



Media Release

Pacific Andes Group Announces a New Initiative in Restructuring Process

Hong Kong, 1 July, 2016: Pacific Andes Group in conjunction with its subsidiary, China Fishery Group Limited (“CFGL”), announced today a new initiative in its restructuring process. The companies have initiated a self-rehabilitation process through voluntary court filings which will expand the range of options available for resolving current issues with their borrowings. This includes an enhanced ability to derive value from existing assets and a broadening of the scope of strategies available to satisfy their creditors.

“It has always been our objective to provide the best possible outcome for our creditors. We have demonstrated our sincerity on this over the last six months, including through the appointment of Chief Restructuring Officers, and the steps we have taken on the process for the sale of CFG’s Peruvian fishmeal and fish oil business,” said Ms Jessie Ng, Group Managing Director.

“As we stand today, we have a deeper understanding of the strategic options available to us to satisfy our creditors and at the same time to ensure that going forward there is a sustainable business which is of value to all stakeholders. Therefore, it is important that we put in place this new initiative, overseen by courts or other transparent bodies, which will allow us to act in the best interests of all stakeholders without the threat of a forced liquidation by any one of our creditors which would destroy value for all. It is in all stakeholders’ interests to avoid a repetition of the highly destructive impact we witnessed in November 2015 when provisional liquidators were suddenly and forcefully imposed on CFGL”, said Ms Ng.

“To be clear, this action we have taken is designed to deliver three immediate outcomes. Firstly, it will allow us to continue our efforts towards realising the

maximum value for creditors. Secondly, it will protect the businesses from sudden or random actions by individual creditors which would destroy value for the majority of creditors and shareholders. Thirdly, it allows the flexibility to rehabilitate the businesses in open and transparent processes so that we can deliver a positive future for the benefit of creditors, shareholders and long term stakeholders,” Ms Ng added.

As a result of this initiative, no further immediate steps will be taken for the time being in the current process for the sale of CFG’s Peruvian fishmeal business while all available restructuring options are being evaluated. Both Pacific Andes Group and CFG will be continuing to work closely with their advisers, creditors, shareholders and all stakeholders on the full range of options to bring maximum value into the businesses while at the same time assuring the future long-term value proposition for the businesses.

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