

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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**” together with its subsidiaries, the “**Group**”) 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 of 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 has continued to operate, processing and purchasing 27.4 million pounds of fish fillets and portions in the financial year ended 28 September 2018. During that year, the Company’s principal subsidiaries in frozen fish fillets distribution sold 50.5 million pounds of fish fillets and portions, recording a combined unaudited turnover of HK\$1,050 million (approximately US\$135 million), which represents a decrease of 39% over HK\$1,717 million (approximately US\$220 million) year on year for the corresponding financial year ended 28 September 2017. The volume of seafood processed and traded at the Qingdao operations was significantly impacted by the limited availability of labour and working capital. During the year ended 28 September 2018, the subsidiaries recorded a combined unaudited loss before tax of HK\$119 million (approximately US\$15 million), compared to a loss before tax of HK\$227 million (approximately US\$29 million) in the previous financial year.

Financial information provided in this update is based on unaudited management accounts and in no way represents the consolidated financial performance of the Company.

(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.

Currently, the Company is actively in discussion with its creditors and potential investors, to agree a restructuring plan for confirmation by the United States Bankruptcy Court in the Southern District of New York ("**the Court**"), which will enable the Company to emerge from Chapter 11. As reported earlier, those discussions continue to be encouraging and productive, and the Company is endeavouring to facilitate the filing of a Chapter 11 plan for confirmation as soon as possible.

In a recent development on 16 January 2019, National Fish and Seafood Inc. and National Fish and Seafood Limited filed a motion in the Court requesting that the Court allow those entities to file late claims in the amount of approximately US\$30.8 million (approximately HK\$240 million), despite the fact that the relevant time periods for the filing of claims had expired in 2017. The Company, along with other Chapter 11 debtors, filed an objection to the motion on 4 February 2019, and the objection is currently scheduled to be heard by the Court on 18 April 2019.

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) Progress on the Forensic Review

The Independent Review Committee of the Company (“**IRC**”) previously received and reviewed a draft report from RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”). While substantial progress has been made on the report 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.

(iv) 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, 13 February 2019

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.