

PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)

("Company")

UPDATING SHAREHOLDERS OF THE COMPANY AS TO AN ANNOUNCEMENT MADE BY PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

The Company refers to the announcements made on 30 November 2015, 4 December 2015, 9 December 2015, 28 December 2015, 31 December 2015, 5 January 2016, 6 January 2016, 10 January 2016, 11 January 2016, 24 January 2016, 25 January 2016, 28 January 2016, 29 January 2016 and 1 February 2016 ("**Previous Announcements**").

As an update, the Company wishes to inform shareholders that an announcement was made by its direct parent company, Pacific Andes International Holdings Limited on 4 February 2016, to summarise the Previous Announcements made by the Company.

The Company also wishes to inform shareholders of the following information which should be read in conjunction with, and in the context of, the Previous Announcements:

- (a) the business at the level of the Company and its subsidiaries (excluding the business of China Fishery Group Limited ("**CFGL**") and its subsidiaries) (the "**PARD Business**") has been significantly adversely affected and there has been a significant drop in the trading volume of the PARD Business. According to the estimation of the management of the Company and its subsidiaries and subject to adjustment and confirmation by the Company's auditors, the PARD Business has recorded a revenue of approximately HK\$76 million for the 2 months ended 28 November 2015 as compared to approximately HK\$282 million for the 2 months ended 28 November 2014;
- (b) in November 2015, PARD and CFGL had received two demand letters from Bank of America N.A. ("**BoA**") in respect of demands for payment under two facilities, where the alleged aggregate principal amount of the loans outstanding is US\$42,739,537 ("**BoA Demands**"). Under the Deed of Undertaking ("**Deed**") entered into between the CFGL and China Fisheries International Limited ("**CF Group Parties**") with The Hongkong and Shanghai Banking Corporation Limited on 20 January 2016, the CF Group Parties undertook and covenanted to procure, *inter alia*, the full repayment of all amounts owed to the banks, including the repayment of the amounts under the BoA Demands and 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 management of CFGL has been in discussions with potential acquirers with respect to the sale of the Peruvian business and/or assets of CFGL and its subsidiaries; and
- (d) the Company is in the process of preparing the 2015 full year financial results.

The Company will continue to update shareholders of any material developments.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary
Singapore, 5 February 2016