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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 (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to provide an update on business operations, including financial information in relation to certain major subsidiaries, and progress towards resumption of trading and completion of the forensic review.

(i) Company Business Update

The Company’s seafood processing facility in Qingdao processed and purchased 9.0 million pounds of fish fillets and portions in the first half of the financial year ending 28 September 2018. During the first half year, the Group sold 21.8 million pounds of fish fillets and portions. The volume of seafood processed and traded at the Qingdao operations was significantly impacted by the limited availability of working capital.

The Company wishes to provide shareholders with an update on the financial results of certain of the Company’s subsidiaries. Such financial information is based on the management accounts, which have not been audited or reviewed by the auditors of the Company and may, therefore, be subject to change, and in no way represents the financial performance of the Company.

For the first half of the financial year ending 28 September 2018, the Company's principal subsidiaries in frozen fish fillets distribution, recorded a combined unaudited turnover of HK\$646 million (approximately US\$83 million), which represents a decrease of 35% over HK\$988 million (approximately US\$127 million) year on year for the corresponding period ended 28 March 2017. The decrease in turnover was mainly due to limited availability of working capital. During the first half year, the subsidiaries recorded a combined unaudited loss before tax of HK\$71 million (approximately US\$9 million), compared to a loss before tax of HK\$86 million (approximately US\$11 million) year on year for the corresponding period ended 28 March 2017.

(ii) Resumption of Trading and Chapter 11 Process

The Company's shares have been suspended from trading since 26 November 2015. On 23 February 2016, the Stock Exchange issued to the Company conditions for resumption of trading which were announced on 1 March 2016.

As previously announced, on 30 June 2016, the Company filed a voluntary petition under Chapter 11 of the US Bankruptcy Code to obtain protection while a consensual restructuring was progressed, creating a stable process to maximise value for creditors and stakeholders. Since that time, the Company has been continuously and actively working with its creditors and potential investors under the supervision of the United States Bankruptcy Court in the Southern District of New York ("**the Court**"), to agree a restructuring plan for confirmation by the Court.

As announced at the end of 2017, the Company filed a disclosure statement and restructuring plan for the Company with the Court on 29 September 2017. Since then, regular confidential discussions with creditors, and potential plan investors have been continuing on a daily basis in order to facilitate the filing of an amended restructuring plan with a committed plan investor. Those discussions continue to be encouraging and productive, and the Company is endeavouring to have a committed plan investor in place in the coming period.

Once a restructuring plan has been confirmed by the Court, and announced on the Stock Exchange, the Company will comply with the relevant Listing Rule requirements, including seeking the Stock Exchange's approval to and the issuing of a circular to shareholders and the convening of a special general meeting of shareholders to approve the restructuring plan along with other ancillary matters. Once shareholders' approval of the plan has been obtained, outstanding financial statements published and the market has been informed of all material information, the Company intends at that time to apply to the Stock Exchange for resumption of trading in its shares.

The Company will keep the public informed of progress on fulfilment of the resumption conditions by making further periodic announcements.

(iii) Timeframe for Resumption of Trading

Amendments to the delisting framework under the Listing Rules will come into effect on 1 August 2018 (the “**Effective Date**”).

Pursuant to those amendments, as the Company’s shares have been suspended from trading for more than 12 months as at the Effective Date, under Rule 6.01A(2)(b)(ii) the Stock Exchange may cancel the Company’s listing if trading in the Company’s shares has remained suspended for 12 continuous months from the Effective Date.

If the Company fails to fulfil all the resumption conditions to the Stock Exchange’s satisfaction and resume trading in its shares by 31 July 2019, the Listing Department of the Stock Exchange has advised that it will recommend that the Listing Committee proceed with the cancellation of the Company’s listing. This is subject to the Stock Exchange’s right to impose a shorter specific remedial period under Rule 6.10 where appropriate.

The Company is continuing to work towards resumption of trading within this 12 month time frame.

(iv) Progress on the Forensic Review

The Independent Review Committee of the Company (“**IRC**”) has received and reviewed a draft report from RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”). While the report is substantially finalised on the basis of currently available information and documents, the IRC requested RSM to respond to certain comments made by the IRC on the draft. As a consequence, certain further information has been provided to the IRC.

Accordingly, RSM is now in the process of finalising its report to the IRC. While the Company is not able at this point to estimate the exact timeframe for finalisation of the review, the Company will announce further updates to keep the market informed of progress.

(v) Continued Suspension of Trading

At the request of the Company, trading in the shares (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.

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

Hong Kong, 27 July 2018

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.