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PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

太平洋恩利國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1174)

OVERSEAS REGULATORY ANNOUNCEMENT

**ANNOUNCEMENT IN RELATION TO ACQUISITION OF SHARES OF
A PERUVIAN COMPANY OF CHINA FISHERY GROUP LIMITED**

The Board of Directors of Pacific Andes International Holdings Limited (the “Company”) announces the announcement in relation to the acquisition of shares of a Peruvian company of China Fishery Group Limited (“China Fishery”), the Company’s 42% owned subsidiary, the shares which are listed on the Singapore Exchange Securities Trading Limited.

This announcement is a reproduction of the announcement made by China Fishery pursuant to the Listing Manual of Singapore Exchange Securities Trading Limited on 6 May 2010. Hereinbelow is the announcement in relation to acquisition of shares of a Peruvian company of China Fishery issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Directors

As at the date of this announcement, the executive directors of the Company are Madam Teh Hong Eng, Mr. Ng Joo Siang, Mr. Ng Joo Kwee, Mr. Ng Joo Puay, Frank and Ms. Ng Puay Yee whilst the independent non-executive directors of the Company are Mr. Lew V. Robert, Mr. Kwok Lam Kwong, Larry and Mr. Tao Kwok Lau, Clement.

6 May 2010

Below is the content of the announcement of China Fishery released in Singapore on 6 May 2010.

Note: The expression “Company” means China Fishery Group Limited.

CHINA FISHERY GROUP LIMITED

Acquisition of shares of a Peruvian Company

1. INTRODUCTION

The Board of Directors of China Fishery Group Limited (the “Company”) wishes to announce that C.F.G Investment S.A.C, an indirect wholly-owned subsidiary of the Company has, via its wholly-owned subsidiary, Epesca Pisco S.A.C. (“Purchaser”), on 5 May 2010 (Peruvian time) entered into a sale and purchase agreement (“Agreement”) with the shareholders (“Seller”) of a Peruvian company, Deep Sea Fishing S.A.C. (“Corporation”) for the purchase of the entire issued share capital of the Corporation (“Sale Shares”) (the “Acquisition”).

2. THE CORPORATION

The Corporation is a corporation duly organized and existing under the laws and regulations of the Republic of Peru. The Corporation owns a fishing vessel (“Vessel”) and approximately 0.23% quota in the North of Peru and 0.76% quota in the South of Peru (collectively “Fishing Quota”) to catch Peruvian Anchovy issued by the Ministry of Production, Peru.

3. CONSIDERATION AND PAYMENT

- 3.1 The consideration for the acquisition of the Sale Shares is US\$18.0 million (“Consideration”) and was arrived at pursuant to negotiations between the parties on a willing-buyer-willing-seller and arm’s-length basis. The Seller shall assume all actual and contingent liabilities of the Corporation incurred before the acquisition. The Consideration shall be paid on signing of the sale and purchase agreement.
- 3.2 The Purchaser commissioned a valuation of the Corporation, the Vessel and the Fishing Quota and J.R.Z. Ajustadores y Peritos de Seguros S.A.C. was appointed as the valuer. The valuation dated 29 April 2010 (“Valuation”) was done on an open market basis and indicated that the total value of the Vessel and the Fishing Quota is approximately US\$21.5 million. The net asset value of the Corporation as at 30 April 2010 is approximately US\$21.5 million, taking into account the Valuation of the Corporation. The results of the due diligence review of the Corporation’s title and ownership of the Vessel and the Fishing Quota which were conducted before the signing of the Agreement have been found to be satisfactory.
- 3.3 None of the relative figures computed on the applicable bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited’s Listing Manual amount to 5% or more.

4. SOURCE OF FUNDS

The Acquisition will be funded from internal resources.

5. RATIONALE

With the rising demand for fish as a source of protein, the worldwide aquaculture industry has grown significantly in recent years. Demand for fishmeal, a vital component of aquaculture and animal-farming feeds, has increased correspondingly, particularly from China, the world's largest aquaculture producing country. However, global supply of fishmeal has remained steady over the past few years. Driven by a growing demand but limited supply, the price of fishmeal has increased significantly since the third quarter of 2009.

The Acquisition will increase the Group's Peruvian Anchovy fishing quota share of annual total allowable catch from 4.85% and 7.11% in the North and South of Peru to 5.08% and 7.87% respectively. With a higher percentage of quota entitlement, the Group will be able to increase its Peruvian Anchovy harvest volumes. The acquisition will further consolidate the Group's position in the Peruvian fishing industry and enables the Group to further benefit from the increasing demand for fishmeal in China.

Factors taken into account in arriving at the Consideration include the Valuation, the difficulty in obtaining fishing quota share in Peru and its synergistic effects with the Group's strategic goals of securing long term access to under-utilised fish species, and becoming a significant supplier of fish products to the growing China market and a leading consolidator in the global fishing industry.

6. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

Save for their interests in the shares of the Company, none of the Directors and so far as the Directors are aware, none of the controlling shareholders, has any interest, direct or indirect, in the Acquisition.

By order of the Board

Yvonne Choo

Company Secretary

Date: 6 May 2010