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PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

太平洋恩利國際控股有限公司

(Incorporated in Bermuda with limited liability)

(STOCK CODE: 1174)

NEW INITIATIVES IN RESTRUCTURING PROCESS

This announcement is made by Pacific Andes International Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

1. RESTRUCTURING PROCEEDINGS COMMENCED IN THE UNITED STATES

The Company wishes to announce that on 30 June 2016, it, along with its majority shareholder N.S. Hong Investment (BVI) Limited and its indirect subsidiary, Super Investment Limited, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in order to obtain the protection of the United States Bankruptcy Court while a consensual restructuring of each of the Company, its parent and certain of its subsidiaries is being pursued in a transparent and sustainable manner.

2. PROTECTION UNDER SECTION 210(10) OF THE SINGAPORE COMPANIES ACT

On 1 July 2016, Pacific Andes Resources Development Limited (“**PARD**”), an indirect non-wholly owned subsidiary of the Company whose shares are listed on Singapore Exchange Securities Trading Limited, voluntarily made an application under section 210(10) of the Singapore Companies Act, Chapter 50 of the Laws of the Republic of Singapore, to stay all actions and legal proceedings against PARD, Pacific Andes Enterprises (BVI) Limited, Parkmond Group Limited and Pacific Andes Food (Hong Kong) Limited, and obtained such a stay from the High Court of Singapore for a period of six weeks until 12 August 2016 or until further order of the Court.

3. RESTRUCTURING PROCEEDINGS COMMENCED IN PERU AND THE UNITED STATES

In addition, on 30 June 2016,

(a) proceedings in Peru were commenced in respect of the following key Peruvian subsidiaries (the “**Peruvian Subsidiaries**”) of the Company’s indirect subsidiary, China Fishery Group Limited (“**CFGL**”) with the support of the Peruvian Subsidiaries and the intent of reaching a consensual restructuring or settlement of their financial obligations in a transparent and sustainable manner under the protection of relevant Peruvian laws and processes:

- CFG Investment S.A.C.
- Corporación Pesquera Inca S.A.C.
- Sustainable Fishing Resources S.A.C.

The Peruvian Subsidiaries have also voluntarily filed petitions with the United States Bankruptcy Court under Chapter 15 of the United States Bankruptcy Code to obtain recognition of these Peruvian restructuring proceedings.

(b) CFGL, together with the following non-Peruvian subsidiaries of CFGL, also filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in order to obtain the protection of the United States Bankruptcy Court while a consensual restructuring of CFGL’s key Peruvian subsidiaries is being pursued in a transparent and sustainable manner in Peru:

- Smart Group Limited
- CFG Peru Investments Pte. Ltd.

- Protein Trading Limited
- China Fisheries International Limited
- South Pacific Shipping Agency Ltd.
- Chanery Investment Inc.
- Champion Maritime Ltd.
- Growing Management Limited
- Target Shipping Limited
- Fortress Agents Limited
- Ocean Expert International Limited
- CFGL (Singapore) Private Limited

4. RESTRUCTURING PROCEEDINGS IN THE BRITISH VIRGIN ISLANDS

On 30 June 2016, Sahara Investment Group Private Limited, a creditor of PARD and its subsidiary, Richtown Development Limited (“**Richtown**”), applied with the consent of both parties for the appointment of joint provisional liquidators over Richtown in contemplation of a restructuring of the debts of Richtown. Consistent with the restructuring initiatives that are being pursued by the Company and its subsidiaries, Richtown has consented to this application. On 30 June 2016 (local time), the High Court of Justice of the British Virgin Islands made an order appointing Stuart McKellar as the provisional liquidator of Richtown.

5. ENGAGEMENT WITH STAKEHOLDERS

These new restructuring initiatives are intended to optimise the scope and extent of consensual restructuring options that are available to the Company and its subsidiaries and to protect the interests of all stakeholders of the Company and its subsidiaries (including their creditors and shareholders) from hostile actions that could harm the Company, its subsidiaries and stakeholders generally by diminishing the Company’s value and the value flowing to creditors and shareholders, in addition to damaging the long-term interests of the Company and its subsidiaries, their creditors generally and other stakeholders.

This new initiative is intended to:

- Support continuing efforts to realise value for creditors and stakeholders,
- Create a stable and collective process for restructuring, and
- Expand rehabilitation options to preserve value for all stakeholders.

The Company will continue to engage and work closely with all stakeholders to achieve the best possible consensual restructuring for all interested parties. Through the protection and transparency of these restructuring processes, the Company and its subsidiaries intend to lay the foundation for long-term stability and success in the future. The Company will also continue to provide regular updates to all stakeholders of any material developments.

As disclosed in the Company's previous announcements, the Independent Review Committee of the Company's board of directors (the "**Board**"), through its legal advisor, has appointed RSM Corporate Advisory (Hong Kong) Limited as independent professional advisor to conduct a forensic review of the financial aspects of the Company and its subsidiaries. The Company wishes to confirm that such forensic review will continue unaffected by the restructuring initiatives announced herein. Further announcements will be made by the Company in relation to the forensic review as appropriate.

6. GENERAL

At the Company's request, trading in the shares of the Company (the "**Shares**") was halted from 9:00 a.m. on 26 November 2015 (automatically converted to "**being suspended**" thereafter), and will remain suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares. The Company will keep the public informed of the latest development by making further announcement(s) as and when appropriate.

By Order of the Board
Pacific Andes International Holdings Limited
Ng Puay Yee (Jessie)
Managing Director

Hong Kong, 3 July 2016

As at the date of this announcement, the executive directors of the Company are Ms. Ng Puay Yee (Jessie), Mr. Ng Joo Kwee and Mr. Ng Joo Puay, Frank; the non-executive director of the Company is Madam Teh Hong Eng whilst the independent non-executive directors of the Company are Mr. Lew V Robert, Mr. Tao Kwok Lau, Clement and Mr. Nguyen Van Tu, Peter.