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

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1. UPDATING SHAREHOLDERS OF THE COMPANY ON CERTAIN INFORMATION DISCLOSED IN AN ANNOUNCEMENT BY PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

2. EXECUTION OF DEED OF UNDERTAKING WITH KEY BANK LENDERS

UPDATING SHAREHOLDERS OF THE COMPANY ON CERTAIN INFORMATION DISCLOSED IN AN ANNOUNCEMENT BY PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

The Company wishes to inform shareholders of the Company ("**Shareholders**") that an announcement was made by its holding company, Pacific Andes International Holdings Limited ("**PAIH**" and together with its subsidiaries the "**PA Group**"), in relation to the entering into of a deed of undertaking (the "**Deed**") in favour of three of the PA Group's bank lenders of its club loan which hold a majority of the borrowings under the club loan (the "**Majority Club Lenders**") and The High Court of the Hong Kong Special Administrative Region (the "**HK Court**"). PAIH is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

EXECUTION OF DEED OF UNDERTAKING WITH KEY BANK LENDERS

The Company refers to the announcement dated 30 November 2015 in relation to the court orders on the appointment of provisional liquidators (the "**PL Appointments**") of China Fishery Group Limited ("**CFGL**") and its indirect wholly-owned subsidiary, China Fisheries International Limited ("**CFIL**"). CFGL and its subsidiaries shall be referred to as the **CF Group**.

Shortly before the PL Appointments, the Company and PAIH (collectively, the "**PA Group Parties**") were exploring the sale of the CF Group's Peruvian business and/or assets (the "**Peruvian Business**") when the PA Group was informed of the PL Appointments.

The PL appointments notwithstanding, the PA Group had on 23 and 24 December 2015 respectively received non-binding memorandums of understanding signed by two prospective buyers. Each prospective buyer proposes to purchase the Peruvian Business at an indicative enterprise value of US$ 1.7 billion.

The board of directors of the Company (the "**Board**") believes that it is in the best interest of the Company and its shareholders that the Company enter into the Deed so that it can continue the sales process for the Peruvian Business so as to secure the best possible value for the disposal of the Peruvian Business as well as to commit to the Majority Club Lenders to investigate the issues raised in connection with the PL Appointments and in support of its actions in the HK Court to dispense with the provisional liquidators.

Accordingly, the PA Group Parties on 28 December 2015 (after trading hours), executed the Deed in favour of the Majority Club Lenders and the HK Court.

It is stated in the Deed that the parties to the Deed are concerned to ensure that the sales process for the Peruvian Business is conducted in a transparent way which maximizes value for all creditors concerned and the stakeholders.

Pursuant to the Deed, the PA Group Parties undertook and covenanted in favour of the Majority Club Lenders that the PA Group Parties shall procure, among other things, the following:

(a) the engagement of an independent accounting firm to undertake an independent reporting accountant role (the "**Reporting Accountant Engagement**") and to conduct an independent forensic review (the "**Forensic Engagement**") in relation to the financial aspects of the PA Group;

(b) the engagement of an independent accounting firm to undertake the Reporting Accountant Engagement and the Forensic Engagement for lenders to the CF Group within five business days of the PL Appointments being dismissed;

(c) the appointment of a chief restructuring officer (the "**CRO**") who shall have board observer rights and who shall be entitled to receive the same information and documents provided to the board of directors of the Company and/or PAIH. Further, in the event that the PL Appointments are being dismissed or withdrawn, the CRO appointment will be extended to the CF Group and the scope of work will include in particular an active involvement in the sales process of the CF Group's Peruvian Business;

(d) in the event of the PL Appointments being dismissed or withdrawn, the Company and PAIH shall, as soon as possible, consult the Majority Club Lenders on the constitution of the board of directors of CFGL and the companies in the CF Group as well as to reasonably procure upon request of the Majority Club Lenders any change in board member(s) of CFGL and companies in the CF Group;

(e) the appointment of a new chief financial officer for the Company and PAIH (and the CF Group (if appropriate)) by 30 March 2016 (or such later date) and who shall be reasonably acceptable to the Majority Club Lenders and the PA Group Parties;

(f) the disposal of certain properties owned by the Company and PAIH in Hong Kong, with such sales process involving the CRO in conjunction with the existing management and to provide joint periodic updates to the lenders of PAIH and the Company;

(g) periodic updates on the sales process for the Peruvian Business (on a full and transparent basis) shall be made to the Majority Club Lenders and the CRO shall have unfettered rights to communicate with the Majority Club Lenders as regards, amongst other matters, the sales process for the Peruvian Business; and

(h) the execution of a guarantee by CFG Peru Investments Pte. Ltd., an indirect wholly-owned subsidiary of CFGL in respect of the liabilities owed to all of the lenders under the club loan by 15 January 2016 (subject to time extension(s) as agreed by the Majority Club Lenders as may be reasonably required by the PA Group Parties to procure the execution of the guarantee by CFG Peru Investments Pte. Ltd.).

In consideration of the undertakings provided by PA Group Parties, each of the Majority Club Lenders shall support:

- the removal of the provisional liquidators at the hearing before the HK Court on 30 December 2015 and the dismissal of the winding up petition at the subsequent hearing before HK Court on 27 January 2016; and
- the dismissal of the winding up petition before the Grand Court of Cayman on 8 January 2016.

GENERAL

At the Company's request, trading in the shares of the Company was halted on 26 November 2015 and was converted to a voluntary suspension on 28 November 2015, and will remain suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company. The Company will keep the public informed of the latest development by making further announcement(s) as and when appropriate.

CAUTIONERY NOTE:

Shareholders are to note that the entry into of the Deed and the support of the Majority Club Lenders may not necessarily result in the dismissal of the provisional liquidators in CFGL and in CFIL.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary

Singapore, 31 December 2015