

[For Immediate Release]

## **Pacific Andes' Singapore Subsidiary China Fishery Becomes the Sixth Largest Fishmeal Company in Peru through Acquisition**

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***Acquisition further increases fishing quota to  
6.05% in North of Peru and 10.91% in South of Peru***

(Hong Kong, 18 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 become the sixth largest fishmeal company in Peru following the acquisition of the entire share capital of Peruvian fishing company – **Pesquera Alejandria S.A.C.**<sup>1</sup> (“Alejandria”), for the total consideration of US\$95.0 million (HK\$741,000,000).

Alejandria owns a steam-dried fishmeal processing plant in Peru with a processing capacity of 40 metric tonnes of raw fish per hour, together with approximately 0.97% quota share in the North of Peru and 3.04% quota share in the South of Peru. With this acquisition, China Fishery’s share of the annual allowable catch of Peruvian Anchovy has reached 6.05% in North of Peru and 10.91% in South of Peru.

Commenting on the acquisition, **Mr. Ng Joo Siang, Vice-Chairman and Managing Director of Pacific Andes**, said, “China Fishery continues to execute upon the Group’s strategy of being a leading consolidator in the global fishing industry. With this acquisition, China Fishery will not only further increase its market share in the Peruvian fishing industry, being now the sixth largest fishmeal company in Peru, it will be able to increase the production volume of fishmeal. In addition, it can further enhance the economies of scale and achieve higher operating efficiencies of its operations in Peru.”

The average market price of fishmeal is on a rising trend. This is due to increasing demand from the aquaculture and animal-farming industries, particularly in China. With only a relatively limited supply in the market, fishmeal pricing is expected to remain strong over the long-term. The average market price of fishmeal has risen 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.

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<sup>1</sup> Via China Fishery’s wholly-owned subsidiary in Peru

“Peruvian Anchovy is an under-utilised fish species that is presently used mainly for fishmeal and fish oil production. As the world’s population continues to grow and fish continues to enjoy rising popularity as a healthy source of protein, we believe that the value of under-utilised fish species such as the Peruvian Anchovy will increase in time. This acquisition is in line with our strategy of seizing opportunities worldwide that will enable China Fishery to gain access to under-utilised yet abundant fish species and to achieve our dual aim of being a significant supplier of fish products to the fast-growing China market, and a leading consolidator in the global fishing industry.” 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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