

CHINA FISHERY GROUP LIMITED
(Incorporated in the Cayman Islands)
("Company")

TERMINATION OF LONG TERM SUPPLY AGREEMENTS ENTERED INTO BY CHINA FISHERIES INTERNATIONAL LIMITED WITH ALATIR LIMITED AND PERUN LIMITED

The Board of Directors of the Company ("**Board**") refers to the announcements made by the Company on 16 July 2012 and 14 November 2012 ("**Announcements**").

Unless otherwise specified, capitalized words in this announcement have the same meaning ascribed to them in the Announcements.

The Board wishes to announce that on 21 March 2014 CFIL has entered into addenda with Alatir and Perun to terminate the following:

- (a) Long Term Supply Agreement dated 16 July 2012 between CFIL and Alatir ("**Alatir LSA**");
- (b) Long Term Supply Agreement dated 16 July 2012 between CFIL, Alatir and Perun ("**Alatir & Perun LSA**"); and
- (c) Long Term Supply Agreement dated 14 November 2012 between CFIL and Perun ("**Perun LSA**").

(Alatir LSA, Alatir & Perun LSA and Perun LSA shall collectively be referred to as "**LSA**")

Termination of Alatir LSA

The amount of the prepaid fixed price that CFIL shall be entitled to refund from Alatir after termination of the Alatir LSA is US\$14,395,556 ("**Alatir Fixed Price Refund Amount**").

The Alatir Fixed Price Refund Amount shall be payable in the following manner:

- (a) On or before 30 April 2014, Alatir shall pay the sum of US\$4,768,217 to CFIL in cash as part of the Alatir Fixed Price Refund Amount.
- (b) On or before 28 March 2016, Alatir shall pay the balance of the Alatir Fixed Price Refund Amount to CFIL (i) by supply of Alaska Pollock (headed and gutted) at market price; or (ii) if mutually agreed by the parties, in cash.

In case the market price for the supply of Alaska Pollock (headed and gutted) cannot be agreed between CFIL and Alatir, the market price shall be determined by reference to the weighted average of the prices available within 60 days before the date of the supply as evidenced by concluded contracts.

Termination of Alatir & Perun LSA

The amount of prepaid fixed price that Alatir and Perun shall, jointly and severally, refund to CFIL after termination of the Alatir & Perun LSA is US\$89,629,630 ("**Alatir & Perun Fixed Price Refund Amount**").

The Alatir & Perun Fixed Price Refund Amount shall be payable in the following manner:

- (a) On or before 30 April 2014, Alatir and Perun shall, jointly and severally, pay the sum of US\$29,687,879 to CFIL in cash as part of the Alatir & Perun Fixed Price Refund Amount.
- (b) On or before 28 March 2016, Alatir and Perun shall, jointly and severally, pay the balance of the Alatir & Perun Fixed Price Refund Amount to CFIL (i) by supply of Alaska Pollock (headed and gutted) at market price; or (ii) if mutually agreed by the parties, in cash.

In case the market price for the supply of Alaska Pollock (headed and gutted) cannot be agreed between CFIL, Alatir and Perun, the market price shall be determined by reference to the weighted average of the prices available within 60 days before the date of the supply as evidenced by concluded contracts.

Termination of Perun LSA

The amount of prepaid fixed price that CFIL shall be entitled to refund from Perun after termination of the Perun LSA is US\$137,500,000 ("**Perun Fixed Price Refund Amount**").

The Perun Fixed Price Refund Amount shall be payable in the following manner:

- (a) On or before 30 April 2014, Perun shall pay the sum of US\$45,543,904 to CFIL in cash as part of the Perun Fixed Price Refund Amount.
- (b) On or before 28 March 2016, Perun shall pay the balance of the Perun Fixed Price Refund Amount to CFIL (i) by supply of Alaska Pollock (headed and gutted) at market price; or (ii) if mutually agreed by the parties, in cash.

In case the market price for the supply of Alaska Pollock (headed and gutted) cannot be agreed between CFIL and Perun, the market price shall be determined by reference to the weighted average of the prices available within 60 days before the date of the supply as evidenced by concluded contracts.

(Alatir Fixed Price Refund Amount, Alatir & Perun Fixed Price Refund Amount and Perun Fixed Price Refund Amount shall collectively be referred to as "**Fixed Price Refund**")

Rationale

The rationale for the termination of the LSA is that it will enable the Company to re-deploy significant capital which is currently tied up in prepayments under the LSA towards reduction of the Company's gearing, strengthen the capital structure to take advantage of any future opportunities.

The Board does not believe that the termination of the LSA will have any material impact on the operation of the Group as the Group will continue to obtain supply of fish from its suppliers including but not limited to Alatir and Perun. Further in the short term up to March 2016, Alatir and Perun would also settle the Fixed Price Refund by supply of fish.

In view of the above, the Board is of the view that the termination of the LSA is in the best interest of the Company and its shareholders.

By Order of the Board

China Fishery Group Limited

Yvonne Choo

Company Secretary

24 March 2014