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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)

MAJOR TRANSACTION

DEEMED DISPOSAL OF INTEREST IN CHINA FISHERY GROUP LIMITED

Subscription Agreement

The Board is pleased to announce that on 29 June 2010, CFGL (as issuer), an indirect, non-wholly-owned subsidiary of the Company whose shares are listed and quoted on the SGX, entered into the Subscription Agreement with the Investor (as investor), pursuant to which CFGL has agreed to issue 113,513,514 new CFGL Shares and 26,666,666 Warrants, (each Warrant carrying the right to subscribe for one Warrant Share), to the Investor or its nominee.

Deemed disposal

Upon Completion and Warrant Exercise in full, the Group's attributable interest in the issued share capital of CFGL will be diluted from approximately 42.44% to 36.66%, representing a reduction of approximately 5.78%. The Subscription constitutes a deemed disposal by the Company of certain interest in the issued share capital of CFGL under Rule 14.29 of the Listing Rules. Following the transaction, CFGL will remain as a subsidiary of the Company, and the results of CFGL will continue to be consolidated in the Company's accounts.

Major transaction

As the consideration ratio (as set out and calculated under Rule 14.07 of the Listing Rules) in respect of the Subscription exceeds 25% but is less than 75%, the Subscription also constitutes a major transaction of the Company under Rule 14.06 of the Listing Rules. The Subscription is therefore subject to the applicable notification, announcement, circular and shareholders' approval requirements under the Listing Rules.

The transaction does not confer upon any shareholder, including NSH or its associate, any benefit (whether economic or otherwise) not available to other Shareholders. So far as the Company is aware, none of the Shareholders (including NSH) has a material interest in the Subscription and as such, none of them is required to abstain from voting if the Company were to convene a general meeting to approve the transaction. Therefore, pursuant to Rule 14.44 of the Listing Rules, the Subscription is conditional upon, among other things, a written shareholder's approval of the Subscription Agreement and the transactions thereunder having been obtained from NSH. The Company has obtained a written approval from NSH, which is the controlling Shareholder of the Company, and holds 1,668,421,285 Shares as at the date of this announcement (representing approximately 54.5% of the existing issued share capital of the Company), in lieu of holding a general meeting for the approval of the Subscription Agreement and the transactions thereunder.

A circular containing further details on the Subscription will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

Completion is subject to fulfilment and/or waiver of the conditions precedent agreed, and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

SUBSCRIPTION AGREEMENT

The Board is pleased to announce that CFGL has entered into the Subscription Agreement with the Investor, the key terms of which are summarised as follows:

1 **Date:** 29 June 2010

2 **Parties**

(a) The Issuer: CFGL

(b) The Investor: the Investor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Investor and its ultimate beneficial owner are third parties independent of the Company and are not connected person(s) (as defined in the Listing Rules) of the Company.

3 Investment

The total investment amount by the Investor under the Subscription Agreement after Completion and assuming full exercise of the Warrants by the Investor will be US$190 million (or approximately HK$1,482 million).

4 Subscription Shares

(a) CFGL has conditionally agreed to allot and issue, and the Investor has conditionally agreed to subscribe for, the Subscription Shares for the Subscription Shares' Subscription Consideration (i.e. US$150 million, or approximately HK$1,170 million).

(b) The Subscription Shares represent approximately 12.77% of the existing issued share capital of CFGL and approximately 11.32% of the then issued share capital of CFGL as enlarged by the allotment and issue of the Subscription Shares immediately after Completion but before any Warrant Exercise (assuming and calculated on the basis that no other CFGL Share will be issued after the date of the Subscription Agreement).

(c) At Completion, CFGL shall allot and issue the Subscription Shares, which shall rank *pari passu* in all respects with the CFGL Shares in issue as at the date of Completion, and shall be free from all encumbrances, and together with all rights attaching thereto upon issue, including all rights to any dividend or other distributions declared, made or payable by reference to a record date falling on or after the date of Completion.

(d) The Subscription Shares' Subscription Price (i.e., S$1.85) represents: (i) no material premium over the weighted average price of approximately S$1.85 of the CFGL Shares for trades done on the SGX on 29 June 2010, being the full Trading Day on which the Subscription Agreement was signed; and (ii) a discount of approximately 2.12% to the average closing price of S$1.89 per CFGL Shares as quoted on the SGX for the past 30 consecutive Trading Days up to and including the Trading Day on which the Agreement was signed.

5 Warrants

(a) Original Warrants

CFGL has conditionally agreed to issue, and the Investor has conditionally agreed to subscribe for, the Original Warrants for the Warrants' Subscription Consideration as follows:

WN = (WC x F) / WP

where:

WN = the number of Original Warrants;
WC = the Warrant Exercise Maximum Consideration;
F = the Fixed Exchange Rate; and
WP = the original Warrant Exercise Price.

(b) *Additional Warrants*

CFGL may issue, and the Investor and/or each registered Warrant holder shall take up, such Additional Warrants as may be required to be issued by CFGL pursuant to certain adjustments to the number of Warrants in accordance with the Warrant Terms and Conditions as described in paragraph 5(h) below.

(c) *Warrant Exercise and total Warrant Shares*

(i) Each Warrant shall represent the right, upon exercise, to subscribe at any time during the Warrant Exercise Period for one Warrant Share, at a price equal to the applicable Warrant Exercise Price.

(ii) On full exercise of the Original Warrants (assuming no adjustment is made to the number of Warrants initially issuable), a total of 26,666,666 Warrant Shares will be issued. These Warrant Shares, together with the Subscription Shares, represent in aggregate approximately 13.62% of the then issued share capital of CFGL as enlarged by the allotment and issue of those shares (assuming and calculated on the basis that no other CFGL Share will be issued after the date of the Subscription Agreement).

(d) *Warrant Exercise Price*

(i) The initial Warrant Exercise Price will be fixed at S$2.10 for each Warrant Share upon Warrant Exercise, subject to such adjustments set out in the Warrant Terms and Conditions, provided that, assuming the Warrants are exercised in full, the maximum consideration for the Warrant Exercise shall be the Warrant Exercise Maximum Consideration (i.e. US$40 million, or approximately HK$312 million).

(ii) The initial Warrant Exercise Price (i.e., S$2.10) represents a premium of approximately 13.51% over the weighted average price of S$1.85 of the CFGL Shares for trades done on the SGX on 29 June 2010, being the full Trading Day on which the Subscription Agreement was signed.

(e) *Ranking of Warrant Shares*

Upon any Warrant Exercise, CFGL shall allot and issue the Warrant Shares, which shall rank *pari passu* in all respects with the CFGL Shares in issue as at the date of such issue, and shall be free from all encumbrances, and together with all rights attaching thereto upon issue, including all rights to any dividend or other distributions declared, made or payable by reference to a record date falling on or after the date of such issue.

(f) *Transferability*

Under the Warrant Terms and Conditions, subject to the transfer restrictions as summarized in paragraph 9(c) below, the Warrants are freely transferable in whole or in part to any person not being a connected person (as defined in the Listing Manual of the SGX) of CFGL or PARD or a connected person (as defined in the Listing Rules) of the Company.

(g) *Lapse of Warrants*

The Warrants shall be exercisable, at the election of the registered Warrant holder, either in full or in part during the Warrant Exercise Period. Each Warrant not so exercised within the Warrant Exercise Period shall lapse.

(h) *Adjustment to the Warrant Exercise Price and the number of Warrants*

The Warrant Exercise Price and/or the number of Warrants held by each registered Warrant holder are subject to adjustment upon certain events specified in the Warrant Terms and Conditions.

Any adjustment to the number of Warrants shall however not be made unless, in-principle approval has been granted by the SGX for the listing and quotation of any additional Warrant Shares which may be issued upon the exercise of any Additional Warrants as a result of such adjustment, and all other regulatory requirements applicable to the Company, PARD and/or CFGL in connection with such adjustment have been complied with.

6 CFGL share issue mandate

The Subscription Shares and the Warrant Shares will be allotted and issued pursuant to the general share issue mandate obtained from shareholders of CFGL at the annual general meeting of CFGL held on 22 January 2010.

7 Application for listing

An application will be made to the SGX for the listing and quotation of the Subscription Shares and the Warrant Shares issuable under the Original Warrants, when issued upon any Warrant Exercise, on the Official List of the SGX. No listing will be sought for the Warrants on the SGX.

8 Basis upon which consideration was determined

The Subscription Shares' Subscription Price and the Warrant Exercise Price, and in turn the Subscription Shares' Subscription Consideration and the Warrant Exercise Maximum Consideration, were arrived at after arm's length negotiations, after considering the CFGL Group's established status in the fishing industry and business prospects, the commercial benefits of the Subscription, and the prevailing share price and liquidity of the CFGL Shares in the market.

9 The Investor's contractual rights and restrictions

The Investor's rights set out below shall be subject to compliance with all applicable law, and to the Investor holding and continuing to hold the Minimum Interest:

(a) *The Investor's rights of nomination*

Following Completion, the Investor may nominate: (i) a non-executive director of CFGL; (ii) a member of the CFGL Audit Committee; and (iii) a member of the CFGL Investment Committee.

The CFGL Board shall establish the CFGL Investment Committee, as of the date when Completion takes place, the primary objective of which will be to evaluate any proposed investment involving CFGL in excess of US$20 million (or approximately HK$156 million) and submit its recommendations to the CFGL Board.

Further, CFGL shall establish a Corporate Social Responsibility ("CSR") Advisory Committee to further advance its corporate social responsibility commitments (particularly to set a higher standard in sustainable practices for the industry) arising from the business and operations of any member of the CFGL Group and to provide recommendations thereon to the CFGL Board, including the initiation of a sustainability assessment of its operations in consultation with independent experts to further advance its ongoing commitment to be a responsible supplier. The CSR Advisory Committee shall comprise of five members, and the Investor may nominate two members who shall serve as co-coordinators of the CSR Advisory Committee.

(b) *The Investor's pre-emption rights*

Save for the allotment or issue of any CFGL Shares (or other securities convertible into CFGL Shares) on a pro-rata basis to all shareholders of CFGL or under the CFGL Share Award Scheme, all CFGL Shares (or other securities convertible into CFGL Shares) proposed to be allotted and issued by CFGL must first be offered at the same price and on the same terms to the Investor in accordance with the Investor's pro rata ownership interest in all issued CFGL Shares from time to time.

(c) *The Investor's lock-up and transfer restrictions*

The Investor has undertaken to CFGL that it shall not, and shall procure its nominee(s) holding CFGL Share(s) and/or Warrant(s) (as the case may be) not to, without the prior written consent of CFGL:

(i) for a period of 12 months following the date when Completion takes place and save as under certain prescribed circumstances (as prescribed in the Agreement), directly or indirectly transfer, sell, assign, gift, pledge, encumber, hypothecate, mortgage, exchange or otherwise dispose of (each a "**Transfer**") any CFGL Share or Warrant, or agree or announce any intention to Transfer any CFGL Share or Warrant; or

(ii) knowingly Transfer (or offer or procure to Transfer) any CFGL Share, Warrant and/or other securities of CFGL in a manner that could result in any violation by CFGL of the securities law of the United States, Singapore, Hong Kong or any applicable jurisdiction.

The restrictions against Transfers under paragraph 9(c)(i) above shall immediately cease to have effect if and when none of NSH, the Company and PARD individually or collectively, Controls CFGL, save for any loss of Control in CFGL resulting from or relating to any top-up placing of CFGL Shares initiated by CFGL and extends for up to one month or the date when in-principle approval from the SGX for the listing and quotation of the CFGL Shares issued under such top-up placing on the Official List of the SGX being obtained, whichever is later.

10 Conditions precedent for Completion

(a) The Subscription is conditional upon the fulfillment of the following conditions, amongst others:

(i) a written shareholder's approval of the Subscription Agreement and the transactions thereunder having been obtained from NSH, which approval has been obtained by the date of this announcement;

(ii) CFGL having made, and not having withdrawn, an application to the SGX for the Listing Approval;

(iii) in-principle Listing Approval having been obtained from the SGX, and not having been revoked or amended;

(iv) the Listing Approval remaining in full force and effect as at Completion; and

(v) as at Completion, the trading of the issued CFGL Shares on the SGX not having been suspended by the SGX (other than any suspension for not longer than five Business Days), and the issued CFGL Shares not having been delisted from the SGX.

(b) If the conditions shall not have been fulfilled (or waived) by the Long Stop Date the Subscription Agreement shall cease to be of any effect.

(c) If the condition set out in paragraph 10(a)(ii) above shall not have been fulfilled by the Long Stop Date solely because of any wilful default on the part of CFGL, CFGL shall reimburse the Investor as to all costs and expenses reasonably incurred by it in connection with its conduct of due diligence, the preparation and negotiation of the Subscription Agreement and all other actions taken in connection with Completion, subject to a maximum aggregate amount of US$500,000 (or approximately HK$3.90 million).

11 Completion and payment terms

(a) Completion is to take place on the Completion Date (or at such other date as may be mutually agreed).

(b) At Completion the Investor shall pay the Subscription Shares' Subscription Consideration and the Warrants' Subscription Consideration to CFGL, and CFGL shall allot and issue the Subscription Shares and issue the Original Warrants in favour of the Investor or its nominee.

(c) If all the conditions precedent have been fulfilled (or waived) but Completion does not take place on the Completion Date solely because of CFGL's failure to comply with its obligations at Completion, while the Investor is then ready, able and willing to proceed to Completion on the Completion Date, CFGL shall reimburse the Investor as to all costs and expenses reasonably incurred by it in its conduct of due diligence, the preparation and negotiation of the Subscription Agreement and all other actions taken in connection with Completion, subject to a maximum aggregate amount of US$500,000 (or approximately HK$3.90 million).

(d) The Warrant Exercise Consideration is payable upon Warrant Exercise.

DEEDS OF UNDERTAKING

On 29 June 2010, the Company, PARD and the Investor executed a deed of undertaking. Under this deed of undertaking, subject to compliance with applicable law and CFGL's articles of association, the Company and PARD have undertaken to the Investor, for so long as CFGL is obliged to comply with its obligations in respect of the Investor's rights of nomination as described in paragraph 9(a) of the "Subscription Agreement" section of this announcement, to do all things reasonably necessary (as far as within their powers) as indirect shareholders of CFGL to procure or effect the appointments of the nominee(s) of the Investor as: (i) a non-executive director of CFGL; (ii) a member of the CFGL Audit Committee; and (iii) a member of the CFGL Investment Committee, in each case upon the terms and subject to the conditions of the Subscription Agreement.

In addition, the Board was informed that on 29 June 2010, NSH and the Investor executed a deed of undertaking. Under this deed of undertaking, NSH has undertaken that during a lock-up period commencing from the date of Completion and ending on either the fifth anniversary of such date or the date when the Investor ceases to hold the Minimum Interest, whichever is earlier, it will not take or cause to be taken or occur any action or event immediately upon completion of which none of NSH, the Company and PARD, individually or collectively, will Control CFGL, save for any loss of Control in CFGL which results from or relates to any top-up placing of CFGL Shares initiated by CFGL, and extends for up to one month or the date when in-principle approval from the SGX for the listing and quotation of the CFGL Shares issued under such top-up placing on the Official List of the SGX being obtained, whichever is later. If such event occurs during the lock-up period, NSH shall compensate the Investor an amount to be calculated by reference to the anticipated return from the Investor's proposed investment in CFGL.

REASONS FOR AND BENEFIT OF THE SUBSCRIPTION, AND THE USE OF PROCEEDS

The Directors are of the view that the Carlyle group, of which the Investor is a member, is a reputable private global investment firm and as such, its proposed investment in CFGL is welcome.

The Subscription Shares' Subscription Consideration and the Warrant Exercise Maximum Consideration (if the Warrants are exercised in full) will increase the capital of CFGL by US$190 million (or approximately HK$1,482 million). The proceeds are currently intended to be used for acquiring strategic investments in the global fishing business and enhancing the operating efficiency of CFGL Group.

The Directors believe that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF CFGL

The effects of the Subscription and Warrant Exercise on the shareholding structure of CFGL before and after Completion are as follows:

CFGL registered shareholders	As at the date of this announcement		Immediately after Completion but before any Warrant Exercise (assuming that no CFGL Shares other than the Subscription Shares will be issued after the date of the Subscription Agreement)		After Completion and upon Warrant Exercise in full, based on the initial Warrant Exercise Price (assuming that: (i) no adjustment will be made to the number of Warrants initially issuable; and (ii) no CFGL Shares other than the Subscription Shares and the Warrant Shares will be issued after the date of the Subscription Agreement)	
	Number of CFGL Shares	*Approx. %*	*Number of CFGL Shares*	*Approx. %*	*Number of CFGL Shares*	*Approx. %*
Super Investment Limited[1]	695,386,014	78.23	695,386,014	69.37	695,386,014	67.58
Golden Target Pacific Limited[2]	8,062,311	0.91	8,062,311	0.81	8,062,311	0.78
The Investor or its nominee(s)	–	–	113,513,514	11.32	140,180,180	13.62
Other CFGL shareholders	185,459,260	20.86	185,459,260	18.50	185,459,260	18.02
Total	888,907,585	100.00	1,002,421,099	100.00	1,029,087,765	100.00

1 Super Investment Limited is a non-wholly owned subsidiary of PARD.

2 Golden Target Pacific Limited is a wholly owned subsidiary of PARD.

As at the date of this announcement, the issued share capital of CFGL is approximately US$44,445,379 (or approximately HK$346.67 million) comprising 888,907,585 CFGL Shares.

On the assumption that all the Subscription Shares are fully subscribed for but before any exercise of the Warrants (assuming that no CFGL Shares other than the Subscription Shares will be issued after the date of the Subscription Agreement), CFGL's issued share capital will be approximately US$50,121,055 (or approximately HK$390.94 million) comprising 1,002,421,099 CFGL Shares.

After Completion and upon Warrant Exercise in full, based on the initial Warrant Exercise Price (assuming that: (i) no adjustment will be made to the number of Warrants initially issuable; and (ii) no CFGL Shares other than the Subscription Shares and the Warrant Shares will be issued after the date of the Subscription Agreement), CFGL's issued share capital will be approximately US$51,454,388 (or approximately HK$401.34 million) comprising 1,029,087,765 CFGL Shares.

FINANCIAL IMPACT OF THE TRANSACTION

Upon Completion and Warrant Exercise in full, based on the initial Warrant Exercise Price (assuming that: (i) no adjustment will be made to the number of Warrants initially issuable; and (ii) no CFGL Shares other than the Subscription Shares and the Warrant Shares will be issued after the date of the Subscription Agreement), the Group's attributable interest in the issued share capital of CFGL will reduce from approximately 42.44% to 36.66%, representing a reduction of approximately 5.78% (the "**Deemed Disposed Interest**").

The audited consolidated net profit attributable to the Deemed Disposed Interest were:

(a) approximately US$5.22 million (or approximately HK$40.72 million) before taxation and extraordinary items, and approximately US$5.12 million (or approximately HK$39.94 million) after taxation and extraordinary items, for the then financial year ended 31 December 2007 in respect of CFGL;

(b) approximately US$5.12 million (or approximately HK$39.94 million) before taxation and extraordinary items, and approximately US$5.45 million (or approximately HK$42.51 million) after taxation and extraordinary items, for the then financial year ended 31 December 2008 in respect of CFGL; and

(c) approximately US$4.59 million (or approximately HK$35.80 million) before taxation and extraordinary items, and approximately US$4.52 million (or approximately HK$35.26 million) after taxation and extraordinary items, for the period from 1 January 2009 to 28 September 2009 in respect of CFGL.

The audited net asset value and the audited total asset value attributable to the Deemed Disposed Interest as at 28 September 2009 amounted to approximately US$23.93 million (or approximately HK$186.65 million) and approximately US$48.61 million (or approximately HK$379.16 million), respectively.

The unaudited net asset value and the unaudited total asset value attributable to the Deemed Disposed Interest as at 28 March 2010 amounted to approximately US$27.62 million (or approximately HK$215.44 million) and approximately US$55.62 million (or approximately HK$433.84 million), respectively.

For illustrative purposes only, upon Completion and Warrant Exercise in full, the estimated gain to the Company derived from the transaction would, subject to audit, be approximately US$48.54 million (or approximately HK$378.61 million) to be directly credited to the consolidated equity of the Group, based on the audited net asset value of CFGL as at 28 September 2009 after adjustments made to take account of the expected effect arising from Completion and assuming the Warrants are fully exercised.

The financial information presented above takes into account the change of the Group's financial year end date as announced on 26 August 2009 for the following companies.

(a) The Company's financial year end date from 31 March to 28 September; and

(b) CFGL's financial year end date from 31 December to 28 September.

Following the transaction, CFGL will remain as a subsidiary of the Company, and the results of CFGL will continue to be consolidated in the Company's accounts.

INFORMATION ON CFGL

Listed on the Main Board of the SGX since 2006, CFGL is a global integrated industrial fishing company with access to fish in some of the world's fishing grounds. CFGL harvests, onboard processes and delivers catch to consumers. CFGL is also established with purse seine fishing vessels and fishmeal processing plants deployed strategically along Peru's coastal areas.

To the best knowledge and belief of the Company:

(a) none of the directors of CFGL has any interest, direct or indirect, in the Subscription;

(b) the directors of CFGL are not aware of any substantial shareholder of CFGL having any interest, direct or indirect, in the Subscription, and have not received any notification of any interest in this transaction from any substantial shareholder of CFGL;

(c) as at the date of the Subscription Agreement and immediately prior to Completion, neither the Investor nor any of its nominees holding any Share or Warrant shall be a person specified in Rule 812(1) of the Listing Manual of the SGX in relation to the Company; and

(d) none of the Subscription Shares or Warrants will be placed with the directors of CFGL or substantial shareholders of CFGL or any of their immediate family members or respective related parties.

The Subscription will not result in any transfer of controlling interest in CFGL.

INFORMATION ON THE GROUP

The Group is principally engaged in the frozen seafood business covering fishing, fishmeal processing, supply chain management, onshore and offshore processing, and international distribution of a variety of frozen seafood products.

INFORMATION ON THE INVESTOR

Based on information provided by the Investor, the Investor is part of the Carlyle group, which is a global alternative asset manager with US$90.5 billion (or approximately HK$705.9 billion) of assets under management as of 31 March 2010. Carlyle invests across three asset classes – private equity, real estate and credit alternatives focusing on aerospace & defence, automotive & transportation, consumer & retail, energy & power, financial services, healthcare, industrial, infrastructure, technology & business services and telecommunications & media.

To the best knowledge and belief of the Company, apart from the Subscription, the Investor and its shareholders have had no connection (including business relationships) with CFGL, its directors and substantial shareholders, and is not a person to whom CFGL is prohibited from issuing CFGL Shares, as provided for under the Listing Manual of SGX.

FINANCIAL ADVISORS

UBS AG acted as financial advisor to the Company and HSBC acted as financial advisor to the Investor.

LISTING RULES' IMPLICATIONS

As at the date of this announcement, the Company holds an approximately 42.44% of attributable interest in the issued share capital of CFGL.

Upon Completion and Warrant Exercise in full, based on the initial Warrant Exercise Price (assuming that: (i) no adjustment will be made to the number of Warrants initially issuable; and (ii) no CFGL Shares other than the Subscription Shares and the Warrant Shares will be issued after the date of the Subscription Agreement), the Group's attributable interest in the issued share capital of CFGL will be diluted from approximately 42.44% to 36.66%, representing a reduction of approximately 5.78%. The Subscription constitutes a deemed disposal by the Company of certain interest in the issued share capital of CFGL under Rule 14.29 of the Listing Rules. As the consideration ratio (as set out and calculated under Rule 14.07 of the Listing Rules) in respect of the Subscription exceeds 25% but is less than 75%, the Subscription also constitutes a major transaction of the Company under Rule 14.06 of the Listing Rules. The Subscription is therefore subject to the applicable notification, announcement, circular and shareholders' approval requirements under the Listing Rules.

While NSH has executed a deed of undertaking as described in the "Deeds of Undertaking" section of this announcement, the transaction does not confer upon NSH or its associate any benefit (whether economic or otherwise) not available to the other Shareholders. So far as the Company is aware, none of the Shareholders (including NSH) has a material interest in the Subscription and as such, none of them is required to abstain from voting if the Company were to convene a general meeting to approve the transaction. Therefore, pursuant to Rule 14.44 of the Listing Rules, the Subscription is conditional upon, among other things, a written shareholder's approval of the Subscription Agreement and the transactions thereunder having been obtained from NSH (being a Shareholder who holds more than 50% in nominal value of the Shares giving the right to attend and vote at that general meeting to approve the transaction). The Company has obtained a written approval from NSH, which is the controlling Shareholder of the Company, and holds 1,668,421,285 Shares as at the date of this announcement (representing approximately 54.5% of the existing issued share capital of the Company), in lieu of holding a general meeting for the approval of the Subscription Agreement and the transactions thereunder.

As mentioned above, following the transaction, CFGL will remain as a subsidiary of the Company, and the results of CFGL will continue to be consolidated in the Company's accounts.

Following Completion, the Investor will become a substantial shareholder (as defined in the Listing Rules) of CFGL, and hence a connected person (as defined in the Listing Rules) of the Company. Apart from any transaction(s) pursuant to the Subscription Agreement (which was made at the time when the Investor was not such a connected person), any other transaction that may take place between the Group and the Investor after Completion, and for so long as the Investor remains as such a connected person, will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

A circular containing further details on the Subscription will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

Completion is subject to fulfilment and/or waiver of the conditions precedent agreed, and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the content requires otherwise:

"Additional Warrants"	such further warrants as may be required to be issued by CFGL in accordance with the Warrant Terms and Conditions (such further warrants to rank pari passu in all respects with the Original Warrants and for all purposes to form part of the same series as the Original Warrants), each Additional Warrant entitling the registered holder of such Additional Warrant to subscribe for one Warrant Share at the Warrant Exercise Price then in force, upon and subject to the Warrant Terms and Conditions;
"Board"	the board of Directors of the Company;
"Business Day"	a day on which banks in Hong Kong, the United States of America and Singapore are generally open for normal banking business (excluding Saturdays and Sundays);
"CDP"	The Central Depository (Pte) Limited in Singapore;
"CFGL"	China Fishery Group Limited, a company incorporated in the Cayman Islands and a non-wholly-owned subsidiary of the Company, the shares of which are listed and quoted on the SGX;
"CFGL Audit Committee"	the "Audit Committee" of the board of directors of CFGL, which shall have four members serving renewable terms of three years per term, or such other composition and/or term as may be determined by the board of directors of CFGL from time to time;
"CFGL Board"	the board of directors of CFGL;
"CFGL Group"	CFGL and its subsidiaries;

"CFGL Investment Committee"	the "Investment Committee" of CFGL to be established by the CFGL Board as of the date when Completion takes place, which committee shall have three members serving renewable terms of three years per term, or such other composition and/or term as may be determined by the CFGL Board from time to time, provided that one of the members shall at all times be an independent director of CFGL;
"CFGL Share(s)"	ordinary shares of US$0.05 par value each in the capital of CFGL, or shares of any other nominal amount and/or par value comprising the ordinary shares of CFGL for the time being;
"CFGL Share Award Scheme"	CFGL's share award scheme approved by the shareholders of CFGL on 30 April 2007;
"Company"	Pacific Andes International Holdings Limited, an exempted company incorporated in Bermuda with limited liability under the Companies Act 1981 of Bermuda (as amended), the shares of which are listed on The Stock Exchange of Hong Kong Limited;
"Completion"	the completion of the Subscription;
"Completion Date"	the seventh Business Day after the last in time of the conditions set out in paragraphs 10(a)(i) to 10(a)(iii) of "the Subscription Agreement" section has been fulfilled or waived in accordance with the Subscription Agreement;
"Control"	the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person or entity, whether through the ownership of voting securities, by contract, credit arrangement or proxy, as trustee, executor, agent or otherwise; and for the purpose of this definition, a person or entity shall be deemed to Control another person if such first person or entity is entitled, directly or indirectly, (whether or not conditionally) to exercise 50% or more of the voting rights in respect of such other person or entity;
"Director(s)"	director(s) of the Company;
"Fixed Exchange Rate"	the exchange rate of US$1.00 to S$1.40;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"HSBC"	The Hongkong and Shanghai Banking Corporation Limited;
"Investor"	CAP III-A Limited, a company incorporated in the Cayman Islands;
"Listing Approval"	the approval(s) for the listing and quotation of the Subscription Shares and the Warrant Shares issuable under the Original Warrants, when issued upon any Warrant Exercise, on the Official List of the SGX;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Long Stop Date"	the date of the 90th calendar day after the date of the Subscription Agreement, or such later date as the parties to the Subscription Agreement may mutually agree in writing;
"Minimum Interest"	a direct interest in at least 10% of the entire issued share capital of CFGL (on a fully-diluted basis) from time to time, provided that in determining the percentage interest held by the Investor and/or its affiliate(s) or nominee(s) in CFGL at any time during the Warrant Exercise Period, if CFGL has after Completion and by that time issued new CFGL Shares ("**New Issue**") under: (i) a New Issue where the Investor did not subscribe for any such CFGL Share; or (ii) a New Issue pursuant to the CFGL Share Award Scheme, the denominator used to calculate the 10% threshold in making that determination shall not take into account, and shall exclude, the number of CFGL Shares issued under such New Issue(s);
"NSH"	N.S. Hong Investment (BVI) Limited, a company incorporated in the British Virgin Islands, being a Shareholder who holds more than 50% of the issued share capital of the Company;
"Original Warrants"	the 26,666,666 warrants to be issued by CFGL in accordance with the Subscription Agreement, the number of such warrants having been determined by dividing the Warrant Exercise Maximum Consideration (as converted based on the Fixed Exchange Rate) by the initial Warrant Exercise Price (i.e., S$2.10), with each Original Warrant entitling the registered Warrant holder to subscribe for one CFGL Share at the Warrant Exercise Price then in force, upon and subject to the Warrant Terms and Conditions;

"PARD"	Pacific Andes Resources Development Limited, a company incorporated in Bermuda and a non-wholly-owned subsidiary of the Company, the shares of which are listed and quoted on the SGX;
"SGX"	The Singapore Exchange Securities Trading Limited;
"Share(s)"	Share(s) of HK$0.10 each in the capital of the Company;
"Shareholder(s)"	holder(s) of Share(s);
"Subscription"	the subscription by the Investor, and the allotment and issue by CFGL, of the Subscription Shares and the subscription by the Investor, and the issue by CFGL, of the Warrants, both under and in accordance with the Subscription Agreement;
"Subscription Agreement"	the agreement for the subscription of CFGL Shares and Warrants dated 29 June 2010 entered into between CFGL and the Investor;
"Subscription Shares"	the 113,513,514 CFGL Shares to be subscribed for by the Investor in accordance with the Subscription Agreement, the number of such CFGL Shares having been determined by dividing the Subscription Shares' Subscription Consideration (as converted based on the Fixed Exchange Rate) by the Subscription Shares' Subscription Price;
"Subscription Shares' Subscription Consideration"	the total amount payable by the Investor to CFGL for the Subscription Shares, being US$150,000,000 (or approximately HK$1,170 million);
"Subscription Shares' Subscription Price"	the price per Subscription Share in S$ payable by the Investor to CFGL, being S$1.85;
"S$"	Singapore dollars, the lawful currency of Singapore;
"Trading Day"	a day on which the SGX is open for trading of securities;
"US$"	United States dollars, the lawful currency of the United States of America;
"Warrant Exercise"	the exercise of any Warrant under and in accordance with the Warrant Terms and Conditions;

"Warrant Exercise Consideration"	the amount payable to CFGL in US$ based on the Fixed Exchange Rate for Warrant Share(s) upon any Warrant Exercise, which in respect of each Warrant is the Warrant Exercise Price for each Warrant Share;
"Warrant Exercise Maximum Consideration"	the cumulative amount payable to CFGL upon exercise of all the Warrants in full by way of Warrant Exercise, being US$40,000,000 (or approximately HK$312 million);
"Warrant Exercise Period"	the period commencing from the date when Completion takes place and ending on (and including) the third anniversary of such date;
"Warrant Exercise Price"	the price per Warrant Share in S$ payable by the Investor or any registered Warrant holder to CFGL upon any Warrant Exercise, being S$2.10 (subject to adjustments in accordance with the Warrant Terms and Conditions);
"Warrant Shares"	the CFGL Shares to be issued upon any Warrant Exercise;
"Warrants' Subscription Consideration"	the total amount payable by the Investor to CFGL for subscription of the Warrants, being US$1 in the aggregate;
"Warrant Terms and Conditions"	the terms and conditions of the Warrants; and
"Warrant(s)"	the Original Warrants and/or (as the case may be) the Additional Warrants, if issued.

For illustration purpose only, an exchange rate of US$1.00 to HK$7.80 has been applied in this announcement. No representation is made that any amount in US$ or HK$ could have been or could be converted at such rate or at any other rate or at all.

By order of the Board
Pacific Andes International Holdings Limited
Ng Joo Siang
Managing Director and Vice-Chairman

Hong Kong, 29 June 2010

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 Lan, Clement.