



# PACIFIC ANDES

INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

[For Immediate Release]

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

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(Hong Kong, 10 August 2010) – Leading international frozen seafood supplier **Pacific Andes International Holdings Limited** (HKEx: 1174) (“Pacific Andes” or “the Group”) today announced the results for the third quarter (“3QFY2010”) and nine months (“9MFY2010”) 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.

### PARD

HK\$ Million	3Q FY2010	Change	9MFY2010	Change
Revenue	2,237.9	+10.6%	6,228.8	+5.5%
Gross profit	586.7	+48.0%	1,543.5	+24.4%
EBITDA	558.6	+34.5%	1,541.7	+17.3%
Net profit	315.1	+36.4%	939.4	+10.8%

For the 9MFY2010, PARD recorded revenue growth of 5.5% to HK\$6,228.8 million. Gross profit increased by 24.4% to HK\$1,543.5 million, while gross profit margin increased from 21.0% to 24.8%, a reflection of economies of scale and the positive impact of PARD’s ongoing initiatives to improve operating efficiencies. Its net profit increased by 10.8% to HK\$939.4 million.

Revenue from the fishing division, which accounted for 54.5% of total revenue, increased by 14.8% to HK\$3,392.3 million. It was mainly driven by higher catch volumes from the North Pacific trawling operations, as well as higher selling prices for fishmeal products. Revenue from the frozen fish supply chain management (“Frozen Fish SCM”) division, which accounted for 45.5% of revenue, dropped by 3.9% to HK\$2,836.5 million, primarily due to lower sales volume.

### China Fishery

US\$ Million	3QFY2010	Change	9MFY2010	Change
Revenue	159.4 (HK\$1,243.3 million)	+48.3%	434.9 (HK\$3,392.2 million)	+14.8%
Gross Profit	62.2 (HK\$485.2 million)	+50.4%	167.3 (HK\$1,304.9 million)	+30.8%
Net Profit	35.6 (HK\$277.7 million)	+42.0%	100.8 (HK\$786.2 million)	+18.5%
EBITDA	61.6 (HK\$480.5 million)	+42.2%	163.3 (HK\$1,273.7 million)	+25.2%
Earnings per share	4.01 US cents (31.28 HK cents)	+37.5%	11.57 US cents (90.25 HK cents)	+17.1%

Revenue of China Fishery increased by 14.8% to US\$434.9 million (HK\$3,392.2 million) for the 9MFY2010. Gross profit was up 30.8% to US\$167.3 million (HK\$1,304.9 million) while gross profit margin rose to 38.5% as a result of greater economies of scale and higher operating efficiencies achieved. Net profit increased by 18.5% to US\$100.8 million, and earnings per share rose to 11.57 US cents (90.25 HK cents).

Sales generated from North Pacific fishing operations increased by 18.7% to US\$336.8 million (HK\$2,627.0 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 China Fishery's fish products also led to an increase in selling prices. Sales from the start-up South Pacific operations contributed revenue of US\$8.0 million (HK\$62.4 million).

In 3QFY2010, sales generated from fishmeal processing operations increased by 34.1% to US\$44.8 million (HK\$349.4 million). However, sales generated from fishmeal operations in 9MFY2010 fell by 5.3% to US\$90.1 million (HK\$702.8 million), due mainly to lower sales volume of fishmeal as a result of lower inventory carried forward and a shift in fishing season. In addition, China Fishery completed the acquisition of two Peruvian companies in May 2010 and increased its fishing quota from 4.85% to 6.05% in the North of Peru and from 7.11% to 10.91% in the South of Peru respectively.

In July 2010, China Fishery 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 (HK\$1,170 million) will be used primarily for strategic acquisitions and to acquire additional fishing quota. Management believes that in addition to the new capital from the placement that will help fuel expansion plans, China Fishery can also benefit from leveraging Carlyle's strategic insights, and their extensive network, acquisition and financing expertise.

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 fishing divisions and frozen fish SCM division. For the fishing operations, we expect that a higher Peruvian quota share following the acquisition of two Peruvian fishing companies in May 2010 will increase our production volume of fishmeal and fish oil, and will further enhance economies of scale and operating efficiencies. In addition, the Group's start-up South Pacific operations will continue to benefit from the experience gained in fleet management and operations. 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."

"With a continuing strong demand for our fish products, higher operating efficiencies and economies of scale, I am confident that the Group is well-positioned to sustain growth and deliver positive results for the current financial year," Mr. Ng concluded.

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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, "Pacific Andes") 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 particular emphasis in the China market. Its processing factories are located in China, Japan, United States and Peru. Today, Pacific Andes is the world's largest fishing group, the largest supplier of frozen fish into the PRC market and the world's largest fish fillet producer.

Pacific Andes achieved an uninterrupted growth of turnover and net profit for the past 10 years, posting a CAGR growth of 21% and 39% respectively.

Pacific Andes' 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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