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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
THE UNAUDITED RESULTS FOR
THE THIRD QUARTER AND NINE MONTHS ENDED 28 JUNE 2010 OF
CHINA FISHERY GROUP LIMITED**

The Board of Directors (“Directors”) of Pacific Andes International Holdings Limited (the “Company”) announces the unaudited consolidated results of China Fishery Group Limited (“China Fishery”), the Company’s 38% owned subsidiary, the shares which are listed on the Singapore Exchange Securities Trading Limited, and its subsidiaries (the “China Fishery Group”) for the third quarter and nine months ended 28 June 2010.

This announcement is a reproduction of the announcement made by China Fishery pursuant to the Listing Manual of Singapore Exchange Securities Trading Limited on 10 August 2010. Hereinbelow is the unaudited results of China Fishery and China Fishery Group for the third quarter and nine months ended 28 June 2010 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.

10 August 2010

Below is the content of the announcement of China Fishery released in Singapore on 10 August 2010.

Note: The expressions “Company” and “Group” mean China Fishery Group Limited and China Fishery Group Limited and its subsidiaries respectively.

CHINA FISHERY GROUP LIMITED

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 28 JUNE 2010

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the Third Quarter and Nine Months ended 28 June 2010

	Third quarter ended		Increase/ (Decrease) %	Group Nine months ended		Increase/ (Decrease) %
	29.03.2010 – 28.06.2010	01.04.2009 – 30.06.2009		29.09.2009 – 28.06.2010	01.10.2008 – 30.06.2009	
	US\$'000	US\$'000		US\$'000	US\$'000	
Revenue	159,378	107,435	48.3	434,905	378,837	14.8
Cost of sales	(10,960)	(5,219)	110.0	(30,334)	(27,014)	12.3
Charter hire expenses	(20,166)	(16,294)	23.8	(66,738)	(60,961)	9.5
Vessel operating costs	(66,095)	(44,604)	48.2	(170,581)	(163,021)	4.6
Gross profit	62,157	41,318	50.4	167,252	127,841	30.8
Other operating income	540	948	(43.0)	2,001	2,602	(23.1)
Selling expenses	(12,719)	(4,852)	162.1	(30,776)	(17,932)	71.6
Administrative expenses	(3,156)	(2,752)	14.7	(10,855)	(8,687)	25.0
Other operating expense	–	–	NM	(1,253)	–	NM
Finance costs	(8,262)	(6,765)	22.1	(23,088)	(23,291)	(0.9)
Profit before tax	38,560	27,897	38.2	103,281	80,533	28.2
Income tax (expenses) benefit	(2,928)	(2,811)	4.2	(2,486)	4,514	(155.1)
Profit for the period	35,632	25,086	42.0	100,795	85,047	18.5

Consolidated statement of comprehensive income:

	Group					
	Third quarter ended		Increase	Nine months ended		Increase
	29.03.2010 – 28.06.2010 US\$'000	01.04.2009 – 30.06.2009 US\$'000		29.09.2009 – 28.06.2010 US\$'000	01.10.2008 – 30.06.2009 US\$'000	
Profit for the period	35,632	25,086	42.0	100,795	85,047	18.5
Gain (loss) on revaluation of properties	46	–	NM	863	(754)	214.5
Total comprehensive income for the period	<u>35,678</u>	<u>25,086</u>	42.2	<u>101,658</u>	<u>84,293</u>	20.6

	Group					
	Third quarter ended		Increase/ (Decrease)	Nine months ended		Increase/ (Decrease)
	29.03.2010 – 28.06.2010 US\$'000	01.04.2009 – 30.06.2009 US\$'000		29.09.2009 – 28.06.2010 US\$'000	01.10.2008 – 30.06.2009 US\$'000	
Other operating income including interest income	540	948	(43.0)	2,001	2,602	(23.1)
Interest on borrowings	(7,942)	(6,445)	23.2	(22,128)	(22,331)	(0.9)
Amortisation of senior notes issuing expenses	(320)	(320)	–	(960)	(960)	–
Amortisation of deferred charter hire	(5,533)	(5,534)	(0.0)	(16,600)	(16,601)	(0.0)
Depreciation expense	(9,248)	(3,131)	195.4	(19,067)	(10,044)	89.8
Fixed charter hire	(6,624)	(6,552)	1.1	(19,656)	(19,836)	(0.9)
(Loss) gain on disposal of property, plant and equipment	(2)	18	(111.1)	(27)	117	(123.1)
Foreign exchange gain	843	633	33.2	2	1,143	(99.8)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	28.06.2010	28.09.2009	28.06.2010	28.09.2009
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
ASSETS				
Current assets:				
Cash and bank balances	39,210	22,933	88	34
Trade receivables	73,366	31,746	–	–
Other receivables and prepayments	51,874	45,346	37	–
Prepaid income tax	4,843	5,902	–	–
Deferred expenses (<i>Note 1</i>)	40,602	32,716	–	–
Inventories	33,921	7,816	–	–
Current portion of deferred charter hire (<i>Note 1</i>)	22,133	22,133	–	–
	<u>265,949</u>	<u>168,592</u>	<u>125</u>	<u>34</u>
Total current assets				
Non-current assets:				
Deferred charter hire (<i>Note 1</i>)	163,523	180,123	–	–
Property, plant and equipment	430,165	349,947	–	–
Investment properties	2,731	2,423	–	–
Goodwill	84,208	64,102	–	–
Other intangible assets	184,511	74,189	–	–
Associate	1,500	1,500	–	–
Subsidiaries	–	–	186,201	186,840
	<u>866,638</u>	<u>672,284</u>	<u>186,201</u>	<u>186,840</u>
Total non-current assets				
Total assets	<u>1,132,587</u>	<u>840,876</u>	<u>186,326</u>	<u>186,874</u>
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	17,841	6,851	–	–
Other payables and accrued expenses	31,162	18,998	192	162
Income tax payable	3,623	432	–	–
Financial guarantee contract	–	–	525	525
Current portion of finance leases	3,444	4,807	–	–
Bank overdrafts and current portion of bank loans	202,318	93,705	–	–
	<u>258,388</u>	<u>124,793</u>	<u>717</u>	<u>687</u>
Total current liabilities				

	Group		Company	
	28.06.2010	28.09.2009	28.06.2010	28.09.2009
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Non-current liabilities:				
Financial guarantee contract	–	–	1,181	1,706
Finance leases	13,546	10,423	–	–
Bank loans	62,310	43,210	–	–
Senior notes	220,522	219,562	–	–
Deferred tax liabilities	64,389	29,011	–	–
	<u>360,767</u>	<u>302,206</u>	<u>1,181</u>	<u>1,706</u>
Total non-current liabilities				
	<u>360,767</u>	<u>302,206</u>	<u>1,181</u>	<u>1,706</u>
Capital and reserves:				
Share capital	44,445	43,014	44,445	43,014
Reserves	468,987	370,863	139,983	141,467
	<u>513,432</u>	<u>413,877</u>	<u>184,428</u>	<u>184,481</u>
Total equity				
	<u>513,432</u>	<u>413,877</u>	<u>184,428</u>	<u>184,481</u>
Total liabilities and equity				
	<u>1,132,587</u>	<u>840,876</u>	<u>186,326</u>	<u>186,874</u>

Note:

- Deferred expenses and deferred charter hire comprises:

Deferred expenses

	28.06.2010	28.09.2009
	<i>US\$'000</i>	<i>US\$'000</i>
1st VOA	6,931	8,828
2nd VOA	6,285	8,690
3rd VOA	3,001	4,321
4th VOA	5,593	10,877
South Pacific Ocean operations	18,792	–
	<u>40,602</u>	<u>32,716</u>

Deferred charter hire

	28.06.2010	28.09.2009
	<i>US\$'000</i>	<i>US\$'000</i>
<i>Current portion</i>		
1st VOA	5,600	5,600
2nd VOA	8,200	8,200
3rd VOA	8,333	8,333
	<u>22,133</u>	<u>22,133</u>
<i>Non-current portion</i>		
1st VOA	14,031	18,231
2nd VOA	36,945	43,095
3rd VOA	112,547	118,797
	<u>163,523</u>	<u>180,123</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 28.06.2010		As at 28.09.2009	
Secured	Unsecured	Secured	Unsecured
<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
44,429	161,333	15,037	83,475

Amount repayable after one year

As at 28.06.2010		As at 28.09.2009	
Secured	Unsecured	Secured	Unsecured
<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
28,546	267,832	35,423	237,772

Details of any collateral

Certain of the Group's office premises, fishmeal processing plants, fishing vessels and vehicles in Peru are held under finance leases with net carrying values of approximately US\$17.6 million (28.09.2009: US\$45.7 million). The inventory loans are pledged by its fishmeal inventories in Peru with net carrying values of approximately US\$15.4 million (28.09.2009: US\$3.6 million). A fishing vessel with net carrying value of approximately US\$123.7 million (28.09.2009: US\$86.6 million), shares of two subsidiaries (28.09.2009: shares of a subsidiary) and a deposit of approximately US\$5.7 million (28.09.2009: US\$5.7 million) were pledged as securities for a term loan.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	Third quarter ended		Nine months ended	
	29.03.2010 –	01.04.2009 –	29.09.2009 –	01.10.2008 –
	28.06.2010	30.06.2009	28.06.2010	30.06.2009
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Operating activities				
Profit before income tax	38,560	27,897	103,281	80,533
Adjustments for:				
Allowance for doubtful trade receivables	–	–	–	229
Amortisation of deferred charter hire	5,533	5,534	16,600	16,601
Amortisation of senior notes issuing expenses	320	320	960	960
Depreciation expense	9,248	3,131	19,067	10,044
Gain on revaluation of investment properties	–	–	(308)	–
Loss (gain) on disposal of property, plant and equipment	2	(18)	27	(117)
Impairment loss on property, plant and equipment	–	–	1,253	–
Interest expense	7,942	6,445	22,128	22,331
Interest income	(44)	(32)	(215)	(37)
Provision for claims	(664)	–	(640)	175
	<hr/>	<hr/>	<hr/>	<hr/>
Operating cash flows before movements in working capital	60,897	43,277	162,153	130,719
Trade receivables	5,128	33,853	(41,331)	(2,331)
Other receivables and prepayments	15,459	(3,274)	40	(5,097)
Deferred expenses	(5,831)	(12,181)	(7,886)	(3,480)
Inventories	(21,708)	(6,668)	(26,057)	5,361
Trade payables	(4,173)	(3,662)	10,744	(20,473)
Other payables and accrued expenses	2,312	(4,763)	13,165	(18,448)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash generated from operations	52,084	46,582	110,828	86,251
Interest paid	(13,001)	(11,073)	(27,655)	(29,189)
Income tax paid	(2,550)	(420)	(2,662)	(7,444)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash from operating activities	36,533	35,089	80,511	49,618

	Group			
	Third quarter ended		Nine months ended	
	29.03.2010 –	01.04.2009 –	29.09.2009 –	01.10.2008 –
	28.06.2010	30.06.2009	28.06.2010	30.06.2009
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Investing activities				
Purchase of property, plant and equipment	(4,757)	(26,969)	(79,620)	(77,410)
Proceeds from disposal of property, plant and equipment	–	105	21	312
Acquisition of subsidiaries (<i>Note 2</i>)	(110,782)	–	(110,782)	–
Interest received	44	32	215	37
Net cash used in investing activities	<u>(115,495)</u>	<u>(26,832)</u>	<u>(190,166)</u>	<u>(77,061)</u>
Financing activities				
Dividend paid	–	–	(2,103)	–
Additions of bank loans	113,311	29,047	203,338	178,342
Repayment of bank loans	(19,367)	(39,331)	(77,063)	(155,255)
Obligation under finance leases	(653)	(1,232)	1,760	(4,279)
Increase in pledged deposits	(3)	–	(24)	–
Net cash from (used in) financing activities	<u>93,288</u>	<u>(11,516)</u>	<u>125,908</u>	<u>18,808</u>
Net increase (decrease) in cash and cash equivalents	14,326	(3,259)	16,253	(8,635)
Cash and cash equivalents at beginning of the period	<u>19,181</u>	<u>23,653</u>	<u>17,254</u>	<u>29,029</u>
Cash and cash equivalents at end of the period	<u><u>33,507</u></u>	<u><u>20,394</u></u>	<u><u>33,507</u></u>	<u><u>20,394</u></u>
Being:				
Cash at bank	33,214	20,048	33,214	20,048
Cash on hand	293	346	293	346
	<u><u>33,507</u></u>	<u><u>20,394</u></u>	<u><u>33,507</u></u>	<u><u>20,394</u></u>

Note 2:

The net assets acquired and the goodwill arising are as follows:

	Acquirees' carrying amount before combination	Fair value adjustment	Fair value
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Cash and bank balances	382	–	382
Trade receivables	289	–	289
Other receivables and prepayments	5,568	1,000	6,568
Inventories	48	–	48
Property, plant and equipment	8,380	11,723	20,103
Fishing permits	–	110,322	110,322
Trade payables	(246)	–	(246)
Other payables and accrued expenses	(6,127)	–	(6,127)
Bank loans	(1,438)	–	(1,438)
Deferred tax liabilities	–	(36,613)	(36,613)
	<u>6,856</u>	<u>86,432</u>	<u>93,288</u>
Goodwill arising on acquisition			<u>20,105</u>
Total consideration, satisfied by cash			<u>113,393</u>
Net cash outflow arising on acquisition :			
Total consideration			113,393
Cash and cash equivalents acquired			(382)
Consideration payable			<u>(2,229)</u>
			<u>110,782</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital <i>US\$'000</i>	Share premium <i>US\$'000</i>	Revaluation reserve <i>US\$'000</i>	Merger reserve <i>US\$'000</i>	Retained earnings <i>US\$'000</i>	Total <i>US\$'000</i>
Group						
Balance at 1 October 2008	39,104	105,235	2,738	(30,503)	202,962	319,536
Total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>(754)</u>	<u>–</u>	<u>59,961</u>	<u>59,207</u>
Balance at 31 March 2009	39,104	105,235	1,984	(30,503)	262,923	378,743
Total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>25,086</u>	<u>25,086</u>
Bonus issue of shares	<u>3,910</u>	<u>(3,910)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Balance at 30 June 2009	<u>43,014</u>	<u>101,325</u>	<u>1,984</u>	<u>(30,503)</u>	<u>288,009</u>	<u>403,829</u>
Balance at 28 September 2009	43,014	101,325	2,720	(30,503)	297,321	413,877
Total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>817</u>	<u>–</u>	<u>65,163</u>	<u>65,980</u>
Final dividend of 4.2 Singapore cents per ordinary share in respect of FY2009	<u>1,431</u>	<u>22,358</u>	<u>–</u>	<u>–</u>	<u>(25,892)</u>	<u>(2,103)</u>
Balance at 28 March 2010	44,445	123,683	3,537	(30,503)	336,592	477,754
Total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>46</u>	<u>–</u>	<u>35,632</u>	<u>35,678</u>
Balance at 28 June 2010	<u>44,445</u>	<u>123,683</u>	<u>3,583</u>	<u>(30,503)</u>	<u>372,224</u>	<u>513,432</u>

Company	Share capital US\$'000	Share premium US\$'000	Revaluation reserve US\$'000	Merger reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 October 2008	39,104	105,235	–	–	6,302	150,641
Total comprehensive income for the period	–	–	–	–	1,753	1,753
Balance at 31 March 2009	39,104	105,235	–	–	8,055	152,394
Total comprehensive income for the period	–	–	–	–	1,028	1,028
Bonus issue of shares	3,910	(3,910)	–	–	–	–
Balance at 30 June 2009	<u>43,014</u>	<u>101,325</u>	<u>–</u>	<u>–</u>	<u>9,083</u>	<u>153,422</u>
Balance at 28 September 2009	43,014	101,325	–	–	40,142	184,481
Total comprehensive income for the period	–	–	–	–	1,374	1,374
Final dividend of 4.2 Singapore cents per ordinary share in respect of FY2009	1,431	22,358	–	–	(25,892)	(2,103)
Balance at 28 March 2010	44,445	123,683	–	–	15,624	183,752
Total comprehensive income for the period	–	–	–	–	676	676
Balance at 28 June 2010	<u>44,445</u>	<u>123,683</u>	<u>–</u>	<u>–</u>	<u>16,300</u>	<u>184,428</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company did not issue any shares during the third quarter ended 28.06.2010 (30.06.2009: 78,207,997).

As at 28.06.2010, share awards to subscribe 1,180,776 ordinary shares remained unvested (30.06.2009: 1,197,191 shares).

The Company did not make any purchases of its shares during the third quarter ended 28.06.2010 (30.06.2009: Nil).

The Company did not have any outstanding convertibles and treasury shares as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at the end of the current financial period: 888,907,585 shares (28.09.09: 860,287,997 shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and method of computation adopted are consistent with those applied in the audited financial statements for the period ended 28.09.2009.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group Third quarter ended		Group Nine months ended	
	29.03.2010 – 28.06.2010	01.04.2009 – 28.06.2010	29.09.2009 – 30.06.2009	01.10.2008 – 30.06.2009
Earnings per ordinary share				
(i) Based on weighted average number of ordinary shares in issue; and	US\$4.01 cents	US\$2.92 cents	US\$11.57 cents	US\$9.89 cents
The calculation of the basic earnings per share is based on the following data:				
Earnings	US\$35,632,000	US\$25,086,000	US\$100,795,000	US\$85,047,000
Weighted average number of ordinary shares used in calculation of the basic earnings per share	888,907,585	860,287,997	870,876,196	860,287,997
(ii) On a fully diluted basis	US\$4.00 cents	US\$2.91 cents	US\$11.56 cents	US\$9.88 cents
The calculation of the diluted earnings per share is based on the following data:				
Earnings	US\$35,632,000	US\$25,086,000	US\$100,795,000	US\$85,047,000
Weighted average number of ordinary shares used in calculation of the diluted earnings per share	890,088,361	861,488,878	872,064,210	860,878,246

Note: The weighted average number of ordinary shares used in calculation of basic earnings per share in the third quarter and nine months ended 30.06.2009 has been adjusted by incorporating the effect of bonus issue of shares in May 2009.

7. **Net asset value (for the issuer and the group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) **Current financial period reported on; and**
- (b) **Immediately preceding financial year.**

	Group		Company	
	28.06.2010	28.09.2009	28.06.2010	28.09.2009
Net asset value per ordinary share based on existing issued share capital as at the end of period reported on	US\$0.58	US\$0.48	US\$0.21	US\$0.21

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement

3QFY2010 (3 months ended 28 June 2010) vs 3QFY2009 (3 months ended 30 June 2009)

Group revenue increased by 48.3% from US\$107.4 million to US\$159.4 million, with growth reported in all business segments. Fishing operations and fishmeal processing operations accounted for 71.9% and 28.1% of total revenue respectively.

Sales generated from North Pacific fishing operations increased by 45.7% from US\$74.0 million to US\$107.9 million. The robust growth was attributed to a combination of an increase in total allowable catch for the year as well as to an increase in fishing and shipment activities carried over from the previous quarter resulting from port closures in China during part of the winter.

The Group's investment in its start-up South Pacific operations yielded a US\$6.7 million contribution to sales. The operating model adopted of a factory vessel working alongside a fleet of catcher vessels has proved successful and will result in reduced fuel consumption and savings in crew requirements.

Fishmeal processing operations registered a 34.1% increase in sales from US\$33.4 million to US\$44.8 million. This strong growth was driven mainly by higher average fishmeal selling prices which offset lower production and sales volume caused by a shift in the fishing season (from April to June to May to July).

Sales to the People's Republic of China ("PRC"), Japan & Korea, West Africa and Europe accounted for 79.6%, 9.7%, 4.2% and 3.1% respectively.

Gross profit increased by 50.4% from US\$41.3 million to US\$62.2 million. Gross profit margin increased from 38.5% to 39.0% due mainly to greater economies of scale and higher operating efficiencies achieved in both the North Pacific trawling and the fishmeal processing operations.

Selling expenses increased from US\$4.9 million to US\$12.7 million, in line with higher sales volume in fishing operations and higher selling expenses incurred for the Group's South Pacific operations.

Administrative expenses increased from US\$2.8 million to US\$3.2 million attributed to additional administrative support services and personnel to meet the Group's expanding operations.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 42.2% from US\$43.3 million to US\$61.6 million.

Finance costs increased by 22.1% from US\$6.8 million to US\$8.3 million due mainly to an increase in bank borrowings taken to finance the 2 acquisitions in Peru.

Net profit increased by 42.0% from US\$25.1 million to US\$35.6 million.

9MFY2010 (9 months ended 28 June 2010) vs 9MFY2009 (9 months ended 30 June 2009)

Group revenue increased by 14.8% from US\$378.8 million to US\$434.9 million. Trawling and fishmeal processing operations contributed 79.3% and 20.7% of total revenue respectively.

Sales generated from North Pacific fishing operations increased by 18.7% from US\$283.6 million to US\$336.8 million attributed mainly to an increase in the total allowable catch for major harvested species in 2010. This contributed to higher catch volumes in the North Pacific Ocean. Strong market demand for the Group's fish products also led to an increase in selling prices.

Sales from South Pacific operations contributed revenue of US\$8.0 million.

Sales generated from fishmeal operations declined 5.3% from US\$95.2 million to US\$90.1 million. This was due to lower sales volume of fishmeal as a result of lower inventory carried forward and a shift in fishing season.

The PRC continued to be the Group's major market, accounting for 76.5% of total revenue, an increase of 35.6%. Japan and Korea, Europe, and West Africa accounted for 10.7%, 8.0% and 1.8% respectively.

Gross profit increased by 30.8% from US\$127.8 million to US\$167.3 million. Gross profit margin rose from 33.8% to 38.5% as a result of greater economies of scale and higher operating efficiencies achieved.

Selling and other operating expenses increased from US\$17.9 million to US\$30.8 million in line with higher sales volume in the fishing operations.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 25.2% from US\$130.5 million to US\$163.3 million.

Despite an increase in bank borrowings, lower interest rates reduced total finance costs in 9MFY2010 by 0.9% from US\$23.3 million to US\$23.1 million.

Net profit increased by 18.5% from US\$85.0 million to US\$100.8 million and net profit margin improved from 22.5% to 23.2%.

Statement of financial position

28 June 2010 vs 30 June 2009

Total assets increased by 34.7% from US\$840.9 million to US\$1,132.6 million.

Non-current assets increased by 28.9% from US\$672.3 million to US\$866.6 million. During the period, the Group invested US\$113.4 million in 2 Peruvian companies which own approximately 1.2% of the fishing quota for the Peruvian anchovy. The 2 Peruvian companies also operate 7 fishing vessels and a fishmeal plant.

Current assets increased by 57.8% from US\$168.6 million to US\$265.9 million mainly due to an increase in trade receivables from US\$31.7 million to US\$73.4 million. This was attributed principally to a shift in the fishing season which resulted in higher fishmeal and fish oil sales transacted in the month of June.

Total liabilities increased by 45.0% from US\$427.0 million to US\$619.2 million due mainly to an increase in bank borrowings of US\$76.0 million to finance the Peruvian acquisitions.

Total equity increased by 24.1% from US\$413.9 million to US\$513.4 million. The Group's net debt to equity ratio increased from 84.3% to 90.2% due to an increase in bank borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The 3QFY2010 results announcement is in line with the prospect statement disclosed to shareholders in the 2QFY2010 results announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Outlook

Management remains positive on growth prospects for the Group's business divisions. The Group's South Pacific operations will continue to benefit from the experience gained in fleet management and operations. The higher fishing quota resulting from the Peruvian acquisitions will increase the Group's production volume of fishmeal and fish oil, and will further enhance economies of scale and operating efficiencies.

In July 2010, the Group completed a private placement of 113.5 million new shares and 26.7 million warrants to The Carlyle Group. The gross proceeds of US\$150 million will be used primarily for strategic acquisitions and to acquire additional fishing quota.

The Group welcomes Mr. Patrick Thomas Siewert, Senior Director of The Carlyle Group, to the Board of Directors as non-executive director and a member of the Audit and Risk Management Committee. With Carlyle's contributions, the Board looks forward to taking China Fishery into a new and exciting phase of development and to deliver steady growth in shareholder value. As a priority, Carlyle is committed to assist the Group in the continuous development of its sustainability practices.

The Group's results for the 9-month period to 28 June 2010 has already exceeded that of the comparable 12-month period in 2009. Management expects further growth for the rest of the financial year, barring any unforeseen circumstances.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the third quarter ended 28 June 2010.

13. Interested Person Transactions:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST (excluding transactions less than S\$100,000)	
	29.03.2010 – 28.06.2010 <i>US\$'000</i>	01.04.2009 – 30.06.2009 <i>US\$'000</i>	29.03.2010 – 28.06.2010 <i>US\$'000</i>	01.04.2009 – 30.06.2009 <i>US\$'000</i>
Pacific Andes Resources Development Limited and its subsidiaries:				
Sales of catches	–	–	–	–
Sales of fishmeal products	–	–	–	–
Purchase of bunker and other vessel supplies	–	–	–	–

14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the SGX-ST

On behalf of the Board, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board of China Fishery Group Limited, which may render the financial statements in respect of the 3QFY2010 to be false or misleading in any material aspect.

For and on behalf of the Board of China Fishery Group Limited

Ng Joo Siang
Executive Director

Chan Tak Hei
Finance Director

BY ORDER OF THE BOARD

Yvonne Choo
Company Secretary

10 August 2010