

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your shares in the capital of China Fishery Group Limited (the “**Company**”), please forward this Circular with the Notice of Extraordinary General Meeting and the accompanying Proxy Form/Depositor Proxy Form immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Circular. Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, including the Rights Shares certificates having been issued and the notification letter from CDP having been despatched. Approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the “nil-paid” Rights, the Shares, and/or the Group.

This Circular may not be sent to any person or any jurisdiction in which it would not be permissible to deliver or make an offer of the Rights Shares and the “nil-paid” rights under the Rights Issue, and the Rights Shares and the “nil-paid” rights may not be sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The Rights Shares and the “nil-paid” rights have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or under any securities laws of any state or other jurisdiction of the United States (“**U.S.**”) and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. or to or by U.S. persons (as defined in Regulation S under the Securities Act) (“**Regulation S**”) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Shares and the “nil-paid” rights will be offered and sold outside the U.S. to non-U.S. persons in offshore transactions in reliance on Regulation S. The Company does not intend to engage in a public offering of securities in the U.S. and does not intend to register any of its securities under the Securities Act.

Capitalised terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.



CHINA FISHERY GROUP LIMITED

(Incorporated in the Cayman Islands)

in relation to:

- 1. THE PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL OF THE COMPANY**
- 2. THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,714,006,713 RIGHTS SHARES AT AN ISSUE PRICE OF \$0.173 FOR EACH RIGHTS SHARE, ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SHARES HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**



Manager for the Rights Issue

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form/Depositor Proxy Form	:	23 March 2015 at 11:00 a.m.
Date and time of Extraordinary General Meeting	:	25 March 2015 at 11:00 a.m.
Place of Extraordinary General Meeting	:	Taurus and Leo Room, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

GENERAL

“1QFY2014”	:	The financial period commencing on 29 September 2013 to 28 December 2013
“1QFY2015”	:	The financial period commencing on 29 September 2014 to 28 December 2014
“Alatir”	:	Alatir Limited, a corporation incorporated under the laws of the British Virgin Islands that acts as a Supplier under the Supply Agreements
“ARE”	:	Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Eligible Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application form for Rights Shares to be issued to purchasers of their provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
“Articles”	:	The articles of association of the Company as amended, varied or supplemented from time to time
“ATM”	:	Automated teller machine of a Participating Bank
“Authority” or “MAS”	:	The Monetary Authority of Singapore
“Board”	:	The board of Directors as at the date of this Circular
“Books Closure Date”	:	The date and time, to be determined by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the provisional allotments of Eligible Shareholders under the Rights Issue
“CAP III-A”	:	Cap III-A Limited, the holder of the Carlyle Warrants

“Carlyle Warrants”	:	Warrants issued by the Company to CAP III-A (including additional warrants that may be issued by the Company pursuant to the adjustment formula in the agreement dated 5 December 2013 between the Company and CAP III-A following completion of the Rights Issue). As at the Latest Practicable Date, 96,153,846 Carlyle Warrants have been issued, which may be converted into 96,153,846 Shares. Each Carlyle Warrant gives the right to subscribe to one new Share at an exercise price of S\$0.52 (subject to adjustment) per Carlyle Warrant
“Cayman Companies Law”	:	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and amended) of the Cayman Islands, as amended, varied or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited or its nominee(s) as the case may be
“CF Fleet”	:	The eight vessels owned and operated by the Group
“CFG Notes”	:	outstanding US\$300 million (approximately S\$405.0 million) 9.75% senior notes due 2019 issued by CFG Investment S.A.C., an indirect wholly owned subsidiary of the Company, pursuant to an indenture dated 30 July 2012 by and among CFG Investment S.A.C., the Company and Citicorp International Limited (and certain other entities)
“CFGL Facility”	:	A US\$650 million (approximately S\$877.5 million) credit facility granted to the Group in March 2014
“CFIL”	:	China Fisheries International Limited, an indirect wholly owned subsidiary of the Company
“Circular”	:	This circular to Shareholders dated 9 March 2015
“Clamford”	:	Clamford Holding Limited
“Closing Date”	:	The last time and date to be determined by the Directors for acceptance of and/or excess application and payment for, and renunciation and payment for, the Rights Shares under the Rights Issue and in the manner to be set out in the OIS, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company subsequent to the despatch of the OIS
“Companies Act” or “Act”	:	The Companies Act (Cap. 50) of Singapore, as may be amended, varied or supplemented from time to time

“Company” or “CFGL”	:	China Fishery Group Limited, the shares of which are listed on the Main Board of the SGX-ST
“Contract Supply Business”	:	the business operation of the Group which primarily consists of the purchase of fish products from a network of suppliers
“Contract Supply Vessels”	:	Fishing vessels that supply fish for fixed periods under the Supply Agreements or predecessor agreements. At all times, these vessels are owned and operated by the respective Vessel Owning Companies
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
“Copeinca”	:	Copeinca AS, a wholly owned subsidiary of the Group
“Copeinca Group”	:	Copeinca and its subsidiaries
“Copeinca Notes”	:	The US\$250,000,000 (approximately S\$337.5 million) 9.0% notes due 2017 issued by the Copeinca Group on 10 February 2010 and 17 January 2013, which were guaranteed by Copeinca
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on page 44 of this Circular
“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made through an ATM of one of the Participating Banks in accordance with the terms and conditions of the OIS
“Eligible Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents

“Eligible Scripholders”	:	Shareholders whose Shares are not deposited with CDP and who have tendered to the Share Transfer Agent valid transfers of their Shares and/or the documentary evidence evidencing their title in relation thereto for registration up to the Books Closure Date and whose registered addresses with the Share Transfer Agent are in Singapore as at the Books Closure Date or who will, at least three Market Days prior to the Books Closure Date, provide the Share Transfer Agent with addresses in Singapore for the service of notices and documents
“Eligible Shareholders”	:	Eligible Depositors and Eligible Scripholders
“EPS”	:	Earnings per share
“First Supply Agreement”	:	The agreement originally named as vessel operating agreement dated 6 January 2004 between CFIL and Perun, as amended by four addenda dated 20 January 2004, 1 April 2005, 20 July 2010 and 15 December 2010, respectively, and further replaced with and renamed as Supply Agreement on 16 July 2012. The First Supply Agreement expired on 31 December 2013
“Fourth Supply Agreement”	:	The agreement originally named as vessel operating agreement dated 24 January 2007 between CFIL and Perun, as amended by an addendum dated 20 July 2010, and further replaced with and renamed as Supply Agreement on 16 July 2012
“FY”	:	Financial year of the Company ended or ending 28 September of a particular year
“FY2012”	:	Financial year of the Company ended 28 September 2012
“FY2013”	:	Financial year of the Company ended 28 September 2013
“FY2014”	:	Financial year of the Company ended 28 September 2014
“Golden Target”	:	Golden Target Pacific Limited
“Group”	:	The Company and its subsidiaries, collectively
“GT-CFGL Shares”	:	The 16,538,074 Shares held by Golden Target

“HK Listing Rules”	:	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, varied or supplemented from time to time
“Increase of Authorised Share Capital”	:	The proposed increase of authorised share capital of the Company, details of which are described in Section 2 of this Circular
“Ineligible Shareholders”	:	Shareholders other than Eligible Shareholders
“Irrevocable Undertakings”	:	The respective conditional irrevocable undertakings dated 11 February 2015 given by each of the Undertaking Shareholders to the Company in relation to the Rights Issue. Please see Section 3.2.4 of this Circular for more details
“Issue Price”	:	The issue price of each Rights Share being S\$0.173
“Latest Practicable Date”	:	27 February 2015, 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
“Manager”	:	Maybank Kim Eng Securities Pte. Ltd.
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Maximum Subscription Maximum Warrants Scenario”	:	The scenario where all the 1,714,006,713 Rights Shares are fully subscribed for and assuming that all of the Carlyle Warrants have been exercised by CAP III-A and new Shares pursuant to the said exercise have been issued before the Books Closure Date
“Maximum Subscription Scenario”	:	The scenario where all the 1,637,083,636 Rights Shares are fully subscribed for and assuming that none of the Carlyle Warrants have been exercised by CAP III-A before the Books Closure Date
“Minimum Subscription Scenario”	:	The scenario where only the Undertaking Shareholders subscribe for, and or procure the subscription of, the 1,154,376,739 Undertaken Rights Shares and assuming that none of the Carlyle Warrants have been exercised by CAP III-A before the Books Closure Date
“NAV”	:	Net asset value

“New Fourth Supply Agreement”	:	New Supply Agreement between CFIL and Perun dated 14 November 2012 to replace the Fourth Supply Agreement dated 16 July 2012. The New Fourth Supply Agreement took retrospective effect from 1 October 2012 and was terminated on 21 March 2014
“N.S. Hong”	:	N.S. Hong Investment (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling shareholder of PAIH
“NTA”	:	Net tangible assets
“Offer Information Statement” or “OIS”	:	The offer information statement referred to in Section 277 of the SFA and, together with all other accompanying documents, including any supplementary or replacement document, to be issued by the Company and to be lodged with the Authority in connection with the Rights Issue
“Ordinary Resolution(s)”	:	The ordinary resolutions as set out in the notice of EGM on pages 44 to 46 of this Circular
“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
“PAL”	:	The provisional allotment letter to be issued to an Eligible Scripholder setting out the provisional allotments of Rights Shares of such Eligible Scripholder under the Rights Issue
“PARD”	:	Pacific Andes Resources Development Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the SGX-ST
“Participating Banks”	:	The banks that will be participating in the Rights Issue by making available their ATMs to Eligible Depositors and persons purchasing Rights through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore, for acceptances of the Rights Shares and applications for excess Rights Shares, as the case may be, to be made under the Rights Issue
“People’s Republic of China” or “PRC”	:	The People’s Republic of China, for the purpose of this Circular, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan

“Perun”	:	Perun Limited, a corporation incorporated under the laws of the British Virgin Islands that acts as a Supplier under the Supply Agreements
“Proxy Form”	:	The proxy form in respect of the EGM
“Register of Members”	:	Register of members of the Company
“Richtown”	:	Richtown Development Limited
“Rights”	:	“Nil-paid” rights to subscribe for four (4) Rights Shares for every five (5) existing Shares held by Eligible Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of the OIS
“Rights Issue”	:	The proposed renounceable non-underwritten rights issue of up to 1,714,006,713 rights shares at an issue price of S\$0.173 for each Rights Share, on the basis of four (4) Rights Shares for every five (5) existing Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Shares”	:	Up to 1,714,006,713 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Scrip Dividend Scheme”	:	The scrip dividend scheme of the Company
“Second Supply Agreement”	:	The agreement originally named as vessel operating agreement dated 20 February 2006 between CFIL and Alatir, as amended by an addendum dated 20 July 2010, and further replaced with and renamed as Supply Agreement on 16 July 2012. The Second Supply Agreement was terminated on 21 March 2014
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Securities Act”	:	United States Securities Act of 1933, as amended
“Securities and Futures Act” or “SFA”	:	The Securities and Futures Act (Cap 289) of Singapore as may be amended, varied or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Awards Scheme”	:	CFGL Share Awards Scheme approved by the Shareholders on 30 April 2007
“Share Transfer Agent”	:	B.A.C.S. Private Limited

“Shareholders” or “Members”	:	Registered holders of the Shares in the Register of Members or where CDP is the registered holder, the term “Shareholders” shall in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Shares”	:	Shares of par value US\$0.05 each in the capital of the Company
“SI-CFGL Shares”	:	The 1,426,432,850 Shares held by Super Investment
“SRS”	:	Supplementary Retirement Scheme
“Subsidiary”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“Substantial Shareholder”	:	Has the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the SFA
“Super Investment”	:	Super Investment Limited
“Suppliers”	:	Alatir and Perun (each a Supplier and collectively, the Suppliers)
“Supply Agreements”	:	Collectively, the First Supply Agreement, Second Supply Agreement, Third Supply Agreement, Fourth Supply Agreement and New Fourth Supply Agreement, pursuant to which a long-term supply of fish harvested by the Contract Supply Vessels was secured
“TAC”	:	Total Allowable Catch
“Third Supply Agreement”	:	The agreement originally named as vessel operating agreement dated 4 January 2007 among CFIL, Perun and Alatir, as amended by an addendum dated 20 July 2010 and further replaced with and renamed as Supply Agreement on 16 July 2012. The Third Supply Agreement was terminated on 21 March 2014
“U.S.”	:	The United States of America
“Undertaken Rights Shares”	:	The aggregate of up to 1,154,376,739 Rights Shares, being the sum of Rights Shares representing the full rights entitlements of the SI-CFGL Shares and GT-CFGL Shares

“Undertaking Shareholders”	:	PARD, Richtown, Golden Target, Zhonggang Fisheries and Super Investment and “Undertaking Shareholder” means any of them as the context so provides
“Vessel Owning Companies”	:	The Russian companies that own and operate the Contract Supply Vessels
“Zhonggang Fisheries”	:	Zhonggang Fisheries Limited

CURRENCIES, UNITS AND OTHERS

“%”	:	Percentage or per centum
“HK\$” and “HK cents”	:	Hong Kong dollars and cents respectively
“na”	:	Not applicable
“nm”	:	Not meaningful
“S\$” and “S cents”	:	Singapore dollars and cents respectively
“US\$” and “US cents”	:	United States dollars and cents respectively

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

Unless the context otherwise requires, words denoting the masculine gender shall include the feminine and neuter genders and words denoting the singular shall include the plural and vice-versa. References to 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 in the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

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

The Company maintains its accounts and publishes its financial statements in US\$. This Circular contains conversion of certain Singapore dollar 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\$1.35.

The exchange rates above are for reference only, 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.

INDICATIVE TIMETABLE

The following indicative timetable assumes that approval for all the resolutions proposed at the EGM is obtained on 25 March 2015.

Event	Date and Time
RIGHTS ISSUE	
Shares trade ex-Rights	: 31 March 2015 from 9.00 a.m.
Books Closure Date	: 2 April 2015 at 5.00 a.m.
Lodgement of the Offer Information Statement with the Monetary Authority of Singapore	: 2 April 2015
Despatch of Offer Information Statement (together with the ARE or the PAL, as the case may be) to Eligible Shareholders	: 8 April 2015
Commencement of trading of Rights	: 8 April 2015 from 9.00 a.m.
Last date and time for splitting Rights	: 16 April 2015 at 5.00 p.m.
Last date and time for trading of Rights	: 16 April 2015 at 5.00 p.m.
Last date and time for acceptance and payment of Rights Shares	: 22 April 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for application and payment for excess Rights Shares	: 22 April 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected date of issuance and crediting of Rights Shares	: 29 April 2015
Expected date for commencement of trading of Rights Shares	: 30 April 2015 from 9.00 a.m.

Please note that the above timetable is only indicative and is subject to change. As at the Latest Practicable Date, the Company does not expect the above timetable to be modified.

Where any of the events cannot take place on the dates specified or changes are required thereto, an appropriate announcement stipulating an alternative date may be made by the Company prior thereto through a SGXNET announcement to be posted on the internet at the SGX-ST website, <http://www.sqx.com>.



CHINA FISHERY GROUP LIMITED

(Incorporated in the Cayman Islands)

(Company Registration No.99414)

Directors:

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

Registered Office:

P.O. Box 1350,
Clifton House,
75 Fort Street,
Grand Cayman KY1-1108,
Cayman Islands

9 March 2015

To: The Shareholders

Dear Sir/Madam

(1) THE PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL

(2) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,714,006,713 RIGHTS SHARES AT AN ISSUE PRICE OF S\$0.173 FOR EACH RIGHTS SHARE, ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SHARES HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1 INTRODUCTION

On 11 February 2015, the Company announced the Increase of Authorised Share Capital and the Rights Issue.

The purpose of this Circular is to provide you with information on and to explain the rationale for the above-mentioned transactions for which the approval of the Shareholders will be sought at the EGM. Notice of the EGM is set out on pages 44 to 46 of this Circular.

The Company seeks approvals from the Shareholders for the Increase of Authorised Share Capital (Ordinary Resolution 1) and the Rights Issue (Ordinary Resolution 2). Shareholders are to note that Ordinary Resolution 2 is contingent upon the approval by Shareholders of Ordinary Resolution 1.

2 THE INCREASE OF AUTHORISED SHARE CAPITAL

2.1 Introduction

The authorised share capital of the Company is US\$150,000,000 divided into 3,000,000,000 Shares, of which, as at the Latest Practicable Date, 2,046,354,546 Shares have been issued and fully paid up.

The Increase of Authorised Share Capital involves the increase of the authorised share capital of the Company from US\$150,000,000 divided into 3,000,000,000 Shares to US\$400,000,000 divided into 8,000,000,000 Shares.

2.2 Approvals and Other Procedures Required for the Increase of Authorised Share Capital

The implementation of the Increase of Authorised Share Capital is subject to Shareholders' approval, which will be proposed as an ordinary resolution at the EGM.

The Increase of Authorised Share Capital will become effective upon the passing of the ordinary resolution approving the Increase of Authorised Share Capital at the EGM.

A filing is required to be made at the Cayman Registrar of Companies within 30 days following the date of the passing of the ordinary resolution by the Shareholders at the EGM together with payment of a government fee of US\$610.00. However, the above procedural steps do not impact the effective date of the Increase of Authorised Share Capital.

2.3 Rationale

The current authorised share capital of the Company is 3,000,000,000 Shares. The existing issued share capital of the Company is 2,046,354,546 Shares. The number of new Shares that will be issued pursuant to the Rights Issue is up to 1,714,006,713 new Shares. As such, the current authorised share capital is insufficient.

The Increase of Authorised Share Capital is therefore necessary in view of the Rights Issue. The Increase of Authorised Shares Capital will also enable the Company to undertake future fund raising or other corporate exercises that require the issue of new Shares. Accordingly, the Board considers the Increase of Authorised Share Capital to be in the interest of the Company and the Shareholders as a whole.

2.4 Financial Effects

As the Increase of Authorised Share Capital involves only an increase of the Company's authorised share capital and does not involve any changes to the issued share capital of the Company, there is no impact on the financial position of the Group.

3 THE RIGHTS ISSUE

3.1 Introduction

3.1.1 On 11 February 2015, the Company announced that the Directors proposed to carry out the Rights Issue.

3.1.2 In-principle Approval

On 6 March 2015, the Company announced that the SGX-ST had granted its in-principle approval for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions as set out in Section 3.2.3 of this Circular. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied.

Approval in-principle granted by the SGX-ST and the listing and quotation of the Rights Shares are not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the “nil-paid” Rights, the Shares, the Company and/or its subsidiaries. **The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Circular.**

3.1.3 EGM

The purpose of this Circular is to provide Shareholders with information pertaining to, and to seek Shareholders’ approval at the EGM for, *inter alia*, the Rights Issue. Notice of the EGM is set out on pages 44 to 46 of this Circular.

3.2 Details of the Rights Issue

3.2.1 Principal Terms

The principal terms of the Rights Issue and the Rights Shares are summarised below:

Basis of provisional allotment	The Rights Issue will be made on a renounceable basis to Eligible Shareholders on the basis of four (4) Rights Shares for every five (5) existing Shares standing to the credit of the Securities Accounts of the Eligible Depositors or held by the Eligible Scripholders, as the case may be, as at the Books Closure Date, fractional entitlements to be disregarded.
Size of Rights Issue	The maximum number of Rights Shares that may be issued will be determined in accordance with the number of Shares in issue as at the Books Closure Date, including any new Shares to be issued pursuant to the exercise of any outstanding Carlyle Warrants prior to the Books Closure Date.

Based on the issued share capital of the Company of 2,046,354,546 Shares as at the Latest Practicable Date and assuming that all of the Carlyle Warrants are exercised and new Shares pursuant to the said exercise have been issued to CAP III-A prior to the Books Closure Date, under the Maximum Subscription Maximum Warrants Scenario the maximum number of Rights Shares which may be issued is 1,714,006,713.

Based on the issued share capital of the Company of 2,046,354,546 Shares as at the Latest Practicable Date and assuming that none of the Carlyle Warrants are exercised prior to the Books Closure Date, under the Maximum Subscription Scenario the maximum number of Rights Shares which may be issued is 1,637,083,636.

Based on the issued share capital of the Company of 2,046,354,546 Shares as at the Latest Practicable Date and assuming that none of the Carlyle Warrants are exercised prior to the Books Closure Date, under the Minimum Subscription Scenario the minimum number of Rights Shares which may be issued is 1,154,376,739.

As at the Latest Practicable Date, there are no unexercised awards granted under the Share Awards Scheme nor any issuance under the Scrip Dividend Scheme.

Issue Price S\$0.173 for each Rights Share, payable in full on acceptance and/or application.

Discount The Issue Price represents (i) a discount of approximately 33.5% to the closing price of S\$0.260 per Share on the SGX-ST as at 9 February 2015, being the last trading day of the Shares on the SGX preceding the date of announcement of the Rights Issue; and (ii) a discount of approximately 21.8% to the theoretical ex-rights price⁽¹⁾ of S\$0.221 per Share.

(1) The "theoretical ex-rights price" is equal to (i) the sum of (a) the market capitalisation of the Company based on the closing price of S\$0.260 per Share on the SGX-ST on 9 February 2015; and (b) the gross proceeds of the Rights Issue, divided by (ii) the total number of Shares in issue immediately following the completion of the Rights Issue.

Net Proceeds	<p>In the Minimum Subscription Scenario, based on the 1,154,376,739 Rights Shares to be issued, the net proceeds of the Rights Issue, after deducting the estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$199.0 million.</p> <p>In the Maximum Subscription Scenario, based on the 1,637,083,636 Rights Shares to be issued, the net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$282.5 million.</p> <p>In the Maximum Subscription Maximum Warrants Scenario, based on the 1,714,006,713 Rights Shares to be issued, the net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$295.8 million.</p>
Status of Rights Shares	<p>The Rights Shares, when allotted and issued, will rank <i>pari passu</i> in all respects with the existing Shares save for any dividends, rights, allotments or other distributions, the record date for which is before the date of issue of the Rights Shares.</p>
Eligibility to participate	<p>Please see Section 3.2.5 of this Circular.</p>
Trading of nil-paid Rights	<p>Eligible Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotments trading period should note that the provisional allotments of Rights Shares will be tradeable in board lots, each board lot comprising provisional allotments of 100 Rights Shares or any other board lot size which the SGX-ST may require. Eligible Depositors who wish to trade in lot sizes other than mentioned above may do so in the unit share market during the provisional allotments trading period. Such Eligible Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST.</p>

Listing and Trading of
Rights Shares

The SGX-ST has granted its in-principle approval for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, details of which are set out in Section 3.2.3 of this Circular. Approval in-principle granted by the SGX-ST and the listing and quotation of the Rights Shares are not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the “nil-paid” Rights, the Shares, the Company and/or its subsidiaries.

Upon the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, the Rights Issue will be traded on the book-entry (scripless) entitlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise of 100 Shares or any other board lot size which the SGX-ST may require. Shareholders who hold odd lots of the Rights Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the SGX-ST should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the unit share market of the SGX-ST.

Acceptance, excess
application and payment
procedures

Eligible Shareholders will be at liberty to accept, decline or transfer their provisional allotments of Rights Shares (in full or in part) and are eligible to apply for excess Rights Shares.

Provisional allotments which are not taken up for any reason shall be used to satisfy excess applications or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company, subject to the requirements under the Listing Manual. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority.

The procedures for acceptance, renunciation, excess application and payment by Eligible Depositors and the procedures for acceptance, splitting, renunciation, excess application and payment by Eligible Scripholders will be set out in the Offer Information Statement to be despatched to Eligible Shareholders in due course.

Irrevocable Undertakings	The Undertaking Shareholders, who directly and indirectly hold an aggregate of 1,442,970,924 Shares representing approximately 70.51% of the issued share capital of the Company, have each provided a separate Irrevocable Undertaking to, <i>inter alia</i> , subscribe and pay in full for and/or procure subscription and payment in full for, their respective entitlement of the Rights Shares and to collectively apply and pay in full for, 1,154,376,739 Rights Shares. Please refer to Section 3.2.4 of this Circular for further details of the Irrevocable Undertakings.
Non-underwritten	In view of the Irrevocable Undertakings by the Undertaking Shareholders, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.
Governing Law	Laws of the Republic of Singapore.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit in the interests of the Company. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be despatched by the Company to Eligible Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights Issue at the EGM.

3.2.2 Conditions for the Rights Issue

Shareholders should note that the Rights Issue is subject to, *inter alia*, the following:

- (a) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Main Board of the SGX-ST not having been withdrawn or revoked on or prior to the completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (b) the proposed participation of the Undertaking Shareholders in the Rights Issue being approved by shareholders of PARD at the special general meeting of PARD to be convened;
- (c) the Increase of Authorised Share Capital being approved by the Shareholders at the EGM;
- (d) the approval by the Shareholders of the Rights Issue and the allotment and issue of the Rights Shares at the EGM;
- (e) the lodgment of the Offer Information Statement, together with all accompanying documents to be issued by the Company in connection with the Rights Issue with the Authority; and

- (f) compliance by PAIH⁽¹⁾ with the HK Listing Rules⁽²⁾.

Notes:

- (1) As at the Latest Practicable Date, PAIH through Clamford held an aggregate of 5,730,807,981 ordinary shares in PARD representing approximately 66.45% of the total number of issued and paid up ordinary shares in PARD.
- (2) Under the Minimum Subscription Scenario, PARD's pro-rata subscription of the Rights Shares constitutes a discloseable transaction for PAIH under the HK Listing Rules and is subject to the reporting and announcement requirements under the HK Listing Rules but is exempted from the requirement to obtain approval from PAIH's shareholders under the HK Listing Rules.

3.2.3 SGX-ST Conditions

On 6 March 2015, the SGX-ST granted its in-principle approval for the listing and quotation of the Rights Shares, on the Main Board of the SGX-ST, subject to, *inter alia*, the following conditions:

- (a) Compliance with the SGX-ST's listing requirements; and
- (b) Submission of the following:
 - (i) A written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report; and
 - (ii) A written confirmation from the Company that Rule 877(10) of the Listing Manual will be complied with in relation to the allotment of any excess Rights Shares.

Approval in-principle granted by the SGX-ST and the listing and quotation of the Rights Shares are not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the "nil-paid" Rights, the Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Circular.

3.2.4 Irrevocable Undertakings

To demonstrate its commitment to the Rights Issue, the Undertaking Shareholders have executed the Irrevocable Undertakings.

Irrevocable Undertakings

The Undertaking Shareholders, who directly and indirectly hold an aggregate of 1,442,970,924 Shares (the "**Relevant Shares**") representing approximately 70.51% of the issued share capital, have each provided a separate irrevocable undertaking to the Company that, *inter alia*,:

- (a) as at the Books Closure Date, their interest in the Shares shall not be less than the Relevant Shares;
- (b) commencing from the date of the Irrevocable Undertakings to the date of the listing of the Rights Shares on the Main Board of the SGX-ST, each of the Undertaking Shareholders shall not offer, sell, contract to sell, pledge, transfer or otherwise dispose of or otherwise encumber or permit any encumbrance to subsist in respect of any, or any of its interest in, the Relevant Shares and it shall procure that none of the Relevant Shares be offered, sold, contracted to be sold, pledged, transferred or otherwise disposed of, or otherwise be encumbered or be permitted to be encumbered either directly or indirectly;

- (c) they will vote and/or will procure the voting of all the Relevant Shares in favour of the resolutions to be proposed at the EGM or any adjournment thereof, to approve the Increase of Authorised Share Capital, the Rights Issue, and any other matters necessary or proposed to implement the Increase of Authorised Share Capital and the Rights Issue; and
- (d) they will subscribe for and/or procure the subscription of, and pay and/or procure payment in full for, their respective pro-rata entitlements to the Undertaken Rights Shares;

The confirmation of financial resources from a financial institution has been provided by PARD on behalf of the Undertaking Shareholders to the SGX-ST.

Each of the Irrevocable Undertakings is subject to and conditional upon, *inter alia*, the following:

- (a) the passing of the resolutions by Shareholders relating to the Increase of Authorised Share Capital and the Rights Issue at the EGM;
- (b) the passing of the resolutions by the shareholders of PARD approving the Undertaking Shareholders to subscribe for and/or procure the subscription of, and pay and/or procure payment in full for, all the Undertaken Rights Shares, in accordance with the terms and conditions of the Offer Information Statement;
- (c) approval in-principle having been granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights Issue) for the listing and quotation of the Rights Shares on the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (d) the lodgement of the Offer Information Statement, together with all accompanying documents (if applicable) to be issued by the Company in connection with the Rights Issue with the Authority.

3.2.5 Eligibility of Shareholders to Participate in the Rights Issue

3.2.5.1 Eligible Shareholders

Eligible Shareholders comprise Eligible Depositors and Eligible Scripholders.

Eligible Depositors are Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

Eligible Scripholders are Shareholders whose Shares are not deposited with CDP and who have tendered to the Share Transfer Agent valid transfers of their Shares and/or the documentary evidence evidencing their title in relation thereto for registration up to the Books Closure Date, and whose registered addresses with the Share Transfer Agent are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided the Share Transfer Agent with addresses in Singapore for the service of notices and documents.

Eligible Shareholders are at liberty to accept in part or in full or decline to accept their provisional allotments of Rights Shares and/or apply for the excess Rights Shares.

In addition, Eligible Shareholders may also renounce their provisional allotments of Rights Shares in favour of a third party during the “nil-paid” rights trading period prescribed by the SGX-ST.

In the case of Eligible Depositors only, they are also able to trade their provisional allotments of Rights Shares on the SGX-ST during the “nil-paid” rights trading period prescribed by the SGX-ST.

Shareholders who have subscribed for or purchased Shares under the SRS can only accept their provisional allotments of Rights Shares by instructing the relevant banks in which they hold their SRS accounts to do so on their behalf. Any application made directly to CDP or through automated teller machines by such Eligible Shareholders will be rejected.

Shareholders holding Shares through a finance company or depository agent may only subscribe for the Rights Shares through their respective finance company or depository agent.

The procedures for acceptance, excess applications and payment by Eligible Shareholders will be set out in the Offer Information Statement.

3.2.5.2 Ineligible Shareholders

No provisional allotments of Rights Shares will be made to Shareholders other than Eligible Shareholders and no purported acceptance thereof or application therefor by Ineligible Shareholders will be valid.

The making of the Rights Issue may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Shareholders may have as their addresses registered with CDP or the Share Transfer Agent (as the case may be), the Rights Issue will not be extended to Ineligible Shareholders. Save as provided herein, Ineligible Shareholders who wish to participate in the Rights Issue will have to provide CDP or the Share Transfer Agent (as the case may be) with addresses in Singapore for the service of notice and documents and any other evidence of eligibility that the Company, in its absolute discretion, requires at least three Market Days prior to the Books Closure Date. Save as provided herein and for the avoidance of doubt, the Ineligible Shareholders are not eligible to participate in the Rights Issue.

The Rights Shares and the “nil-paid” rights have not been, and will not be, registered under the Securities Act, or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. or to or by U.S. persons (as defined in Regulation S) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S..

The Rights Shares and the “nil-paid” rights will be offered and sold outside the U.S. to non-U.S. persons in offshore transactions in reliance on Regulation S.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the “nil-paid” rights which would otherwise have been allotted to Ineligible Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after trading of the “nil-paid” rights commences. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in connection therewith.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Shareholders in proportion to their respective shareholdings determined as at the Books Closure Date and sent to them by ordinary post at their own risk, provided that where the amount to be distributed to any Ineligible Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Company may, in its absolute discretion, deem fit for the sole benefit of the Company and no Ineligible Shareholder shall have any claim whatsoever against the Company, the Manager or CDP in connection herewith.

3.2.5.3 Offer Information Statement

The procedures for acceptance, renunciation of and application for the Rights Shares pursuant to the Rights Issue will be set out in the Offer Information Statement to be despatched by the Company to Eligible Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights Issue at the EGM.

3.2.6 Rationale and use of proceeds for the Rights Issue

3.2.6.1 The Company intends to utilise the net proceeds of the Rights Issue, together with other funding of the Group, to fund the redemption of the Copeinca Notes. Please refer to Section 3.3 below for more information on the redemption of Copeinca Notes. The remaining proceeds, if any, will be used for the general working capital purposes of the Group.

3.2.6.2 (a) In the **Minimum Subscription Scenario**, based on the 1,154,376,739 Rights Shares to be issued, the net proceeds of the Rights Issue after deducting the estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$199.0 million;

(b) In the **Maximum Subscription Scenario**, based on the 1,637,083,636 Rights Shares to be issued, the net proceeds of the Rights issue after deducting estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$282.5 million.

(c) In the **Maximum Subscription Maximum Warrants Scenario**, based on the 1,714,006,713 Rights Shares to be issued, the net proceeds of the Rights issue after deducting estimated expenses of approximately S\$0.7 million, is expected to be approximately S\$295.8 million.

3.2.6.3 Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Company. The Company will make periodic announcements on the utilisation of such proceeds as the funds are disbursed and provide a status report on the use of the proceeds in the Company's annual report.

3.3 Proposed redemption of the Copeinca Notes

The Company completed its acquisition of the Copeinca Group on 17 March 2014. Copeinca was subsequently de-listed from both the Oslo Stock Exchange (Oslo Børs) (primary listing) and Lima Stock Exchange (Bolsa de Valores de Lima) (secondary listing) in April 2014. The Copeinca Group consequently became wholly-owned subsidiaries of the Company, held through the Company's indirect wholly-owned subsidiary, CFG Investment S.A.C. (being the operation arm of the Group for its Peruvian fishmeal operations), with the ultimate goal of integrating business operations with the Group.

Previously, the Copeinca Group had issued the Copeinca Notes, which were guaranteed by Copeinca. The Group is required under the CFGL Facility and the CFG Notes to procure the Copeinca Group to provide guarantees, which are prohibited under the Copeinca Notes. In order to provide the guarantees, the Copeinca Group has to either obtain consent from its bondholders or redeem the Copeinca Notes. The Copeinca Group undertook a consent solicitation which commenced on 17 July 2014 to seek the consent of the bondholders to waive the relevant prohibitions under the Copeinca Notes. However, it was unable to secure the requisite number of consents from bondholders for the waiver.

The Company had announced on 11 November 2014 that it had obtained the consent of the lenders of the CFGL Facility to extend the deadline for the redemption of the Copeinca Notes (the "**Redemption Deadline**") until 16 March 2015. The Company is in the process of seeking to further extend the Redemption Deadline to 15 May 2015 (the "**Extension Application**"). Shareholders are to note that there is no assurance that the extension of the Redemption Deadline will be obtained. The Company will update Shareholders on the outcome of the Extension Application in due course.

As such, the proceeds of the Rights Issue will be used together with other funding of the Group to provide funding to the Copeinca Group to redeem the Copeinca Notes.

The Copeinca Group requires approximately US\$255.6 million (approximately S\$345.1 million) for the redemption of the Copeinca Notes (including principal, premium and interest). Apart from the net proceeds of Rights Issue (even in the Minimum Subscription Scenario), the Group has internal funding of approximately US\$80 million earmarked for funding the Copeinca Group's redemption of the Copeinca Notes, as well as other internal funding of not less than US\$30 million which may be deployed to make good any shortfall in the funds required by the Copeinca Group for the redemption of the Copeinca Notes.

3.4 Financial Effects and Review of Performance

The financial effects of the Rights Issue as presented herein:

- (i) are for illustrative purposes only and are not a projection of the actual future financial performance or financial position of the Group immediately after the completion of the Rights Issue;
- (ii) are based on the audited consolidated financial statements of the Group for FY2014 and the unaudited consolidated financial statements of the Group for the three-month period ended 28 December 2014;
- (iii) assume that none of the Carlyle Warrants have been exercised⁽¹⁾⁽²⁾ under both the Maximum Subscription Scenario and Minimum Subscription Scenario, and all of the Carlyle Warrants have been exercised under the Maximum Subscription Maximum Warrants Scenario;
- (iv) assume that the Rights Shares have been issued, in respect of the income statement on 29 September 2013 and 29 September 2014, and in respect of the statement of financial position on 28 September 2014 and 28 December 2014;
- (v) assume that there is no return earned from the net proceeds of the Rights Issue; and
- (vi) assume, for illustrative purposes only, that 1,714,006,713 Rights Shares, 1,637,083,636 Rights Shares and 1,154,376,739 Rights Shares are allotted and issued respectively under the Maximum Subscription Maximum Warrants Scenario, Maximum Subscription Scenario and Minimum Subscription Scenario of the Rights Issue.

Notes:

- (1) This assumption is on the basis that the exercise price of the Carlyle Warrants is above the market price of the Company's Shares as at the Latest Practicable Date.
- (2) Following completion of the Rights Issue, the number of Carlyle Warrants as well as the exercise price for the Carlyle Warrants will be adjusted in accordance with the terms and conditions of the Carlyle Warrants. The Company will update Shareholders with an announcement at the appropriate time.

(a) Share Capital

	Maximum		Maximum		Minimum	
	Subscription Maximum		Subscription Scenario		Subscription Scenario	
	Warrants Scenario					
	No. of Shares	US\$'000	No. of Shares	US\$'000	No. of Shares	US\$'000
Issued share capital as at 28 December 2014	2,046,354,546	102,318	2,046,354,546	102,318	2,046,354,546	102,318
Add: New Shares issued assuming full exercise of Carlyle Warrants	96,153,846	4,808	-	-	-	-
Add: Rights Shares to be issued ⁽¹⁾	1,714,006,713	85,700	1,637,083,636	81,854	1,154,376,739	57,719
Enlarged Share Capital after Rights Issue ⁽¹⁾	<u>3,856,515,105</u>	<u>192,826</u>	<u>3,683,438,182</u>	<u>184,172</u>	<u>3,200,731,285</u>	<u>160,037</u>

Note:

(1) Assuming that the Increase of Authorised Share Capital is effected and where the par value of each of the Shares is US\$0.05.

(b) NTA

	Maximum		Maximum		Minimum	
	Subscription Maximum		Subscription Scenario		Subscription Scenario	
	Warrants Scenario					
	As at	As at	As at	As at	As at	As at
	28 September	28 December	28 September	28 December	28 September	28 December
	2014	2014	2014	2014	2014	2014
	(Audited)	(unaudited)	(Audited)	(unaudited)	(Audited)	(unaudited)
NTA before the Rights Issue ⁽¹⁾ (US\$'000)	1,113,307	1,126,854	1,113,307	1,126,854	1,113,307	1,126,854
Number of Shares in issue before the Rights Issue	2,046,354,546	2,046,354,546	2,046,354,546	2,046,354,546	2,046,354,546	2,046,354,546
NTA per Share (US \$)	0.54	0.55	0.54	0.55	0.54	0.55
NTA after the Rights Issue ⁽¹⁾⁽²⁾ (US\$'000)	1,369,491	1,383,038	1,322,596	1,336,143	1,260,738	1,274,285
Number of Shares in issue immediately after the Rights Issue	3,856,515,105	3,856,515,105	3,683,438,182	3,683,438,182	3,200,731,285	3,200,731,285
NTA per Share (US\$)	0.36	0.36	0.36	0.36	0.39	0.40

Notes:

- (1) Fishing and plant permits are included in calculating the NTA.
- (2) After adjusting for the estimated expenses of approximately US\$0.5 million (approximately S\$0.7 million) (based on the Maximum Subscription Maximum Warrants Scenario, the Maximum Subscription Scenario, and the Minimum Subscription Scenario) in connection with the Rights Issue.

(c) EPS

The Rights Issue is expected to have a dilutive impact on the EPS of the Group in view of the enlarged issued share capital of the Company upon the issue of the Rights Shares. The actual financial effects of the Rights Issue cannot be ascertained as at the Latest Practicable Date as this will depend on, *inter alia*, the related expenses of the Rights Issue.

	Maximum Subscription Maximum Warrants Scenario		Maximum Subscription Scenario		Minimum Subscription Scenario	
	FY2014	1QFY2015	FY2014	1QFY2015	FY2014	1QFY2015
	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)
Profit for the year/period attributable to Shareholders (US\$'000)	61,928	12,834	61,928	12,834	61,928	12,834
EPS before the Rights Issue (US cents) ⁽¹⁾	3.03	0.63	3.03	0.63	3.03	0.63
Adjusted profit for the year/period attributable to equity holders of the Company ⁽²⁾ (US\$'000)	78,464	16,968	78,464	16,968	78,464	16,968
EPS immediately after the Rights Issue ⁽¹⁾ (US cents)	2.03	0.44	2.13	0.46	2.45	0.53

Notes:

- (1) EPS before the Rights Issue in the Maximum Subscription Maximum Warrants Scenario, Maximum Scenario and Minimum Subscription Scenario is computed based on the weighted average number of ordinary shares of 2,046,354,546 Shares for FY2014 and 1QFY2015.
- (2) After adjusting for the net profit effect of interest expenses, withholding tax and income tax. Withholding tax and income tax relate to the interest expenses as it is intended that the Copeinca Notes will be redeemed after the Rights Issue.

(d) Gearing

	Maximum Subscription Maximum Warrants Scenario		Maximum Subscription Scenario		Minimum Subscription Scenario	
	As at 28 September 2014	As at 28 December 2014	As at 28 September 2014	As at 28 December 2014	As at 28 September 2014	As at 28 December 2014
Total net borrowings before the Rights Issue (US\$'000)	1,083,027	952,084	1,083,027	952,084	1,083,027	952,084
Total equity before the Rights Issue (US\$'000)	1,209,028	1,222,575	1,209,028	1,222,575	1,209,028	1,222,575
Gearing before the Rights Issue (times) ⁽¹⁾	0.90	0.78	0.90	0.78	0.90	0.78
Total net borrowings after the Rights Issue ⁽²⁾	826,843	695,900	873,738	742,795	935,596	804,653
Total equity after the Rights Issue (US\$'000)	1,465,212	1,478,759	1,418,317	1,431,864	1,356,459	1,370,006
Gearing immediately after the Rights Issue (times) ⁽¹⁾	0.56	0.47	0.62	0.52	0.69	0.59

Notes:

- (1) Gearing is computed based on the ratio of net borrowings to total equity.
- (2) After adjusting for the net proceeds from the Rights Issue.

3.5 Review of Past Performance

The audited consolidated income statements of the Group for FY2012, FY2013, FY2014 and the unaudited consolidated income statement of the Group for 1QFY2015 are set out below.

Consolidated Income Statements

	FY2012 US\$'000 (Audited)	FY2013 US\$'000 (Restated) ⁽¹⁾	FY2014 US\$'000 (Audited)	1QFY2014 US\$'000 (Unaudited)	1QFY2015 US\$'000 (Unaudited)
Revenue	604,001	555,014	630,835	145,210	123,917
Cost of sales	(108,945)	(271,478)	(271,320)	(81,444)	(68,142)
Charter hire expenses	(47,698)	–	–	–	–
Vessel operating costs	(275,975)	(137,534)	(149,529)	(19,474)	(17,534)
Gross profit	171,383	146,002	209,986	44,292	38,241
Other operating income	6,226	89,739	14,953	6,374	1,160
Selling expenses	(37,747)	(25,534)	(27,311)	(5,991)	(4,588)
Administrative expenses	(22,337)	(18,875)	(24,710)	(6,479)	(5,852)
Other operating expenses	(10,130)	(69,709)	(15,900)	(5,875)	(953)
Finance costs	(26,176)	(50,567)	(78,932)	(20,023)	(21,089)
Profit before income tax	81,219	71,056	78,086	12,298	6,919
Income tax benefit (expense)	(3,103)	7,303	(14,408)	3,401	6,628
Profit for the year	<u>78,116</u>	<u>78,359</u>	<u>63,678</u>	<u>15,699</u>	<u>13,547</u>
Profit attributable to:					
Owners of the Company	78,116	77,720	61,928	14,766	12,834
Non-controlling interests	–	639	1,750	933	713
	<u>78,116</u>	<u>78,359</u>	<u>63,678</u>	<u>15,699</u>	<u>13,547</u>
Earnings per share (US cents)					
– Basic	7.64	4.95	3.03	0.72	0.63
– Diluted	7.63	4.95	3.03	0.72	0.63
After adjustment of Rights Issue					
Earnings per share (US cents)⁽²⁾⁽³⁾					
– Basic					
Minimum Subscription Scenario	3.59	2.85	2.45	0.59	0.53
Maximum Subscription Scenario	2.94	2.42	2.13	0.51	0.46
Maximum Subscription Maximum Warrants Scenario	2.76	2.30	2.03	0.49	0.44
– Diluted					
Minimum Subscription Scenario	3.59	2.85	2.45	0.59	0.53
Maximum Subscription Scenario	2.94	2.42	2.13	0.51	0.46
Maximum Subscription Maximum Warrants Scenario	2.76	2.30	2.03	0.49	0.44

	FY2012 US\$'000 (Audited)	FY2013 US\$'000 (Restated) ⁽¹⁾	FY2014 US\$'000 (Audited)	1QFY2014 US\$'000 (Unaudited)	1QFY2015 US\$'000 (Unaudited)
Number of shares (adjusted for Rights Issue)					
- Basic earnings per share					
Minimum Subscription Scenario	2,177,201,460	2,725,911,995	3,200,731,285	3,200,731,285	3,200,731,285
Maximum Subscription Scenario	2,659,908,357	3,208,618,892	3,683,438,182	3,683,438,182	3,683,438,182
Maximum Subscription Maximum Warrants Scenario	2,832,985,280	3,381,695,815	3,856,515,105	3,856,515,105	3,856,515,105
- Diluted earnings per share					
Minimum Subscription Scenario	2,177,606,741	2,725,911,995	3,200,731,285	3,200,731,285	3,200,731,285
Maximum Subscription Scenario	2,660,313,638	3,208,618,892	3,683,438,182	3,683,438,182	3,683,438,182
Maximum Subscription Maximum Warrants Scenario	2,833,390,561	3,381,695,815	3,856,515,105	3,856,515,105	3,856,515,105
Final dividend per share (Singapore cents)/(US cents)	1.90/1.53 ⁽⁴⁾	1.00/0.80 ⁽⁵⁾	-	-	-

Notes:

- (1) For the comparative financial figures of FY2013 presented in the audited financial statement of FY2014, retrospective adjustments have been made to adjust the provisional fair value of the net assets acquired and liabilities assumed in relation to the acquisition of Copeinca occurred in FY2013 in accordance with FRS 103. As a result, various line items for the comparative 2013 consolidated statement of financial position, statement of comprehensive income and statement of cash flows and the related notes to financial statements have been restated.
- (2) Earnings per share as adjusted for Rights Issue is computed based on the weighted number of shares as at the end of the respective financial year assuming (i) all the Rights Issue are subscribed for; and (ii) the Rights Issue was completed at the beginning of each of the respective financial years, and does not take into account the effect of the use of the proceeds from the Rights Issue on the earnings of the Group.
- (3) FY2014, 1QFY2014 and 1QFY2015 EPS is adjusted for the net profit effect of interest expenses, withholding tax and income tax. Withholding tax and income tax relate to the interest expenses as it is intended that the Copeinca Notes will be redeemed after the Rights Issue.
- (4) Calculation on the basis of US\$1.00 = S\$1.242.
- (5) Calculation on the basis of US\$1.00 = S\$1.25.

A discussion of the performance of the Group from FY2012 to 1QFY2015 is set out below:

Performance review for FY2013 compared to FY2012

Group revenue decreased by 8.1% from US\$604.0 million to US\$555.0 million.

Revenue from the Peruvian fishmeal operations, which accounted for 29.8% of total revenue, decreased by 7.5% from US\$179.1 million to US\$165.6 million, largely as a result of the significant reduction in TAC in the 2012 second fishing season in the Peruvian Anchovy fishery. The effect of higher average selling prices of fishmeal/fish oil and the one-month contribution of revenue from Copeinca (US\$31.5 million) reduced this impact.

Revenue from the Contract Supply Business, which accounted for 65.1% of total revenue, decreased by 3.6% from US\$375.0 million to US\$361.4 million, due mainly to lower average prices of various products.

The Group's newly-established fishing operations in Namibia successfully commenced its activities in FY2013 and contributed positively to the performance of the CF Fleet operations. However, revenue from CF Fleet decreased by 44.0% from US\$49.9 million to US\$27.9 million, due primarily to the strategic decision of not operating the fishing fleet in the South Pacific Ocean during the year under review.

The changes resulted from the reclassifications of charter hire expenses and vessel operating costs to costs of sales following the execution of the four Long Term Supply Agreements ("**LSAs**") in July 2012.

As a result of the lower sales volume, gross profit decreased by 14.8% from US\$171.4 million to US\$146.0 million, as a higher proportion of fixed costs was incurred.

Other operating income increased by 1,346.8% from US\$6.2 million to US\$89.7 million, mainly due to (1) a fair value gain of US\$57.5 million on the Group's acquisition of Copeinca; and (2) realised net foreign exchange gains of US\$13.7 million from currency derivative contracts.

Selling expenses decreased by 32.4% from US\$37.7 million to US\$25.5 million, in line with the lower sales volume of fishmeal and fish oil in FY2013.

Other operating expenses increased by 588.1% from US\$10.1 million to US\$69.7 million. This increase comprised (1) provision of diminution in value of plants and vessels in the CF Fleet and Peruvian Fishmeal Operations (US\$42.4 million); and (2) transaction costs incurred for the completion of the acquisition of Copeinca (US\$13.5 million).

Finance costs increased by 93.2% from US\$26.2 million to US\$50.6 million. This increase was related to the senior notes issued and the bridge loan used to fund part of the consideration for the acquisition of Copeinca. Total outstanding interest-bearing debt was US\$1,211.0 million and US\$579.0 million as of 28 September 2013 and 28 September 2012, respectively.

Earnings before interest, taxation, depreciation and amortisation ("**EBITDA**") increased marginally by 1.6% from US\$232.8 million to US\$236.7 million.

Net profit after tax increased 8.7% from US\$78.1 million to US\$78.4 million. Net profit attributable to shareholders decreased 0.5% from US\$78.1 million to US\$77.7 million.

Performance review for FY2014 compared to FY2013

Group revenue increased by 13.7% from US\$555.0 million to US\$630.8 million.

Revenue from the Peruvian Fishmeal Operations, which accounted for 68.9% of total revenue, increased by 162.5% from US\$165.6 million to US\$434.9 million, reflecting continued enhanced contribution from the enlarged Peruvian Fishmeal Operations.

Revenue from the Contract Supply Business, which accounted for 24.4% of total revenue, decreased by 57.4% from US\$361.4 million to US\$153.9 million, due primarily to the termination and non-renewal of the LSAs.

Revenue from the CF Fleet operations, which accounted for 6.7% of total revenue, increased by 50.8% from US\$27.9 million to US\$42.1 million, mainly as a result of higher catch and sales volume recorded from the fishing operations in Namibia.

Despite a 13.7% increase in revenue, cost of sales and vessel operating costs increased marginally from US\$409.0 million to US\$420.8 million. This was mainly attributable to the higher contribution from the enlarged Peruvian Fishmeal Operations in the Group's business.

Gross profit increased by 43.8% from US\$146.0 million to US\$210.0 million, and gross profit margin improved from 26.3% to 33.3%. This was driven by increased volumes and a continued focus on operational efficiencies in the Peruvian Fishmeal Operations.

Other operating income decreased by 83.3% from US\$89.7 million to US\$15.0 million. This was due primarily to the absence of the US\$73.6 million fair value gain and gain in bargain purchase from the Group's acquisition of Copeinca that were recorded in FY2013.

Selling expenses increased marginally by 7.0% from US\$25.5 million to US\$27.3 million, due primarily to higher sales volume of fishmeal and fish oil that more than offset lower sales volume from the Contract Supply Business.

Administrative expenses increased by 30.7% from US\$18.9 million to US\$24.7 million, due primarily to consolidation of results of Copeinca into the Group.

Other operating expenses decreased by 77.1% from US\$69.7 million to US\$15.9 million due to the absence of provisions that were recorded in FY2013.

Finance costs increased by 56.1% from US\$50.6 million to US\$78.9 million due to additional interest expenses as a result of the consolidation of senior notes issued by Copeinca and the term loan drawn to finance the acquisition of Copeinca.

EBITDA increased by 14.9% from US\$236.7 million to US\$272.0 million, while EBITDA margin increased slightly from 42.6% to 43.1%. Higher contribution and cost savings derived from the enlarged Peruvian Fishmeal Operations more than offset the impact of the termination and non-renewal of the LSAs under the Contract Supply Business.

Net profit decreased by 18.7% from US\$78.4 million to US\$63.7 million, due primarily to higher finance costs and income tax expenses.

Performance review for 1QFY2015 compared to 1QFY2014

Group revenue decreased by 14.7% from US\$145.2 million to US\$123.9 million.

Revenue from the Peruvian Fishmeal Operations, which accounted for 52.5% of total revenue, decreased by 11.9% from US\$73.8 million to US\$65.0 million. Higher fishmeal and fish oil selling prices partially compensated for the drop in sales volume.

Revenue from the CF Fleet operations, which accounted for 10.0% of total revenue, decreased marginally by 0.8% from US\$12.5 million to US\$12.4 million.

Revenue from the Contract Supply Business, which accounted for 37.5% of total revenue, decreased by 21.1% from US\$58.9 million to US\$46.5 million, due primarily to the termination and non-renewal of the LSAs.

Cost of sales and vessel operating costs decreased by 15.1% from US\$100.9 million to US\$85.7 million in line with lower revenue.

Gross profit margin increased from 30.5% to 30.9% despite a 13.7% decrease in gross profit. This was attributable mainly to higher average selling prices of fishmeal and fish oil.

Other operating income decreased by 81.8% from US\$6.4 million to US\$1.2 million, due primarily to the absence of sales of consumables and scrap materials recorded in 1QFY2014.

Selling expenses decreased by 23.4% from US\$6.0 million to US\$4.6 million, due primarily to lower sales volume.

Other operating expenses decreased by 83.8% from US\$5.9 million to US\$1.0 million, due to the absence of a one-off provision in 1QFY2014 (for loss of vessel).

EBITDA decreased by 27.1% from US\$63.7 million to US\$46.4 million, reflecting the impact of the reduced revenue, partly compensated for by reduced operating and support costs.

Finance costs increased by 5.3% from US\$20.0 million to US\$21.1 million, due primarily to higher interest cost from higher inventory financing.

The Group recorded an income tax benefit of US\$6.6 million associated with the Peruvian Fishmeal Operations. This compares with an income tax benefit of US\$3.4 million in 1QFY2014.

Net profit decreased by 13.7% from US\$15.7 million to US\$13.5 million.

Consolidated statements of financial position

The consolidated statement of financial position of the Group as at 28 September 2012, 28 September 2013, 28 September 2014, and 28 December 2014 are set out below:

	FY2012 <i>US\$'000</i> (Audited)	FY2013 <i>US\$'000</i> (Restated) ⁽³⁾	FY2014 <i>US\$'000</i> (Audited)	1QFY2015 <i>US\$'000</i> (Unaudited)
ASSETS				
Current assets				
Cash and cash equivalents	51,415	74,576	129,086	170,502
Trade receivables	134,432	141,475	144,757	113,855
Other receivables and prepayments	182,975	155,055	226,304	198,913
Derivative financial instruments	–	–	139	446
Advances to suppliers	–	40,500	40,500	40,500
Prepaid income tax	1,953	12,758	7,237	7,237
Deferred expenses	22,441	32,935	41,598	38,272
Inventories	57,276	98,193	158,404	105,908
Current portion of prepayment to suppliers	22,133	26,298	109,000	100,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	472,625	581,790	857,025	775,633

	FY2012 US\$'000 (Audited)	FY2013 US\$'000 (Restated) ⁽³⁾	FY2014 US\$'000 (Audited)	1QFY2015 US\$'000 (Unaudited)
Non-current assets				
Prepayment to suppliers	113,723	229,092	21,525	11,645
Advances to suppliers	40,500	–	–	–
Property, plant and equipment	541,577	635,901	602,655	586,084
Investment property	3,320	3,218	3,385	3,385
Goodwill	95,721	95,721	95,721	95,721
Fishing and plant permits	233,834	1,222,670	1,222,670	1,222,670
Associate	–	–	4,629	4,629
	<hr/>	<hr/>	<hr/>	<hr/>
Total non-current assets	1,028,675	2,186,602	1,950,585	1,924,134
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	1,501,300	2,768,392	2,807,610	2,699,767
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	19,818	17,879	16,599	11,258
Other payables and accrued expenses	16,895	15,122	27,456	14,786
Derivative financial instruments	2,511	1,895	–	–
Income tax payable	3,978	2,828	10,076	4,773
Current portion of finance leases	3,789	3,866	–	–
Current portion of bank loans	148,910	538,248	303,607	235,689
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	195,901	579,838	357,738	266,506
	<hr/>	<hr/>	<hr/>	<hr/>
Non-current liabilities				
Long term payables	2,928	35,316	24,869	20,804
Finance leases	4,336	470	–	–
Bank loans	142,577	137,667	376,370	354,545
Senior notes	279,363	530,785	532,136	532,352
Deferred tax liabilities	60,691	316,514	307,469	302,985
	<hr/>	<hr/>	<hr/>	<hr/>
Total non-current liabilities	489,895	1,020,752	1,240,844	1,210,686
	<hr/>	<hr/>	<hr/>	<hr/>
CAPITAL AND RESERVES				
Share capital	51,159	102,318	102,318	102,318
Reserves	764,345	1,057,064	1,104,530	1,117,364
	<hr/>	<hr/>	<hr/>	<hr/>
Attributable to owners of the Company	815,504	1,159,382	1,206,848	1,219,682
Non-controlling interests	–	8,420	2,180	2,893
	<hr/>	<hr/>	<hr/>	<hr/>
Net equity	815,504	1,167,802	1,209,028	1,222,575
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and equity	1,501,300	2,768,392	2,807,610	2,699,767
	<hr/>	<hr/>	<hr/>	<hr/>

	FY2012 <i>US\$'000</i> (Audited)	FY2013 <i>US\$'000</i> (Restated) ⁽³⁾	FY2014 <i>US\$'000</i> (Audited)	1QFY2015 <i>US\$'000</i> (Unaudited)
Net asset value per Share (<i>US\$</i>) ⁽¹⁾	0.80	0.57	0.59	0.60
Number of Shares (as adjusted for the Rights Issue)				
Minimum Subscription Scenario	2,177,554,012	3,200,731,285	3,200,731,285	3,200,731,285
Maximum Subscription Scenario	2,660,260,909	3,683,438,182	3,683,438,182	3,683,438,182
Maximum Subscription Maximum Warrants Scenario	2,833,337,832	3,856,515,105	3,856,515,105	3,856,515,105
Net asset value per Share (<i>US\$</i>) ⁽²⁾ (as adjusted for the Rights Issue)				
Minimum Subscription Scenario	0.44	0.41	0.42	0.43
Maximum Subscription Scenario	0.39	0.37	0.39	0.39
Maximum Subscription Maximum Warrants Scenario	0.38	0.37	0.38	0.38

Notes:

- (1) The net asset per Share is calculated based on the 1,023,177,273 Shares in issue as at 28 September 2012 and the 2,046,354,546 Shares in issue as at 28 September 2013, 28 September 2014, and 28 December 2014 respectively.
- (2) The net asset value per Share as adjusted for the Rights Issue is computed based on the number of Shares in issue at the end of each respective financial period assuming (i) all the Rights Shares are subscribed for; and (ii) the Rights Issue was completed at the beginning of each of the respective financial year, and does not take into account the effect of the use of proceeds from the Rights Issue on the earnings of the Group.
- (3) For the comparative financial figure of FY2013 presented in the audited financial statement of FY2014, retrospective adjustments have been made to adjust the provisional fair value of the net assets acquired and liabilities assumed in relation to the acquisition of Copeinca occurred in FY2013 in accordance with FRS 103. As a result, various line items for the comparative 2013 consolidated statement of financial position, statement of comprehensive income and statement of cash flows and the related notes to financial statements have been restated.

Consolidated Cash Flow Statements

The summary of the consolidated statement of cash flows of the Group for, FY2012, FY2013 and FY2014 (Audited) and for 1QFY2014 and 1QFY2015 (Unaudited) are set out below:

	FY2012 <i>US\$'000</i> (Audited)	FY2013 <i>US\$'000</i> (Restated) ⁽¹⁾	FY2014 <i>US\$'000</i> (Audited)	1QFY2014 <i>US\$'000</i> (Unaudited)	1QFY2015 <i>US\$'000</i> (Unaudited)
Net cash from operating activities	90,757	268,383	11,527	2,566	114,636
Net cash (used in) from investing activities	(108,963)	(886,449)	66,529	(8,887)	16,523
Net cash from (used in) financing activities	<u>45,462</u>	<u>641,227</u>	<u>(23,546)</u>	<u>5,481</u>	<u>(89,743)</u>
Net increase (decrease) in cash and cash equivalents	27,256	23,161	54,510	(840)	41,416
Cash and cash equivalents at beginning of the year/period	<u>24,159</u>	<u>51,415</u>	<u>74,576</u>	<u>74,576</u>	<u>129,086</u>
Cash and cash equivalents at end of the year/period	<u><u>51,415</u></u>	<u><u>74,576</u></u>	<u><u>129,086</u></u>	<u><u>73,736</u></u>	<u><u>170,502</u></u>

Notes:

- (1) For the comparative financial figures of FY2013 presented in the audited financial statement of FY2014, retrospective adjustments have been made to adjust the provisional fair value of the net assets acquired and liabilities assumed in relation to the acquisition of Copeinca occurred in FY2013 in accordance with FRS 103. As a result, various line items for the comparative 2013 consolidated statement of financial position, statement of comprehensive income and statement of cash flows and the related notes to financial statements have been restated.

FY2012

The net cash from operating activities amounted to US\$90.8 million. Net cash used in investing activities amounted to US\$109.0 million, primarily comprising purchase of property, plant and equipment of US\$79.4 million and acquisition of subsidiaries for US\$29.9 million.

Net cash flow provided by financing activities amounted to US\$45.5 million, primarily comprising of repayment of borrowings of US\$193.7 million and dividend payment of US\$36.8 million, and net proceeds from issuance of senior notes of US\$282.9 million.

Overall, cash and cash equivalents increased by US\$27.3 million to US\$51.4 million as at 28 September 2012 from US\$24.1 million as at 28 September 2011.

FY2013

The net cash from operating activities amounted to US\$268.4 million. Net cash used in investing activities amounted to US\$886.4 million, primarily comprising purchase of property, plant and equipment of US\$14.0 million, additions to prepayment to suppliers for US\$150.0 million and acquisition of subsidiaries for US\$720.5 million.

Net cash inflow provided by financing activities amounted to US\$641.2 million, primarily comprising of net additions of borrowings of US\$379.4 million and proceeds from issue of shares from rights issues for US\$277.5 million, and net off dividend payment of US\$15.7 million.

Overall, cash and cash equivalents increased by US\$23.2 million to US\$74.6 million as at 28 September 2013 from US\$51.4 million as at 28 September 2012.

FY2014

The net cash from operating activities amounted to US\$11.5 million. Net cash generated from investing activities amounted to US\$66.5 million, primarily comprising refund from prepayment to suppliers for US\$111.0 million and proceeds from disposal of property, plant and equipment of US\$10.5 million, net off purchase of property, plant and equipment of US\$55.0 million.

Net cash outflow provided by financing activities amounted to US\$23.5 million, primarily comprising of acquisition of subsidiaries for US\$7.1 million, dividend payment of US\$16.1 million and net additions of borrowings of US\$0.3 million.

Overall, cash and cash equivalents increased by US\$54.5 million to US\$129.1 million as at 28 September 2014 from US\$74.6 million as at 28 September 2013.

1QFY2014

The net cash from operating activities amounted to US\$2.6 million. Net cash used in investing activities amounted to US\$8.9 million, primarily comprising purchase of property, plant and equipment of US\$6.6 million and acquisition of additional interest in subsidiaries for US\$5.4 million, and net off US\$3.1 million in proceeds on disposal of property, plant and equipment.

Net cash inflow provided by financing activities amounted to US\$5.5 million, primarily comprising of net additions of borrowings.

Overall, cash and cash equivalents decreased by US\$0.8 million to US\$73.8 million as at 28 December 2013 from US\$74.6 million as at 28 September 2013.

1QFY2015

The net cash from operating activities amounted to US\$114.6 million. Net cash from investing activities amounted to US\$16.5 million, primarily comprising purchase of property, plant and equipment of US\$2.7 million, and net off US\$0.3 million in proceeds on disposal of property, plant and equipment and refund of prepayment to suppliers amounted US\$18.9 million.

Net cash outflow in financing activities amounted to US\$89.7 million, primarily comprising repayment of bank loans and working capital loans.

Overall, cash and cash equivalents increased by US\$41.4 million to US\$170.5 million as at 28 December 2014 from US\$129.1 million as at 28 September 2014.

Operation as a Going Concern

As at the Latest Practicable Date, the Directors are of the opinion that the funds raised from the Rights Issue, together with the Group's internal resources, operating cash flows and banking facilities would be sufficient to enable the Group to meet its present obligations and continue to operate as a going concern.

3.6 Working Capital

The working capital of the Group as at 28 September 2012, 28 September 2013, 28 September 2014, and 28 December 2014 are as follows:

<i>US\$'000</i>	FY2012 (Audited)	FY2013 (Restated) ⁽¹⁾	FY2014 (Audited)	1QFY2015 (Unaudited)
Total current assets	472,625	581,790	857,025	775,633
Total current liabilities	195,901	579,838	357,738	266,506
Net current assets	276,724	1,952	499,287	509,127

Note:

- (1) For the comparative financial figures of FY2013 presented in the audited financial statement of FY2014, retrospective adjustments have been made to adjust the provisional fair value of the net assets acquired and liabilities assumed in relation to the acquisition of Copeinca occurred in FY2013 in accordance with FRS 103. As a result, various line items for the comparative 2013 consolidated statement of financial position, statement of comprehensive income and statement of cash flows and the related notes to financial statements have been restated.

A review on the working capital of the Group from FY2012 to 1QFY2015 is set out below:-

FY2013 compared to FY2012

Current assets increased by 23.1% from US\$472.6 million in FY2012 to US\$581.8 million in FY2013, due mainly to increase in cash and cash equivalents and inventories from acquisition of Copeinca at end of the year.

Current liabilities increased by 196.0% from US\$195.9 million to US\$579.8 million, due primarily to addition of bank loans to finance the acquisition of Copeinca.

FY2014 compared to FY2013

Current assets increased by 47.3% from US\$581.8 million in FY2013 to US\$857.0 million in FY2014, due mainly to increase in cash and cash equivalents from the refund of prepayment to supplier, higher receivables and pre-payments used for the fish catching and increase in inventories balance for the year.

Current liabilities decreased by 38.3% from US\$579.8 million to US\$357.7 million, due primarily to the re-classification of a portion of the current bank loan to non-current after completion of refinancing the Company's term loan.

1QFY2015 compared to FY2014

Current assets decreased by 9.5% from US\$857.0 million in FY2014 to US\$775.6 million in 1QFY2015, due mainly to lower trade receivables as settlement made and other receivable and prepayments for the fish catching decreased and decrease in inventories balance for the year.

Current liabilities decreased by 25.5% from US\$357.7 million to US\$266.5 million, due primarily to the decrease in inventory loan.

3.7 Public Float

Rule 723 of the Listing Manual states that the Company must ensure that at least 10% of the total number of issued Shares excluding treasury Shares in the Company are held by the public (as defined in the Listing Manual) at all times.

The Company has been informed by the Undertaking Shareholders that they may subscribe for excess Rights Shares but only up to a level that does not result in the Shares held by the public (as defined in the Listing Manual) falling below 10%.

4 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 The interests of the Directors in the Shares based on information recorded in the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date, were as follows:

Director	Direct Interest		Deemed Interest		Total Interest	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Ng Joo Kwee ⁽¹⁾	–	–	–	–	–	–
Sung Yu Ching	–	–	–	–	–	–
Ng Joo Siang ⁽²⁾	–	–	–	–	–	–
Chan Tak Hei ⁽³⁾	–	–	–	–	–	–
Lim Soon Hock	–	–	–	–	–	–
Tse Man Bun	–	–	–	–	–	–
Tan Ngiap Joo	42,510	0.002	–	–	42,510	0.002
Patrick Thomas Siewert	–	–	–	–	–	–
Janine Feng Junyuan (Alternate Director to Patrick Thomas Siewert)	–	–	–	–	–	–

Notes:

(1) Mr Ng Joo Kwee is a director of the Company, PARD and PAIH.

(2) Mr Ng Joo Siang is a director of the Company, PARD and PAIH.

(3) Mr Chan Tak Hei is a director of the Company and an alternate director to Ng Joo Kwee for PARD.

4.2 The interests of the Substantial Shareholders based on information recorded in the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, were as follows:

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

Notes:

- (1) Zhonggang Fisheries owns 499 shares in Super Investment, representing 49.9% of the total issued share capital of Super Investment and is therefore deemed to be interested in the 1,426,432,850 Shares held by Super Investment.
- (2) Golden Target owns 470 shares in Super Investment, representing 47.0% of the total issued share capital of Super Investment and 70 shares in Zhonggang Fisheries, representing 70.0% of the total issued share capital of Zhonggang Fisheries. Golden Target is therefore deemed to be interested in the 1,426,432,850 Shares 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) Richtown owns 100% of the shares in Golden Target and therefore Richtown is deemed to be interested in the Shares held by Super Investment and Golden Target.
- (4) PARD owns 100% of the shares in Richtown and is therefore deemed to be interested in the Shares held by Super Investment and Golden Target.
- (5) 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 L.L.C. (“**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 227,027,028 Shares held by CAP III-A in the Company through Carlyle Asia, the immediate holding company of CAP III Fund Limited (“**CAP III Fund**”) which owns 95.30% shareholding in CAP III-A.

By virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore), 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 227,027,028 Shares held by CAP III-A.

4.3 Save as disclosed in Section 4.1 above and in this Circular, no other Directors and as far as the Directors are aware, none of the Substantial Shareholders have any interest in Shares.

5 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which has been set out on pages 44 to 46 of this Circular, will be held at Taurus and Leo Room, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on 25 March 2015 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the resolutions (with or without modifications) set out in the notice of the EGM.

6 ACTIONS TO BE TAKEN BY SHAREHOLDERS

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 Share Transfer Agent, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758, not later than 11:00 a.m. on 23 March 2015. 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. those 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, 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 proxy form.

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.

7 DIRECTORS' RECOMMENDATIONS

7.1 Increase of Authorised Share Capital

After having considered the rationale for the Increase of Authorised Share Capital, the Directors are of the opinion that the Increase of Authorised Share Capital is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the Increase of Authorised Share Capital to be proposed at the EGM.

7.2 Rights Issue

7.2.1 Views of the Board

Shareholders are to note that the Rights Issue was not unanimously approved by the Board. Seven of the eight Directors (except Mr Patrick Thomas Siewert (a Non-Executive Director)) agreed that the Rights Issue would be in the best interests of the Company. Furthermore six of the eight Directors (namely Mr Ng Joo Kwee, Mr Ng Joo Siang, Mr Sung Yu Ching, Mr Chan Tak Hei, Mr Lim Soon Hock (an Independent Director) and Mr Tan Ngiap Joo (an Independent Director), together the "**Supporting Directors**"), supported the terms of the Rights Issue while Mr Tse Man Bun (the Lead Independent Director) and Mr Patrick Thomas Siewert dissented to the terms of the Rights Issue.

Mr Tse Man Bun believes that the Rights Issue is in the best interests of the Company but he has opted that a smaller discount to the price be adopted.

Mr Patrick Thomas Siewert had informed the Board that he wants the proposed Rights Issue to be successful but it had to be at the right price. He is of the view that the current terms of the Rights Issue would be disadvantageous to minority Shareholders for the following reasons:

- (i) the Rights Issue is offered to Shareholders at an Issue Price that is at a significant discount to the Company's already low Share price (which has softened since November 2014 when PAIH, the controlling shareholder of PARD, which in turn controls the majority of the voting rights in the Company, announced its rights issue); and
- (ii) given the significant discount and the Irrevocable Undertakings, the Rights Issue will result in a significant dilution of minority Shareholders who do not wish to increase their financial exposure in the Company, or are unable to subscribe for the Rights Shares.

In view of the above, Mr Patrick Thomas Siewert believes that the Rights Issue is not in the best interests of all Shareholders and alternative sources of financing are preferred.

However, the Supporting Directors having regard to, *inter alia*, the rationale of the Rights Issue (as discussed in Section 3.2.6 above) and the relevant recent market transactions, are of the view that the Issue Price and the terms of the Rights Issue are in line with the market norm, fair and reasonable to all Shareholders, especially the minority Shareholders. Furthermore, the Issue Price should not be set too high as that may deny the Shareholders the opportunity to participate in the Rights Issue to maintain their shareholding interest.

Another important rationale for the Supporting Directors in determining the terms of the Rights Issue is that Ms Janine Feng Junyuan (alternate director to Mr Patrick Thomas Siewert) had previously informed the Board that CAP III-A would not be able to subscribe to the proposed Rights Issue even if it were supportive of it at the right price. This was mainly because CAP III-A's fund for its investment in the Company had been fully invested. Therefore, the Supporting Directors are of the view that the discount and the terms of the Rights Issue should be set at a level so as to encourage all Shareholders to participate in the Rights Issue to assist the Company to raise the required capital.

Mr Patrick Thomas Siewert further clarified that the question of whether CAP III-A will subscribe for its entitlement of the Rights Shares is one for CAP III-A, as a Shareholder, to decide after taking into consideration all the factors (including the views of the Board set out in this Circular), and CAP III-A will continue to evaluate the terms of the Rights Issue and its options with regard to its entitlement of the Rights Shares.

Shareholders should note that prior to discussions and decision on the Rights Issue, the Board had considered and discussed alternative sources of financing (including perpetual bonds). The Board (excluding Mr Patrick Thomas Siewert and Ms Janine Feng Junyuan) had concluded that:

- (i) The costs of perpetual bonds are prohibitive; and

- (ii) In view of the market situation and the constraint of time, the Board has no confidence to secure sufficient outside third party subscription to redeem the Copeinca Notes.

As a result, the Board has opted for the Rights Issue.

7.2.2 Directors' Recommendation

The Directors (other than Mr Tse Man Bun and Mr Patrick Thomas Siewert) recommend that Shareholders vote in favour of Ordinary Resolution 2 relating to the Rights Issue to be proposed at the EGM.

Mr Patrick Thomas Siewert recommends that Shareholders vote against Ordinary Resolution 2 relating to the Rights Issue to be proposed at the EGM.

Shareholders are to note that Ordinary Resolution 2 is subject to the Shareholders approving Ordinary Resolution 1 relating to the Increase of Authorised Share Capital.

Shareholders are advised to read this Circular in its entirety, including the rationale for the Rights Issue set out in Section 3.2.6 of this Circular, the financial effects set out in Section 3.4 of this Circular, the views of the Board set out in Section 7.2.1 of this Circular and for those who may require advice in the context of their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.

8 RESPONSIBILITY STATEMENT OF THE DIRECTORS

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 Increase of Authorised Share Capital and the Rights Issue, 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 this 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 this Circular in its proper form and context.

9 OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched by the Company to Eligible Shareholders subject to, *inter alia*, the approval of Shareholders for the Rights Issue being obtained at the EGM. Acceptances and applications under the Rights Issue can only be made on the following (all of which will form part of the Offer Information Statement):

- (a) the PAL, in the case of Eligible Scripholders;
- (b) the ARE or through the ATMs of the Participating Banks, in the case of Eligible Depositors; and

- (c) the ARS or through the ATMs of the Participating Banks, in the case of persons purchasing Rights through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore.

10 STATEMENT BY THE MANAGER

To the best of the Manager's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Manager is not aware of any facts the omission of which would make any statement about the Rights Issue in this Circular, as at the date of this Circular, misleading.

11 CONSENT

The Manager has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto, in the form and context in which it is included in this Circular.

12 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the office of the 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) The Articles;
- (b) The annual reports for FY2012, FY2013, FY2014 and the unaudited results announcement of 1QFY2015;
- (c) The Irrevocable Undertakings referred to in Section 3.2.4; and
- (d) The letter of consent referred to in Section 11 above.

Yours faithfully

For and on behalf of the Board

Ng Joo Kwee

Executive Chairman



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 Taurus and Leo Room, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on Wednesday, 25 March 2015 at 11.00 a.m. (the “**EGM**”), for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions as set out below.

Capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular of the Company dated 9 March 2015 to Shareholders (the “**Circular**”).

ORDINARY RESOLUTION 1:–

THE INCREASE OF AUTHORISED SHARE CAPITAL

THAT:–

- (a) the authorised share capital of the Company be increased from US\$150,000,000 divided into 3,000,000,000 shares of par value US\$0.05 each to US\$400,000,000 divided into 8,000,000,000 shares of par value US\$0.05 each; and
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they in their absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this ordinary resolution.

ORDINARY RESOLUTION 2:–

THE RIGHTS ISSUE

THAT:–

Contingent upon the passing of Ordinary Resolution 1, the renounceable non-underwritten rights issue of up to 1,714,006,713 Rights Shares at the Issue Price of S\$0.173 for each Rights Share, on the basis of four (4) Rights Shares for every five (5) existing Shares as at the Books Closure Date, fractional entitlements to be disregarded, be and is hereby approved and authority be and is hereby given to the Directors:

- (a) to carry out the Rights Issue on the terms of and subject to the conditions set out below and/or otherwise on such terms and conditions as the board of Directors (the “**Board**”) may think fit:

- (i) that the provisional allotments of the Rights Shares under the Rights Issue shall be made on a non-underwritten and renounceable basis, in the manner described in the Circular, to:
- (A) Shareholders with Shares standing to the credit of their Securities Accounts with The Central Depository (Pte) Limited (“**CDP**”) and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, may be offered Rights Shares without breaching applicable securities laws; and
 - (B) Shareholders whose Shares are not deposited with CDP and who have tendered to B.A.C.S. Private Limited (the “**Share Transfer Agent**”) valid transfers of their Shares and/or the documentary evidence evidencing their title in relation thereto for registration up to the Books Closure Date and whose registered addresses with the Share Transfer Agent are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided the Share Transfer Agent with addresses in Singapore for the service of notices and documents, may be offered Rights Shares without breaching applicable securities laws,
- (the “**Eligible Shareholders**”);
- (ii) no provisional allotments of Rights Shares shall be made in favour of Shareholders other than Eligible Shareholders;
 - (iii) the provisional allotments of Rights Shares not taken up or allotted for any reason shall be used to satisfy applications for excess Rights Shares (if any) as the Board may, in their absolute discretion, deem fit;
 - (iv) the “nil-paid” rights which would otherwise have been allotted to Ineligible Shareholders may be arranged by the Company, in its absolute discretion, to be sold “nil-paid” on the SGX-ST in such manner and on such terms as the Board may decide and the net proceeds from all such sales, after deduction of all expenses therefrom, shall be pooled and distributed to Ineligible Shareholders in proportion to their respective shareholdings determined as at the Books Closure Date, provided that where the amount to be distributed to any Ineligible Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Board may, in their absolute discretion, deem fit for the sole benefit of the Company;
 - (v) the Rights Shares, when issued and fully paid for, shall rank *pari passu* in all respects with the existing Shares in issue as at the date of issue of the Rights Shares, save for any dividends, rights, allotments or other distributions the record date of which falls before the date of allotment and issue of the Rights Shares; and

- (b) to complete and do all acts and things (including but not limited to finalising, approving and executing all such documents as may be required in connection with the Rights Issue, and the issue of the Rights Shares and making amendments to the terms and conditions of the Rights Issue (including the Issue Price)) and to exercise their absolute discretion as they may deem fit, advisable or necessary to give full effect to this ordinary resolution and the Rights Issue, and the issue of the Rights Shares.

By Order of the Board

Yeo Poh Noi Caroline
Company Secretary

9 March 2015
Singapore

Notes:

- (1) A Shareholder entitled to attend and vote at the EGM 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 EGM, then he/she must complete and deposit the Depositor Proxy Form at the office of the Share Transfer Agent, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 at least forty-eight (48) hours before the time of the EGM.
- (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 Share Transfer Agent, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 at least forty-eight (48) hours before the time of the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the member or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor's breach of warranty.