from three key growth drivers. In the North Pacific, total allowable catch of our major harvest species has increased by 13.5%, which equates to higher expected catch volume in 2010. Meanwhile, our Peruvian fishmeal operation will continue to benefit from anticipated rising fishmeal prices. The Group has contracted to sell 54,485 MT of fishmeal at an average price of US\$1,415 (HK\$11,037) per MT, compared to the average selling price of about US\$900 (HK\$7,020) per MT in 2009. This is expected to have a positive impact on the Group's revenue and profitability. Our South Pacific operation is also expected to commence significant revenue contributions from the second half of FY2010 as the major fishing season begins in March till October. As of now, we have secured sales contracts to supply 200,000 MT (subject to catch volume) of Jack Mackerel at US\$1,060 (HK\$8,268) per MT in 2010"

"On top of focusing on further strengthening our operations, we are also constantly exploring options to improve the Group's liquidity position and balance sheet. The proposed secondary listing of the China Fishery's shares on the Oslo Børs is expected to further enlarge its equity base and provide access to international capital markets. This, in turn, can strengthen the Group's capital base and its position to pursue acquisition and expansion opportunities, diversify access to new fishing grounds, enabling the Group to become a significant consolidator in the global fishing industry," concluded Mr Ng.

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About Pacific Andes International Holdings Limited:

Established in 1986 and listed on the Mainboard of Hong Kong Stock Exchange in 1994, Pacific Andes International Holdings Limited (1174.HK, "PAIH") 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 and distribution of frozen fish products, as well as fishmeal and fish oil. Its businesses span across the world with factories located in China, Japan, United States and Peru. Today, PAIH is the world's largest white fish fillet producer.

PAIH achieved an uninterrupted growth of turnover and net profit for the past 10 years, posting a CAGR growth of 21% and 39% respectively.

PAIH's resource development and supply chain management division, Pacific Andes Resources Development Limited, and its industrial fishing arm, China Fishery Group Limited, were listed on the Singapore Exchange in 1996 and 2006 respectively.

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