

CHINA FISHERY GROUP LIMITED

THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 28 JUNE 2015

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.

The reporting currency of the Group is in US dollars. Singapore Dollar equivalent of the financial statements in respect of items 1a, 1b(i), 6 & 7 for the Group is provided under item 15 – Supplementary Notes as additional information for investors in Singapore.

Group Income Statement for the third quarter and nine months ended 28 June 2015

	Group					
	Third quarter ended		Increase / (Decrease) %	Nine months ended		Increase / (Decrease) %
	29.03.2015 - 28.06.2015	29.03.2014 - 28.06.2014		29.09.2014 - 28.06.2015	29.09.2013 - 28.06.2014	
US\$'000 (unaudited)	US\$'000 (unaudited)		US\$'000 (unaudited)	US\$'000 (unaudited)		
Revenue	136,245	154,971	(12.1)	336,858	480,063	(29.8)
Cost of sales	(69,634)	(52,242)	33.3	(163,027)	(213,860)	(23.8)
Vessel operating costs	(31,674)	(43,742)	(27.6)	(63,654)	(99,972)	(36.3)
Gross profit	34,937	58,987	(40.8)	110,177	166,231	(33.7)
Other operating income	285	946	(69.9)	3,482	7,066	(50.7)
Selling expenses	(5,127)	(7,382)	(30.5)	(11,130)	(20,360)	(45.3)
Administrative expenses	(7,885)	(7,535)	4.6	(20,966)	(21,461)	(2.3)
Other operating expenses	(8,417)	(1)	841600.0	(15,300)	(6,336)	141.5
Finance costs	(10,979)	(20,767)	(47.1)	(51,114)	(63,577)	(19.6)
Profit before income tax	2,814	24,248	(88.4)	15,149	61,563	(75.4)
Income tax benefit (expense)	24	(4,627)	(100.5)	6,315	(8,671)	(172.8)
Profit for the period	2,838	19,621	(85.5)	21,464	52,892	(59.4)
Attributable to:						
Owners of the Company	1,015	18,658	(94.6)	18,128	50,863	(64.4)
Non-controlling interests	1,823	963	89.3	3,336	2,029	64.4
	2,838	19,621	(85.5)	21,464	52,892	(59.4)

Consolidated statement of comprehensive income:

	Group					
	Third quarter ended		Increase / (Decrease) %	Nine months ended		Increase / (Decrease) %
	29.03.2015 - 28.06.2015	29.03.2014 - 28.06.2014		29.09.2014 - 28.06.2015	29.09.2013 - 28.06.2014	
US\$'000 (unaudited)	US\$'000 (unaudited)		US\$'000 (unaudited)	US\$'000 (unaudited)		
Profit for the period	2,838	19,621	(85.5)	21,464	52,892	(59.4)
Other comprehensive income:						
- Exchange difference on translation of the Group's overseas operations	-	1,250	(100.0)	-	312	(100.0)
- Loss on revaluation of properties	-	-	NM	(107)	338	(131.7)
Total comprehensive income for the period, attributable to the owners of the Company	2,838	20,871	(86.4)	21,357	53,542	(60.1)
Attributable to:						
Owners of the Company	1,015	19,908	(94.9)	18,021	51,519	(65.0)
Non-controlling interests	1,823	963	89.3	3,336	2,023	64.9
	2,838	20,871	(86.4)	21,357	53,542	(60.1)

	Group					
	Third quarter ended		Increase / (Decrease) %	Nine months ended		Increase / (Decrease) %
	29.03.2015 - 28.06.2015	29.03.2014 - 28.06.2014		29.09.2014 - 28.06.2015	29.09.2013 - 28.06.2014	
	US\$'000 (unaudited)	US\$'000 (unaudited)	US\$'000 (unaudited)	US\$'000 (unaudited)		
Other operating income						
including interest income	285	946	(69.9)	3,482	7,066	(50.7)
Interest on borrowings	(10,422)	(20,319)	(48.7)	(50,030)	(62,401)	(19.8)
Amortisation of senior notes issuing expenses including in finance costs	(557)	(448)	24.3	(1,084)	(1,176)	(7.8)
Amortisation of prepayment to suppliers	-	-	NM	-	(13,865)	(100.0)
Depreciation expense	(19,574)	(19,581)	(0.0)	(50,417)	(63,110)	(20.1)
Loss on disposal of property, plant and equipment	(1,607)	(344)	367.2	(2,608)	(519)	402.5
Cost of early redemption of senior notes	(5,625)	-	NM	(5,625)	-	NM
Change in fair value in derivative financial instruments	(1,994)	(502)	297.2	(1,687)	1,046	(261.3)
Foreign exchange gain	799	1,224	(34.7)	953	591	61.3

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	
	28.06.2015	28.09.2014	28.06.2015	28.09.2014
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(audited)	(unaudited)	(audited)
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	41,275	129,086	111	104
Trade receivables	110,069	144,757	-	-
Other receivables and prepayments	212,852	226,304	3,178	71
Derivative financial instruments	-	139	-	-
Advances to suppliers	40,500	40,500	-	-
Prepaid income tax	10,339	7,237	-	-
Deferred expenses	54,294	41,598	-	-
Inventories	235,165	158,404	-	-
Current portion of receivable from/ prepayment to suppliers (Note 1)	61,645	109,000	-	-
Total current assets	<u>766,139</u>	<u>857,025</u>	<u>3,289</u>	<u>175</u>
Non-current assets:				
Receivable from/ prepayment to suppliers (Note 1)	-	21,525	-	-
Property, plant and equipment	558,457	602,655	-	-
Investment property	3,128	3,385	-	-
Goodwill	95,721	95,721	-	-
Fishing and plant permits	1,222,670	1,222,670	-	-
Associate	6,663	4,629	-	-
Subsidiaries	-	-	887,716	672,844
Held to maturity financial asset	-	-	3,060	3,060
Total non-current assets	<u>1,886,639</u>	<u>1,950,585</u>	<u>890,776</u>	<u>675,904</u>
Total assets	<u>2,652,778</u>	<u>2,807,610</u>	<u>894,065</u>	<u>676,079</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Trade payables	9,789	16,599	-	-
Other payables and accrued expenses	15,422	27,456	1,219	606
Derivative financial instruments	1,548	-	-	-
Income tax payable	8,102	10,076	-	-
Financial guarantee contract	-	-	4,068	4,068
Current portion of bank loans	294,642	303,607	-	-
Total current liabilities	<u>329,503</u>	<u>357,738</u>	<u>5,287</u>	<u>4,674</u>
Non-current liabilities:				
Financial guarantee contract	-	-	12,148	15,127
Long term payables	11,898	24,869	-	-
Bank loans	290,391	376,370	-	-
Senior notes	284,631	532,136	-	-
Deferred tax liabilities	298,762	307,469	-	-
Total non-current liabilities	<u>885,682</u>	<u>1,240,844</u>	<u>12,148</u>	<u>15,127</u>
Capital and reserves:				
Share capital	184,172	102,318	184,172	102,318
Reserves	1,247,905	1,104,530	692,458	553,960
Attributable to owners of the Company	<u>1,432,077</u>	<u>1,206,848</u>	<u>876,630</u>	<u>656,278</u>
Non-controlling interests	5,516	2,180	-	-
Net equity	<u>1,437,593</u>	<u>1,209,028</u>	<u>876,630</u>	<u>656,278</u>
Total liabilities and equity	<u>2,652,778</u>	<u>2,807,610</u>	<u>894,065</u>	<u>676,079</u>

Note:

1. Receivable from/ prepayment to suppliers

The Long Term Supply Agreement was terminated on 1 April 2014. The amount of prepaid fixed price shall be entitled to refund in cash or in the form of fish supply by 28 March 2016.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 28.06.2015		As at 28.09.2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
(unaudited)	(unaudited)	(audited)	(audited)
153,127	141,515	67,474	236,133

Amount repayable after one year

As at 28.06.2015		As at 28.09.2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
(unaudited)	(unaudited)	(audited)	(audited)
-	575,022	-	908,506

Details of any collateral

The inventory loans are pledged by its fishmeal inventories in Peru with net carrying values of approximately US\$129.8 million (28.09.2014: US\$49.5 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.

	Group			
	Thrid quarter ended		Nine months ended	
	29.03.2015 - 28.06.2015	29.03.2014 - 28.06.2014	29.09.2014 - 28.06.2015	29.09.2013 - 28.06.2014
	US\$'000 (unaudited)	US\$'000 (unaudited)	US\$'000 (unaudited)	US\$'000 (unaudited)
Operating activities				
Profit before income tax	2,814	24,248	15,149	61,563
Adjustments for:				
Amortisation of prepayment to suppliers	-	-	-	13,865
Amortisation of senior notes issuing expenses	557	448	1,084	1,176
Depreciation expense	19,574	19,581	50,417	63,110
Loss (gain) on revaluation of investment properties	-	-	257	(102)
Loss on disposal of property, plant and equipment	1,607	344	2,608	519
Impairment loss from property, plant and equipment	-	-	-	3,999
Interest expense	10,422	20,319	50,030	62,401
Cost of early redemption of senior notes	5,625	-	5,625	-
Interest income	(19)	(6)	(57)	(6)
Provision for claims	-	-	-	3,223
Statutory employee profit share	-	1,721	-	5,111
Operating cash flows before movements in working capital	40,580	66,655	125,113	214,859
Trade receivables	(9,360)	(11,721)	34,688	16,405
Other receivables and prepayments	10,268	42,522	13,452	(36,304)
Deferred expenses	4,454	(13,047)	(12,696)	(14,218)
Inventories	(149,715)	(19,171)	(76,761)	(85,194)
Amounts due from an associate	(2,034)	-	(2,034)	-
Trade payables	(3,246)	3,950	(6,810)	2,748
Other payables and accrued expenses and long term payables	(5,195)	(10,506)	(19,054)	(18,284)
Derivative financial instruments	1,994	502	1,687	(1,046)
Cash (used in) generated from operations	(112,254)	59,184	57,585	78,966
Interest paid	(14,412)	(7,514)	(54,570)	(48,921)
Income tax paid	(2,448)	(3,571)	(7,468)	(5,369)
Net cash (used in) from operating activities	(129,114)	48,099	(4,453)	24,676
Investing activities				
Purchase of property, plant and equipment	(3,479)	(33,019)	(9,247)	(52,410)
Proceeds from disposal of property, plant and equipment	-	-	313	1,394
Refund of prepayment to suppliers	-	60,000	68,880	60,000
Acquisition of additional interest in subsidiaries	-	-	-	(7,129)
Interest received	19	6	57	6
Net cash (used in) from investing activities	(3,460)	26,987	60,003	1,861
Financing activities				
Additions of bank loans	-	6,996	-	550,000
Repayment of bank loans	(31,818)	-	(131,818)	(561,595)
Additions of working capital loans	131,761	-	36,874	61,582
Redemption of senior notes	(255,625)	-	(255,625)	-
Net proceeds from rights issue	207,208	-	207,208	-
Dividend paid	-	-	-	(16,143)
Repayment of obligation under finance leases	-	(1,038)	-	(3,052)
Net cash from (used in) financing activities	51,526	5,958	(143,361)	30,792
Net (decrease) increase in cash and cash equivalents	(81,048)	81,044	(87,811)	57,329
Cash and cash equivalents at beginning of the period	122,323	50,861	129,086	74,576
Cash and cash equivalents at end of the period	41,275	131,905	41,275	131,905
Being:				
Cash at bank	28,851	131,288	28,851	131,288
Cash on hand	12,424	617	12,424	617
	41,275	131,905	41,275	131,905

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Share premium	Warrants reserve	Other reserve	Foreign currency translation reserve	Revaluation reserve	Merger reserve	Retained earnings	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group										
Balance at September 28, 2013	102,318	521,382	-	-	3,835	7,053	(30,503)	561,836	8,420	1,174,341
Total comprehensive income for the period	-	-	-	-	(932)	338	-	32,205	1,060	32,671
Non-controlling interests arising from acquisition additional interest in subsidiaries	-	-	-	855	-	-	-	-	(7,984)	(7,129)
Final dividend of 1.0 Singapore cent per ordinary share in respect of FY2013	-	-	-	-	-	-	-	(16,143)	-	(16,143)
Balance at March 28, 2014	102,318	521,382	-	855	2,903	7,391	(30,503)	577,898	1,496	1,183,740
Total comprehensive income for the period	-	-	-	-	1,250	-	-	18,658	963	20,871
Balance at June 28, 2014	<u>102,318</u>	<u>521,382</u>	<u>-</u>	<u>855</u>	<u>4,153</u>	<u>7,391</u>	<u>(30,503)</u>	<u>596,556</u>	<u>2,459</u>	<u>1,204,611</u>
Balance at September 28, 2014	102,318	517,951	3,431	855	3,835	7,879	(30,503)	601,082	2,180	1,209,028
Total comprehensive income for the period	-	-	-	-	-	(107)	-	17,113	1,513	18,519
Balance at March 28, 2015	102,318	517,951	3,431	855	3,835	7,772	(30,503)	618,195	3,693	1,227,547
Total comprehensive income for the period	-	-	-	-	-	-	-	1,015	1,823	2,838
Issue of shares on exercise of rights issue	81,854	125,888	-	-	-	-	-	-	-	207,742
Share issue expenses	-	(534)	-	-	-	-	-	-	-	(534)
Balance at June 28, 2015	<u>184,172</u>	<u>643,305</u>	<u>3,431</u>	<u>855</u>	<u>3,835</u>	<u>7,772</u>	<u>(30,503)</u>	<u>619,210</u>	<u>5,516</u>	<u>1,437,593</u>
Company										
Balance at September 28, 2013	102,318	521,382	-	-	-	-	-	30,625	-	654,325
Total comprehensive income for the period	-	-	-	-	-	-	-	9,091	-	9,091
Final dividend of 1.0 Singapore cents per ordinary share in respect of FY2013	-	-	-	-	-	-	-	(16,143)	-	(16,143)
Balance at March 28, 2014	102,318	521,382	-	-	-	-	-	23,573	-	647,273
Total comprehensive income for the period	-	-	-	-	-	-	-	4,067	-	4,067
Balance at June 28, 2014	<u>102,318</u>	<u>521,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,640</u>	<u>-</u>	<u>651,340</u>
Balance at September 28, 2014	102,318	517,951	3,431	-	-	-	-	32,578	-	656,278
Total comprehensive income for the period	-	-	-	-	-	-	-	7,604	-	7,604
Balance at March 28, 2015	102,318	517,951	3,431	-	-	-	-	40,182	-	663,882
Total comprehensive income for the period	-	-	-	-	-	-	-	5,540	-	5,540
Issue of shares on exercise of rights issue	81,854	125,888	-	-	-	-	-	-	-	207,742
Share issue expenses	-	(534)	-	-	-	-	-	-	-	(534)
Balance at June 28, 2015	<u>184,172</u>	<u>643,305</u>	<u>3,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,722</u>	<u>-</u>	<u>876,630</u>

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 treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the third quarter ended 28 June 2015, the Company issued 1,637,083,636 new ordinary shares of US\$0.05 each at an issue price of S\$0.173 per share by way of rights on the basis of four new shares for every five existing shares (Third quarter ended 28 June 2014: no shares issued).

As at 28.06.2015, there were 113,636,363 outstanding warrants at an exercise price of S\$0.44 each (28.06.2014: 96,153,846 outstanding warrants as at exercise price of S\$0.52 each).

The Company did not make any purchases of its shares during the third quarter ended 28.06.2015 (28.06.2014: Nil).

The Company did not have any outstanding convertibles and treasury shares as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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: 3,683,438,182 shares (28.09.2014: 2,046,354,546 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 or 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 methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 28.09.2014.

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.

None.

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

	Group		Group	
	Third quarter ended		Nine months ended	
	29.03.2015 - 28.06.2015 (unaudited)	29.03.2014 - 28.06.2014 (unaudited)	29.09.2014 - 28.06.2015 (unaudited)	29.09.2013 - 28.06.2014 (unaudited)
Earnings per ordinary share				
(i) Based on weighted average number of ordinary shares in issue	US 0.03 cents	US 0.91 cents	US 0.75 cents	US 2.47 cents
The calculation of the basic earnings per share is based on the following data:				
Earnings	US\$1,015,000	US\$18,658,000	US\$18,128,000	US\$50,863,000
Weighted average number of ordinary shares used in calculation of the basic earnings per share	3,117,651,612	2,056,801,793	2,414,304,296	2,056,801,793
(ii) On a fully diluted basis	US 0.03 cents	US 0.91 cents	US 0.75 cents	US 2.47 cents
The calculation of the diluted earnings per share is based on the following data:				
Earnings	US\$1,015,000	US\$18,658,000	US\$18,128,000	US\$50,863,000
Weighted average number of ordinary shares used in calculation of the diluted earnings per share	3,117,651,612	2,056,801,793	2,414,304,296	2,056,801,793

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share for the third quarter and nine months ended 28 June 2014 and 28 June 2015 respectively has been adjusted by incorporating the effects of rights issue during the period ended 28 June 2015.

7. **Net asset value (for the issuer and 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	
	28.06.2015	28.09.2014	28.06.2015	28.09.2014
Net asset value per ordinary share based on existing issued share capital as at the end of period reported on	US\$0.39	US\$0.59	US\$0.23	US\$0.32

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.**

Business Review

During the period under review, we saw significant increase in the overall anchovy catch volume in Peru. With a Total Allowable Catch ("TAC") of 2.58 million tonnes for the 2015 A Season (2.53 million tonnes in 2014 A Season) for the North Centre Anchovy fishery, fishing commenced strongly in April 2015. As at the end of the quarter, we had caught 421,800 tons or 97% of our fishing quota and completed 100% of the quota by early July 2015. The Group caught 31,179 tons in the South fishery during the quarter, which is 14 times the catch in the same quarter in 2014.

With the normalization of fishmeal production in Peru from April 2015, the market price for fishmeal appears to have stabilized at US\$1,600/ton in mid-June 2015. This is despite a temporary softening of demand for fishmeal in China during the quarter, a result of the sustained heavy rainfall in southern China which has delayed the commencement of the aquaculture season in several major production regions. That notwithstanding, the price of US\$1,600 per ton is still above the average price of US\$1,468 over the last 5 years.

During the 2015 A Season, our continued focus on cost control in our Peruvian operations has delivered positive results. Production efficiencies have driven a reduction in production cost from US\$1,340 to US\$1,224 per ton of fishmeal.

With respect to the China Fishery Fleet ("CF Fleet") operations in Namibia, we recorded higher sales volume for the quarter year-on-year. Due to higher catch volume and lower fuel prices, we also saw continued improvements in operating margins.

Corporate Developments

In order to maintain the highest possible standard of compliance across the Group's fishing operations, a cross-functional, Group-wide Fishing Matters Committee ("FMC") was established in June 2015 to evaluate and provide advice on compliance in fishing matters, such as rules and requirements, conventions, codes of practice and fishery sustainability, including supply chain and traceability. The FMC reports to senior management and to the Corporate Social Responsibility Committee of the Company's Board of Directors. Well-known international fisheries expert, Dr. Keith Sainsbury, has been appointed to advise the FMC on a review of supply chain policy and the establishment of an ongoing supply chain audit process.

With the completion of the 4-for-5 Rights Issue on 30 April, 2015, the Group raised approximately S\$282.5 million (equivalent to US\$207.2 million) in net proceeds. S\$237.1 million (equivalent to US\$173.9 million) has been used, together with internal funding of the Group, to fully redeem the US\$250.0 million 9.0% notes due 2017 issued by Copeinca (the "Copeinca Notes"). The remaining proceeds of approximately S\$45.4 million (equivalent to US\$33.3 million) were used mainly for general working capital purposes. Following redemption of the Copeinca Notes, Copeinca SAC and CFG Investments SAC in Peru will be merged into one company.

In March 2014, we announced that we were targeting to reduce our net-debt-to-equity ratio to 75% within three years. Following redemption of the Copeinca Notes, we are well ahead of that target at the end of the quarter, with our net-debt-to-equity ratio reduced to 57.8%.

Financial Review

Income Statement

3QFY2015 (3-month period ended 28 June 2015) vs 3QFY2014 (3-month period ended 28 June 2014)

Group revenue decreased by 12.1% from US\$155.0 million to US\$136.2 million.

Revenue from the Peruvian Fishmeal Operations, which accounted for 59.5% of total revenue, decreased by 33.1% from US\$121.1 million to US\$81.1 million, due mainly to lower sales volume. Sales of our production during the 2015 A Season (which started in April 2015) were commenced towards the end of the quarter under review as usual. Furthermore, because of the cancellation of 2014 B fishing season, there was no inventory brought forward from the previous quarter, for sale in this quarter.

Revenue from the CF Fleet operations, which accounted for 14.1% of total revenue, increased by 111.7% from US\$9.1 million to US\$19.2 million, primarily due to higher sales volume.

Revenue from the Contract Supply business, which accounted for 26.4% of total revenue, increased by 45.3% from US\$24.8 million to US\$36.0 million, attributable primarily to higher trading volume following the major fishing season in Russia.

The geographical breakdown of the Group's revenue is as follows:

Destination	% of Total Revenue	
	3QFY2015	3QFY2014
The PRC	84%	43%
South America	6%	6%
West Africa	5%	5%
Europe	3%	25%
South East Asia	2%	5%
Japan & Korea	-	14%
Others	-	2%
	100%	100%

Cost of sales and vessel operating costs increased by 5.5% from US\$96.0 million to US\$101.3 million. Despite lower fuel costs and effective cost management, gross profit decreased by 40.8% from US\$59.0 million to US\$34.9 million due to low sales volume of fishmeal and fish oil.

Selling expenses decreased by 30.5% from US\$7.4 million to US\$5.1 million, due primarily to lower sales volume.

Administrative expenses increased by 4.6% from US\$7.5 million to US\$7.9 million, due primarily to one-off legal and professional fees on corporate exercises and other advisory services.

Other operating expenses during 3QFY2015 was US\$8.4 million which mainly represented the cost of Copeinca Notes redemption (US\$5.6 million) and mark to market loss on forward exchange contracts entered to hedge receivables (US\$2.0 million).

EBITDA decreased by 38.7% from US\$66.8 million to US\$41.0 million, reflecting the impact of the reduced gross profit.

Finance costs decreased by 47.1% from US\$20.8 million to US\$11.0 million, due primarily to loan repayment and redemption of the Copeinca Notes.

Net profit decreased by 85.5% from US\$19.6 million to US\$2.8 million.

9MFY2015 (9-month period ended 28 June 2015) vs 9MFY2014 (9-month period ended 28 June 2014)

Group revenue decreased by 29.8% from US\$480.1 million to US\$336.9 million.

Revenue from the Peruvian Fishmeal Operations, which accounted for 54.3% of total revenue, decreased by 43.7% from US\$324.6 million to US\$182.8 million, due primarily to reduced catch in the 2014 A Season and the closure of the 2014 B Season fishing in the North Centre Anchovy fishery in Peru. Higher fishmeal and fish oil selling prices partially compensated for the drop in sales volume.

Revenue from the CF Fleet operations, which accounted for 12.3% of total revenue, increased by 63.1% from US\$25.4 million to US\$41.4 million, due primarily to higher sales volume.

Revenue from the Contract Supply Business, which accounted for 33.4% of total revenue, decreased by 13.4% from US\$130.1 million to US\$112.6 million, due primarily to the termination and non-renewal of the Long Term Supply Agreements (LSAs).

The geographical breakdown of the Group's revenue is as follows:

Destination	% of Total Revenue	
	9MFY2015	9MFY2014
The PRC	70%	59%
West Africa	7%	4%
Europe	6%	14%
South America	5%	10%
Japan & Korea	-	6%
South East Asia	5%	3%
Others	7%	4%
	100%	100%

Despite lower fuel costs and effective cost management, gross profit decreased by 33.7% from US\$166.2 million to US\$110.2 million, due primarily to lower fishmeal and fish oil sales.

Other operating income decreased by 50.7% from US\$7.1 million to US\$3.5 million, due primarily to lower sales of consumables and services provided to third party fishing companies when they discharged their catch at our processing plants due to closure of 2014 B fishing season.

Selling expenses decreased by 45.3% from US\$20.4 million to US\$11.1 million, due primarily to lower sales volume.

Other operating expenses increased by 141.5% from US\$6.3 million to US\$15.3 million, mainly representing the cost of the redemption of Copeinca Notes, mark to market loss on forward exchange contracts entered to hedge receivables and loss on disposal of idle vessels.

EBITDA decreased by 39.5% from US\$205.1 million to US\$124.0 million, reflecting the impact of the reduced gross profit, due primarily to no catch in the B Season.

Finance costs decreased by 19.6% from US\$63.6 million to US\$51.1 million, due primarily to repayment of bank loans and the redemption of Copeinca Notes.

Net profit decreased by 59.4% from US\$52.9 million to US\$21.5 million.

Statement of financial position

28 June 2015 vs 28 September 2014

Total assets decreased by 5.5% from US\$2,807.6 million to US\$2,652.8 million.

Current assets decreased by 10.6% from US\$857.0 million to US\$766.1 million. This was mainly due to the reduction in cash and bank balances following the redemption of the Copeinca Notes. Inventory balance

increased by 48.5% from US\$158.4 million to US\$235.2 million, this was attributable to higher fishmeal and fish oil inventories produced during the 2015 A Season in Peru.

Total liabilities decreased by 24.0% from US\$1,598.6 million to US\$1,215.2 million. Current liabilities decreased by 7.9% from US\$357.7 million to US\$329.5 million due to repayment of term loan. Non-current liabilities decreased by 28.6% from US\$1,240.8 million to US\$885.7 million attributable primarily to the redemption of the Copeinca Notes. With the Group's continued focus on deleveraging, net-debt-to-equity ratio improved from 89.7% to 57.8%.

Cash Flow and Liquidity

3QFY2015

Net cash outflow from operations was US\$129.1 million, mainly due to higher fishmeal inventories. The Group spent US\$3.5 million in investing activities for the maintenance capital expenditure on the Peruvian Fishmeal Operations. Net cash inflow from financing activities of US\$51.5 million. The Group raised US\$207.2 million from the Rights Issue to redeem the Copeinca Notes. The Group also drew inventory loans in Peru for working capital purpose.

Cash and cash equivalents as at the end of 3QFY2015 was US\$41.3 million.

9MFY2015

Net cash outflow from operations was US\$4.5 million, this was due primarily to lower sales volume of fishmeal and fish oil and higher fishmeal inventories. Net cash generated from investing activities of US\$60.0 million was due primarily to the refund received from the LSA suppliers. Capital expenditure was reduced to US\$9.2 million in 9MFY2015. Net cash used in financing activities of US\$143.4 million was due mainly to the repayment of bank loans and redemption of Copeinca Notes.

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

The 3QFY2015 results announcement is in line with the prospect statement disclosed to shareholders in the 2QFY2015 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 the next 12 months.

Corporate Outlook

Our key focus for FY2015 is consolidation and integration of our expanded business, realising efficiencies and synergies, ensuring effective integration of management systems, reducing borrowings, and strengthening our balance sheet. We will continue to focus on increasing operational efficiencies, and prudent management and conservation of cash.

We are pleased with the progress of the operational merger in Peru. While significant synergies and efficiencies have already been delivered to date, more will be achieved when the full merger of the two businesses in Peru is completed over the next two quarters. Given the predicted growth of aquaculture and animal farming over the coming decade, there will continue to be increased demand for fishmeal and fish oil over the longer term.

For the 2015 B Season in the South Anchovy fishery, the Peruvian Ministry of Production has set the TAC at 450,000 tons. This is very encouraging as it means that the TAC for full year is 825,000 tons which is comparable to previous years. This indicates that fish stocks are currently healthy and of the same levels as earlier years. The season begins in August and will run until the end of December 2015.

Expert climatologists worldwide have raised the possibility of a severe El Niño in the second half of 2015. Given the irregularity of this weather phenomenon and the complexity of climate forecasting, at this point it is not possible to predict with any accuracy whether an El Niño event will occur, or its severity. If it were to develop, there would be an impact on the Peruvian anchovy catch in the Peruvian waters which would vary in line with the strength of the El Niño. The 2015 A Season was completed with higher catch volume. The

2015 B Season in the South has just begun. We have taken a prudent approach and remain alert to any need to make appropriate operational adjustments.

Barring unforeseen circumstances, the management remains confident that FY2015 will be profitable.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the 3QFY2015.

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 of 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 of the Listing Manual of the SGX-ST)		Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST (excluding transactions less than S\$100,000)	
	29.03.2015 - 28.06.2015 US\$'000	29.03.2014 - 28.06.2014 US\$'000	29.03.2015 - 28.06.2015 US\$'000	29.03.2014 - 28.06.2014 US\$'000
Pacific Andes Resources Development Limited and its subsidiaries:				
Sales of catches	-	-	-	-
Sales of fishmeal products	-	-	-	-
Purchase of bunker and other vessel supplies	-	-	-	-

14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the SGX-ST

On behalf of the Board, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board of China Fishery Group Limited, which may render the financial statements in respect of the 3QFY2015 to be false or misleading in any material aspect.

For and on behalf of the Board of China Fishery Group Limited

(signed)
Ng Joo Siang
Executive Director

(signed)
Chan Tak Hei
Finance Director

BY ORDER OF THE BOARD

Lynn Wan Tiew Leng
Company Secretary

11 August 2015

15. SUPPLEMENTARY NOTES

Third quarter results for the period ended June 28, 2015 in Singapore Dollar equivalent. These figures have not been audited.

1(a) Group Income Statement

	Group					
	Third quarter ended		Increase / (Decrease) %	Nine months ended		Increase / (Decrease) %
	29.03.2015 - 28.06.2015 S\$'000	29.03.2014 - 28.06.2014 S\$'000		29.09.2014 - 28.06.2015 S\$'000	29.09.2013 - 28.06.2014 S\$'000	
Revenue	183,399	193,559	(5.2)	453,445	599,599	(24.4)
Cost of sales	(93,734)	(65,250)	43.7	(219,451)	(267,111)	(17.8)
Vessel operating costs	(42,636)	(54,634)	(22.0)	(85,685)	(124,865)	(31.4)
Gross profit	47,029	73,675	(36.2)	148,309	207,623	(28.6)
Other operating income	384	1,182	(67.5)	4,687	8,825	(46.9)
Selling expenses	(6,901)	(9,220)	(25.2)	(14,982)	(25,430)	(41.1)
Administrative expenses	(10,614)	(9,411)	12.8	(28,222)	(26,805)	5.3
Other operating expenses	(11,330)	(1)	1132900.0	(20,595)	(7,914)	160.2
Finance costs	(14,779)	(25,938)	(43.0)	(68,805)	(79,408)	(13.4)
Profit before income tax	3,789	30,287	(87.5)	20,392	76,891	(73.5)
Income tax benefit (expense)	32	(5,779)	(100.6)	8,501	(10,830)	(178.5)
Profit for the period	3,821	24,508	(84.4)	28,893	66,061	(56.3)
Attributable to:						
Owners of the Company	1,367	23,304	(94.1)	24,403	63,528	(61.6)
Non-controlling interests	2,454	1,204	103.8	4,490	2,533	77.3
	3,821	24,508	(84.4)	28,893	66,061	(56.3)

Consolidated statement of comprehensive income:

	Group					
	Third quarter ended		Increase / (Decrease) %	Nine months ended		Increase / (Decrease) %
	29.03.2015 - 28.06.2015 S\$'000	29.03.2014 - 28.06.2014 S\$'000		29.09.2014 - 28.06.2015 S\$'000	29.09.2013 - 28.06.2014 S\$'000	
Profit for the period	3,821	24,508	(84.4)	28,893	66,061	(56.3)
Other comprehensive income:						
- Exchange difference on translation of the Group's overseas operations	-	1,561	(100.0)	-	390	(100.0)
- Loss on revaluation of properties	-	-	NM	(144)	422	(134.1)
Total comprehensive income for the period, attributable to the owners of the Company	3,821	26,069	(85.3)	28,749	66,873	(57.0)
Attributable to:						
Owners of the Company	1,367	24,866	(94.5)	24,259	64,346	(62.3)
Non-controlling interests	2,454	1,203	104.0	4,490	2,527	77.7
	3,821	26,069	(85.3)	28,749	66,873	(57.0)

1(b)(i) Consolidated Statement of financial position

	Group		Group	
	28.06.2015	28.09.2014	28.06.2015	28.09.2014
	US\$'000	US\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	41,275	129,086	55,560	164,534
Trade receivables	110,069	144,757	148,164	184,507
Other receivables and prepayments	212,852	226,304	286,520	288,447
Derivative financial instruments	-	139	-	177
Advances to suppliers	40,500	40,500	54,517	51,621
Prepaid income tax	10,339	7,237	13,917	9,224
Deferred expenses	54,294	41,598	73,085	53,021
Inventories	235,165	158,404	316,556	201,902
Current portion of receivable from/ prepayment to suppliers	61,645	109,000	82,980	138,931
Total current assets	766,139	857,025	1,031,299	1,092,364
Non-current assets:				
Receivable from/ prepayment to suppliers	-	21,525	-	27,436
Property, plant and equipment	558,457	602,655	751,739	768,144
Investment property	3,128	3,385	4,211	4,315
Goodwill	95,721	95,721	128,850	122,006
Fishing and plant permits	1,222,670	1,222,670	1,645,836	1,558,415
Associate	6,663	4,629	8,969	5,900
Total non-current assets	1,886,639	1,950,585	2,539,605	2,486,216
Total assets	2,652,778	2,807,610	3,570,904	3,578,580
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Trade payables	9,789	16,599	13,177	21,157
Other payables and accrued expenses	15,422	27,456	20,760	34,995
Derivative financial instruments	1,548	-	2,084	-
Income tax payable	8,102	10,076	10,906	12,843
Current portion of bank loans	294,642	303,607	396,618	386,977
Total current liabilities	329,503	357,738	443,545	455,972
Non-current liabilities:				
Long term payables	11,898	24,869	16,016	31,698
Bank loans	290,391	376,370	390,895	479,721
Senior notes	284,631	532,136	383,142	678,261
Deferred tax liabilities	298,762	307,469	402,164	391,900
Total non-current liabilities	885,682	1,240,844	1,192,217	1,581,580
Capital and reserves:				
Share capital	184,172	102,318	247,914	130,415
Reserves	1,247,905	1,104,530	1,679,803	1,407,834
Attributable to owners of the Company	1,432,077	1,206,848	1,927,717	1,538,249
Non-controlling interests	5,516	2,180	7,425	2,779
Net equity	1,437,593	1,209,028	1,935,142	1,541,028
Total liabilities and equity	2,652,778	2,807,610	3,570,904	3,578,580

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

	Group			
	Third quarter ended		Nine months ended	
	29.03.2015 - 28.06.2015	29.03.2014 - 28.06.2014	29.09.2014 - 28.06.2015	29.09.2013 - 28.06.2014
(i) Based on weighted average number of ordinary shares in issue; and	S 0.04 cents	S 1.14 cents	S 1.01 cents	S 3.09 cents
(ii) On a fully diluted basis	S 0.04 cents	S 1.14 cents	S 1.01 cents	S 3.09 cents

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share for the third quarter and nine months ended 28 June 2014 and 28 June 2015 respectively has been adjusted by incorporating the effects of rights issue during the period ended 28 June 2015.

7. Net asset value (for the issuer and 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		Group	
	28.06.2015	28.09.2014	28.06.2015	28.09.2014
Net asset value per ordinary share based on existing issued share capital as at the end of period reported on	US\$0.39	US\$0.59	S\$0.52	S\$0.75

* Exchange Rate

As at 28.06.2015: US\$1 = S\$1.3461

As at 28.09.2014: US\$1 = S\$1.2746

3-month period ended 28.06.2015: US\$1 = S\$1.3461

3-month period ended 28.06.2014: US\$1 = S\$1.2490