



PACIFIC ANDES

INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

For Immediate Release

Cayman Islands Provisional Liquidators to be Terminated

Hong Kong, 25 January 2016: Pacific Andes International Holdings Limited (PAIH) announced today that its subsidiaries, China Fishery Group Limited (CFGL) and China Fishery International Limited (CFIL) have entered into a deed of undertaking with The Hong Kong and Shanghai Banking Corporation Limited (HSBC) and other bank lenders which provides for the removal and termination of provisional liquidators in the Cayman Islands, subject to certain undertakings.

Under the settlement, HSBC has agreed to apply to both the High Court of Hong Kong and the Grand Cayman Court for the dismissal of winding up applications, in addition to terminating any appeal proceedings.

“Once this settlement comes into effect, there will no longer be any provisional liquidators in place within the China Fishery Group. That will be a major step forward for all of us who have been working hard to return the business to normal operating conditions, which is necessary to realise the maximum value of the company. This will not only benefit our stakeholders but the broader industry as well,” said Ms Jessie Ng, Managing Director.

Notwithstanding this settlement agreement between the parties, including HSBC, Bank of America and the other banks, to remove and terminate the provisional liquidators, KPMG, has refused to instruct its Cayman Islands attorneys to consent to the terms of the settlement and are refusing to be discharged as provisional liquidators unless they receive immediate payment of US\$3.1 million for their fees before approval of the amount by the courts under the normal procedures or proper examination by the Company. The settlement agreement provides for this amount be paid by China Fishery Group within 21 days. KPMG also has the benefit of an indemnity from HSBC if KPMG is not paid by China Fishery Group.

“We hope that this is a temporary setback and of course we will continue to work to give effect to the settlement notwithstanding this surprising position taken by KPMG”, said Ms Ng.

“However, it is extremely disappointing that KPMG would behave in this manner. The livelihoods of many people depend on the CFGL business and the broader Pacific Andes Group getting back to normal operations as soon as possible, and KPMG seems intent on putting that at risk for the sake of trying to force an immediate payment of its fees,” said Ms Ng. “This is despite the fact that HSBC has provided an indemnity for the costs of the provisional liquidators, and therefore, they are assured of being paid their costs through the normal processes,” said Ms Ng.

“Others can judge for themselves, but we do not believe this is behavior that becomes an international organization like KPMG,” Ms Ng concluded.

Ends

Enquiries: Geoff Walsh, Group Director of Public Affairs and Communications
Email: geoffrey.walsh@pacificandes.com
Phone: +852 2589 4152