PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED
(Incorporated in Bermuda with limited liability)
(the "**Company**")

UPDATING SHAREHOLDERS OF THE COMPANY AS TO CERTAIN KEY EVENTS WHICH HAVE OCCURRED IN RESPECT OF CHINA FISHERY GROUP LIMITED

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1. EXECUTION OF DEED OF UNDERTAKING BY CHINA FISHERY GROUP LIMITED WITH RESPECT TO, INTER ALIA, THE REMOVAL AND TERMINATION OF APPOINTMENT OF PROVISIONAL LIQUIDATORS

1.1. The Company is pleased to inform its shareholders that China Fishery Group Limited ("**CFGL**") and China Fisheries International Limited ("**CFIL**", together with CFGL, the "**CF Group Parties**") entered into a deed of undertaking (the "**Deed**") with The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") on 20 January 2016. The Deed was negotiated and agreed directly with HSBC, Bank of America ("**BoA**"), and all other club lenders to CFGL and its subsidiaries (the "**CF Group**") and therefore has the support of all such lenders (not only HSBC). Under the Deed, in consideration of the CF Group Parties' fulfillment of the Immediate Undertakings (as defined below), HSBC agreed to immediately take all necessary action (and any action reasonably requested by the CF Group Parties) to:

(a) remove and terminate the appointment of Fergal Thomas Power, Kris Beighton and Alexander Lawson of Messrs KPMG as the joint provisional liquidators (the "**JPLs**") of CFGL by order of the Grand Court of the Cayman Islands (the "**Cayman Court**") (the "**PL Appointment**");

(b) apply for the dismissal of the winding up petition that was set for hearing in the Cayman Court on 8 January 2016 and has been adjourned, and the winding up petition set for hearing in the High Court of the Hong Kong Special Administrative Region (the "**HK Court**") on 27 January 2016; and

(c) remove and terminate any appeal with respect to the order issued by the Hong Kong Court on 5 January 2016 dismissing the continuance of appointment of Fergal Thomas Power, Edward Middleton and Kris Beighton of Messrs KPMG as JPLs of the CF Group Parties in Hong Kong,

(collectively, the "**Termination of JPL Appointments**").

1.2. By reason of the Termination of JPL Appointments under the Deed, the joint provisional liquidators must relinquish all of their powers, including, among other things, the powers to take possession of or collect each CF Group Parties' properties, investigate and conduct the affairs of each CF Group Parties, defend any actions or legal proceedings on behalf of each of the CF Group Parties, and execute all agreements and documents on behalf of each of the CF Group Parties.

1.3. Pursuant to the Deed, CF Group Parties and HSBC agreed to pursue a sale (the "**Sale**") of the Peruvian business and/or assets of CFGL Group, subject to relevant regulatory processes and approval including those required under Peruvian laws and the Rules Governing the

Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKSE**") and listing rules of the Singapore Exchange Securities Trading Limited ("**SGX**").

1.4. In addition, the CF Group Parties undertook and covenanted in favour of HSBC that the CF Group Parties would procure the following on or before 11:59 p.m. (Hong Kong time) on 21 January 2016 (the "**Immediate Undertakings**"):

(a) the engagement of Grant Thornton Hong Kong to undertake an independent reporting accountant role in respect of the CF Group reporting to the Banks (i.e., BoA, China CITIC Bank International Limited, DBS Bank (Hong Kong) Limited, HSBC, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (also known as Rabobank International) Hong Kong Branch and Standard Chartered Bank (Hong Kong) Limited whom are lenders of certain facilities granted to CF Group);

(b) Mr Paul Jeremy Brough be appointed as chief restructuring officer (the "**CRO**") by CFGL and CFIL;

(c) the CRO shall be appointed as a director of CFGL and the board of directors of CFGL shall pass a resolution providing that the CRO shall participate fully in the Sale process (with all material actions related to the Sale process having to be approved by the CRO) and to ensure that the affairs and the finances of the CF Group are dealt with in the best interests of the relevant CF Group companies and their creditors; and

(d) Mr Ng Joo Siang and Mr Chan Tak Hei shall relinquish all board and management positions within the CF Group, and the board and management positions vacated by Mr Ng Joo Siang shall be taken up by Ms Ng Puay Yee (Jessie).

The Company is pleased to announce that the CF Group Parties procured the fulfilment of the Immediate Undertakings before 11:59 p.m. (Hong Kong time) on 21 January 2016. Accordingly, pursuant to the terms of the Deed, HSBC is obligated to take all necessary action (and any action reasonably requested by the CF Group Parties) to implement the Termination of JPL Appointments.

1.5. Further, the CF Group Parties also undertook and covenanted in favour of HSBC that the CF Group Parties will procure, among other things, the following:

(a) within twenty-one (21) days of the date of the Deed, the sum of US$3,100,000 (the "**Interim Payment**") be paid to KPMG on account of the costs and expenses (including legal costs) of the JPLs provided that KPMG has undertaken to seek approval of such costs and expenses from the Cayman Court and the HK Court failing agreement with the CF Group Parties with respect to such fees and expenses and further to repay to the CF Group Parties any amount by which the Interim Payment exceeds the aggregate amount which is payable;

(b) the full repayment of all amounts owed to each of the Banks and the bondholders by the CF Group, including all outstanding principal, all interest payable under the relevant contractual terms and all costs incurred, including (i) costs relating to the applications to the HK Court and the Cayman Court (as applicable) for the winding-up of CFGL and CFIL and the PL Appointment; and (ii) the fees and expenses incurred by BoA in connection with the matters contemplated by the Deed but subject to agreement between the CF Group Parties and BoA in relation thereto;

(c) the provision of periodic updates on the Sale process (on a full and transparent basis) to the Banks and the CRO shall have unfettered rights to communicate with the Banks as regards such Sale process and also generally regarding the affairs of the CF Group in accordance with the relevant laws and listing rules of the HKSE and SGX, where applicable; and

(d) not to implement the Sale without the prior written approval of the CRO.

2. REFUSAL BY JOINT PROVISIONAL LIQUIDATORS TO CONSENT TO AND EFFECT THE TERMINATION OF JPL APPOINTMENTS

2.1. Following the fulfilment of the Immediate Undertakings by the CF Group Parties, HSBC (and all other Banks) have taken steps to remove and terminate the JPLs, including taking steps towards the seeking of a consent order from the Cayman Court to discharge and terminate the JPLs. The terms of this order have been agreed between the CF Group Parties, HSBC, BoA and the Banks (the "**Consent Order**").

2.2. Notwithstanding this agreement betwen the CF Group Parties, HSBC, BoA and the other Banks to remove and terminate the JPLs, Fergal Thomas Power, Kris Beighton and Alexander Lawson of Messrs KPMG have refused to instruct their Cayman Islands attorneys to consent to the terms of the Consent Order and are refusing to be discharged as JPLs unless and until the Interim Payment in the amount of US$3.1 million is immediately paid to the JPLs in full before approval of the amount by the courts according to the normal procedures or proper examination by the Company.

2.3. Previously, the JPLs sought to have the HK Court make an order for the payment of the JPLs costs on 5 January 2016 when the HKCourt dismissed the continuance of the appointment of Fergal Thomas Power, Edward Simon Middleton and Mr Kris Beighton of Messrs KPMG as JPLs of the CF Group Parties in Hong Kong. The HKCourt refused to make such an order and directed the JPLs to make an application for the payment of their costs, in accordance with the applicable insolvency rules and practice. Notwithstanding this direction, the JPLs have not, to the knowledge of the Company, made any such application to the HKCourt for payment of their costs.

2.4. The JPLs' refusal to be discharged in the Cayman Islands until and unless their costs of US$3.1 million are paid in full (which the Company understands comprises costs in respect of the JPLs' appointment in both the Cayman Islands and Hong Kong). The Company further understands that:

(a) the JPL's costs are, based on recent communications from the JPLs, continuing to increase given the work the JPLs are undertaking to refuse their immediate dismissal. The Company understands that CFGL has been informed by the JPLs that their costs are now US$3.2 million;

(b) the costs of US$3.1 million which the JPLs have alleged to have been incurred in the discharge of their duties have not, in accordance with the Insolvency Practitioners Regulations 2008 (as amended), been reviewed or approved by the Cayman Court; and

(c) the terms of the Consent Order which has been agreed to by HSBC continue to render HSBC liable for the JPL's costs pursuant to the undertaking given by HSBC to the

Cayman Court. This undertaking from HSBC in favour of the JPLs will stay in place until the JPLs receive payment of the US$3.1 million from the CF Group Parties.

2.5. CFGL intends to take all necessary steps in order to effect the Termination of JPL Appointments, including, without limitation, making all necessary applications to the Cayman Court and the HK Court and making reasonable requests of HSBC (in accordance with the terms of the Deed) to support and assist CFGL and/or CFIL in taking of such steps.

3. CHANGES TO THE COMPOSITION OF THE BOARD, THE INVESTMENT COMMITTEE AND THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF CFGL

3.1. The Company also wishes to announce the following changes which have been made to the board of CFGL:

(1) The board of CFGL had on 24 November 2015 approved the rotation of Chairmen and changes to the composition of the Investment Committee ("**IC**") and the Corporate Social Responsibility Committee ("**CSRC**") ofCFGL as follows:-

CSRC

(i) The changes in the composition of the CSRC are as follows:-

(a) Mr Tse Man Bun has stepped down as a member of the CSRC and relinquished his position as Chairman of the CSRC. Accordingly, Mr Tan Ngiap Joo ceased as the alternate CSRC member to Mr Tse Man Bun;

(b) Mr Lim Soon Hock has been appointed as a member and the Chairman of the CSRC; and

(c) Mr Tan Ngiap Joo has been appointed as the alternate CSRC member to Mr Lim Soon Hock.

IC

(i) The changes in the composition of the IC are as follows:-

(a) Mr Tse Man Bun has stepped down as a member of the IC. Accordingly, Mr Tan Ngiap Joo ceased as the alternate IC member to Mr Tse Man Bun;

(b) Mr Ng Joo Siang has relinquished his position as Chairman of the IC but remains as a member of the IC;

(c) Mr Tan Ngiap Joo has been appointed as a member and the Chairman of the IC; and

(d) Mr Lim Soon Hock has been appointed as a member of the IC.

(2) Mr Ng Joo Siang and Mr Chan Tak Hei have resigned as Executive Directors with effect from 21 January 2016.

Consequent to Mr. Ng Joo Siang's resignation, he has ceased as members of the IC and the CSRC. Concurrently, Lt-Gen (Ret) Ng Jui Ping has also ceased to be his alternate in the CSRC accordingly.

(3) Ms Ng Puay Yee (Jessie) has been appointed as an Executive Director with effect from 21 January 2016.

Following Ms Ng Puay Yee (Jessie)'s appointment, she will also be appointed as a member of the IC.

(4) Mr Paul Jeremy Brough has been appointed as the CRO and an Executive Director with effect from 21 January 2016.

Consequent to the changes set out in paragraphs 3.1 (1) to (4) above, the composition of the board, IC and CSRC of CFGL are as follows:-

Board

Mr Ng Joo Kwee – Executive Chairman
Mr Sung Yu Ching – Managing Director
Ms Ng Puay Yee (Jessie) – Executive Director
Mr Paul Jeremy Brough – Executive Director
Mr Tse Man Bun – Non-Executive, Lead Independent Director
Mr Lim Soon Hock – Non-Executive, Independent Director
Mr Tan Ngiap Joo – Non-Executive, Independent Director

IC

Mr Tan Ngiap Joo – Chairman
Mr Lim Soon Hock – Member
Ms Ng Puay Yee (Jessie) – Member

CSRC

Mr Lim Soon Hock – Chairman
Ms Ng Puay Yee (Jessie) – Member
Mr Tan Ngiap Joo – Member (Alternate to Mr. Lim Soon Hock)
Mr Keith Sainsbury – Advisor

There is no change to the Audit and Risk Management Committee, the Nominating Committee and the Remuneration Committee of CFGL.

3.2 Details of the appointments of Ms. Ng Puay Yee (Jessie) and Mr Paul Jeremy Brough and cessations of Mr. Ng Joo Siang and Mr. Chan Tak Hei as required under Rule 704(7) of the Listing Manual of the SGX will be set out in separate announcements to be made via SGXNet by CFGL.

GENERAL

The Company will continue to update the shareholders of the Company of any material developments as and when appropriate.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary
Singapore, 24 January 2016