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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)

UPDATE ON SUSPENSION OF TRADING

This announcement is made by Pacific Andes International Holdings Limited (the “**Company**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on the Stock Exchange.

References are made to the announcements and overseas regulatory announcements of the Company dated 29 November 2015, 1, 4, 9, 11, 17, 24, 28 and 31 December 2015, 5 and 6 January 2016, 4 and 28 February 2016, 1 and 20 March 2016, 5 April 2016, 2 and 6 June 2016 and 3 and 18 July 2016 (collectively the “**Announcements**”) relating to, among others, the Deed in favour of the Majority Club Lenders and the HK Court, the Resumption Conditions, the forensic review and the restructuring initiatives undertaken by various members of the Group. Unless otherwise stated, capitalised terms used herein shall have the same respective meanings as those defined in the Announcements.

UPDATE ON THE RESTRUCTURING INITIATIVES

As disclosed in the Announcements, the Company and various members of the Group have made protective filings under Chapters 11 and 15 of the United States Bankruptcy Code, which are currently before the United States Bankruptcy Court in New York.

The proceedings have come before the Court on a number of occasions with appearances by legal representatives of bank creditors, Rabobank, Standard Chartered Bank (Hong Kong), CITIC Bank International and DBS Bank (Hong Kong) (the “**Club Lender Banks**”) and Maybank. Legal representatives for the ad hoc committee of bondholders and Bank of America Merrill Lynch have also appeared before the Court. Following from the status

conferences before the Court, the parties have engaged in discussions to find a resolution to outstanding issues. Accordingly, the Company, its legal representatives and advisors have been engaged in ongoing discussions in good faith with creditors and their representatives, which are continuing.

A key issue to be resolved has been the creditors insistence on the withdrawal of Peruvian restructuring proceedings, which were commenced on 30 June 2016 and announced on 1 July 2016. However, the Company has received clear and unambiguous legal advice that Peruvian law mandates that restructuring proceedings in respect of Peruvian entities must take place in Peru and exclusively under Peruvian law. This is a mandatory legal requirement that applies to all Peruvian companies. While the Company has indicated its preparedness to consider other concessions in the context of these discussions with creditors, it clearly must continue to act in accordance with all applicable Peruvian laws and regulations.

On 9 August 2016, the Club Lender Banks filed a motion seeking the appointment of a Chapter 11 trustee, arguing that such appointment would be in the best interests of the creditors. The Company has indicated to those banks that have filed the trustee motion that the Company intends to vigorously contest the motion so as to preserve value for all stakeholders of the Group. The Company strongly believes that any action (including the appointment of a trustee) to facilitate the equivalent of a “fire sale” of the valuable Peruvian fishmeal business would not be the best interests of all creditors and other stakeholders. If a trustee is appointed by the Court, the trustee would assume management of the Chapter 11 debtors and management of the Company considers that this would have a detrimental effect on the business and prospects of the Company and its subsidiaries and, in particular, its Peruvian subsidiaries.

The Company will announce further updates on Chapters 11 and 15 proceedings as significant developments arise.

The Company also wishes to announce that on 8 August 2016, its subsidiary, Pacific Andes Resources Development Limited (“**PARD**”) successfully obtained an extension of the order granted on 1 July 2016 by the High Court of Singapore (the “**Singapore Court**”) for a stay of all actions and legal proceedings against the Company (the “**S210(10) Order**”) pursuant to section 210(10) of the Singapore Companies Act, Chapter 50. The extension of the S210(10) Order was granted until 5 September 2016 or until further order of the Singapore Court.

PARD has further announced that the Bank of America, N.A., had made an application and obtained an order from the Singapore Court on 8 August 2016 to exclude certain subsidiaries of the Company, namely Pacific Andes Enterprises (BVI) Limited, Parkmond Group Limited and Pacific Andes Food (Hong Kong) Limited (the “**Subsidiary Companies**”), from the scope of the S210(10) Order. The exclusion of the Subsidiary Companies from the S210(10) Order takes effect from 15 August 2016.

PARD will continue to work with all stakeholders towards its objective of achieving the best possible outcome for all creditors and stakeholders, and will continue to provide regular updates of any material developments.

UPDATE ON THE FORENSIC REVIEW AND OUTSTANDING FINANCIAL RESULTS

As disclosed in the Announcements, the IRC, through its legal advisor, appointed RSM in place of PwC on 6 June 2016 as independent forensic accountant to complete the forensic review of the financial aspects of the Group. The independent review committee of PARD has on 5 July 2016, through its legal advisor, engaged RSM (as a joint engagement by the IRC and the independent review committee of PARD) to undertake the forensic review. The forensic review is being independently conducted and, as at the date of this announcement, is on-going.

The Company's 2015 Annual Results and 2016 Interim results can only be finalised by the Company's auditors when the forensic review is completed. While the forensic review is independent, the Company will do whatever possible to facilitate its completion as soon as possible. The Company is not aware of and does not expect any material audit issues or audit qualifications at this stage.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange 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, 10 August 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.