

# CHINA FISHERY GROUP LIMITED

## FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 28 DECEMBER 2014

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

#### Group Income Statement for the first quarter ended 28 December 2014

	Group		Increase / (decrease) %
	Period ended		
	29.09.2014 - 28.12.2014	29.09.2013 - 28.12.2013	
	US\$'000 (unaudited)	US\$'000 (unaudited)	
Revenue	123,917	145,210	(14.7)
Cost of sales	(68,142)	(81,444)	(16.3)
Vessel operating costs	(17,534)	(19,474)	(10.0)
Gross profit	38,241	44,292	(13.7)
Other operating income	1,160	6,374	(81.8)
Selling expenses	(4,588)	(5,991)	(23.4)
Administrative expenses	(5,852)	(6,479)	(9.7)
Other operating expenses	(953)	(5,875)	(83.8)
Finance costs	(21,089)	(20,023)	5.3
Profit before income tax	6,919	12,298	(43.7)
Income tax benefit	6,628	3,401	94.9
Profit for the period	13,547	15,699	(13.7)
Attributable to:			
Owners of the Company	12,834	14,766	(13.1)
Non-controlling interests	713	933	(23.6)
	13,547	15,699	(13.7)

#### Consolidated statement of comprehensive income:

	Group		Increase / (decrease) %
	Period ended		
	29.09.2014 - 28.12.2014	29.09.2013 - 28.12.2013	
	US\$'000 (unaudited)	US\$'000 (unaudited)	
Profit for the period	13,547	15,699	(13.7)
Other comprehensive income:			
- Exchange difference on translation of the Group's overseas operations	-	(2,848)	(100.0)
Total comprehensive income for the period, attributable to the owners of the Company	13,547	12,851	5.4
Attributable to:			
Owners of the Company	12,834	11,924	7.6
Non-controlling interests	713	927	(23.1)
	13,547	12,851	5.4

	Group		Increase / (decrease) %
	Period ended		
	29.09.2014 - 28.12.2014	29.09.2013 - 28.12.2013	
	US\$'000 (unaudited)	US\$'000 (unaudited)	
Other operating income including			
interest income	1,160	6,374	(81.8)
Interest on borrowings	(20,873)	(19,661)	6.2
Amortisation of senior notes			
issuing expenses including in finance costs	(216)	(362)	(40.3)
Amortisation of prepayment to suppliers	-	(7,617)	(100.0)
Depreciation	(18,726)	(21,816)	(14.2)
Change in fair value in derivative financial			
instruments	307	2,049	(85.0)
Foreign exchange gain	65	383	(83.0)

**1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	28.12.2014	28.09.2014	28.12.2014	28.09.2014
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(audited)	(unaudited)	(audited)
<b><u>ASSETS</u></b>				
Current assets:				
Cash and cash equivalents	170,502	129,086	69	104
Trade receivables	113,855	144,757	-	-
Other receivables and prepayments	198,913	226,304	168	71
Derivative financial instruments	446	139	-	-
Advances to suppliers	40,500	40,500	-	-
Prepaid income tax	7,237	7,237	-	-
Deferred expenses	38,272	41,598	-	-
Inventories	105,908	158,404	-	-
Current portion of prepayment to suppliers ( <b>Note 1</b> )	100,000	109,000	-	-
Total current assets	<u>775,633</u>	<u>857,025</u>	<u>237</u>	<u>175</u>
Non-current assets:				
Prepayment to suppliers ( <b>Note 1</b> )	11,645	21,525	-	-
Property, plant and equipment	586,084	602,655	-	-
Investment property	3,385	3,385	-	-
Goodwill	95,721	95,721	-	-
Fishing and plant permits	1,222,670	1,222,670	-	-
Associate	4,629	4,629	-	-
Subsidiaries	-	-	676,403	672,844
Held to maturity financial asset	-	-	3,060	3,060
Total non-current assets	<u>1,924,134</u>	<u>1,950,585</u>	<u>679,463</u>	<u>675,904</u>
Total assets	<u>2,699,767</u>	<u>2,807,610</u>	<u>679,700</u>	<u>676,079</u>
<b><u>LIABILITIES AND EQUITY</u></b>				
Current liabilities:				
Trade payables	11,258	16,599	-	-
Other payables and accrued expenses	14,786	27,456	714	606
Income tax payable	4,773	10,076	-	-
Financial guarantee contract	-	-	4,068	4,068
Current portion of bank loans	235,689	303,607	-	-
Total current liabilities	<u>266,506</u>	<u>357,738</u>	<u>4,782</u>	<u>4,674</u>
Non-current liabilities:				
Financial guarantee contract	-	-	14,134	15,127
Long term payables	20,804	24,869	-	-
Bank loans	354,545	376,370	-	-
Senior notes	532,352	532,136	-	-
Deferred tax liabilities	302,985	307,469	-	-
Total non-current liabilities	<u>1,210,686</u>	<u>1,240,844</u>	<u>14,134</u>	<u>15,127</u>
Capital and reserves:				
Share capital	102,318	102,318	102,318	102,318
Reserves	1,117,364	1,104,530	558,466	553,960
Attributable to owners of the Company	<u>1,219,682</u>	<u>1,206,848</u>	<u>660,784</u>	<u>656,278</u>
Non-controlling interests	2,893	2,180	-	-
Net equity	<u>1,222,575</u>	<u>1,209,028</u>	<u>660,784</u>	<u>656,278</u>
Total liabilities and equity	<u>2,699,767</u>	<u>2,807,610</u>	<u>679,700</u>	<u>676,079</u>

**Notes:**

## 1. Prepayment to suppliers

	28.12.2014 US\$'000	28.09.2014 US\$'000
<i>Current portion</i>		
1st LSA	-	-
2nd LSA	5,960	6,497
3rd LSA	37,110	40,450
4th LSA	56,930	62,053
	<u>100,000</u>	<u>109,000</u>
<i>Non-current portion</i>		
1st LSA	-	-
2nd LSA	694	1,283
3rd LSA	4,321	7,988
4th LSA	6,630	12,254
	<u>11,645</u>	<u>21,525</u>

\*LSA stands for Long Term Supply Agreement

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

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

As at 28.12.2014		As at 28.09.2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
(unaudited)	(unaudited)	(audited)	(audited)
24,861	210,828	67,474	236,133

**Amount repayable after one year**

As at 28.12.2014		As at 28.09.2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
(unaudited)	(unaudited)	(audited)	(audited)
-	886,897	-	908,506

**Details of any collateral**

The inventory loans are pledged by its fishmeal inventories in Peru with net carrying values of approximately US\$15.5 million (28.09.2014: US\$49.5 million).

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	Period ended 28.09.2014 - 28.12.2014 US\$'000 (unaudited)	28.09.2013 - 28.12.2013 US\$'000 (unaudited)
<b>Operating activities:</b>		
Profit before income tax	6,919	12,298
Adjustments for:		
Amortisation of prepayment to suppliers	-	7,617
Amortisation of senior notes issuing expenses	216	362
Depreciation expense	18,726	21,816
Bargain purchase on acquisition of subsidiaries	-	(392)
Loss (gain) on disposal of property, plant and equipment	220	(711)
Impairment loss from property, plant and equipment	-	3,986
Interest expense	20,873	19,661
Interest income	(18)	-
Provision for claims	-	2,189
Operating cash flows before movements in working capital	<u>46,936</u>	<u>66,826</u>
Trade receivables	30,902	45,764
Other receivables and prepayments	27,391	(697)
Deferred expenses	3,326	3,574
Inventories	52,496	(100,609)
Trade payables	(5,341)	7,593
Other payables and accrued expenses and long term payables	(35,606)	(12,067)
Derivative financial instruments	(307)	(2,049)
Cash generated from operations	<u>119,797</u>	<u>8,335</u>
Interest paid	(2,002)	(5,369)
Income tax paid	(3,159)	(400)
Net cash from operating activities	<u>114,636</u>	<u>2,566</u>
<b>Investing activities:</b>		
Purchase of property, plant and equipment	(2,688)	(6,564)
Proceeds on disposal of of property, plant and equipment	313	3,035
Refund of prepayment to suppliers	18,880	-
Acquisition of additional interest in subsidiaries	-	(5,358)
Interest received	18	-
Net cash from (used in) investing activities	<u>16,523</u>	<u>(8,887)</u>
<b>Financing activities:</b>		
Repayment of bank loans	(50,000)	(30,140)
Additions of working capital loans	(39,743)	36,618
Repayment of obligations under finance leases	-	(997)
Net cash (used in) from financing activities	<u>(89,743)</u>	<u>5,481</u>
Net increase (decrease) in cash and cash equivalents	41,416	(840)
Cash and cash equivalents at beginning of the period	129,086	74,576
<b>Cash and cash equivalents at end of the period</b>	<u>170,502</u>	<u>73,736</u>
<b>Being:</b>		
Cash at banks	170,113	73,416
Cash on hand	389	320
	<u>170,502</u>	<u>73,736</u>

**1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share capital	Share premium	Warrants reserve	Other reserve	Foreign currency translation reserve	Revaluation reserve	Merger reserve	Retained earnings	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Group</u>										
Balance at 28 September 2013	102,318	521,382	-	-	3,835	7,053	(30,503)	561,836	8,420	1,174,341
Total comprehensive income for the period	-	-	-	-	(2,842)	-	-	14,766	927	12,851
Non-controlling interests arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	(5,750)	(5,750)
Balance at 28 December 2013	<u>102,318</u>	<u>521,382</u>	<u>-</u>	<u>-</u>	<u>993</u>	<u>7,053</u>	<u>(30,503)</u>	<u>576,602</u>	<u>3,597</u>	<u>1,181,442</u>
Balance at 28 September 2014	102,318	517,951	3,431	855	3,835	7,879	(30,503)	601,082	2,180	1,209,028
Total comprehensive income for the period	-	-	-	-	-	-	-	12,834	713	13,547
Balance at 28 December 2014	<u>102,318</u>	<u>517,951</u>	<u>3,431</u>	<u>855</u>	<u>3,835</u>	<u>7,879</u>	<u>(30,503)</u>	<u>613,916</u>	<u>2,893</u>	<u>1,222,575</u>
<u>Company</u>										
Balance at 28 September 2013	102,318	521,382	-	-	-	-	-	30,625	-	654,325
Total comprehensive income for the period	-	-	-	-	-	-	-	3,653	-	3,653
Balance at 28 December 2013	<u>102,318</u>	<u>521,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,278</u>	<u>-</u>	<u>657,978</u>
Balance at 28 September 2014	102,318	517,951	3,431	-	-	-	-	32,578	-	656,278
Total comprehensive income for the period	-	-	-	-	-	-	-	4,506	-	4,506
Balance at 28 December 2014	<u>102,318</u>	<u>517,951</u>	<u>3,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,084</u>	<u>-</u>	<u>660,784</u>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the first quarter ended 28.12.2014 (28.12.2013: Nil).

As at 28.12.2014, there were 96,153,846 outstanding warrants at an exercise price of S\$0.52 each (28.12.2013: Nil).

The Company did not make any purchases of its shares during the first quarter ended 28.12.2014 (28.12.2013: Nil).

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

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at the end of the current financial period: 2,046,354,546 shares (28.09.2014: 2,046,354,546 shares).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 28.09.2014.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

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

	Group Period ended	
	29.09.2014 – 28.12.2014 (unaudited)	29.09.2013 – 28.12.2013 (unaudited)
Earnings per ordinary share		
(i) Based on weighted average number of ordinary shares on issue	US0.63 cents	US0.72 cents
The calculation of the basic earnings per share is based on the following data:		
Earnings	US\$12,834,000	US\$14,766,000
Weighted average number of ordinary shares used in calculation of the basic earnings per share	2,046,354,546	2,046,354,546
(ii) On a fully diluted basis	US0.63 cents	US0.72 cents
The calculation of the diluted earnings per share is based on the following data:		
Earnings	US\$12,834,000	US\$14,766,000
Weighted average number of ordinary shares used in calculation of the diluted earnings per share	2,046,354,546	2,046,354,546

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(a) Current financial period reported on; and**  
**(b) Immediately preceding financial year.**

	Group		Company	
	28.12.2014	28.09.2014	28.12.2014	28.09.2014
Net asset value per ordinary share based on existing issued share capital as at the end of period reported on	US\$0.60	US\$0.59	US\$0.32	US\$0.32

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### Business Review

Given that the Peruvian Fishmeal Operations account for in excess of 50% of the Group's revenue, the business results for the quarter were impacted by the delayed and reduced catch of Anchovy in the 2014 A Season<sup>1</sup> in the north-centre fishery in Peru. As a result of a temporary warming of the water which caused the Anchovy to disperse and move south, the entire industry recorded a reduced catch, and we were only able to utilize approximately 61% of our fishing quota in the 2014 A Season<sup>1</sup>. As a consequence, the reduced catch impacted the Group's production volume of fishmeal and fish oil available for sale during the quarter under review.

Cost flexibility has always been critical to our strategy and was a significant focus in the quarter. We implemented rigorous initiatives to reduce working capital and fixed overhead costs in Peru, which enabled us to maintain profitability as sales came under pressure due to the temporary shortfall of Peruvian Anchovy.

Throughout this period, the global market demand for fishmeal and fish oil remained strong. The temporary closure of the north-centre fishery further drove up the price of fishmeal and fish oil. The average selling prices of the Group's fishmeal and fish oil products increased by 40.5% and 20.3% respectively.

Key operating statistics of the Peruvian Fishmeal Operations for this quarter compared with the same quarter last year are shown below:

Metric ton (MT)	1QFY2015	1QFY2014	Change
Peruvian Anchovy harvested	-	313,747	Not applicable
Peruvian Anchovy purchased from third party	-	145,298	Not applicable
Total volume of raw materials	-	459,045	Not applicable
Fishmeal produced	-	112,736	Not applicable
Fishmeal sold	25,449	38,516	-33.9%
Average selling price of fishmeal sold (US\$/MT)	1,950	1,388	+40.5%
Fish oil produced	-	15,219	Not applicable
Fish oil sold	6,326	8,799	-28.1%
Average selling price of fish oil sold (US\$/MT)	2,378	1,977	+20.3%

For the China Fishery Fleet ("CF Fleet") operations in Namibia, we fully utilized our fishing quota for 2014. In addition, we further expanded our fishing operations in Africa and commenced trial fishing in Angola, a country adjacent to Namibia.

<sup>1</sup> A Season – normally from April to July



During the period under review, the Contract Supply Business continued to buy fish from its suppliers on the spot market. Despite the recent uncertain economic conditions in Russia, we do not anticipate any disruptions from this source of supply.

## Financial Review

*1QFY2015 (3-month ended 28 December 2014) vs 1QFY2014 (3-month ended 28 December 2013)*

### Income Statement

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.

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

By Destination	1QFY2015	1QFY2014
China	63.8%	73.5%
South East Asia	9.2%	5.4%
West Africa	8.4%	7.4%
South America	7.8%	2.6%
Europe	6.4%	9.4%
Australia	4.4%	1.7%

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.

## 28 December 2014 vs 28 September 2014

### **Statement of financial position**

Total assets decreased by 3.8% from US\$2,807.6 million to US\$2,699.8 million.

Current assets decreased by 9.5% from US\$857.0 million to US\$775.6 million. This was mainly due to the sale of inventory brought forward, the collection of other receivables and refunds from the former LSA suppliers.

As of the end of the quarter, the refund of prepayments under the former LSAs was on schedule and US\$130 million had been received, which is more than half of the full amount to be refunded. The balance of approximately US\$111 million is due to be fully repaid by March 2016.

Cash and cash equivalents increased by 32.1% from US\$129.1 million to US\$170.5 million.

Non-current assets decreased by 1.4% from US\$2,807.6 million to US\$2,699.8 million, due primarily to the depreciation expense of US\$18.7 million charged for the period.

Total liabilities decreased by 7.6% from US\$1,598.6 million to US\$1,477.2 million.

Current liabilities decreased by 25.5% from US\$357.7 million to US\$266.5 million due to term loan repayment and repayment of short-term borrowings from proceeds of sale of inventories.

Non-current liabilities decreased by 2.4% from US\$1,240.8 million to US\$1,210.7 million. With the Group's continued focus on enhancing financial flexibility, net debt to equity ratio improved from 89.7% to 78.1%.

### **Cash Flow and Liquidity**

Net cash generated from operations was US\$114.6 million, mainly generated by sale of inventories and collection of other receivables.

Net cash generated from investing activities of US\$16.5 million was due primarily to the refund received from the LSA suppliers.

Capital expenditure reduced to US\$2.7 million in 1QFY2015. FY2015 capex is expected to be around US\$20 million.

Net cash used in financing activities of US\$89.7 million was due mainly to the repayment of term loans and a inventory loans.

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

The 1QFY2015 results announcement is in line with the prospect statement disclosed to shareholders in the year ended 28.09.2014 results announcement.

### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

#### **Corporate Outlook**

Our core strategies set for FY2015 are to continue to realise synergies from the further integration of the Peruvian Fishmeal Operations, improve operating cash flow and reduce borrowings and strengthen our balance sheet.

We have made progress against these commitments, and it is especially pleasing to report an improvement in our net debt to equity of approximately 13%. However, we have much more to achieve.

## **Outlook on Operations**

IMARPE's finding of a high proportion of juvenile Anchovy in the Peruvian fishery and its observation of the progressive normalization of the environmental conditions in the fishery are very positive indicators for the A Season<sup>1</sup> of 2015, which generally represents about 60% of the annual catch. The Anchovy fishery has previously demonstrated its ability to recover quickly from these cyclical events as it is well managed by the Peruvian Government. The industry generally is optimistic about the prospects and total catch for the entire year, 2015.

Through the initiatives we have taken to improve operating efficiencies of our fishing vessels and fishmeal processing plants, we are committed to becoming the most efficient fishmeal and fish oil producer in Peru.

Although the 2QFY2015 performance will be impacted by the Peruvian government's decision not to open the 2014 B Season<sup>2</sup>, barring unforeseen circumstances, the management remains confident that FY2015 will be profitable.

### **11. Dividend**

#### **(a) Current Financial Period Reported On**

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

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

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

#### **(c) Date payable**

Not applicable.

#### **(d) Books closure date**

Not applicable.

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

No dividend has been declared for the 1QFY2015.

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<sup>1</sup> A Season – normally from April to July

<sup>2</sup> B Season – normally from November to January

**13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement of that effect.**

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST)	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST (excluding transactions less than S\$100,000)
	29.09.2014 - 28.12.2014 US\$'000	29.09.2013 - 28.12.2013 US\$'000
<b>Pacific Andes Resources Development Limited and its subsidiaries:</b>		
Sales of catches	-	-
Sales of fishmeal products	-	-
Purchase of bunker and other vessel supplies	-	-

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

On behalf of the Board, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board of China Fishery Group Limited, which may render the financial statements in respect of the 1QFY2015 to be false or misleading in any material aspect.

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

(signed)  
Ng Joo Siang  
Executive Director

(signed)  
Chan Tak Hei  
Finance Director

**BY ORDER OF THE BOARD**

**Tan San-Ju**  
Company Secretary

February 9, 2015

## 15. SUPPLEMENTARY NOTES

First quarter results for the period ended December 28, 2014 in Singapore Dollar equivalent. These figures have not been audited.

### 1(a) Consolidated Income

	Group			
	Period ended		Period ended	
	29.09.2014 - 28.12.2014	29.09.2013 - 28.12.2013	29.09.2014 - 28.12.2014	29.09.2013 - 28.12.2013
	US\$'000	US\$'000	S\$'000	S\$'000
Revenue	123,917	145,210	164,264	184,620
Cost of sales	(68,142)	(81,444)	(90,329)	(103,548)
Vessel operating costs	(17,534)	(19,474)	(23,243)	(24,759)
Gross profit	38,241	44,292	50,692	56,313
Other operating income	1,160	6,374	1,538	8,104
Selling expenses	(4,588)	(5,991)	(6,082)	(7,617)
Administrative expenses	(5,852)	(6,479)	(7,757)	(8,237)
Other operating expenses	(953)	(5,875)	(1,263)	(7,469)
Finance costs	(21,089)	(20,023)	(27,956)	(25,457)
Profit before income tax	6,919	12,298	9,172	15,637
Income tax benefit	6,628	3,401	8,786	4,324
Profit for the period	13,547	15,699	17,958	19,961
Attributable to:				
Owners of the Company	12,834	14,766	17,013	18,775
Non-controlling interests	713	933	945	1,186
	13,547	15,699	17,958	19,961

### Consolidated statement of comprehensive income:

	Group			
	Period ended		Period ended	
	29.09.2014 - 28.12.2014	29.09.2013 - 28.12.2013	29.09.2014 - 28.12.2014	29.09.2013 - 28.12.2013
	US\$'000	US\$'000	S\$'000	S\$'000
Profit for the period	13,547	15,699	17,958	19,961
Other comprehensive income:				
- Exchange difference on translation of the Group's overseas operations	-	(2,848)	-	(3,621)
Total comprehensive income for the period, attributable to the owners of the Company	13,547	12,851	17,958	16,340
Attributable to:				
Owners of the Company	12,834	11,924	17,013	15,161
Non-controlling interests	713	927	945	1,179
	13,547	12,851	17,958	16,340

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

	Group		Group	
	28.12.2014	28.09.2014	28.12.2014	28.09.2014
	US\$'000	US\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	170,502	129,086	226,018	164,534
Trade receivables	113,855	144,757	150,926	184,507
Other receivables and prepayments	198,913	226,304	263,679	288,447
Derivative financial instruments	446	139	591	177
Advances to suppliers	40,500	40,500	53,687	51,621
Prepaid income tax	7,237	7,237	9,593	9,224
Deferred expenses	38,272	41,598	50,733	53,021
Inventories	105,908	158,404	140,392	201,902
Current portion of prepayment to suppliers	100,000	109,000	132,560	138,931
<b>Total current assets</b>	<b>775,633</b>	<b>857,025</b>	<b>1,028,179</b>	<b>1,092,364</b>
Non-current assets:				
Prepayment to suppliers	11,645	21,525	15,437	27,436
Property, plant and equipment	586,084	602,655	776,913	768,144
Investment property	3,385	3,385	4,487	4,315
Goodwill	95,721	95,721	126,888	122,006
Fishing and plant permits	1,222,670	1,222,670	1,620,771	1,558,415
Associate	4,629	4,629	6,136	5,900
<b>Total non-current assets</b>	<b>1,924,134</b>	<b>1,950,585</b>	<b>2,550,632</b>	<b>2,486,216</b>
<b>Total assets</b>	<b>2,699,767</b>	<b>2,807,610</b>	<b>3,578,811</b>	<b>3,578,580</b>
<b>LIABILITIES AND EQUITY</b>				
Current liabilities:				
Trade payables	11,258	16,599	14,924	21,157
Other payables and accrued expenses	14,786	27,456	19,600	34,995
Income tax payable	4,773	10,076	6,327	12,843
Current portion of bank loans	235,689	303,607	312,429	386,977
<b>Total current liabilities</b>	<b>266,506</b>	<b>357,738</b>	<b>353,280</b>	<b>455,972</b>
Non-current liabilities:				
Long term payables	20,804	24,869	27,578	31,698
Bank loans	354,545	376,370	469,985	479,721
Senior notes	532,352	532,136	705,686	678,261
Deferred tax liabilities	302,985	307,469	401,637	391,900
<b>Total non-current liabilities</b>	<b>1,210,686</b>	<b>1,240,844</b>	<b>1,604,886</b>	<b>1,581,580</b>
Capital and reserves:				
Share capital	102,318	102,318	135,633	130,415
Reserves	1,117,364	1,104,530	1,481,177	1,407,834
Attributable to owners of the Company	1,219,682	1,206,848	1,616,810	1,538,249
Non-controlling interests	2,893	2,180	3,835	2,779
<b>Net equity</b>	<b>1,222,575</b>	<b>1,209,028</b>	<b>1,620,645</b>	<b>1,541,028</b>
<b>Total liabilities and equity</b>	<b>2,699,767</b>	<b>2,807,610</b>	<b>3,578,811</b>	<b>3,578,580</b>

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

	Group		Group	
	Period ended		Period ended	
	28.09.2014 - 28.12.2014	28.09.2013 - 28.12.2013	28.09.2014 - 28.12.2014	28.09.2013 - 28.12.2013
(i) Based on weighted average number of ordinary shares in issue; and	US\$0.63 cents	US\$0.72 cents	S\$0.83 cents	S\$0.92 cents
(ii) On a fully diluted basis	US\$0.63 cents	US\$0.72 cents	S\$0.83 cents	S\$0.92 cents

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(a) Current financial period reported on; and**  
**(b) Immediately preceding financial year.**

	Group		Group	
	28.12.2014	28.09.2014	28.12.2014	28.09.2014
Net asset value per ordinary share based on existing issued share capital as at the end of period reported on	US\$0.60	US\$0.59	S\$0.80	S\$0.75

- \* Exchange Rate  
 As at 28.12.2014: US\$1 = S\$1.3256  
 As at 28.09.2014: US\$1 = S\$1.2746  
 3 months ended 28.12.2014: US\$1 = S\$1.3256  
 3 months ended 28.12.2013: US\$1 = S\$1.2714