



**FOR IMMEDIATE RELEASE:**  
September 30, 2003

For more information, contact  
Doug Bell, ASI, 770-8323  
Jim McMillan, AIDEA, 269-3000  
Ron Miller, AIDEA, 269-3000

### **Alaska Seafood International announces plans to liquidate company**

ANCHORAGE—A majority of the members in Alaska Seafood International, LLC (dba The Great Alaskan Seafood Company) have agreed that the company will be dissolved and wind up its affairs.

The goal of the parties is to liquidate the company's assets in an orderly fashion, without filing bankruptcy, according to Doug Bell, President of ASI. The two primary creditors are Bank SinoPac headquartered in Taiwan, and the Alaska Industrial Development and Export Authority (AIDEA). AIDEA owns the facility located on Raspberry Road. Parties involved in the decision include Grandway Investments, which is the majority interest owner in ASI; Sunrise Capital Partners; ASI; and AIDEA. There aren't any unencumbered assets to satisfy any other potential creditors and there is insufficient cash to continue the day to day operation of ASI.

The majority of employees will be terminated as of 9/30/03. Employees will be compensated for hours worked to date, along with vacation time they are owed, according to Bell.

In recent months, the company's value-added product has been sold to a number of grocery chains and various outlets; however, the cost of running the Alaska operation has exceeded the income available from product sales.

"We've had some long-term relationships for a significant amount of business. The past nine months have been the most successful in company history. The last five months have shown consistent and significant growth. In fact, the last two months have set records for the company. But again, the growth and development of this company is a longer-term proposition than shareholders were prepared to commit to," said Bell. He added that, "It comes down to the fact

that the company was started too grand, rather than beginning small and building on success.”

During the course of the past few years, ASI has brought in several companies to assist with financing, and has pursued additional financing to keep the operation afloat. Recently, it became apparent that the available financing would not be sufficient to meet the company’s needs.

As the company begins the liquidation process, ASI will relinquish legal possession of the building and AIDEA will take over short-term maintenance of the facility, according to Jim McMillan, deputy director of credit for AIDEA. Those costs are just under \$100,000 a month. AIDEA will begin looking for a potential occupant to lease or purchase the facility.

“We are going to look at various options to maximize the return, which may include leasing or selling the facility,” McMillan said.

"We will not be disposing of the building in a fire sale," stated Ron Miller, AIDEA's Executive Director. "We have had some interested parties approach us regarding purchasing or leasing the facility."

In 1993, the Alaska Legislature provided AIDEA with the bonding authority to construct and own a seafood manufacturing facility providing value-added processing of bottomfish, surimi and salmon. In November 1998, AIDEA and ASI signed an agreement whereby AIDEA provided interim financing for construction of the facility. The manufacturing facility was completed in 1999.

A two-story, 202,000 square foot building, the facility was designed to be able to produce 100 million pounds of seafood product each year.

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