

## Pacific Andes' Singapore Subsidiaries PARD and China Fishery Announce FY2010 Interim Results

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### *Well positioned to benefit from rising global demand for fish*

(Hong Kong, 12 May 2010) – Leading international frozen seafood supplier **Pacific Andes International Holdings Limited** (HKEx: 1174) (“Pacific Andes” or “the Group”) today announced the interim 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 (“1HFY2010”).

#### **PARD**

HK\$ Million	1H FY2010	1H FY2009	Change
Revenue	<b>3,990.9</b>	3,882.6	+2.8%
Gross profit	<b>956.8</b>	844.4	+13.3%
EBITDA	<b>983.2</b>	899.1	+9.3%
Net profit*	<b>634.1</b>	596.4	+6.3%

\* Excluding one-off income from the repurchase of convertible bonds and non-cash provision of impairment of two fishmeal plants in Peru

In 1HFY2010, PARD recorded a growth of 2.8% in revenue to HK\$3,990.9 million. Gross profit rose by 13.3% to HK\$956.8 million, while gross profit margin increased to 24.0% from 21.8%, reflecting efficiencies of scale and the positive impact of the Group’s ongoing initiatives to improve operating efficiencies. Excluding one-off income from the repurchase of convertible bonds and non-cash provision of impairment of two fishmeal plants, net profit increased by 6.3% to HK\$634.1 million. As at the end 1HFY2010, PARD’s net debt to equity ratio improved to 66.5% from 72.1%.

Revenue from the frozen fish supply chain management (“Frozen Fish SCM”) division rose 4.3% to HK\$1,841.8 million as sales increased in line with the growing demand for fish. Revenue from the fishing division increased 1.5% to HK\$2,149.1 million. Higher revenues were attributable to buoyant sales from the North Pacific trawling operations. Fishmeal sales dropped due to lower carried-forward inventory for sale from last quarter.

#### **China Fishery**

US\$ Million	1HFY2010	1HFY2009	Change
Revenue	<b>275.5</b> (HK\$2,148.9 million)	271.4 (HK\$2,116.9 million)	+1.5%
Gross Profit	<b>105.1</b> (HK\$819.8 million)	86.5 (HK\$674.7 million)	+21.5%
Net Profit	<b>65.2</b> (HK\$508.6 million)	60.0 (HK\$468.0 million)	+8.7%
EBITDA	<b>100.4</b> (HK\$783.1 million)	87.1 (HK\$679.4 million)	+15.3%
Earnings Per Share	<b>7.6 (US cents)</b> (59.3 HK cents)	7.0 (US cents) (54.6 HK cents)	+8.5%

In 1HFY2010, revenue of China Fishery increased by 1.5% to US\$275.5 million (HK\$2,148.9 million). Gross profit was up by 21.5% to US\$105.1 million (HK\$819.8 million) while gross profit margin rose to 38.1% from 31.9% on the back of greater economies of scale and higher operating efficiencies in the North Pacific trawling operations as well as higher fishmeal selling price. Net profit reached US\$65.2 million (HK\$508.6 million), and in line with the increase in net profit, earnings per share rose to 7.6 US cents (59.3 HK cents).

Trawling operations, which accounted for 83.5% of total revenue, achieved a 9.8% increase in revenue to US\$230.2 million (HK\$1,795.6 million). This was mainly attributable to higher catch volume from the North Pacific trawling operations arising from planned un-utilised fishing quota and higher total allowable catch.

Sales generated from fishmeal operations, which accounted for 16.5% of total revenue, fell by 26.7% to US\$45.3 million (HK\$353.3 million). The reduction was mainly due to lower sales volume from lower inventory carried forward.

Commenting on the outlook of PARD and China Fishery, **Mr. Ng Joo Siang, Vice-Chairman and Managing Director of Pacific Andes** said, "We continue to be positive about the growth potential of both our frozen fish SCM and fishing divisions. Our frozen fish SCM division is set to benefit from worldwide growth in demand for fish, particularly in the PRC, where demand for fish as a healthy source of protein continues to grow. We will continue to focus on strengthening our distribution in the PRC as well as in Eastern Europe and Africa to further increase the sales volume of frozen fish."

"Our fishing division is also well-placed for continued growth, with a significant contribution expected from South Pacific operations, where the major fishing season has just begun, and continues to October. Just last week, we announced the acquisition of a Peruvian fishing company that will allow China Fishery to increase its quota from 4.85% to 5.08% in the North Peru fishing region, and from 7.11% to 7.87% in the South Peru region. Our larger quota share in Peru will enhance the Group's ability to benefit from this positive market trend. Further benefits are expected to arise from higher fishmeal price. Although the first fishing season in Peru will start in mid May, the Group has already contracted to sell its fishmeal at a record high average price of US\$1,640 per MT as compared to US\$900 per MT in last year. This significantly higher fishmeal price is expected to have a positive impact on the Group's revenue and profitability. Higher operating efficiency in the North Pacific is also expected, due to a higher total allowable catch. The Group will continue to explore and seize acquisition opportunities to consolidate its position in the global fishing industry."

"With clear strategies in place, and a strong drive to continue achieving better economies of scale and operating efficiencies, we are well-positioned to benefit from the rising global demand for fish products." Mr. Ng concludes.

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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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