News Release

Delivering Improved Cash Flow and Capital Structure

- **Cash flow from operations increased by 3.8 times**
- **Group's capital structure enhanced with completion of the rights issue**
- **Net-debt-to-equity improved to below 70%**
- **1QFY2015 results impacted by reduced catch in the major Peru fishing season**

Singapore, 10 February 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 first quarter ended 28 December 2014 ("1QFY2015") results, with revenue of HK$1.8 billion and net profit of HK$128.2 million.

"During the quarter, we have successfully delivered on our commitment to disciplined cash flow and capital management. Consequently, the Group's net-debt-to-equity improved from 90% to 75.9% and net cash flow from operations increased by 3.8 times to HK$1.7 billion in the quarter. With the completion of the recent Rights Issue, we have further enhanced the Group's capital structure, and thus the net-debt-to-equity has further reduced to below 70%," said Mr. Ng Joo Siang, Chairman of the Group.

The Group's 1QFY2015 performance was impacted by reduced contribution from the Fishery and Fish Supply ("FFS") Division which accounts for more than 50% of the Group's revenue. A temporary warming of the sea water in Peru had caused the Anchovy to disperse and move south. Consequently, the entire industry in Peru recorded a reduced catch in the A Season (normally from April to July) of 2014, and the FFS Division was able to utilize only approximately 61% of its fishing quota in the 2014 A Season. Despite this, through the implementation of stringent cost and expense control measures and higher average selling prices of fishmeal and fish oil products the Division maintained profitability.

Financial Highlights

HK$ Million	1QFY2015	1QFY2014	Change
Revenue	1,811.8	2,426.2	(25.3)%
Gross Profit	309.1	397.9	(22.3)%
EBITDA	466.9	595.4	(21.6)%
Net Profit	128.2	145.2	(11.7)%

Group revenue decreased by 25.3% year-on-year from HK$2,426.2 million to HK$1,811.8 million. Gross profit margin increased from 16.4% to 17.1% despite a 22.3% decrease in gross profit. This was mainly attributable to lower production costs (including material, labour, vessel and factory overhead costs) as a result of the lower catch volume in Peru.

Revenue from the Fishery and Fish Supply Division, which accounted for 53.3%, decreased by 14.7% from HK$1,132.6 million to HK$966.6 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, which accounted for 46.7% of total revenue, decreased by 34.7% from HK$1,293.6 million to HK$845.2 million. Despite a 7.0% increase in the average selling prices of its products, sales contribution decreased due to lower trading volume as a result of late delivery of fish products from suppliers.

Outlook for 2QFY2015

The Group will remain focused on consolidation of its existing businesses to enhance profitability and asset utilisation, and deleveraging of the Group's balance sheet. There has been progress in reduction of the net-debt-to-equity ratio and further improvement is expected throughout the rest of the year.

The Group expects that the 2QFY2015 (for the three months ending 28 March 2015) performance will be impacted by a decision of the Peruvian Government not to open the B Season (normally from November to January) in 2014. This decision was taken following an assessment of Peru's Marine Institute, IMARPE, that a temporary warming of the water had caused the Anchovy to disperse and that there was a high proportion of juvenile fish.

However, with IMARPE's finding of a high proportion of juvenile Anchovy in the Peruvian fishery and its observation that the environmental conditions in the fishery will normalize progressively, the industry generally is optimistic about the prospects and total catch for the entire year, 2015.

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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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