

CIRCULAR DATED 9 January 2014

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of China Fishery Group Limited, you should immediately forward this Circular and the enclosed Proxy Form/ Depositor Proxy Form to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular. Approval in-principle granted by the Singapore Exchange Securities Trading Limited is not to be taken as an indication of the merits of the proposed issuance of the Warrants and Warrant Shares.



CHINA FISHERY GROUP LIMITED

(Incorporated in the Cayman Islands)
(the "Company")

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (2) THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE; AND**
- (3) THE PROPOSED ISSUE OF UNLISTED WARRANTS AND WARRANT SHARES.**

IMPORTANT DATES AND TIME

Last date and time for lodgment of Proxy Form/Depositor Proxy Form	:	Saturday, 25 January 2014 at 10:00 a.m.
Date and time of Extraordinary General Meeting	:	Monday, 27 January 2014 at 10:00 a.m. (or soon thereafter as the Annual General Meeting of the Company convened on the same day and at the same place at 9:30 a.m. shall have concluded or shall have been adjourned)
Place of Extraordinary General Meeting	:	Ballroom II, InterContinental Singapore, 80 Middle Road, Singapore 188966

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DEFINITIONS

Except where the context otherwise requires, the following words and expressions in this Circular shall have the following meanings:-

“2013 EGM”	the extraordinary general meeting of the Company held on 28 January 2013;
“2013 IPT Mandate”	the IPT Mandate granted by the Shareholders at the 2013 EGM;
“2013 Mandate”	the Share Buy Back Mandate granted by the Shareholders at the 2013 EGM;
“Act”	Companies Act, Chapter 50 of Singapore, as amended from time to time;
“Additional Warrants”	such further warrants as may be required to be issued by the Company in accordance with the Warrant Terms and Conditions (such further warrants to rank pari passu in all respects with the Original Warrants and for all purposes to form part of the same series as the Original Warrants), each Additional Warrant entitling the registered holder of such Additional Warrant to subscribe for one Share at the Warrant Exercise Price then in force, upon and subject to the Warrant Terms and Conditions;
“AGM”	Annual General Meeting of the Company;
“Articles”	the articles of association of the Company as amended, supplemented or modified from time to time;
“associate”	(a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:- <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;

(b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

“Audit and Risk Management Committee”	the Audit and Risk Management Committee of the Company;
“Average Closing Price”	has the meaning ascribed to it in section 3.3.4;
“Bermuda”	The Islands of Bermuda;
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“CDP”	the Central Depository (Pte) Limited;
“Circular”	this circular to Shareholders dated 9 January 2014;
“Company”	China Fishery Group Limited, an exempted company incorporated in the Cayman Islands;
“Controlling Shareholder”	a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company’s Shares, or in fact exercises control over the Company;
“date of the making of the offer”	has the meaning ascribed to it in section 3.3.4;
“Directors”	the directors of the Company for the time being;
“EGM”	the extraordinary general meeting of the Company to be held on 27 January 2014, notice of which is set out in this Circular;
“Finance Director”	finance director of the Company;
“FY2005”	financial year ended 31 December 2005;
“FY2011”	financial year ended 28 September 2011;
“FY2012”	financial year ended 28 September 2012;
“FY2013”	financial year ended 28 September 2013;
“Golden Target”	Golden Target Pacific Limited;

“Group”	the Company and its subsidiaries;
“HK Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Interested Person”	(a) the Director, chief executive officer of the Company, or Controlling Shareholder; or (b) an associate of any such Director, chief executive officer of the Company or Controlling Shareholder;
“Investor”	CAP III-A Limited, the Substantial Shareholder;
“IPT”	interested person transaction;
“IPT Mandate”	the mandate pursuant to Chapter 9 of the Listing Manual in relation to IPT;
“Issuance Date”	the date of the issuance of the Original Warrants;
“Jade China”	Jade China Investments Limited;
“Latest Practicable Date”	3 January 2014, being the latest practicable date prior to the printing of this Circular;
“Listing Manual”	the listing manual of the SGX-ST, as may be amended, varied or supplemented from time to time;
“Market Day”	a day on which the SGX-ST is open for securities trading;
“Market Purchase”	has the meaning ascribed to it in section 3.3.3(a) of this Circular;
“Maximum Price”	has the meaning ascribed to it in section 3.3.4 of this Circular;
“Memorandum”	the memorandum of association of the Company as amended, supplemented or modified from time to time;
“NA”	net assets;
“Off-Market Purchase”	has the meaning ascribed to it in section 3.3.3(b) of this Circular;

“Original Warrants”	96,153,846 Warrants to be issued by the Company in accordance with the Warrant Issuance Agreement, each Original Warrant entitling the registered Warrant holder to subscribe for one Share at the Warrant Exercise Price then in force, upon and subject to the Warrant Terms and Conditions;
“Pacific Andes” or “PARD”	Pacific Andes Resources Development Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Mainboard of the SGX-ST, and a subsidiary of PAIH;
“PAIH”	Pacific Andes International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Proposed Issuance”	the proposed issuance of the Warrants and Warrant Shares to the Investor;
“Richtown”	Richtown Development Limited;
“S\$”	Singapore dollars, the lawful currency of Singapore;
“Securities Accounts”	securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent;
“SFA”	Securities and Futures Act (Cap. 289) of Singapore;
“SGX-ST” or “Exchange”	the Singapore Exchange Securities Trading Limited;
“Share Buy Back Mandate”	the share buy back mandate to enable the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company;
“Shareholders”	the registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean Depositors whose Securities Accounts are credited with such Shares;
“Shares”	ordinary shares of US\$0.05 each in the share capital of the Company;
“Singapore”	the Republic of Singapore;

“Substantial Shareholder”	a substantial shareholder of the Company as defined under Section 2 of the SFA;
“Super Investment”	Super Investment Limited;
“Take-over Code”	the Singapore Code on Takeovers and Mergers, as amended or modified from time to time;
“Trading Day”	a day on which the SGX-ST is open for trading of securities;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Warrants”	the Original Warrants and/or (as the case may be) the Additional Warrants;
“Warrant Exercise”	the exercise of any Warrant under and in accordance with the Warrant Terms and Conditions;
“Warrant Exercise Maximum Consideration”	the cumulative amount payable to the Company based on the fixed exchange rate for Warrant Shares in accordance with the Warrant Terms and Conditions, being the exchange rate of US\$1.00 to S\$1.25, upon exercise of all the Warrants in full by way of Warrant Exercise, being US\$40 million (or approximately S\$50 million);
“Warrant Exercise Period”	the period commencing from the Issuance Date and ending on (and including) the third anniversary of such date;
“Warrant Exercise Price”	the price per Warrant Share in S\$ payable by the Investor or any registered Warrant holder to the Company upon any Warrant Exercise, being S\$0.52 (subject to adjustments in accordance with the Warrant Terms and Conditions);
“Warrant Issuance Agreement”	the agreement for the issuance of the Warrants dated 5 December 2013 entered into between the Company and the Investor;
“Warrant Shares”	the Shares to be issued upon any Warrant Exercise;
“Warrant Terms and Conditions”	the terms and conditions of the Warrants;
“Zhonggang Fisheries”	Zhonggang Fisheries Limited; and
“%”	percentage or per centum.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act.

The term “**subsidiary**” shall have the meaning ascribed to it by Section 5 of the Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Words importing persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any modification thereof or under the Listing Manual and used in this Circular shall have the meaning assigned to it under the Act or any such statutory modification thereof or Listing Manual, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall not affect the construction of this Circular.

The Company maintains its accounts and publishes its financial statements in US\$. This Circular contains conversion of certain S\$ amounts into US\$ (or vice versa) at specified rates solely for the convenience of the reader. Unless otherwise indicated, the financial figures in this Circular are calculated on the basis of US\$1.00 = S\$1.270.

However, such conversion should not be construed as representing that the US\$ amounts have been, would have been or could be converted into S\$ amounts, or vice versa, at those or any other rates.

Some of the financial information in this Circular has been rounded for convenience and as a result, the totals of the data presented in this document may vary slightly from the actual arithmetic totals of such information.

LETTER FROM THE BOARD



CHINA FISHERY GROUP LIMITED

(Incorporated in the Cayman Islands)
(the "Company")

Board of Directors:

Ng Joo Kwee (Executive Chairman)
Sung Yu Ching (Managing Director)
Ng Joo Siang (Executive Director)
Chan Tak Hei (Finance Director)
Lim Soon Hock (Independent Director)
Tse Man Bun (Independent Director)
Tan Ngiap Joo (Independent Director)
Patrick Thomas Siewert (Non-Executive Director)
Janine Feng Junyuan (Alternate Director to Patrick Thomas Siewert)

Registered Office:

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Date: 9 January 2014

To: The Shareholders of China Fishery Group Limited

Dear Sir/Madam

1. INTRODUCTION

The Directors are convening the EGM to be held on Monday, 27 January 2014 to seek Shareholders' approval for the following proposals:-

- (a) the proposed renewal of the IPT Mandate;
- (b) the proposed renewal of the Share Buy Back Mandate; and
- (c) the Proposed Issuance.

The purpose of this Circular is to provide Shareholders with information relating to and explain the rationale relating to the (i) proposed renewal of the IPT Mandate, (ii) the proposed renewal of the Share Buy Back Mandate and (iii) the Proposed Issuance. Particulars of the IPT Mandate, the Share Buy Back Mandate and the Proposed Issuance are set out in sections 2, 3 and 4 of this Circular respectively.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinion expressed in this Circular.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 Introduction

At the 2013 EGM, Shareholders had granted a general mandate to the Directors to carry out IPTs, on terms of the 2013 IPT Mandate, which will be expiring on 27 January 2014, being the date of the forthcoming AGM.

Accordingly, the Directors propose that the IPT Mandate be renewed at the EGM to be held immediately following the forthcoming AGM.

The IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next AGM.

2.2 Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where an issuer or any of its subsidiaries (that are not listed on the SGX-ST or on an approved exchange) or associated companies (that are not listed on the SGX-ST or on an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company) proposes to enter into a transaction with the issuer's interested persons, shareholders' approval and/or an immediate announcement is required in respect of the transaction if the value of the transaction is equal to or exceeds certain materiality thresholds. However, an issuer may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses which may be carried out with the issuer's interested persons. Transactions conducted under such a shareholders' mandate are not separately subject to the materiality thresholds.

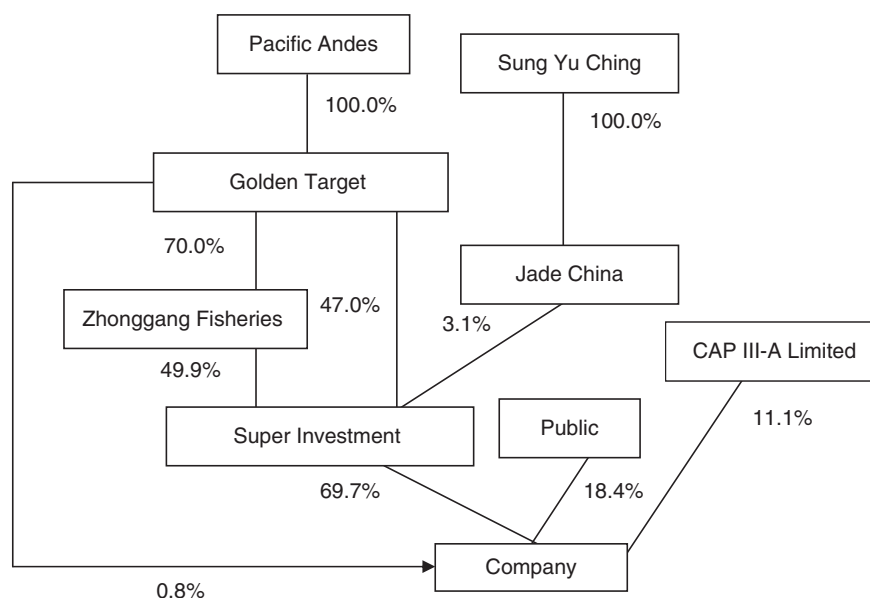
2.3 Particulars of IPT Mandate

The particulars which are required to be furnished under Rule 920(1)(b) of the Listing Manual are as follows:-

(a) Classes of Interested Persons

The IPT Mandate applies to the Group's transactions with Pacific Andes. The shareholding relationship between Pacific Andes and the Company is set out in the diagram below. Pacific Andes is deemed a Controlling Shareholder by virtue of Pacific Andes' controlling interests in Zhonggang Fisheries and Golden Target, which have an aggregate controlling interest of 96.9% in Super Investment, the direct Controlling Shareholder.

(b) Details of the IPTs



(i) Sale of fish products to Pacific Andes

Pacific Andes is a major supplier of fish products in the PRC.

The sale of fish products to Pacific Andes during the last three financial years are as follows:-

	FY2011 (US\$'000)	FY2012 (US\$'000)	FY2013 (US\$'000)
Sale of fish products	Nil	Nil	Nil

(ii) Purchase of bunker and other supplies from Pacific Andes

Pacific Andes has a fleet of transportation vessels to tranship directly from the fishing grounds the Group operates on the fish products it has purchased from the Group. Before FY2005, the Group sold fish products to Pacific Andes. The sales transactions were carried out on high sea, where the fish products were transhipped from fishing vessels of the Group to the transportation vessels of Pacific Andes. At the same time, the transportation vessels carry bunker and other vessel supplies which the Company requires for its continuous fishing operations on these remote fishing grounds. Before FY2005, the Group purchased bunker and other vessel supplies from Pacific Andes at a price based on free on board² prices plus freight costs. Before purchasing such bunker and supplies from Pacific Andes, the Group obtains price quotations from other suppliers for such bunker and supplies to ensure that the prices are at prevailing market prices.

² Free on board is a shipping term which indicates that the seller pays the shipping costs from the point of manufacture to a specified destination, at which point the buyer takes responsibility. Note: The free on board prices that Pacific Andes adopted is the selling price excluding freight charges.

The Group did not purchase any bunker or other vessel supplies from Pacific Andes in FY2011, FY2012 and FY2013.

(c) Rationale for and benefits of the IPT Mandate

The Company is an industrial fishing company which operates and manages fishing vessels for coastal fishing and deep sea industrial fishing. The Company's sourcing business is mainly conducted in the Pacific Ocean. The Group's major catch species are the same major species which is traded by Pacific Andes. Pacific Andes also has its own transportation vessels and is able to provide necessary supplies or bunkers from its transportation vessels to the Group's fishing vessels at a more competitive pricing in comparison to other third party suppliers during the high sea transshipment of fish products from the Group to Pacific Andes. Therefore, it would be more cost effective for the Group to purchase bunkers and other supplies from Pacific Andes.

The IPTs are entered into or to be entered into by the Group in its ordinary course of business or are necessary for its day-to-day operations. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time. The Directors are of the view that it will be beneficial to the Group to transact or continue to transact with Pacific Andes, as there will be some continuity in the demand for the fish products and the supply of bunker and other supplies which meet the Group's stringent quality control standards.

No fish product was sold to Pacific Andes in FY2011, FY2012 and FY2013. The IPT Mandate and its renewal on annual basis will eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential IPTs with the interested persons arise, thereby reducing substantially, the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The IPT Mandate is intended to facilitate transactions in the Group's normal course of business which are transacted from time to time with the interested persons, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority shareholders.

Disclosure will be made in the Company's annual report of the aggregate value of the IPTs conducted pursuant to the IPT Mandate during the current financial year, and in the annual report for the subsequent financial years during which an IPT Mandate is in force.

(d) Control and Review Procedures for IPTs

The Group has in place an internal control system to ensure that the IPTs are undertaken on arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the interested person than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its minority shareholders.

In particular, the following review procedures have been put in place:-

- (i) When purchasing items from or engaging the services of an interested person, two other quotations from non-interested persons will be obtained for comparison. The

purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, delivery time and track record will be taken into consideration; and

- (ii) When selling items or supplying services to an interested person, the price and terms of other successful sales of a similar nature to non-interested persons will be used in comparison. The sale price or fee for the supply of services shall not be lower than the lowest sale or fee of the two other successful transactions with non-interested persons.

In cases where it is not possible to obtain comparables from other unrelated third parties, the Audit and Risk Management Committee will consider whether the pricing of the transaction is in accordance with usual business practices and pricing policies and consistent with the usual margins to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at arm's length and on normal commercial terms. The Group may then enter into the transaction with the interested persons, provided that the reasons for not obtaining the quotations must be stated by the relevant authorities that authorised the said transaction.

In addition, the Company has implemented the following review and approval limits to monitor all IPTs:-

- (i) **Category 1:** Each transaction where the transaction value is below US\$120,000 would be reviewed and approved by either a business manager, project manager, finance manager, or persons of an equivalent or analogous position (and who shall not be interested in the transaction) on the basis as set out above;
- (ii) **Category 2:** Each transaction where the transaction value is equal to or exceeds US\$120,000, but less than US\$3,000,000 would be reviewed and approved by any one of the Directors (who shall not be interested in the transaction) on the basis as set out above;
- (iii) **Category 3:** Each transaction where the transaction value is equal to or exceeds US\$3,000,000 would be reviewed and approved by the Audit and Risk Management Committee prior to entry on the basis as set out above.

For monitoring purposes, the Finance Director will maintain a register of interested persons. This register will be updated quarterly and by the 15th day of each quarter, such register will be sent to the designated person of the respective companies. The purpose of this register is to enable the designated person in the respective companies to identify the interested persons and the recording of all IPTs. The Finance Director will also maintain a register of transactions carried out with interested persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into).

By the 20th day of each calendar month, the designated persons are required to submit details of all IPTs entered into during the previous calendar month to the Finance Director, including the value of the transactions. A "nil" return is expected if there is no IPT for the previous calendar month. The Group's internal audit plan will also incorporate a review of all transactions entered into in the relevant financial year pursuant to the IPT Mandate.

The Audit and Risk Management Committee

The Audit and Risk Management Committee will review all IPTs at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit and Risk Management Committee. The Audit and Risk Management Committee may request for any additional information pertaining to the transaction under review from independent sources, advisers and valuers as it deems fit.

In addition, an independent auditor will be engaged by the Company to perform a review of all IPTs that are related to Pacific Andes on a half yearly basis. The scope of the review will cover books and records of both the Group and Pacific Andes in order to ascertain that the terms of the IPTs are based on normal commercial terms. The independent auditor will prepare a review report for the Audit and Risk Management Committee.

In the event that a member of the Audit and Risk Management Committee is interested in any IPT, he will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by the remaining members of the Audit and Risk Management Committee.

In addition, the Directors will also ensure that all disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all IPTs entered into.

The Audit and Risk Management Committee and the Directors shall review internal audit reports to ascertain that the guidelines and procedures established to monitor IPTs have been complied with. In addition, the Audit and Risk Management Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Company and its interested persons are conducted on normal commercial terms. Pursuant to Rule 920(1)(b)(iv) and (vii) of the Listing Manual, if during its periodic reviews, the Audit and Risk Management Committee believes that if the guidelines and procedures as stated above are inappropriate or not sufficient to ensure that IPTs will be carried out on normal commercial terms which will not be prejudicial to the interests of the Company and its minority shareholders, the Company will seek a fresh mandate from the Shareholders based on new guidelines and procedures.

The Audit and Risk Management Committee confirms that the methods or procedures for determining the transaction prices and other review procedures have not been changed since the last Shareholders' approval on 28 January 2013, and that these procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

3. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

3.1 Background

It is a requirement under the Listing Manual that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. At the 2013 EGM, Shareholders had granted a general and unconditional mandate to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares, on terms of the 2013 Mandate, which will be expiring on 27 January 2014, being the date of the forthcoming AGM of the Company.

Accordingly, the Directors propose that the Share Buy Back Mandate be renewed at the EGM to be held immediately following the forthcoming AGM.

3.2 Rationale for the proposed Share Buy Back Mandate

The approval of the renewal of the Share Buy Back Mandate authorising the Company to purchase or acquire its Shares would give the Company flexibility to purchase the Shares up to the 10% limit described below at any time, subject to market conditions during the period when the Share Buy Back Mandate is in force.

The Share Buy Back Mandate provides the Company and its Directors with a simple mechanism to facilitate the return of surplus cash over and above its capital requirements in an expedient and cost-effective manner. The Share Buy Back Mandate will also allow the Directors to exercise a certain amount of control over the Company's share capital structure with a view to enhance the earnings per Share and/or net asset value per Share of the Company. The proposed Share Buy Back Mandate will further give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued.

If and when circumstances permit, the Directors will decide whether to effect the Shares purchase or acquisition via Market Purchase and/or Off-Market Purchase, after taking into account the relevant factors such as the financial resources available, the prevailing market conditions, and the cost and timing involved. Such purchases or acquisitions will only be made when the Directors are of the view that it will benefit the Company and its Shareholders.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate would only be made when the Directors believe that such purchases or acquisitions would be made in circumstances that would not have a material adverse effect on the financial position of the Company.

3.3 Authority and limit on the Share Buy Back Mandate

The authority and limitations placed on the Share Buy Back Mandate, if renewed at the EGM, are substantially the same as previously approved by Shareholders at the 2013 EGM. The authority and limits on the Share Buy Back Mandate are as follows:

3.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The maximum number of Shares which may be purchased or acquired by the

Company pursuant to the Share Buy Back Mandate is that number of Shares representing not more than 10% of the issued Shares of the Company as at the date of the EGM at which the proposed renewal of the Share Buy Back Mandate is approved.

In exercising the Share Buy Back Mandate, the Company has to ensure that it does not purchase Shares in a manner and to such extent that it would breach its obligations under any contracts, undertakings and/or lending agreements to which it is a party. Therefore, the maximum number of Shares which the Company may purchase without breaching its obligations may be less than 10% of the issued Shares of the Company.

Purely for illustration purposes, on the basis of 2,046,354,546 issued and paid-up Shares as at the Latest Practicable Date, and assuming no further Shares are issued prior to the EGM, exercise in full of the Share Buy Back Mandate would result in the purchase or acquisition of 204,635,454 Shares.

However, as the purchase of 204,635,454 Shares would result in the number of Shares held by public Shareholders to fall below 10% of the total issued Shares in the capital of the Company after the exercise of the Share Buy Back Mandate, the Company would only be able to purchase a maximum of 190,754,033 Shares, based on the total number of Shares as at the Latest Practicable Date. Please refer to Section 3.8.2 of this Circular for further details on the requirement for the number of Shares to be held by public Shareholders under the Listing Manual.

3.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM, at which the proposed renewal of the Share Buy Back Mandate is approved, up to:-

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied by the Company in general meeting; or
- (c) the date on which the share buy back is fulfilled to the fullest extent of the Share Buy Back Mandate;

whichever is earlier.

3.3.3 Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares under the Share Buy Back Mandate can be effected by the Company by way of:-

- (a) on-market purchases on the SGX-ST ("**Market Purchase**"). Market Purchase means purchases or acquisitions of Shares transacted through the ready market of the SGX-ST, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; or
- (b) off-market purchases ("**Off-Market Purchase**") effected pursuant to an equal access scheme.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Listing Manual, the Cayman Companies Law and the Memorandum and Articles of the Company as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:-

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:-

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or held as treasury shares.

3.3.4 Maximum Purchase Price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:-

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares.

In each case, excluding related expenses of the purchase or acquisition (the **“Maximum Price”**).

For the above purposes:-

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 **Status of purchased or acquired Shares under the Share Buy Back Mandate**

3.4.1 Cancellation of Shares

Shares purchased or acquired by the Company are cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) and the Company’s issued share capital (but not the authorised capital) shall be diminished by the nominal value of those Shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company.

3.5 **Sources of funds**

The Company may not purchase or acquire its Shares for a consideration other than cash and where relevant settlement shall be in accordance with the trading rules of the SGX-ST.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles, the applicable laws in Singapore and the Cayman Companies Law. Repurchases will be made out of funds of the Company

legally permitted to be utilised in this connection, including profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, in accordance with the Memorandum and Articles and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, in accordance with the Memorandum and Articles of the Company and subject to the Cayman Companies Law, out of capital of the Company. A payment out of capital by a Cayman Islands company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made the Cayman Islands company shall be able to pay its debts as they fall due in the ordinary course of business.

The Company intends to use internal sources of funds to finance the purchases or acquisitions of Shares. The Company does not intend to obtain or incur any borrowings to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Buy Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group or the Company would be materially and adversely affected.

3.6 Financial Impact

3.6.1 The financial effects on the Group and the Company arising from its purchase or acquisition of Shares which may be made pursuant to the Share Buy Back Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired by a Market Purchase or an Off-Market Purchase, whether the Shares are purchased or acquired out of capital and/or profits of the Company and/or the proceeds of a fresh issue of shares made for the purposes of the purchase, the number of Shares purchased or acquired, the consideration paid for such Shares. The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for the year ended 28 September 2013 are based on the assumptions set out below.

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

3.6.2 Number of Shares purchased or acquired

Purely for illustration purposes, based on the existing issued and paid-up ordinary share capital of the Company as at the Latest Practicable Date, and assuming no further Shares are issued on or prior to the EGM, the exercise in full of the Share Buy Back Mandate would result in the purchase or acquisition of 204,635,454 Shares.

As the purchase of 204,635,454 Shares would result in the number of Shares held by public Shareholders to fall below 10% of the total issued Shares in the capital of the Company after the exercise of the Share Buy Back Mandate, the Company would only be able to purchase a maximum of 190,754,033 Shares, based on the total number of Shares as at the Latest Practicable Date.

Please refer to Section 3.8.2 of this Circular for further details on the requirement for the number of Shares to be held by public Shareholders under the Listing Manual.

3.6.3 Maximum Price paid for Shares purchased or acquired

In the case of a Market Purchase by the Company entirely out of capital and profit, and assuming that the Company purchases or acquires 204,635,454 Shares at the Maximum Price of S\$0.41 per Share being 105% above the Average Closing Price of the Shares over the last five (5) Market Days immediately preceding the Latest Practicable Date from 27 December 2013 to 3 January 2014, the maximum amount of funds required is US\$65,483,000 (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses).

In the case of an Off-Market Purchase by the Company entirely out of capital and profit, and assuming that the Company purchases or acquires 204,635,454 Shares at the Maximum Price of S\$0.46 per Share being 120% above the Average Closing Price of the Shares over the last five (5) Market Days immediate preceding the Latest Practicable Date from 27 December 2013 to 3 January 2014 the maximum amount of funds required is US\$74,835,000 (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses).

In the case of a Market Purchase by the Company entirely out of capital and profit, and assuming that the Company purchases or acquires 190,754,033 Shares at the Maximum Price of S\$0.41 per Share being 105% above the Average Closing Price of the Shares over the last five (5) Market Days immediately preceding the Latest Practicable Date from 27 December 2013 to 3 January 2014, the maximum amount of funds required is US\$61,041,000 (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses).

In the case of an Off-Market Purchase by the Company entirely out of capital and profit, and assuming that the Company purchases or acquires 190,754,033 Shares at the Maximum Price of S\$0.46 per Share being 120% above the Average Closing Price of the Shares over the last five (5) Market Days immediate preceding the Latest Practicable Date from 27 December 2013 to 3 January 2014 the maximum amount of funds required is US\$69,759,000 (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses).

3.6.4 Other relevant assumptions

In the case of a Market Purchase by the Company entirely out of proceeds of a fresh issue of Shares, and assuming that the Company purchases or acquires 204,635,454 Shares at the Maximum Price of S\$0.41 per Share being equivalent to the price of a fresh issue of shares, the amount of funds required is US\$65,483,000 being equivalent to the proceeds of a fresh issue of shares (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses).

In the case of an Off-Market Purchase by the Company entirely out of proceeds of a fresh issue of Shares, and assuming that the Company purchases or acquires 204,635,454 Shares at the Maximum Price of S\$0.46 per Share being equivalent to the price of a fresh issue of shares, the amount of funds required is US\$74,835,000 being equivalent to the proceeds of a fresh issue of shares (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses).

In the case of a Market Purchase by the Company entirely out of proceeds of a fresh issue of Shares, and assuming that the Company purchases or acquires 190,754,033 Shares at the Maximum Price of S\$0.41 per Share being equivalent to the price of a fresh issue of shares, the amount of funds required is US\$61,041,000 being equivalent to the proceeds of a fresh issue of shares (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses).

In the case of an Off-Market Purchase by the Company entirely out of proceeds of a fresh issue of Shares, and assuming that the Company purchases or acquires 190,754,033 Shares at the Maximum Price of S\$0.46 per Share being equivalent to the price of a fresh issue of shares, the amount of funds required is US\$69,759,000 being equivalent to the proceeds of a fresh issue of shares (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses).

The purchases pursuant to the Share Buy Back Mandate will be made on the assumption that the Company uses internal sources of funds to wholly fund the acquisitions.

3.6.5 Illustrative financial effects

A) Illustrative financial effects for the full 10% limit of the Share Buy Back Mandate

For illustrative purposes only subject to Cayman Companies Law and on the basis of the assumptions set out above, the financial effects of:-

- (a) Market Purchase by the Company entirely out of capital and cancelled;
- (b) Off-Market Purchase by the Company entirely out of capital and cancelled;
- (c) Market Purchase by the Company entirely out of profits and cancelled;
- (d) Off-Market Purchase by the Company entirely out of profits and cancelled;
- (e) Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and cancelled;
- (f) Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and cancelled; and
- (g) Assuming that the full 10% of the total number of Shares i.e. 204,635,454 Shares are purchased by the Company under the Share Buy Back Mandate, such that the number of Shares held by the public fall below 10% of the total issued Shares in the capital of the Company after the exercise of the Share Buy Back Mandate,

based on the audited financial statements of the Group and the Company for the year ended 28 September 2013 are set out below:-

(a) Market Purchase made entirely out of capital

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,100,438	654,325	588,842
Net assets ("NA")	1,165,921	1,100,438	654,325	588,842
Current assets	581,790	516,307	1,603	–
Current liabilities	579,838	579,838	5,657	69,537
Net working capital	1,952	(63,531)	(4,054)	(69,537)
Number of Shares ('000)	2,046,354	1,841,719	2,046,354	1,841,719

Financial Ratios

NA per Share (US cents) ¹	56.98	59.75	31.98	31.97
Earning per Share (US cents) ²	4.12	4.58	0.25	0.28
Gearing ratio (times) ³	1.04	1.10	–	–
Current ratio (times) ⁴	1.00	0.89	0.28	–
Return on equity (%) ⁵	7	8	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earnings per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.

(b) Off-Market Purchase made entirely out of capital

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,091,086	654,325	579,490
Net assets ("NA")	1,165,921	1,091,086	654,325	579,490
Current assets	581,790	506,955	1,603	–
Current liabilities	579,838	579,838	5,657	78,889
Net working capital	1,952	(72,883)	(4,054)	(78,889)
Number of Shares ('000)	2,046,354	1,841,719	2,046,354	1,841,719

Financial Ratios

NA per Share (US cents) ¹	56.98	59.24	31.98	31.46
Earning per Share (US cents) ²	4.12	4.58	0.25	0.28
Gearing ratio (times) ³	1.04	1.11	–	–
Current ratio (times) ⁴	1.00	0.87	0.28	–
Return on equity (%) ⁵	7	8	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earning per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by shareholders' funds.

(c) Market Purchase made entirely out of profits

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,100,438	654,325	588,842
Net assets ("NA")	1,165,921	1,100,438	654,325	588,842
Current assets	581,790	516,307	1,603	–
Current liabilities	579,838	579,838	5,657	69,537
Net working capital	1,952	(63,531)	(4,054)	(69,537)
Number of Shares ('000)	2,046,354	1,841,719	2,046,354	1,841,719

Financial Ratios

NA per Share (US cents) ¹	56.98	59.75	31.98	31.97
Earning per Share (US cents) ²	4.12	4.58	0.25	0.28
Gearing ratio (times) ³	1.04	1.10	–	–
Current ratio (times) ⁴	1.00	0.89	0.28	–
Return on equity (%) ⁵	7	8	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earnings per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by shareholders' funds.

(d) Off-Market Purchase made entirely out of profits

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,091,086	654,325	579,490
Net assets ("NA")	1,165,921	1,091,086	654,325	579,490
Current assets	581,790	506,955	1,603	–
Current liabilities	579,838	579,838	5,657	78,889
Net working capital	1,952	(72,883)	(4,054)	(78,889)
Number of Shares ('000)	2,046,354	1,841,719	2,046,354	1,841,719

Financial Ratios

NA per Share (US cents) ¹	56.98	59.24	31.98	31.46
Earning per Share (US cents) ²	4.12	4.58	0.25	0.28
Gearing ratio (times) ³	1.04	1.11	–	–
Current ratio (times) ⁴	1.00	0.87	0.28	–
Return on equity (%) ⁵	7	8	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earnings per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by shareholders' funds.

(e) Market Purchase made entirely out of the proceeds of a fresh issue of shares

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,165,921	654,325	654,325
Net assets ("NA")	1,165,921	1,165,921	654,325	654,325
Current assets	581,790	581,790	1,603	1,603
Current liabilities	579,838	579,838	5,657	5,657
Net working capital	1,952	1,952	(4,054)	(4,054)
Number of Shares ('000)	2,046,354	2,046,354	2,046,354	2,046,354

Financial Ratios

NA per Share (US cents) ¹	56.98	56.98	31.98	31.98
Earning per Share (US cents) ²	4.12	4.12	0.25	0.25
Gearing ratio (times) ³	1.04	1.04	–	–
Current ratio (times) ⁴	1.00	1.00	0.28	0.28
Return on equity (%) ⁵	7	7	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earnings per Shares equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.

(f) **Off-Market Purchase made entirely out of the proceeds of a fresh issue of shares**

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,165,921	654,325	654,325
Net assets ("NA")	1,165,921	1,165,921	654,325	654,325
Current assets	581,790	581,790	1,603	1,603
Current liabilities	579,838	579,838	5,657	5,657
Net working capital	1,952	1,952	(4,054)	(4,054)
Number of Shares ('000)	2,046,354	2,046,354	2,046,354	2,046,354

Financial Ratios

NA per Share (US cents) ¹	56.98	56.98	31.98	31.98
Earning per Share (US cents) ²	4.12	4.12	0.25	0.25
Gearing ratio (times) ³	1.04	1.04	–	–
Current ratio (times) ⁴	1.00	1.00	0.28	0.28
Return on equity (%) ⁵	7	7	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earnings per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.

- B) Illustrative financial effects for the purchase of 190,754,033 Shares such that the number of Shares held by the public are not less than 10% of the total issued Shares

For illustrative purposes only subject to Cayman Companies Law and on the basis of the assumptions set out above, the financial effects of:-

- (a) Market Purchase by the Company entirely out of capital and cancelled;
- (b) Off-Market Purchase by the Company entirely out of capital and cancelled;
- (c) Market Purchase by the Company entirely out of profits and cancelled;
- (d) Off-Market Purchase by the Company entirely out of profits and cancelled;
- (e) Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and cancelled;
- (f) Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and cancelled; and
- (g) Assuming that 190,754,033 of the Shares are purchased by the Company, such that the number of Shares held by the public are not less than 10% of the total issued Shares in the capital of the Company after the exercise of the Share Buy Back Mandate,

based on the audited financial statements of the Group and the Company for the year ended 28 September 2013 are set out below:-

(a) Market Purchase made entirely out of capital

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,104,880	654,325	593,284
Net assets ("NA")	1,165,921	1,104,880	654,325	593,284
Current assets	581,790	520,749	1,603	–
Current liabilities	579,838	579,838	5,657	65,095
Net working capital	1,952	(59,089)	(4,054)	(65,095)
Number of Shares ('000)	2,046,354	1,855,600	2,046,354	1,855,600

Financial Ratios

NA per Share (US cents) ¹	56.98	59.54	31.98	31.97
Earning per Share (US cents) ²	4.12	4.54	0.25	0.28
Gearing ratio (times) ³	1.04	1.10	–	–
Current ratio (times) ⁴	1.00	0.90	0.28	–
Return on equity (%) ⁵	7	8	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earnings per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.
- (6) The table above is based on the maximum number of Shares which can be purchased by the Company under the Share Buy Back Mandate in order to maintain the public float of 10% of the Shares, which is 190,754,033 Shares.

(b) Off-Market Purchase made entirely out of capital

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,096,162	654,325	584,566
Net assets ("NA")	1,165,921	1,096,162	654,325	584,566
Current assets	581,790	512,031	1,603	–
Current liabilities	579,838	579,838	5,657	73,813
Net working capital	1,952	(67,807)	(4,054)	(73,813)
Number of Shares ('000)	2,046,354	1,855,600	2,046,354	1,855,600

Financial Ratios

NA per Share (US cents) ¹	56.98	59.07	31.98	31.50
Earning per Share (US cents) ²	4.12	4.54	0.25	0.28
Gearing ratio (times) ³	1.04	1.10	–	–
Current ratio (times) ⁴	1.00	0.88	0.28	–
Return on equity (%) ⁵	7	8	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) EPS equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.
- (6) The table above is based on the maximum number of Shares which can be purchased by the Company under the Share Buy Back Mandate in order to maintain the public float of 10% of the Shares, which is 190,754,033 Shares.

(c) Market Purchase made entirely out of profits

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,104,880	654,325	593,284
Net assets ("NA")	1,165,921	1,104,880	654,325	593,284
Current assets	581,790	520,749	1,603	–
Current liabilities	579,838	579,838	5,657	65,095
Net working capital	1,952	(59,089)	(4,054)	(65,095)
Number of Shares ('000)	2,046,354	1,855,600	2,046,354	1,855,600

Financial Ratios

NA per Share (US cents) ¹	56.98	59.54	31.98	31.97
Earning per Share (US cents) ²	4.12	4.54	0.25	0.28
Gearing ratio (times) ³	1.04	1.10	–	–
Current ratio (times) ⁴	1.00	0.90	0.28	–
Return on equity (%) ⁵	7	8	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) EPS equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.
- (6) The table above is based on the maximum number of Shares which can be purchased by the Company under the Share Buy Back Mandate in order to maintain the public float of 10% of the Shares, which is 190,754,033 Shares.

(d) Off-Market Purchase made entirely out of profits

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,096,162	654,325	584,566
Net assets ("NA")	1,165,921	1,096,162	654,325	584,566
Current assets	581,790	512,031	1,603	–
Current liabilities	579,838	579,838	5,657	73,813
Net working capital	1,952	(67,807)	(4,054)	(73,813)
Number of Shares ('000)	2,046,354	1,855,600	2,046,354	1,855,600

Financial Ratios

NA per Share (US cents) ¹	56.98	59.07	31.98	31.50
Earning per Share (US cents) ²	4.12	4.54	0.25	0.28
Gearing ratio (times) ³	1.04	1.11	–	–
Current ratio (times) ⁴	1.00	0.88	0.28	–
Return on equity (%) ⁵	7	8	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earning Per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.
- (6) The table above is based on the maximum number of Shares which can be purchased by the Company under the Share Buy Back Mandate in order to maintain the public float of 10% of the Shares, which is 190,754,033 Shares.

(e) Market Purchase made entirely out of the proceeds of a fresh issue of shares

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,165,921	654,325	654,325
Net assets ("NA")	1,165,921	1,165,921	654,325	654,325
Current assets	581,790	581,790	1,603	1,603
Current liabilities	579,838	579,838	5,657	5,657
Net working capital	1,952	1,952	(4,054)	(4,054)
Number of Shares ('000)	2,046,354	2,046,354	2,046,354	2,046,354

Financial Ratios

NA per Share (US cents) ¹	56.98	56.98	31.98	31.98
Earning per Share (US cents) ²	4.12	4.12	0.25	0.25
Gearing ratio (times) ³	1.04	1.04	–	–
Current ratio (times) ⁴	1.00	1.00	0.28	0.28
Return on equity (%) ⁵	7	7	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earning per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.
- (6) The table above is based on the maximum number of Shares which can be purchased by the Company under the Share Buy Back Mandate in order to maintain the public float of 10% of the Shares, which is 190,754,033 Shares.

(f) **Off-Market Purchase made entirely out of the proceeds of a fresh issue of shares**

	Group		Company	
	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)	Before Share Buy Back Financial Statement as at 28.9.2013 (US\$'000)	After Share Buy Back Cancelled (US\$'000)
Shareholders' funds	1,165,921	1,165,921	654,325	654,325
Net assets ("NA")	1,165,921	1,165,921	654,325	654,325
Current assets	581,790	581,790	1,603	1,603
Current liabilities	579,838	579,838	5,657	5,657
Net working capital	1,952	1,952	(4,054)	(4,054)
Number of Shares ('000)	2,046,354	2,046,354	2,046,354	2,046,354

Financial Ratios

NA per Share (US cents) ¹	56.98	56.98	31.98	31.98
Earning per Share (US cents) ²	4.12	4.12	0.25	0.25
Gearing ratio (times) ³	1.04	1.04	–	–
Current ratio (times) ⁴	1.00	1.00	0.28	0.28
Return on equity (%) ⁵	7	7	1	1

Notes:

- (1) NA per Share equals to NA divided by the number of Shares outstanding as at 28 September 2013.
- (2) Earning per Share equals to profit after taxation divided by the number of Shares outstanding as at 28 September 2013.
- (3) Gearing ratio equals to total interests bearings borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Return on equity equals to profit after taxation divided by Shareholders' funds.
- (6) The table above is based on the maximum number of Shares which can be purchased by the Company under the Share Buy Back Mandate in order to maintain the public float of 10% of the Shares, which is 190,754,033 Shares.

The actual impact of the Share Buy Back Mandate will depend on the number and price of Shares purchased or acquired by the Company.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular to note that the financial analyses set out above are based on the audited financial statements of the Group and the Company for the year ended 28 September 2013 and may not necessarily be representative of future financial performance of the Group and the Company. Although the Share Buy Back Mandate would authorise the Company to buy back Shares up to 10% of the issued share capital of the Company, the Company may not necessarily buy back or be able to buy back 10% of the issued share capital of the Company in full.

The Directors do not propose to exercise the Share Buy Back Mandate to an extent that would materially and adversely affect the working capital requirements of the Company. The purchases or acquisitions of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buy Back Mandate will only be exercised in the best interests of the Company, for example, to enhance the earnings per Share of the Company.

3.7 Take-Over Code implications arising from Share Buy Back Mandate

Pursuant to Appendix 2 of the Take-over Code, when a company buys back its shares, any resulting increase in the percentage of voting rights held by a shareholder and persons acting in concert with him will be treated as an acquisition for the purposes of Rule 14. Consequently, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the company and become obligated to make an offer under Rule 14.

The effect of Rule 14 is that, unless exempted, Shareholders and persons acting in concert with them will incur an obligation to make a mandatory offer of the Shares, on the basis of Rule 14, to the holders of any class of share capital of the Company which carries votes if, as a result of the Company purchasing Shares under the Share Buy Back Mandate,

- (a) such Shareholders and their concert parties carry 30% or more of the voting rights of the Company; or
- (b) such Shareholders and their concert parties hold not less than 30% but not more than 50% of the voting rights of the Company and such Shareholders or their concert parties acquire additional shares carrying more than 1% of the voting rights of the Company in any 6 months period.

A Shareholder who is not acting in concert with the Directors will not be required to make an offer under Rule 14 if, as a result of the Company purchasing its Shares, the voting rights of the Shareholder would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, would increase the voting rights by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting on resolution authorising the Share Buy Back Mandate at the EGM.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert, namely

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid companies for the purchase of Shares carrying voting rights.

For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

Unless exempted, Directors and persons acting in concert with them will incur an obligation to make a mandatory takeover offer under Rule 14 if, as a result of the Company buying back its Shares, the voting rights of such Directors and their concert parties would increase to 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by 1% in any period of six (6) months.

As at the Latest Practicable Date, Super Investment, a subsidiary of Pacific Andes, owns 1,426,432,850 Shares constituting approximately 69.71% of the issued share capital of the Company. Zhonggang Fisheries and Golden Target own 49.9% and 47% of the shares in Super Investment respectively. Pacific Andes own 100% of the shares in Golden Target, and 70% of the shares in Zhonggang Fisheries through Golden Target. Golden Target also owns 16,538,074 Shares constituting approximately 0.81% of the issued share capital of the Company. Therefore, Pacific Andes is deemed to be interested in 1,442,970,924 Shares constituting approximately 70.51% of the issued share capital of the Company. For details, please refer to section 6 of the Circular at page 44. In the circumstances, as the aforesaid Substantial Shareholders own more than 50% of the issued share capital of the Company, they are not obliged to make a general offer under Rule 14 and Appendix 2 of the Take-over Code in the event of Shares purchases by the Company under the Share Buy Back Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases or acquisitions by the Company.

3.8 Listing status on SGX-ST

3.8.1 Reporting requirements

The Listing Manual specifies that a listed company shall notify the SGX-ST of any share buy back as follows:-

- (a) in the case of a Market Purchase, by 9.00 a.m. on the Market Day following the day on which it purchased or acquired any of its shares;
- (b) in the case of an Off-Market Purchase, by 9.00 a.m. on the second Market Day after the close of acceptance of the offer.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

3.8.2 Listing rules of the Listing Manual

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, the Company, in line with the best practices guide on securities dealings issued by the SGT-ST, would not purchase or acquire any shares through Market Purchase during the period commencing fourteen (14) days before the announcement of the Company's financial statements for each of the first three quarters of its financial year and thirty-one (31) days before the announcement of the financial statement for the full financial year, in accordance with the internal code adopted by the Company, as the case may be, ending on the date of announcement of the relevant results. The Company's decision to purchase or acquire Shares would only be made with an arrangement that could reasonably be expected to ensure that information that is not generally available would not be communicated or informed to the person within the Company who makes the decision to transact.

The Company will ensure that any Share purchased or acquired by the Company will not result in a fall in the percentage of Shares held by the public to below 10% of the total number of issued Shares. "**Public**" means persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, approximately 18.39% of the Shares are held by the public. In the event that the Company should, pursuant to the Share Buy Back Mandate, purchase or acquires its Shares up to the full 10% limit, about 9.32% of the Shares would continue to be in the hands of the public. Accordingly, the Company would not be able to undertake purchases of its Shares up to the full 10% limit pursuant to the proposed renewal of the Share Buy Back Mandate without affecting the listing status of the Shares of the Company on the SGX-ST. As at the Latest Practicable Date, the Company will only be able to purchase a maximum of 190,754,033 Shares in order for the public to hold not less than 10% of the total number of issued Shares. Therefore, as at the Latest Practicable Date, the Company would not, pursuant to the Share Buy Back Mandate, purchase or acquire more than 190,754,033 Shares or exercise the full 10% limit, to ensure that the public shall hold not less than 10% of the total number of issued Shares. Should the Company issue further Shares and the maximum number of Shares that can be purchased or acquired pursuant to the Share Buy Back Mandate increases, the Company would make an announcement to inform Shareholders of the new maximum number of Shares that can be purchased or acquired pursuant to the Share Buy Back Mandate.

The Directors will at all times ensure that when purchasing any Shares pursuant to the Share Buy Back Mandate, at least 10% of its Shares will remain in the hands of the public in accordance with the Listing Manual without:-

- (a) affecting the listing status of the Shares on the SGX-ST;
- (b) causing market illiquidity of the Shares; or
- (c) affecting adversely the orderly trading of the Shares.

3.9 Previous Shares purchases or acquisitions

The Company has not purchased any Shares during the twelve (12) months period preceding the Latest Practicable Date.

3.10 Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buy Back Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

4. THE PROPOSED ISSUE OF UNLISTED WARRANTS AND WARRANT SHARES

4.1 Introduction

On 5 December 2013, the Company has entered into the Warrant Issuance Agreement with the Investor pursuant to which the Company has agreed to issue 96,153,846 Warrants.

Pursuant to Rule 812 of the Listing Manual, the Company is seeking specific shareholder approval for the Proposed Issuance to the Investor.

4.2 Details of the Proposed Issuance

4.2.1 Date

5 December 2013

4.2.2 Parties

- (1) the Company, as the issuer; and
- (2) Cap III-A Limited, as the Investor.

The Investor is an existing Substantial Shareholder. The Investor and its associates will abstain from voting on the relevant resolutions pertaining to the Proposed Issuance. The Investor and its associates will not act as proxies for any Shareholder unless specific voting instructions are given in the Proxy Form appointing the Investor or its associates as proxies.

As at the Latest Practicable Date, the Investor has 227,027,028 Shares, representing approximately 11.09% of the issued share capital of the Company.

4.2.3 Number of Original Warrants to be issued

Pursuant to the Warrant Issuance Agreement, the Company has conditionally agreed to issue, and the Investor has conditionally agreed to subscribe for the Original Warrants.

Each Warrant carries the right for the Investor to subscribe for one (1) Warrant Share at the Warrant Exercise Price per Warrant Share during the Warrant Exercise Period.

The Warrants will not be listed or traded on the Mainboard of the SGX-ST.

4.2.4 Additional Warrants

The Company shall issue, and the Investor and/or each registered Warrant holder shall take up, such Additional Warrants as may be required to be issued by the Company pursuant to certain adjustments to the number of Warrants in accordance with the Warrant Terms and Conditions. Please refer to section 4.2.6 below for more information.

4.2.5 Warrant Exercise and total Warrant Shares

Each Warrant shall represent the right, upon exercise, to subscribe at any time during the Warrant Exercise Period for one (1) Warrant Share, at a price equal to the applicable Warrant Exercise Price (as described below).

On full exercise of the Original Warrants (assuming no adjustment is made to the number of Warrants initially issuable), a total of 96,153,846 Warrant Shares will be issued. These Warrant Shares represent in aggregate approximately 4.49% of the issued share capital of the Company as enlarged by the allotment and issuance of 96,153,846 Warrant Shares (assuming and calculated on the basis that no other Share will be issued after the date of the Latest Practicable Date).

4.2.6 Adjustment to the Warrant Exercise Price and the number of Warrants

The Warrant Exercise Price and/or the number of Warrants held by each registered Warrant holder shall from time to time during the Warrant Exercise Period be adjusted, such adjustment shall be made in such manner as the Approved Bank or the Auditors (as the case may be) shall determine. The Company shall announce any such adjustment to the Warrant Exercise Price and/or the number of Warrants. The Warrant Exercise Price and/or the number of Warrants shall be adjusted in all or any of the following events:

- (i) consolidation or subdivision of the Shares;
- (ii) issuance of Shares to Shareholders credited as fully paid for which no consideration is payable or by way of capitalisation of profits or reserves but exclude any issuance of Shares made where the Shareholders have an option to receive Shares in lieu of cash or other dividend;
- (iii) capital distribution to Shareholders (whether on a reduction of capital or otherwise);

- (iv) any offer or invitation to Shareholders whereunder the Shareholders may acquire or subscribe for Shares by way of rights;
- (v) issuance of any Shares or securities which by their terms are convertible or exchangeable for or carry rights of subscription for new Shares and the total effective consideration for each Share is less than 90% of the last dealt price for each Share on the Mainboard of the SGX-ST on the date on which the issue price of such Shares is determined or if such price is determined either before the close of business on the Mainboard of the SGX-ST for that day or on a day which is not a Trading Day, on the immediately preceding Trading Day; or
- (vi) if and wherever the Company undertakes: (i) any scheme of arrangement (whether or not there is a cash component in the consideration) whereby all the Shares will be swapped or exchanged for shares and/or other equity securities (“**Relevant Shares**”) in another person (“**Swapped Entity**”), or (ii) any transaction or scheme having the same or substantially the same effect as the foregoing (i), the Company shall ensure that the Warrant holder receive warrants exercisable for shares of the Swapped Entity (“**Substitution Warrants**”), which warrants shall: (x) replace the Warrants; and (y) contain terms and conditions substantially similar to the Warrants, but with appropriate adjustments to terms such as the exercise price and the number of warrants so as to confer upon the Warrant holder the same economic benefit (whether express or implied) as if the Company never participated in any transaction referred to in the foregoing (i) and (ii) of this section 4.2.6(vi).

Any adjustment to the number of Warrants shall however not be made unless, in-principle approval has been granted by the SGX-ST for the listing and quotation of any additional Warrant Shares which may be issued upon the exercise of any Additional Warrants as a result of such adjustment, and all other regulatory requirements applicable to the Company, PARD and/or PAIH in connection with such adjustment have been complied with.

Rules for adjustments

An extract of the specific rules governing adjustments to the Warrant Exercise Price and/or numbers of Warrants as applicable to each of the adjustment events as set out in section 4.2.6 above is set out in Appendix 2 of this Circular.

4.2.7 Consideration and Warrant Exercise Price

The Warrants will be issued to the Investor at the Warrants’ subscription consideration of US\$1.00, subject to the terms and conditions of the Warrant Issuance Agreement.

The Warrant Exercise Price is S\$0.52 which represents a premium of approximately 33.33% over the weighted average price of S\$0.39 of the Shares for trades done on the SGX-ST on 5 December 2013, being the full Trading Day on which the Warrant Issuance Agreement was signed, or such adjusted price as may for the time being applicable in accordance with the Warrant Terms and Conditions as set out in the Warrant Issuance Agreement.

Upon Warrant Exercise, subject to such adjustments (as described in section 4.2.6) and assuming the Warrants are exercised in full, the maximum consideration for the Warrant Exercise shall be the Warrant Exercise Maximum Consideration (i.e. approximately US\$40 million, or approximately S\$50 million).

The Warrant Exercise Price was determined after arm's length negotiation between the Company and the Investor after considering the Group's established status in the fishing industry, business prospects of the Group, the prevailing market price, liquidity and the historical price performance of the Shares. The Directors (other than Mr. Patrick Thomas Siewert and his alternate Ms. Janine Feng Junyuan who abstained) consider that the Warrant Exercise Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4.2.8 Warrant Exercise Period/Lapse of Warrants

The Warrants shall be exercisable, at the election of the registered Warrant holder, either in full or in part, at any time commencing on and including the Issuance Date and ending on (and including) the third anniversary of such date.

At the expiry of the Warrant Exercise Period, any Warrant not so exercised within the Warrant Exercise Period shall lapse and cease to be valid for all purposes. The expiry of the Warrants will be announced.

4.2.9 Transferability

Under the Warrant Terms and Conditions, subject to the transfer restrictions as summarised in below, the Warrants are freely transferable in whole or in part to any person not being a connected person (as defined in the Listing Manual of the SGX-ST) of the Company or PARD or a connected person (as defined in the HK Listing Rules) of PAIH.

Transfer Restrictions

The Investor has undertaken to the Company that it shall not, and shall procure its affiliate(s) and nominee(s) holding Warrant(s) not to, without the prior written consent of the Company, for a period of 6 months following the Issuance Date, knowingly transfer, sell, gift, pledge, encumber, hypothecate, mortgage, exchange or otherwise dispose of (each a "**Transfer**") (or offer or procure to Transfer) any Warrants and/or other securities of the Company in a manner that could result in any violation by the Company of the SFA, or agree or announce any intention to do any of the above.

The Investor acknowledges that the Company would be relying on the exemption provided under Section 273(1)(cg) of the SFA in offering the Warrants to the Investor and accordingly the Investor shall not take any action that will cause the exemption under Section 273(1)(cg) of the SFA to become inapplicable to the transaction contemplated under the Warrant Issuance Agreement.

4.2.10 Exclusions

Notwithstanding any of the provision contained herein, no adjustment to the Warrant Exercise Price or the number of Warrants will be required in respect of:

- (i) an issue by the Company of Shares or other securities convertible into or right to acquire or subscribe for Shares, to officers, including the Board members, or employees of the Company or any of its subsidiaries pursuant to any purchase or option scheme approved by the Shareholders in general meeting (including the Share Award Scheme);
- (ii) an issue by the Company of Shares or other securities convertible into or right to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, asset(s) or business(es);
- (iii) any issue by the Company of Shares pursuant to the exercise of any of the Warrants;
- (iv) any purchase by the Company of Shares in accordance with the provisions of the Cayman Companies Law as modified from time to time and the Listing Manual of the SGX-ST as modified from time to time; or
- (v) a reduction of par value of the Shares within the limits of the applicable laws provided that such reduction of par value will not result in a reduction of the Shareholders' equity and any change in the total number of issued Shares.

4.2.11 Rounding

Any adjustment to the Warrant Exercise Price will be rounded to the nearest one cent. No adjustment will be made to the Warrant Exercise Price unless it has been certified by the Approved Bank or the Auditors (as the case may be). No adjustment will be made to the Warrant Exercise Price in any case in which the amount by which the same would be reduced would be less than one cent but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.

Any adjustment to the number of Warrants held by each Warrant holder will be rounded to the nearest whole Warrant.

4.2.12 Ranking of Warrant Shares

Upon any Warrant Exercise, the Company shall allot and issue the Warrant Shares, which shall rank pari passu in all respects with the Shares in issue as at the date of such issue, and shall be free from all encumbrances, and together with all rights attaching thereto upon issue, including all rights to any dividend or other distributions declared, made or payable by reference to a record date falling on or after the date of such issuance. "record date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of shares.

4.2.13 Conditions Precedent

The obligations of the Company to issue the Warrants shall be subject to the satisfaction of the following conditions:

- (a) The issuance of the Warrants pursuant to the terms and conditions of the Warrants Issuance Agreement shall have been approved by the affirmative vote (in person or by proxy) of the Shareholders representing more than 50% of the Shares present and voting in person or by proxy as a single class at a duly convened shareholders' meeting of the Company;
- (b) In relation to approval(s) from SGX-ST for the listing and quotation of the Warrant Shares on the Official List of the SGX-ST ("**Listing Approval**"):
 - (i) The Company having made, and not having withdrawn, an application to the SGX-ST for the Listing Approval; and
 - (ii) in-principle Listing Approval having been obtained, and such Listing Approval not having been revoked or amended and, where such Listing Approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Investor, and any such conditions which are required to be fulfilled are so fulfilled; and
- (c) The approval by the shareholders of PAIH at a duly convened shareholders' meeting of PAIH (or, if permitted by The Stock Exchange of Hong Kong Limited, by way of written approval from N.S. Hong Investment (BVI) Limited ("**N.S. Hong**"), the controlling shareholder of PAIH) for the Proposed Issuance pursuant to the terms and conditions of the Warrants Issuance Agreement.

4.3 Reasons for and Benefit of the Issuance of Unlisted Warrants, and the Use of Proceeds

The Investor is a reputable private global investment firm. It has been a Substantial Shareholder of the Company since July 2010 by subscribing 113,513,514 new Shares at a subscription price of S\$1.85 per Share. The Warrant Issuance Agreement was entered into with the Investor based on arms' length negotiation with reference to (i) the financial support by way of subscription of new Shares in 2010; (ii) the Share price performance of the Company after the selling restriction period of the subscribed Shares by the Investor; and (iii) the on-going contribution in terms of financial advisory to the Company over the years.

The Directors (other than Mr. Patrick Thomas Siewert and his alternate Ms. Janine Feng Junyuan who abstained) are of the opinion that the entering into the Warrant Issuance Agreement is in recognition of the Investor's contribution to the growth of the Group in the past and also as an incentive for its continuing commitment and contribution to the Group in the future.

The Directors (other than Mr. Patrick Thomas Siewert and his alternate Ms. Janine Feng Junyuan who abstained) consider that the Proposed Issuance is an appropriate means for fund raising for the Company as it does not have any immediate dilution effect on the shareholding of the existing Shareholders. The Directors (other than Mr. Patrick Thomas Siewert and his alternate Ms. Janine Feng Junyuan who abstained) also consider that the

Proposed Issuance provide opportunities for the Group to strengthen the Group's capital base and financial position to better equip the Group with financial flexibility for development and business of the Group.

The Warrant Exercise Maximum Consideration (if the Warrants are exercised in full) will increase the capital of the Company by about US\$40 million (or approximately S\$50 million). The use of proceeds is currently intended to be utilised as additional working capital of the Group.

The Directors (other than Mr. Patrick Thomas Siewert and his alternate Ms. Janine Feng Junyuan who abstained) believe that the terms of the Warrants Issuance Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

4.4 Financial Effects

The financial effects of the issuance of the Warrant Shares set out below are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Group following the issuance of the Warrant Shares. The table below sets out the financial effects of the issuance of the Warrant Shares based on the following bases and assumptions:-

- (i) The audited consolidated financial statements of the Company for the financial year ended 28 September 2013; and
- (ii) The financial impact on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the issuance of Warrant Shares was completed on 28 September 2013 and in relation to the Company's consolidated earnings per share ("**EPS**"), computed based on the assumption that the issuance of Warrant Shares was completed on 28 September 2013.

	Before the Warrant Exercise	After Warrant Exercise (assuming that: (i) no adjustment will be made to the number of Warrants initially issuable; and (ii) no Shares other than the Warrant Shares will be issued)
Share capital		
– issued and paid up share capital (US\$'000)	102,318	107,126
– number of Shares	2,046,354,546	2,142,508,392
NTA (US\$'000)	1,078,620	1,118,620
NTA per Share (US\$)	0.53	0.52
EPS (US cents)	5.36	5.05

4.5 Approval From Shareholders of PAIH

The Proposed Issuance constituted a discloseable and connected transaction and considered a deemed disposal under the HK Listing Rules for the Company's ultimate parent company, PAIH. As such, PAIH will be required to convene a special general meeting of its shareholders to approve the Proposed Issuance (or, if permitted by The Stock Exchange of Hong Kong Limited, by way of written approval from N.S. Hong).

As at the Latest Practicable Date, N.S. Hong owns approximately 54.92% of the total issued share capital of PAIH. PAIH has applied for and has been granted a waiver from The Stock Exchange of Hong Kong Limited from strict compliance with the requirement under the HK Listing Rules to hold a special general meeting for approving the Proposed Issuance and that a written approval from N.S. Hong may be obtained. On 18 December 2013, N.S. Hong provided the required written approval.

5. ABSTENTIONS FROM VOTING

In respect of the IPT Mandate

As at the Latest Practicable Date, Messrs Ng Joo Siang and Ng Joo Kwee are Directors of both the Company and Pacific Andes. Mr Chan Tak Hei is a Director of the Company and an alternate director to Mr Ng Joo Kwee in Pacific Andes. Accordingly, these Directors shall abstain from making any recommendation in respect of the IPT Mandate.

Super Investment is a Controlling Shareholder and therefore an Interested Person of the Company. Pacific Andes is deemed a Controlling Shareholder and therefore is an Interested Person of the Company. Golden Target is controlled by Pacific Andes and is an associate of an Interested Person. Accordingly, Super Investment and Golden Target and its associates shall abstain from voting in respect of the IPT Mandate.

Save as for Super Investment, Pacific Andes and Golden Target, none of the Directors or Controlling Shareholders of the Company or any of their associates have any interest in the IPT Mandate. The Controlling Shareholders of the Company who are required to abstain from voting shall decline to accept appointment as proxies for Shareholders to vote on Resolution 1 unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the resolution.

In respect of the Proposed Issuance

As at the Latest Practicable Date, the Investor is an existing Substantial Shareholder. Pursuant to Rule 812 of the Listing Manual, the Company is seeking specific shareholder approval for the Proposed Issuance.

The Investor and its associates will abstain from voting on the relevant resolutions pertaining to the Proposed Issuance. The Investor and its associates will not act as proxies for any Shareholder unless specific voting instruction are given in the Proxy Form appointing the Investor or its associates as proxies.

Super Investment has undertaken to both the Company and the Investor to vote in favour of the relevant resolutions pertaining to the Proposed Issuance.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save as set out in this Circular, none of the Directors, and so far as the Directors are aware, none of the Substantial Shareholders have any interest in the proposed renewal of the Share Buy Back Mandate and the proposed renewal of the IPT Mandate. The Directors' and Substantial Shareholders' interests in Shares as at the Latest Practicable Date are set out below.

	Number of Shares Direct Interest	%	Number of Shares Deemed Interest	%
Director				
Ng Joo Kwee	—	—	—	—
Sung Yu Ching	—	—	—	—
Ng Joo Siang	—	—	4,828,171 ^(Note)	0.236
Chan Tak Hei	—	—	—	—
Lim Soon Hock	—	—	—	—
Tse Man Bun	—	—	—	—
Tan Ngiap Joo	42,510	0.002	—	—
Patrick Thomas Siewert	—	—	—	—
Janine Feng Junyuan (Alternate Director to Patrick Thomas Siewert)	—	—	—	—

Note: These Shares are held under the name of the spouse of Mr Ng Joo Siang.

	Number of Shares Direct Interest	%	Number of Shares Deemed Interest	%
Substantial Shareholder				
Super Investment	1,426,432,850	69.71	–	–
Zhonggang Fisheries ⁽¹⁾	–	–	1,426,432,850	69.71
Golden Target ⁽²⁾	16,538,074	0.81	1,426,432,850	69.71
Richtown Development Limited	–	–	1,442,970,924	70.51
Pacific Andes ⁽³⁾	–	–	1,442,970,924	70.51
CAP III-A Limited	227,027,028	11.09	–	–
CAP III Fund Limited	–	–	227,027,028	11.09
Carlyle Asia Partners III, L.P. ⁽⁴⁾	–	–	227,027,028	11.09
CAP III General Partners, L.P. ⁽⁵⁾	–	–	227,027,028	11.09
CAP III Ltd ⁽⁶⁾	–	–	227,027,028	11.09
TC Group Cayman Investment Holdings Sub, L.P.	–	–	227,027,028	11.09
TC Group Cayman Investment Holdings, L.P. ⁽⁷⁾	–	–	227,027,028	11.09
Carlyle Holdings II, L.P.	–	–	227,027,028	11.09
Carlyle Holdings II GP L.L.C.	–	–	227,027,028	11.09
The Carlyle Group L.P.	–	–	227,027,028	11.09
Carlyle Group Management L.L.C.	–	–	227,027,028	11.09

Notes:

- (1) Zhonggang Fisheries owns 49.9% of the Shares in Super Investment and is therefore deemed to be interested in the 1,426,432,850 Shares in the Company held by Super Investment.
- (2) Golden Target owns 47% of the Shares in Super Investment and 70% of the Shares in Zhonggang Fisheries. Golden Target is therefore deemed to be interested in the 1,426,432,850 Shares in the Company held by Super Investment. Golden Target is also deemed to be interested in the 1,426,432,850 Shares held by Super Investment through Zhonggang Fisheries.
- The 16,538,074 Shares held by Golden Target are registered in the name of nominees, namely, HSBC (Singapore) Nominees Pte Ltd (295,450 Shares) and Nomura Singapore Limited (16,242,624 Shares).
- (3) Pacific Andes owns 100% of the Shares in Golden Target. Pacific Andes is therefore deemed to be interested in 16,538,074 Shares held by Golden Target and 1,426,432,850 Shares held by Super Investment through Golden Target. Pacific Andes is also deemed to be interested in 1,426,432,850 Shares held by Super Investment through Zhonggang Fisheries.
- (4) CAP III-A Limited (“**Carlyle**”) is a wholly-owned subsidiary of Carlyle Asia Partners III, L.P. (“**Carlyle Asia**”). By virtue of Section 7 of the Companies Act, Chapter 50 of Singapore, Carlyle Asia is deemed to be interested in the Shares held by Carlyle.
- (5) Carlyle is a wholly-owned subsidiary of Carlyle Asia which acts in accordance with the instructions of its general partner, CAP III General Partners, L.P. (“**CAP III GP**”). By virtue of Section 7 of the Companies Act, Chapter 50 of Singapore, CAP III GP is deemed to be interested in the Shares held by Carlyle.
- (6) Carlyle is a wholly-owned subsidiary of Carlyle Asia which acts in accordance with the instructions of its general partner, CAP III GP. In turn, CAP III GP acts in accordance with the instructions of its general partner, CAP III Ltd (“**CAP III**”). By virtue of Section 7 of the Companies Act, Chapter 50 of Singapore, CAP III is deemed to be interested in the Shares held by Carlyle.

- (7) Carlyle is a wholly-owned subsidiary of Carlyle Asia which acts in accordance with the instructions of its general partner, CAP III GP. In turn, CAP III GP acts in accordance with the instructions of its general partner, CAP III.

CAP III is a wholly-owned subsidiary of TC Group Cayman Investment Holdings, L.P. (“**TC Group**”). By virtue of Section 7 of the Companies Act, Chapter 50 of Singapore, TC Group is deemed to be interested in the Shares held by Carlyle.

Directors’ and Substantial Shareholders’ Interests in the Company before and after the issuance of the Warrant Shares

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) after the Warrant Exercise (assuming and calculated on the basis that no other Share will be issued after the Latest Practicable Date to immediately prior to the Proposed Issuance) can be found in Appendix 1 of this Circular.

7. DIRECTORS’ RECOMMENDATIONS

IPT Mandate

The Directors, save as for those who have abstained (i.e. Messrs Ng Joo Siang, Ng Joo Kwee and Chan Tak Hei), are of the opinion that the proposed renewal of the IPT Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 1 relating to the renewal of the IPT Mandate to be proposed at the EGM.

Share Buy Back Mandate

For the reason set out in section 3.2 of this Circular, the Directors are of the opinion that the proposed renewal of the Share Buy Back Mandate for the purchases of Shares by the Company is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 2 relating to the renewal of the Share Buy Back Mandate to be proposed at the EGM.

Proposed Issuance

The Directors, save as for those who have abstained (ie. Mr. Patrick Thomas Siewert and Ms. Janine Feng Junyuan), are of the opinion that the Proposed Issuance and the terms of the Warrants Issuance Agreement is fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and accordingly, the Board recommend that Shareholders vote in favour of Resolution 3 relating to the Proposed Issuance to be proposed at the EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 58 to 61 of this Circular, will be held on 27 January 2014 at 10:00 a.m. at Ballroom II, InterContinental Singapore, 80 Middle Road, Singapore 188966 (or soon thereafter as the AGM of the Company convened on the same day and at the same place at 9:30 a.m. shall have concluded or shall have been adjourned) for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolutions set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS

Scrip Shares

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Singapore Share Transfer Agent, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758, not later than 10:00 a.m. on 25 January 2014. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes. **Please note that this paragraph is only applicable to Shareholders who do not hold Shares through an account with CDP (i.e. who hold Shares in scrip).**

Scripless Shares

Under the Cayman Companies Law, only a person whose name is entered in the register of members of a Cayman company may have rights to attend and vote at general meetings of such company. Accordingly, under Cayman Islands laws, a Depositor holding Shares through the CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the EGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Articles and the Cayman Companies Law. Such CDP Proxy Form would need to be completed and deposited not less than 48 hours before the time of the EGM to enable such Depositor as proxy of CDP to attend and vote at the EGM. A proxy need not be a Shareholder.

Arrangements have been made with CDP, being a member of the Company, to issue the CDP Proxy Form and appoint each of the Depositors (other than Depositors which are corporations) whose name is listed in the Depository Register as at 48 hours before the time of the EGM and, in relation to each such Depositor, in respect of such number of Shares set out against his name in the Depository Register as at 48 hours before the time of the EGM, as its proxy to attend and vote on behalf of CDP at the EGM, and at any adjournment thereof.

Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at 48 hours before the time of the EGM may attend and vote at the EGM without having to complete or return any form of proxy.

A Depositor which is a corporation and which wishes to attend and vote at the EGM must complete and return the enclosed Depositor Proxy Form, for the nomination of person(s) to attend and vote at the EGM on behalf of CDP. Depositors who wish to nominate an alternative person(s) to attend and vote at the EGM on behalf of CDP must also complete and return the enclosed Depositor Proxy Form.

To be valid, the enclosed Depositor Proxy Form must be signed and returned, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach one of the places specified in the Depositor Proxy Form not less than 48 hours before the time for holding the EGM. The completion and return of the Depositor Proxy Form by a Depositor (other than a Depositor

which is a corporation) will not prevent him from attending and voting in person at the EGM as a proxy of CDP if he subsequently wishes to do so.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, the proposed renewal of the Share Buy Back Mandate and the Proposed Issuance, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the office of the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 during normal business hours from the date hereof to the date of the EGM:-

- (a) Memorandum and Articles of Association of the Company;
- (b) the Warrant Issuance Agreement; and
- (c) Annual Report of the Company for the financial year ended 28 September 2013.

Yours faithfully
For and on behalf of
China Fishery Group Limited

Ng Joo Kwee
Executive Chairman

9 January 2014
Singapore

APPENDIX 1

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY BEFORE AND AFTER THE ISSUANCE OF THE WARRANT SHARES

Substantial Shareholders	As at the Latest Practicable Date				Shareholding after the Warrant Exercise			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Super Investment Limited	1,426,432,850	69.71	-	-	1,426,432,850	66.58	-	-
Zhonggang Fisheries Limited ⁽¹⁾	-	-	1,426,432,850	69.71	-	-	1,426,432,850	66.58
Golden Target Pacific Limited ⁽¹⁾	16,538,074	0.81	1,426,432,850	69.71	16,538,074	0.77	1,426,432,850	66.58
Richtown Development Limited ⁽¹⁾	-	-	1,442,970,924	70.51	-	-	1,442,970,924	67.35
Pacific Andes ⁽¹⁾	-	-	1,442,970,924	70.51	-	-	1,442,970,924	67.35
The Investor	227,027,028	11.09	-	-	323,180,874	15.08	-	-
CAP III Fund Limited ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
Carlyle Asia Partners III, L.P. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
CAP III General Partners, L.P. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
CAP III Ltd. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
TC Group Cayman Investment Holdings Sub, L.P. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
TC Group Cayman Investment Holdings, L.P. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
Carlyle Holdings II, L.P. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
Carlyle Holdings II GP L.L.C. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
The Carlyle Group L.P. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08
Carlyle Group Management L.L.C. ⁽²⁾	-	-	227,027,028	11.09	-	-	323,180,874	15.08

Notes:

- (1) PARD is the registered/legal holder and beneficial owner of all the shares in Richtown. Richtown is the registered/legal holder and beneficial owner of all the shares in Golden Target. Golden Target is the registered/legal holder and beneficial owner of 70 shares in Zhonggang Fisheries (representing 70% of the total issued share capital of Zhonggang Fisheries), 470 shares in Super Investment (representing 47% of the total issued share capital of Super Investment) and 16,538,074 Shares (representing 0.81% of the total issued share capital of the Company). Zhonggang Fisheries is the registered/legal holder and beneficial owner of 499 shares in Super Investment (representing 49.9% of the total issued shares capital of Super Investment). Super Investment is the registered/legal holder and beneficial owner of 1,426,432,850 Shares (representing 69.71% of the total issued share capital of the Company).

By virtue of Section 4 of the SFA, each of PARD, Richtown, Golden Target and Zhonggang Fisheries is deemed to be interested in the Shares held by Super Investment in the Company. PARD and Richtown are also deemed to be interested in the Shares held by Golden Target in the Company.

- (2) Carlyle Group Management L.L.C. ("**Carlyle Group Management**") is the general partner of The Carlyle Group L.P. ("**Carlyle LP**"), a publicly traded entity listed on the NASDAQ Stock Exchange. Carlyle Holdings II GP L.L.C. ("**Carlyle Holdings GP**") acts in accordance with the instructions of its managing member, Carlyle LP. Carlyle Holdings GP is in turn the general partner of Carlyle Holdings II L.P. ("**Carlyle Holdings**"). Carlyle Holdings is the general partner of TC Group Cayman Investment Holdings, L.P. ("**TC Group**") which in turn acts as the general partner for TC Group Cayman Investment Holdings Sub, L.P. ("**TC Group Sub**").

By virtue of the 100% shareholding held by TC Group Sub in CAP III Ltd. ("**CAP III**"), the general partner for CAP III General Partners, L.P. ("**CAP III GP**") which is in turn the general partner of Carlyle Asia Partners III, L.P. ("**Carlyle Asia**"), the foregoing entities are deemed to be interested in the Shares held by the Investor in the Company through Carlyle Asia, the immediate holding of CAP III Fund Limited ("**CAP III Fund**") which owns 95.30% shareholding in the Investor.

By virtue of Section 4 of the SFA, each of Carlyle Group Management, Carlyle LP, Carlyle Holdings GP, Carlyle Holdings, TC Group, TC Group Sub, CAP III, CAP III GP, Carlyle Asia and CAP III Fund is deemed to be interested in the Shares held by the Investor in the Company.

As at the Latest Practicable Date, the issued share capital of the Company is approximately US\$102,317,727.30 (or approximately S\$127.89 million) comprising 2,046,354,546 Shares.

Upon Warrant Exercise in full, based on the Warrant Exercise Price (assuming that: (i) no adjustment will be made to the number of Warrants initially issuable; and (ii) no Shares other than the Warrant Shares will be issued after the date of the Warrants Issuance Agreement), the Company's issued share capital will be approximately US\$107,125,419.60 (or approximately S\$133.90 million) comprising 2,142,508,392 Shares.

APPENDIX 2

AN EXTRACT OF THE WARRANT ISSUANCE AGREEMENT – SPECIFIC RULES GOVERNING ADJUSTMENTS TO THE WARRANT EXERCISE PRICE AND/OR NUMBER OF WARRANTS

5.3 Rules for Adjustments

Subject to applicable Law and to these Conditions, the Warrant Exercise Price and/or the number of Warrants held by each Holder shall from time to time during the Warrant Exercise Period be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of Conditions 5.2(a) to 5.2(e) of these Conditions or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank or the Auditors (as the case may be) shall determine):

- (a) If and whenever any consolidation or subdivision occurs, the Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Warrant Exercise Price} = \frac{A}{B} \times X$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B}{A} \times W$$

where:

A = the aggregate number of issued and fully-paid Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued and fully paid Shares immediately after such consolidation or subdivision;

X = existing Warrant Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective from the close of the Trading Day immediately preceding the date on which the consolidation or subdivision becomes effective.

- (b) If and whenever the Company shall make any issue of Shares to its Shareholders credited as fully paid for which no consideration is payable, or by way of capitalisation of profits or reserves (whether of a capital or income nature) but excluding any issue of Shares made where the Shareholders have an option to receive Shares in lieu of cash or other dividend, the Warrant Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Warrant Exercise Price} = \frac{A}{(A + B)} \times X$$

$$\text{Adjusted number of Warrants} = \frac{(A + B)}{A} \times W$$

where:

A = the aggregate number of issued and fully paid Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any issue of Shares to Shareholders credited as fully paid for which no consideration is payable, or by way of capitalisation of profits or reserves (whether of a capital or income nature) but excluding any issue of Shares made where the Shareholders have an option to elect to receive Shares in lieu of cash or other dividend;

X = as in X above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Trading Day next following the record date for such issue.

For the purpose of this Condition 5, **record date** in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered as such to participate therein.

- (c) If and whenever the Company shall make any Capital Distribution to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its Subsidiaries, the Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Warrant Exercise Price} = \frac{C - D}{C} \times X$$

where:

C = the Last Dealt Price on the Trading Day immediately preceding the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or, if failing any such announcement, the Last Dealt Price on the Trading Day immediately preceding the date of the Capital Distribution or, as the case may be, the grant;

D = the fair market value on the day of such announcement or if, failing any such announcement, the fair market value on the day immediately preceding the date of the Capital Distribution or, as the case may be, the grant, as determined in good faith by either the Approved Bank or the Auditors (at the option of the Company), of the portion of the Capital Distribution or of such rights which is attributable to one Share; and

X = as in X above,

provided that:

- (i) if in the opinion of the Approved Bank or the Auditors (as the case may be), the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if D meant) the amount of the said Last Dealt Price which should, in its opinion, properly be attributed to the value of the Capital Distribution or rights; and
- (ii) the provisions of this Condition 5.3(c) shall not apply in relation to the issue of Shares credited as fully paid or partly paid to satisfy in whole or in part any cash dividend nor to a purchase by the Company of Shares in accordance with the provisions of the Companies Law of the Cayman Islands as modified from time to time and the Listing Manual of the SGX as modified from time to time.

Such adjustment shall be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such Capital Distribution or grant.

For the purposes of Conditions 5.2(c) and 5.3(c) of these Conditions, **Capital Distribution** shall (without prejudice to the generality of that phrase) include distributions in cash or specie. Any dividend charged or provided for in the accounts for any financial period shall be deemed to be a Capital Distribution provided that any such dividend shall not be so deemed if it is paid out of the aggregate of the net profits (less losses), retained profits and/or contributed surplus attributable to the holders of Shares for all financial periods after that ended 28 September 2009 as shown in the audited consolidated profit and loss account of the Company and its Subsidiaries for each such financial period.

- (d) If and whenever the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, then the Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New Warrant Exercise Price} = \frac{(E - F)}{E} \times X$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{E}{(E - F)} \times W$$

where:

E = the Last Dealt Price on the Trading Day immediately preceding the date on which any offer or invitation referred to in this Condition 5.3(d) is publicly announced to the SGX or, if failing any such announcement, the Last Dealt Price on the Trading Day immediately preceding the date of the offer or invitation;

F = the value of rights attributable to one Share, which shall be calculated in accordance with the following formula:

$$\frac{(E - G)}{(H + 1)}$$

where:

E = as in *E* above;

G = the subscription price for one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights;

H = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights; and

1 = One;

X = as in *X* above; and

W = as in *W* above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the closing date for such offer or invitation.

For the purpose of this Condition, **closing date** shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

- (e) If and whenever the Company makes any allotment and issue of Shares to its Shareholders as provided in Condition 5.3(b) of these Conditions and also makes any offer or invitation to its Shareholders as provided in Condition 5.3(d) of these Conditions and the record date for the purpose of the allotment and issue is also the record date for the purpose of the offer or invitation, the Warrant Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Warrant Exercise Price} = \frac{[(I \times E) + (J \times G)]}{(I + J + B) \times E} \times X$$

$$\text{Adjusted number of Warrants} = \frac{(I + J + B) \times E}{[(I \times E) + (J \times G)]} \times W$$

where:

I = the aggregate number of issued and fully paid Shares on the record date;

E = as in *E* above;

- J* = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;
- G* = as in *G* above;
- B* = as in *B* above;
- X* = as in *X* above; and
- W* = as in *W* above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the closing date for such offer or invitation.

For the purpose of this Condition, **closing date** shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

- (f) *If and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Condition 5.3(d) or 5.3(e) of these Conditions and other than an issue of Shares made where the Shareholders have an option to elect to receive Shares in lieu of cash or other dividend) the Company shall issue any Shares or securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares and the Total Effective Consideration for each Share (as defined below) is less than 90% of the Last Dealt Price for each Share on the Main Board of the SGX on the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the Main Board of the SGX for that day or on a day which is not a Trading Day, on the immediately preceding Trading Day, the Warrant Exercise Price shall be adjusted in the following manner:*

$$\text{New Warrant Exercise Price} = \frac{(M + N)}{(M + O)} \times X$$

where:

- M* = the number of Shares in issue at the close of business on the Main Board of the SGX on the Trading Day immediately preceding the date on which the relevant adjustment becomes effective;
- N* = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Last Dealt Price (exclusive of expenses);
- O* = the aggregate number of Shares so issued, converted into or exchanged for; and
- X* = as in *X* above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the Main Board of the SGX on the Trading Day immediately preceding the

date on which the issue is announced or (failing any such announcement immediately preceding the day on which the Company determines the offering price of such Shares).

For the purpose of Condition 5.3(f) of these Conditions, the **Total Effective Consideration** shall be determined by the Board and shall be the aggregate consideration receivable by the Company on payment in full for such Shares issued, converted into or exchanged for, plus the additional minimum consideration (if any) to be received by the Company upon the issuance, conversion or exchange thereof or the exercise of the relevant conversion, exchange or subscription rights, without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue, conversion or exchange thereof, and the **Total Effective Consideration for each Share** shall be the Total Effective Consideration divided by the number of Shares issued, converted into or exchanged for as aforesaid.

If and whenever the Company undertakes: (i) any scheme of arrangement (whether or not there is a cash component in the consideration) whereby all the Shares will be swapped or exchanged for shares and/or other equity securities (**Relevant Shares**) in another person (**Swapped Entity**), or (ii) any transaction or scheme having the same or substantially the same effect as the foregoing (i), the Company shall ensure that the Holder receives warrants exercisable for shares of the Swapped Entity (**Substitution Warrants**), which warrants shall: (x) replace the Warrants; and (y) contain terms and conditions substantially similar to the Warrants, but with appropriate adjustments to terms such as the exercise price and the number of warrants so as to confer upon Holder the same economic benefit (whether express or implied) as if the Company never participated in any transaction referred to in the foregoing (i) and (ii) of this Condition 5.3(g) of these Conditions, and the exercise price and number of the Substitution Warrants shall be adjusted as follows:

$$\begin{aligned} \text{Substitution Warrant Exercise Price} &= \frac{X}{P} \times W \\ \text{Number of Substitution Warrants} &= \frac{P}{Q} \times W \end{aligned}$$

where:

P = the highest value offered for each Share; and in determining the highest value where the offer comprises Relevant Shares, regard shall be given to the fair market value of the Relevant Shares as determined in good faith by either the Approved Bank or the Auditors (as may be determined jointly by the Company and the Investor). Further, where any Relevant Shares offered is listed on the Relevant Stock Exchange, the fair market value of such Relevant Shares shall be the Relevant Last Dealt Price on the Relevant Trading Day immediately preceding the date on which the final value offered for each Share as part of the relevant corporate exercise is publicly announced;

Q = *the fair market value per Relevant Share of the Swapped Entity as determined in good faith by either the Approved Bank or the Auditors (as may be determined jointly by the Company and the Investor) and where the Relevant Shares are listed on the Relevant Stock Exchange, the fair market value per Relevant Share shall be the Relevant Last Dealt Price on the Relevant Trading Day immediately preceding the date on which the final value offered for each Share as part of the relevant corporate exercise is publicly announced;*

X = *as in X above; and*

W = *as in W above.*

In the case of a pure cash offer (as part of such scheme of arrangement referred to above), the Company shall ensure that a cash offer is made to the Holder for its Warrants based on a “see through” price (as may be calculated based on the definition set out in Note 1 of Rule 19 of the Code) or the highest price paid by the offeror and persons acting in concert with it for the Warrants (if any) during such period prescribed in Note 1 of Rule 19 of the Code, whichever is higher.

The validity and enforceability of this Condition 5.3(g) of these Conditions is subject to the said provision or any part thereof not being prohibited by the Code or similar regulations as the Code of any other applicable jurisdiction or by any other Law of any Governmental Authority.



CHINA FISHERY GROUP LIMITED

(Incorporated in the Cayman Islands)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of China Fishery Group Limited (the “**Company**”) will be held at Ballroom II, InterContinental Singapore, 80 Middle Road, Singapore 188966 on 27 January 2014 at 10:00 a.m. (or soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 9:30 a.m. shall have concluded or shall have been adjourned) for the purpose of considering and, if thought fit, passing the following ordinary resolutions with or without modifications:-

AS ORDINARY RESOLUTIONS

Resolution 1:

The Proposed Renewal of the Mandate for Interested Person Transactions

THAT:-

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, for the Company and its subsidiaries or any of them to enter into, amend and/or renew any of the transactions falling within the types of interested person transactions set out in the Company’s circular to its shareholders dated 9 January 2014 (the “**IPT Mandate**”);
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company; and
- (c) the directors of the Company (the “**Directors**”) and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution 1.

Resolution 2:

The Proposed Renewal of the Share Buy Back Mandate

THAT:-

- (a) for the purposes of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and subject to the Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands (the “**Cayman Companies Law**”), the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or acquire issued ordinary shares fully paid in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as defined below), at such price

or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:-

- (i) on market purchases on the SGX-ST, transacted through the ready market of the SGX-ST (the “**Market Purchase**”); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Cayman Companies Law and the Listing Manual of the SGX-ST (the “**Off-Market Purchase**”),

(the “**Share Buy Back Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution 2 and expiring on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
- (ii) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied by the Company in general meeting; or
- (iii) the date on which the share purchases by the Company is carried out to the full extent of the Share Buy Back Mandate;

In this Resolution 2:-

“**Prescribed Limit**” means that number of issued Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution 2 unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Cayman Companies Law, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered;

“**Maximum Price**” in relation to a Share to be purchased, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) not exceeding:-

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined below) of the Shares;

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market

Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period.

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

“**Relevant Period**” means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required to be held, whichever is the earlier, at the date of this Resolution 2.

- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution 2.

Resolution 3:

The Proposed Issue of Unlisted Warrants and Warrant Shares

THAT:-

- (a) approval be and is hereby given for the issue of 96,153,846 unlisted warrants (the “**Warrants**”) on the terms and conditions as set out in the terms and conditions of the agreement for the issuance of the Warrants between the Company and CAP III-A Limited dated 5 December 2013 (the “**Warrant Issuance Agreement**”);
- (b) approval be and is hereby given for the issue of 96,153,846 warrant shares (or such other number of warrant shares following such adjustments as set out in the terms and conditions of the Warrants) to the holder of the Warrants, upon the exercise of any Warrant (“**Warrant Exercise**”) under and in accordance with the Warrant terms and conditions as set out in the Warrant Issuance Agreement, such warrant shares shall, after allotment and issue, rank *pari passu* in all respects with the Shares in issue as at the date of such issue;
- (c) any one Director be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider as necessary, expedient or desirable for the purpose of or in connection with implementation of the Warrant Issuance Agreement and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the issue of the Warrants, and the allotment and issue of warrant share(s) upon Warrant Exercise.

By Order of the Board

Yvonne Choo
Company Secretary

9 January 2014
Singapore

Notes:-

- (1) A shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (2) If a Depositor wishes to appoint a proxy/proxies to attend the Extraordinary General Meeting, then he/she must complete and deposit the Depositor Proxy Form at the office of the Company's Share Transfer Agent in Singapore, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 not less than forty-eight (48) hours before the time of the Extraordinary General Meeting.
- (3) If the Depositor is a corporation, then the Depositor Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney and must be deposited at the office of the Company's Share Transfer Agent in Singapore, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 not less than forty-eight (48) hours before the time of the Extraordinary General Meeting.