

[For Immediate Release]

Pacific Andes' Singapore Subsidiary China Fishery Increases Peru Fishing Quota Through Acquisition

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***Acquisition enables the Group to benefit further from
increasing global demand for fishmeal***

(Hong Kong, 6 May 2010) – Leading international frozen seafood supplier **Pacific Andes International Holdings Limited** (HKEx: 1174) (“Pacific Andes” or “the Group”) today announced that its Singapore-listed subsidiary **China Fishery Group Limited** (“China Fishery”) has increased its Peruvian Anchovy fishing quota 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 through the acquisition of the entire share capital of Deep Sea Fishing S.A.C¹, a Peruvian fishing company with approximately 0.23% quota in the North of Peru and 0.76% quota in the South of Peru.

The total consideration for the acquisition is US\$18.0 million (HK\$140.4 million), which will be funded from internal resources.

Commenting on the acquisition, **Mr. Ng Joo Siang, Vice-Chairman and Managing Director of Pacific Andes**, said, “With a higher percentage of quota entitlement, China Fishery will be able to increase its Peruvian Anchovy harvest volumes. This is in line with our strategy in Peru to seek acquisition opportunities which will allow China Fishery to increase its access to Peruvian Anchovy – the world’s largest wild catch species.”

Currently, Peruvian Anchovy is predominantly used for fishmeal and fish oil production. 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 in China, the world’s largest aquaculture producing country. However, global supply of fishmeal has only remained steady over the past few years. Driven by a growing demand but facing limited supply, the price of fishmeal has increased significantly from approximately US\$900 (HK\$7,020) per MT in the third quarter of 2009 to over US\$1,900 (HK\$14,820) per MT currently.

“We believe that global demand for fishmeal will continue to increase over the long-term in view of the increasing demand for aquaculture and animal-farming due to population growth and rising popularity of fish as a healthy source of protein. This acquisition will enable China Fishery to benefit further from this favorable market trend. Looking ahead, we will continue to seize acquisition opportunities in Peru as well as in the rest of the world which are synergistic with our goal of being a significant supplier of fish products to the ever-growing China market and a leading consolidator in the global fishing industry.” said Mr. Ng.

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¹ Via China Fishery’s wholly-owned subsidiary in Peru

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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