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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)

OVERSEAS REGULATORY ANNOUNCEMENT

**ANNOUNCEMENT IN RELATION TO
UNAUDITED RESULTS FOR THE YEAR ENDED
28 SEPTEMBER 2012 OF
PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED**

The Board of Directors of Pacific Andes International Holdings Limited (the “**Company**”) hereby announces the unaudited consolidated results of Pacific Andes Resources Development Limited (“**PARD**”), the Company’s 66% non-wholly-owned subsidiary, the shares of which are listed on the Singapore Exchange Securities Trading Limited, and its subsidiaries (the “**PARD Group**”) for the year ended 28 September 2012.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is a reproduction of the announcement made by PAR D pursuant to the Listing Manual of Singapore Exchange Securities Trading Limited on 26 November 2012.

Directors

As at the date of this announcement, the executive directors of the Company are Madam Teh Hong Eng, Mr. Ng Joo Siang, Mr. Ng Joo Kwee, Mr. Ng Joo Puay, Frank and Ms. Ng Puay Yee whilst the independent non-executive directors of the Company are Mr. Lew V Robert, Mr. Kwok Lam Kwong, Larry and Mr. Tao Kwok Lau, Clement.

26 November 2012

Below is the content of the announcement of PARD released in Singapore on 26 November 2012.

Note: The expressions “Company” and “Group” mean Pacific Andes Resources Development Limited and Pacific Andes Resources Development Limited and its subsidiaries respectively.

PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

Full Year Financial Statement And Dividend Announcement for the Year Ended 28 September 2012

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement for the year ended 28 September 2012

	Group		
	Year ended	28.09.2011	Increase/
	28.09.2012	28.09.2011	(decrease)
	<i>HK\$'000</i>	<i>HK\$'000</i>	%
	(unaudited)	(audited)	
Revenue	9,580,798	9,715,939	(1.4)
Cost of sales	<u>(7,720,002)</u>	<u>(7,631,552)</u>	1.2
Gross profit	1,860,796	2,084,387	(10.7)
Other operating income	261,161	164,586	58.7
Selling and distribution expenses	(442,493)	(422,457)	4.7
Administrative expenses	(315,533)	(214,689)	47.0
Other operating expenses	(54,623)	(57,314)	(4.7)
Finance costs			
– interest expense	(430,178)	(443,103)	(2.9)
– cost of early redemption of senior notes	<u>–</u>	<u>(116,331)</u>	(100.0)
	879,130	995,079	(11.7)
Share of results of associates	<u>38,459</u>	<u>(242)</u>	(15992.1)
Profit before income tax	917,589	994,837	(7.8)
Income tax expense	<u>(30,471)</u>	<u>(30,513)</u>	(0.1)
Profit for the year	<u>887,118</u>	<u>964,324</u>	(8.0)
Attributable to:			
Owners of the Company	627,659	622,818	0.8
Non-controlling interests	<u>259,459</u>	<u>341,506</u>	(24.0)
	<u>887,118</u>	<u>964,324</u>	(8.0)

Consolidated Statement of Comprehensive Income

	Group		Increase/ (decrease) %
	Year ended 28.09.2012 HK\$'000 (unaudited)	28.09.2011 HK\$'000 (audited)	
Profit for the year	887,118	964,324	(8.0)
Other comprehensive income:			
Exchange difference on translation of the Group's overseas operations	2,430	(5,063)	(148.0)
Fair value change of available-for-sale investments	109,240	(109,240)	(200.0)
Gain on revaluation of property, plant and equipment	9,414	23,672	(60.2)
Deferred tax liability arising on revaluation of properties	–	(1,933)	(100.0)
Total comprehensive income for the year	<u>1,008,202</u>	<u>871,760</u>	15.7
Attributable to:			
Owners of the Company	746,261	525,339	42.1
Non-controlling interests	261,941	346,421	(24.4)
	<u>1,008,202</u>	<u>871,760</u>	15.7

	Group		Increase/ (decrease) %
	Year ended 28.09.2012 HK\$'000 (unaudited)	28.09.2011 HK\$'000 (audited)	
Other operating income including interest income	261,161	164,586	58.7
Interest on borrowings	(430,178)	(443,103)	(2.9)
Amortisation of prepayment to suppliers	(172,640)	(172,640)	–
Depreciation expense	(756,383)	(515,623)	46.7
Gain on disposal of property, plant and equipment	183	620	(70.5)
Impairment loss on property, plant and equipment	(23,180)	–	NM
Employee profit sharing	(32,143)	(6,093)	427.5
Change in fair value of derivative financial instruments	(202,214)	(6,013)	3262.9
Foreign exchange gains (losses), net	144,263	(7,604)	(1997.2)

Note:

A substantial portion of the Group's profit neither arises in, nor is derived from any tax jurisdictions and consequently is not subject to tax.

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	28.09.2012	28.09.2011	28.09.2012	28.09.2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	4,571,180	4,727,058	–	–
Investment properties	51,449	49,244	–	–
Goodwill	2,952,461	2,903,375	–	–
Prepayment to suppliers	887,040	1,059,680	–	–
Advances to suppliers	315,900	315,900	–	–
Available-for-sale investments	32,858	313,172	–	–
Interests in subsidiaries	–	–	6,636,675	5,896,566
Interests in associates	505,547	2,195	–	–
Other intangible assets	1,826,633	1,460,632	–	–
	<u>11,143,068</u>	<u>10,831,256</u>	<u>6,636,675</u>	<u>5,896,566</u>
CURRENT ASSETS				
Inventories	1,379,897	1,104,979	–	–
Trade and bills receivables	2,277,832	2,013,017	–	–
Other receivables and prepayments	7,907,424	5,568,758	183	511
Current portion of prepayment to suppliers	172,640	172,640	–	–
Prepaid income tax	15,238	23,759	–	–
Pledged deposits	207	488,013	–	487,758
Bank balances and cash	445,854	218,067	1,203	11,546
	<u>12,199,092</u>	<u>9,589,233</u>	<u>1,386</u>	<u>499,815</u>
CURRENT LIABILITIES				
Trade and other payables	387,342	433,395	14,540	25,736
Income tax payable	44,201	52,585	–	–
Amounts due to Pacific Andes International Holdings Limited and its subsidiaries	4,937	4,339	–	–
Derivative financial instruments	202,214	6,013	24,206	–
Convertible bonds	–	619,829	–	619,829
Bank advances drawn on bills and discounted trade receivables with insurance coverage	–	3,650	–	–
Current portion of finance leases	29,555	31,745	–	–
Current portion of interest-bearing bank borrowings	5,119,836	4,867,287	–	472,649
	<u>5,788,085</u>	<u>6,018,843</u>	<u>38,746</u>	<u>1,118,214</u>
NET CURRENT ASSETS (LIABILITIES)	<u>6,411,007</u>	<u>3,570,390</u>	<u>(37,360)</u>	<u>(618,399)</u>

	Group		Company	
	28.09.2012	28.09.2011	28.09.2012	28.09.2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES				
Finance leases	33,817	63,372	–	–
Interest-bearing bank borrowings	1,801,956	2,773,185	–	–
Bonds	690,082	713,051	690,082	713,051
Senior notes	2,120,094	–	–	–
Deferred tax liabilities	479,655	489,740	–	–
	<u>5,125,604</u>	<u>4,039,348</u>	<u>690,082</u>	<u>713,051</u>
NET ASSETS	<u>12,428,471</u>	<u>10,362,298</u>	<u>5,909,233</u>	<u>4,565,116</u>
CAPITAL AND RESERVES				
Share capital	1,325,005	832,691	1,325,005	832,691
Reserves	8,362,489	6,967,057	4,584,228	3,732,425
Attributable to owners of the Company	9,687,494	7,799,748	5,909,233	4,565,116
Non-controlling interests	2,740,977	2,562,550	–	–
TOTAL EQUITY	<u>12,428,471</u>	<u>10,362,298</u>	<u>5,909,233</u>	<u>4,565,116</u>

Note:

Prepayment to suppliers represent the prepayment made by China Fisheries International Limited, a wholly-owned subsidiary of China Fishery Group Limited, for deposit of fish paid to suppliers.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 28.09.2012		As at 28.09.2011	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
148,533	5,000,858	684,522	4,837,989

Amount repayable after one year

As at 28.09.2012		As at 28.09.2011	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
33,817	4,612,132	64,282	3,485,326

Details of any collateral

As at 28 September 2011, the Group had pledged certain land and buildings with aggregate net carrying values of approximately HK\$40.8 million to secure the mortgage loan of the Group granted by a bank.

Certain of the Group's office premises, fishmeal processing plants, fishing vessels and vehicles in Peru are held under finance leases with net carrying value of approximately HK\$28.4 million (28.09.2011: HK\$77.6 million).

The inventory loans of a Peruvian subsidiary of China Fishery Group Limited are pledged by its fishmeal inventories in Peru with net carrying value of approximately HK\$41.3 million (28.09.2011: HK\$61.2 million).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Year ended	
	28.09.2012	28.09.2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating activities		
Profit before income tax	917,589	994,837
Adjustments for:		
Share of results of associates	(38,459)	242
Interest expense	430,178	443,103
Interest income	(2,095)	(1,905)
Provision for claims	–	3,356
Amortisation of prepayment to suppliers	172,640	172,640
Depreciation expense	756,383	515,623
Cost of early redemption of senior notes	–	116,331
Gain on revaluation of investment properties	(1,972)	(4,598)
Impairment loss on property, plant and equipment	23,180	–
Gain on disposal of property, plant and equipment	(183)	(620)
Gain on repurchase of bonds	(4,000)	–
Gain on purchase of senior notes	(7,378)	–
Negative goodwill from acquisition of an associate	(10,515)	–
Loss on disposal of available-for-sale investments	105	–
Fair value changes of available-for-sale investments	1,644	–
Fair value changes of derivative financial instruments	202,214	6,013
	<hr/>	<hr/>
Operating cash flows before movements in working capital	2,439,331	2,245,022
Inventories	(274,918)	(822,603)
Trade and bills receivables, other receivables and prepayments	(2,586,629)	(1,870,018)
Derivative financial instruments	(6,013)	(19,638)
Trade and other payables	(128,059)	46,938
	<hr/>	<hr/>
Cash used in operations	(556,288)	(420,299)
Interest paid	(395,992)	(425,590)
Income tax paid	(88,887)	(31,243)
	<hr/>	<hr/>
Net cash used in operating activities	(1,041,167)	(877,132)
	<hr/>	<hr/>
Investing activities		
Interest received	2,095	1,905
Dividend received from an associate	18,515	–
Proceeds from disposal of property, plant and equipment	433	1,868
Proceeds on disposal of available-for-sale investments	119	–
Purchase of property, plant and equipment	(712,052)	(1,167,818)
Purchase of available-for-sale investment	(26,926)	(420,784)
Acquisition of investment in an associate	(56,085)	–
Purchase of other intangible assets	–	(18,720)
Advances to suppliers	–	(315,900)
Net cash outflow arising on acquisition of subsidiaries (<i>note b</i>)	(204,040)	(428)
	<hr/>	<hr/>
Net cash used in investing activities	(977,941)	(1,919,877)
	<hr/>	<hr/>

	Year ended	
	28.09.2012	28.09.2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financing activities		
Dividend paid	(212,541)	(73,719)
Dividend paid to non-controlling shareholders	(86,734)	(70,601)
Net cash advanced from (repayment to) Pacific Andes International Holdings Limited and its subsidiaries	598	(830)
Proceeds from issue of shares on exercise of rights issue	1,378,859	–
Proceeds from issue of shares on exercise of warrants	–	398,592
Net proceeds from issue of bonds	–	695,951
Net proceeds from issue of senior notes	2,207,053	–
Share issuing expenses	(21,613)	(3,820)
Redemption of senior notes	–	(1,751,705)
Redemption of convertible bonds	(638,104)	–
Repurchase of bonds	(33,352)	–
Purchase of senior notes	(81,003)	–
Bank advances drawn on bills and discounted trade receivables with insurance coverage repaid	(3,650)	(615)
Obligation under finance leases	(31,745)	(31,117)
Bank borrowings raised	780,000	3,315,000
Repayment of bank borrowings	(1,160,226)	(692,292)
(Repayment) additions of working capital loans, net	(340,754)	1,420,068
Decrease (increase) in pledged deposits	487,806	(443,174)
Net cash from financing activities	<u>2,244,594</u>	<u>2,761,738</u>
Net increase (decrease) in cash and cash equivalents	225,486	(35,271)
Cash and cash equivalents at beginning of the year	212,025	247,277
Exchange difference arising on consolidation	<u>1</u>	<u>19</u>
Cash and cash equivalents at end of the year (note a)	<u>437,512</u>	<u>212,025</u>
Note (a)		
Bank balances and cash	445,854	218,067
Bank overdrafts	(8,342)	(6,042)
	<u>437,512</u>	<u>212,025</u>

Note (b)**Net cash outflow arising on acquisition of subsidiaries**

	Year ended 28.09.2011		
	Acquirees' carrying amount before combination <i>HK\$'000</i>	Fair value adjustments <i>HK\$'000</i>	Fair value <i>HK\$'000</i>
Net assets acquired of:			
Property, plant and equipment	623	11,423	12,046
Other receivables and prepayments	688	–	688
Other payables and accrued expenses	(384)	–	(384)
Deferred tax liabilities	(109)	(3,446)	(3,555)
	<u>818</u>	<u>7,977</u>	<u>8,795</u>
Goodwill arising on acquisitions			<u>3,333</u>
Total consideration			<u>12,128</u>
Net cash outflow arising on acquisition:			
Cash consideration			428
Consideration previously paid for interest in associate			<u>11,700</u>
			<u>12,128</u>

	Year ended 28.09.2012		
	Acquirees' carrying amount before combination <i>HK\$'000</i>	Fair value adjustments <i>HK\$'000</i>	Fair value <i>HK\$'000</i>
Net assets acquired of:			
Property, plant and equipment	103,807	(10,331)	93,476
Other intangible assets	3,120	171,874	174,994
Other receivables and prepayments	17,200	(348)	16,852
Other payables	(81,900)	–	(81,900)
Deferred tax liabilities	–	(48,468)	(48,468)
	<u>42,227</u>	<u>112,727</u>	<u>154,954</u>
Goodwill arising on acquisition			<u>49,086</u>
Total consideration			<u>204,040</u>
Net cash outflow arising on acquisition:			
Cash consideration			<u>204,040</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Warrants reserve HK\$'000	Investment revaluation reserve HK\$'000	Properties revaluation reserve HK\$'000	Currency exchange translation reserve HK\$'000	Retained earnings HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
Group											
Balance at 28 September 2010	721,106	2,836,437	305,140	35,482	164,350	-	29,085	(1,896)	2,885,664	2,264,718	9,240,086
Total comprehensive income for the year	-	-	-	-	-	(109,240)	16,824	(5,063)	622,818	346,421	871,760
Issue of shares on exercise of warrants	86,651	476,291	-	-	(164,350)	-	-	-	-	-	398,592
Share issue expenses	-	(3,820)	-	-	-	-	-	-	-	-	(3,820)
Acquisition of additional interest in a subsidiary	-	-	(22,012)	-	-	-	-	-	-	22,012	-
Contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	22,467	22,467
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(93,068)	(93,068)
Final dividend of S1.38 cents per ordinary shares in respect of year ended 28 September 2010	24,934	144,615	-	-	-	-	-	-	(243,268)	-	(73,719)
Balance at 28 September 2011	832,691	3,453,523	283,128	35,482	-	(109,240)	45,909	(6,959)	3,265,214	2,562,550	10,362,298
Balance at 28 September 2011	832,691	3,453,523	283,128	35,482	-	(109,240)	45,909	(6,959)	3,265,214	2,562,550	10,362,298
Total comprehensive income for the year	-	-	-	-	-	109,240	6,932	2,430	627,659	261,941	1,008,202
Issue of shares on exercise of rights issue	492,314	886,545	-	-	-	-	-	-	-	-	1,378,859
Share issue expenses	-	(21,613)	-	-	-	-	-	-	-	-	(21,613)
Redemption of convertible bonds	-	-	-	(35,482)	-	-	-	-	35,482	-	-
Deemed disposal of interest in a subsidiary	-	-	(3,220)	-	-	-	-	-	-	3,220	-
Contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(86,734)	(86,734)
Final dividend of S1.08 cents per ordinary shares in respect of year ended 28 September 2011	-	-	-	-	-	-	-	-	(212,541)	-	(212,541)
Balance at 28 September 2012	1,325,005	4,318,455	279,908	-	-	-	52,841	(4,529)	3,715,814	2,740,977	12,428,471

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Warrants reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
Company						
Balance at 28 September 2010	721,106	2,836,437	35,482	164,350	265,005	4,022,380
Total comprehensive income for the year	–	–	–	–	221,683	221,683
Issue of shares on exercise of warrants	86,651	476,291	–	(164,350)	–	398,592
Share issue expenses	–	(3,820)	–	–	–	(3,820)
Final dividend of S1.38 cents per ordinary shares in respect of year ended 28 September 2010	24,934	144,615	–	–	(243,268)	(73,719)
Balance at 28 September 2011	832,691	3,453,523	35,482	–	243,420	4,565,116
Balance at 28 September 2011	832,691	3,453,523	35,482	–	243,420	4,565,116
Total comprehensive income for the year	–	–	–	–	199,412	199,412
Issue of shares on exercise of rights issue	492,314	886,545	–	–	–	1,378,859
Share issue expenses	–	(21,613)	–	–	–	(21,613)
Redemption of convertible bonds	–	–	(35,482)	–	35,482	–
Final dividend of S1.08 cents per ordinary shares in respect of year ended 28 September 2011	–	–	–	–	(212,541)	(212,541)
Balance at 28 September 2012	1,325,005	4,318,455	–	–	265,773	5,909,233

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding shares of the issuer, as at the end of the current financial period reported on and as at the end of corresponding period of the immediately preceding financial year.

During the year ended 28 September 2012, the Company issued 1,596,997,446 new ordinary shares of S\$0.05 each at an issue price of S\$0.14 per share by way of rights on the basis of one new share for every two existing shares. (28 September 2011: 272,804,028 ordinary shares of S\$0.05 each were issued as a result of the exercise of warrants).

The outstanding Convertible Bonds amounted to US\$70,500,000 have been fully redeemed during the year ended 28 September 2012 and no Convertible Bonds outstanding as at 28 September 2012. As at 28 September 2011, the outstanding Convertible Bonds amounted to US\$70,500,000. Assuming full conversion of the outstanding Convertible Bonds at the adjusted conversion price of S\$0.6785 per share, the number of new ordinary shares to be issued would be 158,612,012.

There was no conversion of Convertible Bonds during the year ended 28 September 2012 (28.09.2011: Nil).

The Company did not make any purchases of its shares during year ended 28 September 2012 (28.09.2011: Nil).

Save as disclosed above, the Company did not have any outstanding convertibles and treasury shares as at 28 September 2012 (28.09.2011: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at the end of the current financial period is 4,790,992,338 shares (28.09.2011: 3,193,994,892 shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and method of computation adopted are consistent with those applied in the audited financial statements for the year ended 28 September 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Year ended	
	28.09.2012	28.09.2011
	(unaudited)	(audited)
Earnings per ordinary share		
(i) Based on weighted average number of ordinary shares in issue	HK15.54 cents	HK19.56 cents
Weighted average number of ordinary shares used in calculation of basic earnings per share	4,040,256,929	3,183,747,886
(ii) Based on a fully diluted basis	HK15.54 cents	HK19.08 cents
Weighted average number of ordinary shares used in calculation of diluted earnings per share	4,040,256,929	3,264,598,457

Note: The effect of dilutive potential ordinary shares from convertible bonds is excluded in the calculation of the diluted earnings per share for the year ended 28 September 2011 as it is anti-dilutive.

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share for the year ended 28 September 2011 and 28 September 2012 respectively has been adjusted by incorporating the effects of rights issue during the year ended 28 September 2012.

7. **Net asset value (for the issuer and the group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	Group		Company	
	28.09.2012	28.09.2011	28.09.2012	28.09.2011
Net asset backing per ordinary share based on existing issued share capital as at the end of period reported on	<u>HK\$2.02</u>	<u>HK\$2.44</u>	<u>HK\$1.23</u>	<u>HK\$1.43</u>

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

FY2012 (year ended 28 September 2012) vs FY2011 (year ended 28 September 2011)

Income Statement

Group revenue decreased by 1.4% from HK\$9,715.9 million to HK\$9,580.8 million.

Revenue from the Frozen Fish SCM Division, which accounted for 50.8% of total revenue, was up by 11.5% from HK\$4,369.4 million to HK\$4,869.6 million, due mainly to higher sales volume.

Revenue from the Fishery and Fish Supply Division, which accounted for 49.2% of total revenue, dropped by 11.9% from HK\$5,346.5 million to HK\$4,711.2 million. The decrease was due primarily to a significant reduction in revenue generated from the China Fishery Fleet (the “**CF Fleet**”, formerly the South Pacific Operations). This was primarily attributable to (i) lower processing business in North Atlantic Ocean as the suppliers were unable to deliver significant volume of catch for processing on-board the factory vessel, and (ii) lower than expected catch volumes in South Pacific Ocean.

Revenue from the Contract Supply Business maintained at HK\$2,924.9 million.

Revenue from the Peruvian Fishmeal Operations increased by 5.3% from HK\$1,327.0 million to HK\$1,396.9 million, due mainly to higher sales volume of fishmeal and fish oil products.

By markets, the People’s Republic of China (“**PRC**”) remained the Group’s most important market with sales of HK\$6,249.5 million, accounting for 65.2% of total revenue. Sales to Africa amounted to HK\$1,210.1 million, accounting for 12.6% of total revenue, and East Asia accounted for 10.5% of total revenue at HK\$1,006.5 million. Europe and other markets accounted for the remaining 11.7% of total revenue.

Gross profit declined by 10.7% from HK\$2,084.4 million to HK\$1,860.8 million. The CF Fleet recorded a gross loss of HK\$176.6 million as a result of poor catch and processing volumes. Gross profit margins of the Contract Supply Business and Peruvian Fishmeal Operations were 32.5% (FY2011: 34.8%) and 38.0% (FY2011: 41.2%) respectively.

Selling and distribution expenses increased by 4.7% from HK\$422.5 million to HK\$442.5 million, in line with higher sales volume from the Frozen Fish SCM Division during the period.

Administrative expenses increased by 47.0% from HK\$214.7 million to HK\$315.5 million, primarily due to fair value adjustment on derivative financial instruments recorded in the current financial year and higher employee profit share.

EBITDA increased by 10.7% from HK\$2,254.9 million to HK\$2,495.9 million.

Net profit attributable to owners of the Company increased by 0.8% from HK\$622.8 million to HK\$627.7 million.

28 September 2012 vs 28 September 2011

Statement of Financial Position

Non-current assets increased by 2.9% from HK\$10,831.3 million to HK\$11,143.1 million due mainly to the increase in stake in the Tassal Group Limited from 19.76% to 22.76% in November 2011. The acquisition of 2 fishing companies in Peru also contributed to the increase.

Current assets increased by 27.2% from HK\$9,589.2 million to HK\$12,199.1 million due mainly to higher working capital requirement for the coming fishing season from October to December.

Current liabilities decreased by 3.8% from HK\$6,018.8 million to HK\$5,788.1 million due primarily to the repayment of convertible bond and Group bank loans.

Non-current liabilities increased by 26.9% from HK\$4,039.3 million to HK\$5,125.6 million, due primarily to the issuance of the US\$300 million senior notes by China Fishery.

The Group has strengthened its financial position through the completion of a right issue and the 3-year US\$100 million transferable term loan facility entered in April 2012. The net proceeds of the rights issue of approximately S\$220 million (approximately HK\$1,357 million) has been fully used to repay part of the interest-bearing loans and provided working capital to the Group.

As a result of the enlarged equity due to the rights issue, the Group's net debt to equity ratio improved from 80.7% to 75.2%.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results for the year ended 28 September 2012 are consistent with the prospect statement disclosed to shareholders in the third quarter ended 28 June 2012 results announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and next 12 months.

The Group expects the economic outlook to remain challenging due to uncertainties over the European Union sovereign debt financial crisis and slowdown in the growth of the global economy. The Group will continue to look into strengthening and expanding its business in its core competencies as well as to explore related business opportunities.

The Group expects the Frozen Fish SCM Division to continue its growth momentum with increasing market demand for its products.

For the Fishery and Fish Supply Division, the Group expects to enjoy additional cost savings from FY2013 onwards following the completion of the Fourth Long Term Supply Agreement under the Contract Supply Business. The long term stable supply of fish places the Group in a position to benefit from the increasing market demand for fish.

Although fishmeal and fish oil prices remain on an upward trend, the reduction in the Total Allowable Catch of Peruvian Anchovy for the current November to January fishing season to 0.81 million tonnes due to high level of juvenile fish in the water, is expected to impact the contribution of the Peruvian Fishmeal Operations in 1HFY2013.

In addition to deploying its CF Fleet to the North Atlantic for the processing of fish catch supplied by the local fishing companies, the Group will continue to seek improvement in overall fleet utilisation.

The Group is cautiously optimistic about its business prospects and will continue to exercise vigilance in keeping overall operating costs under control.

11. Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on? Yes

Name of dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.30 Singapore cent per ordinary share
Par value of shares	S\$0.05
Tax rate	Tax not applicable

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.08 Singapore cent per ordinary share
Par value of shares	S\$0.05
Tax rate	Tax not applicable

(c) *Date payable*

The proposed dividend, if approved at the forthcoming Annual General Meeting, will be paid at a date to be announced.

(d) *Books closure date*

Notice will be given at a later date on the closure of the Share Transfer Books and the Register of Members to determine shareholder's entitlements to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	Year ended		Year ended	
	28.09.2012 <i>HK\$'000</i>	28.09.2011 <i>HK\$'000</i>	28.09.2012 <i>HK\$'000</i>	28.09.2011 <i>HK\$'000</i>
Pacific Andes International Holdings Limited and its subsidiaries				
Administrative expenses	–	–	33,419	27,396
Interest expenses	105	105	–	–

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR
ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

28 September 2012 By Business Segment	Frozen fish SCM HK\$'000	Fishery and fish supply HK\$'000	Consolidated HK\$'000
INCOME STATEMENT			
External sales	4,869,592	4,711,206	9,580,798
Segment result	648,171	1,065,667	1,713,838
Unallocated items:			
Administrative expenses			(113,319)
Change in fair value of derivative financial instruments			(202,214)
Rental income from properties			2,113
Gain on revaluation of investment properties			1,972
Other operating expenses			(54,623)
Finance costs			(430,178)
Income tax expense			(30,471)
Profit for the year			887,118
STATEMENT OF FINANCIAL POSITION			
Segment assets	9,394,361	13,881,112	23,275,473
Unallocated corporate assets			66,687
Consolidated total assets			23,342,160
Segment liabilities	266,694	327,799	594,493
Unallocated corporate liabilities			10,319,196
Consolidated total liabilities			10,913,689
OTHER INFORMATION			
Addition to non-current assets	182,233	755,392	937,625
Depreciation	38,880	717,503	756,383
Amortisation of prepayment to suppliers	–	172,640	172,640
Amortisation of senior notes issuing expenses	–	1,422	1,422

28 September 2011 By Business Segment	Frozen fish SCM <i>HK\$'000</i>	Fishery and fish supply <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
INCOME STATEMENT			
External sales	<u>4,369,427</u>	<u>5,346,512</u>	<u>9,715,939</u>
Segment result	<u>393,224</u>	<u>1,426,789</u>	1,820,013
Unallocated items:			
Administrative expenses			(208,676)
Change in fair value of derivative financial instruments			(6,013)
Rental income from properties			1,663
Gain on revaluation of investment properties			4,598
Other operating expenses			(57,314)
Finance costs – interest expense			(443,103)
Finance costs – cost of early redemption of senior notes			(116,331)
Income tax expense			<u>(30,513)</u>
Profit for the year			<u>964,324</u>
STATEMENT OF FINANCIAL POSITION			
Segment assets	7,539,645	12,807,841	20,347,486
Unallocated corporate assets			<u>73,003</u>
Consolidated total assets			<u>20,420,489</u>
Segment liabilities	227,104	216,643	443,747
Unallocated corporate liabilities			<u>9,614,444</u>
Consolidated total liabilities			<u>10,058,191</u>
OTHER INFORMATION			
Addition to non-current assets	471,574	1,151,127	1,622,701
Depreciation	53,068	462,555	515,623
Amortisation of prepayment to suppliers	–	172,640	172,640
Amortisation of senior notes issuing expenses	–	9,461	9,461

Geographical segments	Revenue from external customers		Non-current assets	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong and other regions in PRC	6,249,474	6,280,025	1,136,147	1,239,800
South America	9,326	15,011	4,457,788	6,000,457
Europe	1,078,921	823,557	4,974,586	3,216,625
East Asia	1,006,485	711,156	69,000	66,807
Africa	1,210,081	1,750,982	–	–
Others	26,511	135,208	–	305,372
	<u>9,580,798</u>	<u>9,715,939</u>	<u>10,637,521</u>	<u>10,829,061</u>

Information about major customers

During the year ended 28 September 2012 and 2011, there is no customer from Frozen fish SCM segment with revenue more than 10% of the Group's total revenue.

A customer from Fishery and fish supply with revenue more than 10% of the Group's total revenue amounted to approximately HK\$1,253,460,000 (28.09.2011: HK\$1,511,445,000).

15. In the view of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

For detailed review of performance by business or geographical segments, please refer to Section 8.

16. A breakdown of sales as follows:-

	Group		Change
	2012	2011	
	HK\$'000	HK\$'000	
Sales reported in the first half year	5,771,834	4,188,093	+37.8%
Operating profit in the first half year	472,620	371,584	+27.2%
Sales reported in the second half year	3,808,964	5,527,846	-31.1%
Operating profit in the second half year	155,039	251,234	-38.3%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Total Annual Dividend (Refer to Para16 of Appendix 7.2 for the required details)

	Latest Full Year HK\$'000	Previous Full Year HK\$'000
Ordinary Preference	89,990	212,541
	<u>—</u>	<u>—</u>
Total	<u>89,990</u>	<u>212,541</u>

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ng Joo Siang	53	Son of Teh Hong Eng (Director)	Chairman (since 2007)	N/A
		Brother of: <ul style="list-style-type: none"> • Ng Joo Kwee (Director) • Ng Joo Puay, Frank (Director) • Ng Puay Yee (Alternate Director of Teh Hong Eng) 		
Teh Hong Eng	77	Mother of: <ul style="list-style-type: none"> • Ng Joo Siang (Director) • Ng Joo Kwee (Director) • Ng Joo Puay, Frank (Director) • Ng Puay Yee (Alternate Director of Teh Hong Eng) 	Director (since 1996)	N/A

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ng Joo Kwee	52	Son of Teh Hong Eng (Director) Brother of: <ul style="list-style-type: none"> • Ng Joo Siang (Director) • Ng Joo Puay, Frank (Director) • Ng Puay Yee (Alternate Director of Teh Hong Eng) 	Director (since 1996)	N/A
Ng Joo Puay, Frank	49	Son of Teh Hong Eng (Director) Brother of: <ul style="list-style-type: none"> • Ng Joo Siang (Director) • Ng Joo Kwee (Director) • Ng Puay Yee (Alternate Director of Teh Hong Eng) 	Director and Managing Director (since 1996)	N/A
Ng Puay Yee	40	Daughter of Teh Hong Eng (Director) Sister of: <ul style="list-style-type: none"> • Ng Joo Siang (Director) • Ng Joo Kwee (Director) • Ng Joo Puay, Frank (Director) 	Alternate Director of Teh Hong Eng (since 2002)	N/A

BY ORDER OF THE BOARD

Tan San-Ju

Yoo Loo Ping

Company Secretaries

26 November 2012