

News Release

Delivering Improved Capital Structure and Reduction in Gearing

- **Group's capital structure enhanced with completion of the Rights Issue**
- **Net-debt-to-equity ratio improved year-on-year from 94.4% to 53.6%**
- **As foreshadowed, 1HFY2015 results impacted by reduced catch in Peru**

Singapore, 11 May 2015 - Pacific Andes Resources Development Limited ("PARD" or the "Group") (SGX: P11.SI), a leading global frozen fish supplier with an integrated supply chain, today announced its results for the first half ended 28 March 2015 ("1HFY2015"), with revenue of HK\$3.13 billion and net profit of HK\$194.1 million.

"With the completion of the Group's Rights Issue on 27 January 2015, we have successfully raised new capital of S\$195.5 million (approximately HK\$1,143 million). We used these proceeds to subscribe for the pro-rata share of the Rights Issue of our subsidiary, China Fishery Group Limited ("China Fishery"). China Fishery will use the proceeds to redeem the Copeinca Notes, which will enable completion of the integration of the expanded Peruvian fishmeal operations and realisation of the remaining synergies and efficiencies from that integration," said Mr Ng Joo Siang, Chairman of the Group.

"In March 2014, we announced that we were targeting to reduce our net-debt-to-equity ratio to 75% within 3 years. I am pleased to report that our net-debt-to-equity ratio has improved from 94.4% in March 2014 to 53.6% as of 28 March 2015, well ahead of target. We are very pleased that our tight focus on improved efficiency, reduction in borrowings and reduction in interest expense is delivering early results. Net-debt-to-equity ratio will be further reduced as the Group will today make full payment to discharge all its obligations under the Copeinca Senior Notes," Mr Ng said.

It was previously foreshadowed that the Group's 1HFY2015 performance would be impacted by reduced contribution from the Fishery and Fish Supply Division ("FFS") as a result of the decision of the Peruvian Government to close the 2014 B season fishing in the North Centre Anchovy fishery. The Group's revenue decreased by 32.9% from HK\$4,660.0 million to HK\$3,126.9 million and net profit decreased 50.5% from HK\$391.9 million to HK\$194.1 million mainly due to the closure of that fishery and the temporary warming of the water in the 2014 A season.

“As a result of measures taken to effectively optimise operating efficiencies and minimise expenses, in addition to higher average selling prices of fishmeal and fish oil products, the FFS was successful in remaining profitable throughout the second quarter and the first half,” said Mr Ng.

Revenue from the FFS Division for 1HFY2015, which accounted for 50.0% of total revenue, decreased by 38.3% from HK\$2,535.7 million to HK\$1,564.8 million. This was due primarily to lower sales from the Peruvian Fishmeal Operations and the Contract Supply Business.

Revenue from the Frozen Fish SCM Division for 1HFY2015, which accounted for 50.0% of total revenue, decreased by 26.5% from HK\$2,124.3 million to HK\$1,562.2 million. This was mainly a result of lower sales volume.

Outlook

The Group’s net-debt-to-equity ratio is now already below the levels in place before the major Copeinca acquisition in 2013. The completion of China Fishery’s Rights Issue and redemption of the Copeinca Notes will bring about a further reduction in the Group’s gearing. Going forward, the reduced borrowings will have a positive impact on the Group’s interest expense and balance sheet.

“The FFS Division’s major fishing operations in Peru have experienced a strong start to the 2015 A season, with 50% of its quota being utilised in the first month of this most important season. This augers well for the Division’s ability to capitalise on the 2.58 million MT Total Allowable Catch announced by the Peruvian Ministry of Production for the A season in the North Centre Anchovy fishery,” Mr Ng said.

The Group’s objective is to fully utilise the quota at the earliest possible date. This provides a very positive outlook for the Division’s operations for the next quarter and the balance of the year.

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About Pacific Andes Resources Development Limited

Pacific Andes Resources Development Limited focuses on the development, marketing and distribution of fish and fish products. The Group integrates the entire supply chain, sourcing frozen seafood products from oceans all around the world. Besides providing a full range of at-sea transportation and logistical services to fishing companies, PARD also operates one of the world’s most sizeable fishing fleets and fishmeal and fish oil processing facilities in some of the world’s most important fishing grounds.

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