PACIFIC ANDES
RESOURCES DEVELOPMENT LIMITED

News Release

Pacific Andes records solid growth of 20% in EBITDA

- **Gross profit increases by 10.7%**
- **Emphasis on consolidation and efficiency of expanded operations**

Singapore, 12 May 2014 - 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 a 20.0% year-on-year ("y-o-y") increase in EBITDA to HK$1,404.6 million for its six months ended 28 March 2014 ("1HFY2014").

Financial Highlights

HK$ Million	1HFY2014	1HFY2013	Change (%)
Revenue	**4,660.0**	4,869.1	(4.3)
Gross Profit	**898.2**	811.1	+10.7
EBITDA	**1,404.6**	1,170.9	+20.0
Net Profit Attributable to Owners	**277.9**	521.1	(46.7)

Group revenue decreased by 4.3% from HK$4,869.1 million to HK$4,660.0 million. Gross profit increased by 10.7% from HK$811.1 million to HK$898.2 million, as a result of higher contribution from the enlarged Peruvian Fishmeal Operations.

By market, the PRC remained as the Group's largest market with sales of HK$3,614.6 million, accounting for 77.6% of total revenue. This was followed by Europe with sales of HK$386.4 million, accounting for 8.3% of total revenue. Sales to East Asia amounted to HK$134.0 million, while sales to Africa amounted to HK$110.0 million. Sales to South America accounted for 6.4% of total revenue at HK$295.9 million. Sales to other markets accounted for the balance of 2.5% of total revenue of HK$119.0 million.

In announcing the financial results, Mr Ng Joo Siang, Chairman of the Group, said: "We are very pleased to see the 23.4% increase in Total Allowable catch ("TAC") for the first anchovy fishing season in Peru for 2014 which indicates a healthy uptrend in biomass."

"For the immediate term, we will be focussing on consolidation, and increasing efficiency and effectiveness of our expanded operations. In particular, the privatisation of Copeinca AS, which was completed on 1 April 2014, provides greater flexibility for the Group to realise synergies through the integration of our Peruvian Fishmeal Operations," Mr Ng added.

Revenue by Business Division

Revenue from the Frozen Fish Supply Chain Management Division, which accounted for 45.6% of total revenue, decreased by 22.9% from HK$2,757.0 million to HK$2,124.3 million due to lower sales volume.

Revenue from the Fishery and Fish Supply Division, which accounted for 54.4% of total revenue, increased by 20.1% from HK$2,112.1 million to HK$2,535.7 million. This was mainly attributed to contribution from the enlarged Peruvian Fishmeal Operations and a significant increase in the TAC of Peruvian anchovy for the 2013 second fishing season. However, the higher contribution from the Peruvian Fishmeal Operations was partially offset by the drop in sales from the Contract Supply Business.

Outlook for FY2014

The Peruvian Government has set the TAC for its 2014 first anchovy season at 2.53 million tons, a 23.4% increase from the 2.05 million tons for the same fishing season last year. The first fishing season started early on 23 April 2014 and will run until the end of July 2014.

Reviewing the sanctions announced to date against Russia by US/EU, and barring any new sanctions, management is of the view that any impact on the Group's performance is minimal."

China Fishery Group Limited, the Group's subsidiary, has completed the refinancing of its bridging loan into a 4-year term loan to improve its liquidity. It intends to use the return of prepayments from the Contract Supply Business to help fund the reduction of its outstanding debt. Management is committed to improving the Group's gearing over the next two years.

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About Pacific Andes Resources Development Limited

Pacific Andes Resources Development Limited focusses on the development, marketing and distribution of fish and fish products. We integrate 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, we also operate one of the world's most sizeable fishing fleets and fishmeal processing facilities in some of the world's most important fishing grounds.

For further inquiries, please contact:

Katie Tsui
Investor Relations Manager
Pacific Andes Resources Development Limited
Direct : +852 2589 4191
Email : katie.tsui@pacificandes.com

Karen Yap
Weber Shandwick
Direct: +65 6825 8068
Mobile: +65 9738 6291
Email: kyap@webershandwick.com