

PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED
(Incorporated in the Bermuda with limited liability)
(the “**Company**”)

Update on the Composition of the Board, Restructuring Process and Operations

The board of directors (the “**Board**”) of the Company wishes to provide an update on the composition of the Board, the Chapter 11 restructuring process, and the operational information in relation to certain major subsidiaries.

BOARD STRUCTURE

With deep sadness, the Board announces the passing of one of its long standing Independent Non-Executive Directors, Lt-Gen (Ret) Ng Jui Ping on 1 January 2020. Lt-Gen (Ret) Ng Jui Ping served with distinction as a director of the Company since his appointment in January 2006. In recognition of his contribution, he was appointed Lead Independent Director on 7 February 2014. General Ng’s advice was always highly valuable to the Board’s deliberations, and delivered with great energy and dedication. His contribution will be sadly missed.

With respect to the Board’s committee structure, General Ng was also the Chairman of the Independent Review Committee, the Nominating Committee and the Remuneration Committee, and a member of the Audit Committee.

Consequently, with effect from 1 January 2020, the composition of the Board and the Board committees are as follows:

Board

Ms Ng Puay Yee (Jessie) – Executive Chairman

Mr Ng Joo Puay, Frank – Managing Director

Mr Ng Joo Kwee – Executive Director

Mr Bertie Cheng Shao Shiong – Independent Non-Executive Director

Mr Chew Hai Chwee – Independent Non-Executive Director

Independent Review Committee

Mr Bertie Cheng Shao Shiong – Chairman

Mr Chew Hai Chwee – Member

Audit Committee

Bertie Cheng Shao Shiong – Chairman

Mr Chew Hai Chwee – Member

Remuneration Committee

Mr Chew Hai Chwee – Chairman

Mr Bertie Cheng Shao Shiong – Member

Nominating Committee

Mr Bertie Cheng Shao Shiong - Chairman

Mr Chew Hai Chwee – Member

Ms Ng Puay Yee (Jessie) - Member

The Company will be taking steps to appoint an independent director to the Board to replace General Ng to ensure compliance with the relevant requirements under the Listing Manual of the Singapore Exchange Securities Trading Limited.

UPDATE ON RESTRUCTURING INITIATIVES

Since the Company filed its Disclosure Statement and restructuring plan with the United States Bankruptcy Court in the Southern District of New York Court (the “**NY Court**”) on 29 September 2017, the Company has been engaged in regular discussions with creditors and potential plan investors, to facilitate the filing of an amended restructuring plan with a committed plan investor. As reported previously, those discussions have been constructive and are continuing. The Company continues to work towards the filing of an amended plan as soon as possible.

In previous announcements, information has been provided on a complaint against HSBC filed by the Chapter 11 trustee in the NY Court. HSBC filed a motion to dismiss the Chapter 11 trustee’s amended complaint on 29 March 2019. There was a hearing in the NY Court on 4 September 2019 and subsequently the NY Court issued a Scheduling Order requiring the parties to submit certain additional information. No further hearing is scheduled at this point.

Since the Company’s last update announcement, on 8 October 2019, the Chapter 11 trustee filed a motion to amend and extend a previously approved loan for the payment of his administrative expenses. As previously announced, The NY Court had earlier approved a loan with super priority to the entity over which the Chapter 11 trustee was appointed of US\$30 million, and the Chapter 11 trustee sought an order increasing the existing loan by US\$15 million to US\$45 million, advising the NY Court that the previously approved \$30 million had been fully drawn. He also sought an extension of the loan term to 31 December 2020. A limited objection to the motion was filed by certain CFGL bondholders on 22 October 2019. On 5 November 2019, the NY Court signed an order approving the increased loan amount and extension of the loan term.

Following the withdrawal of the Chapter 11 trustee’s original motion to the NY Court seeking authorization to make an interim distribution of excess cash to creditors, on 27 August 2019, the Chapter 11 trustee filed a second motion seeking similar authorization to make an interim distribution of excess cash. The Chapter 11 trustee reserved the right to later determine the amount of excess cash available. The payments would be in satisfaction of a portion of the amounts currently due and outstanding on the Senior Notes and the Club Loan. The Chapter 11 trustee believed that the time was “ripe” for the NY Court’s adjudication on a guarantee question which impacts the priority of payments to holders of the Senior Notes and the Club Loan creditors.

An objection to the motion by certain bondholders and a response in support of the motion by a creditor were filed on 2 October 2019. The motion was heard by the NY Court on 29 October 2019 and the NY Court's ruling was set down to be delivered on 17 December 2019 which was later extended to 27 December 2019. On that date, the NY Court denied the Chapter 11 trustee's motion. The Chapter 11 trustee has subsequently filed a further motion for interim distribution which is set down for hearing on 22 December 2020.

On 10 December 2019, the Chapter 11 trustee filed a motion with the NY Court seeking the appointment of a mediator to conduct a mediation with respect to a dispute relating to the granting of a Copeinca guarantee and proceedings initiated by the FTI liquidators in Hong Kong against an entity under the control of the Chapter 11 trustee. The motion was addressed at a hearing of the NY Court on 17 December 2019 and adjourned to a hearing on 22 January 2020.

As at the date of this announcement, the Company has not entered into any binding agreement with any party with respect to the financial restructuring of the Company or its subsidiaries.

The Company will continue to engage and work closely with all creditors, including bondholders, to achieve the best possible consensual restructuring for all interested parties, and will continue to provide updates on any material developments.

OPERATIONAL AND FINANCIAL UPDATE FOR CERTAIN MAJOR SUBSIDIARIES

(i) Operational Update

Based on information made available to the Board, CFGI's operations in Peru have been continuing. The first 2019 fishing season in the North/Centre region concluded on 31 July 2019 with the industry utilising approximately 100% of the 2.1 million tonnes Total Allowable Catch ("TAC"). The Ministry of Production has announced a TAC of 2.786 million tonnes for the second season of 2019. This is the highest second season TAC approved by the Peruvian Government for at least twelve years. Fishing commenced on 16 November 2019, and as of 20 December 2019, 34% of the TAC has been caught by the industry. There is currently a fishing ban in place due to a high presence of juveniles, which will continue until the level of juveniles reaches an acceptable level.

The Ministry of Production announced a TAC of 540,000 tonnes for the second 2019 fishing season in the South region of Peru, the same TAC as the first season. Fishing commenced on 5 August 2019 and to date, 2,854 tones have been caught by the industry.

(ii) Financial Update for Financial Year ended 28 September 2019

The Company has previously announced that the Eastern Caribbean Supreme Court of the British Virgin Islands appointed liquidators for a direct wholly-owned subsidiary of the Company, Richtown Development Limited ("**Richtown**"). As a consequence, the Company has been advised that it is not able to consolidate the financial performance of any entities at or below Richtown in the shareholding structure. Given that all operating subsidiaries of the Company are either direct or indirect subsidiaries of Richtown, the Company is not able to consolidate the financial

performance of such operating subsidiaries, and therefore, not able to provide to the public any substantive financial update at this stage.

On behalf of the board of directors

Ng Puay Yee (Jessie)

Executive Chairman

3 January 2020