

## Pacific Andes Resources Development announces 27.5% Growth in Net Profit for FY2014

- **Growth in gross profit and gross margin, mainly due to enlarged business**
- **Strong position to capitalise on robust global growth in aquaculture**

**Singapore, 22 November 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 year-on-year growth in gross profit (+25.9%), EBITDA (+26.9%) and net profit attributable to owners of the Company (+27.5%) for its financial year ended 28 September 2014 (“FY2014”).

### Financial Highlights

HK\$ million	FY2014	FY2013	Change
Revenue	8,126	8,764	-7.3%
Gross profit	1,768	1,404	+25.9%
EBITDA	2,997	2,362	+26.9%
Net Profit	1,170	994	+17.7%
Profit attributable to owners of the Company	953	748	+27.5%
Basic EPS (HK cents)	19.9	15.6	+27.5%

“We are pleased to see such strong growth in both gross and net profit. As our business transforms into one with a focus on the production of fishmeal and fish oil, we are well placed to benefit from anticipated growth in global aquaculture which has been revised upwards by FAO from 2.54% to 4.14% per annum through 2022. In addition, our operating profit is benefiting from synergies and efficiencies as we integrate our expanded Peruvian Fishmeal Operations,” said Mr. Ng Joo Siang, PARD’s Chairman and Executive Director. “We aim to be the most efficient and cost effective producer in Peru, maximising our ability to generate strong cash flow.”

“Looking ahead, we will continue our focus on reducing the Group’s interest expense, maximising operating cash flow, tightly managing capital expenditure and enhancing asset utilisation.”

### Analysis by Segment

Revenue from the Fishery and Fish Supply Division, which accounted for 60.6% of total revenue, increased by 13.7% from HK\$4,329.1 million to HK\$4,920.5 million. This was mainly attributed to contribution from the enlarged Peruvian Fishmeal Operations. However it was partially offset by the drop in sales from the Contract Supply Business following the termination and non-renewal of the Long Term Supply Agreements (the “LSAs”).

Revenue from the Frozen Fish SCM Division, which accounted for 39.4% of total revenue, fell 27.7% from HK\$4,435.0 million to HK\$3,205.5 million mainly attributable to lower sales volume.

The Group's consolidation strategy remains on track. During FY2014, the Group successfully realized cost synergies by the closure of two fishmeal processing plants, reduction in fleet size and centralization of engineering and vessel maintenance workforce. Looking ahead, the Group will remain focused on maximizing value from further consolidation of its Peruvian Fishmeal Operations.

The enhancement of production efficiency in the Group's facilities in Peru and the expansion of fishing areas in Africa will increase asset utilization. This will underpin our strategy of delivering revenue growth and improved margins over the medium term.

The Group recorded HK\$320.4 million gain on disposal of 18.09% equity interests in Tassal Group Limited.

### **Outlook for FY2015**

As a result of increased population, growing affluence and consumer acceptance of farmed seafood, global demand for fishmeal and fish oil for aquaculture and farmed animal production is continuing to strengthen. This demand will be a key driver of future growth for the fishmeal and fish oil market, and in particular for the Group.

Although the start of the 2014 second fishing season has been delayed and the total allowable catch for the season may also be reduced, the Peruvian Anchovy resource has shown itself to be sustainable and is well-managed under an effective fishery management policy adopted by the Peruvian Government.

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### **About PARD**

PARD 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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