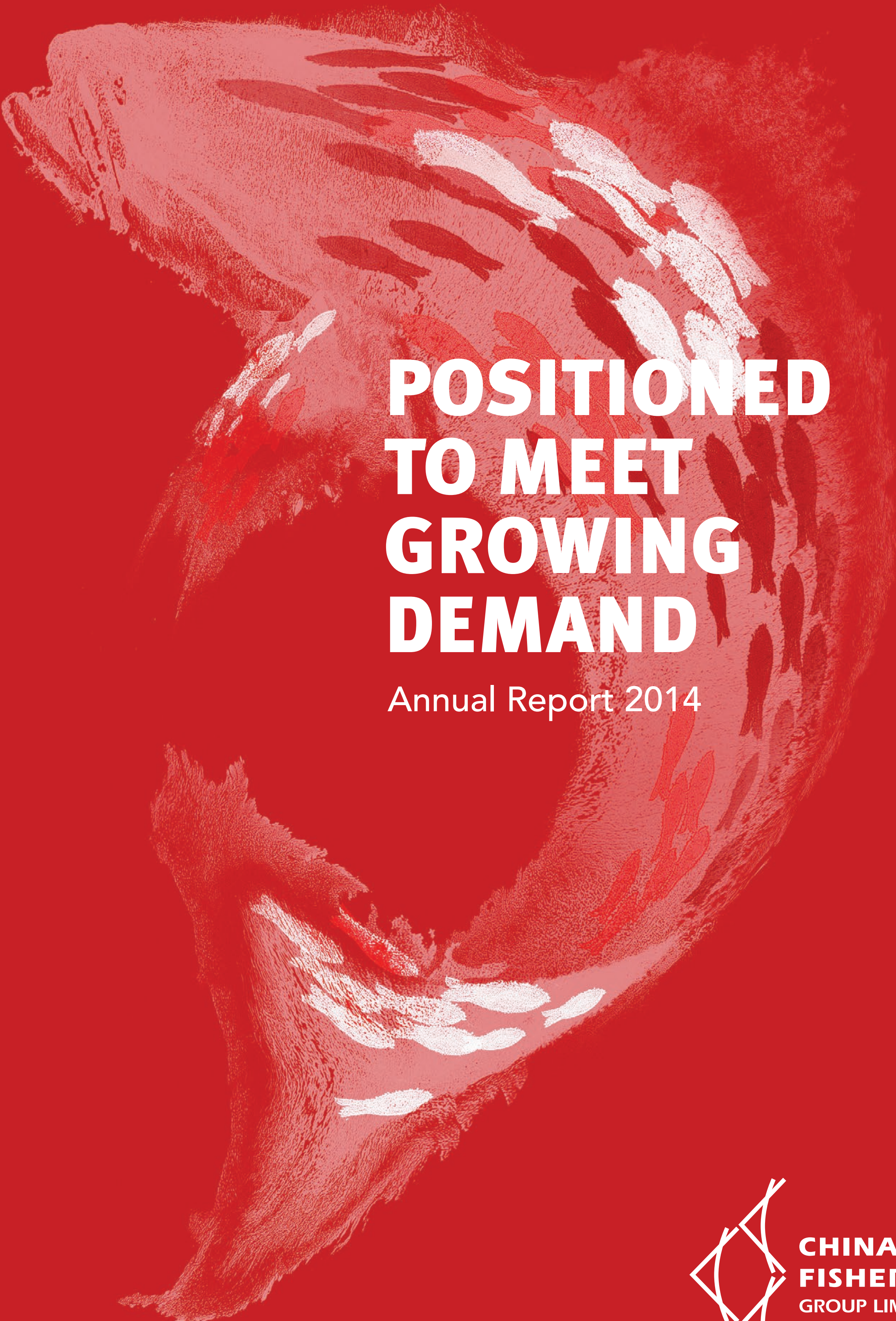


POSITIONED TO MEET GROWING DEMAND

Annual Report 2014

CHINA FISHERY GROUP LIMITED

INFORMATION FOR INVESTORS

Listing Information
Listing: Singapore Exchange
Stock code: B0Z.SI

Ticker Symbol
Reuters: CNFG.SI
Bloomberg: CFG:SP

Key Dates

Announcement of 1Q FY2014 Results	February 11, 2014
Announcement of 2Q FY2014 Results	May 12, 2014
Announcement of 3Q FY2014 Results	August 11, 2014
Announcement of FY2014 Final Results	November 22, 2014
Annual General Meeting	January 26, 2015
Financial Year End	September 28

Share Information (as at September 28, 2014)
Board lot size: 1,000 shares
Nominal value per share: US$0.05
Outstanding shares: 2,046,354,546 shares
Outstanding unlisted warrants: 96,153,846 warrants
Public float: 376,314,084 shares (18.4%)
Market capitalisation: S$777,614,728
Earnings per share for FY2014: 3.03 US cents
Dividend per share for FY2014: NIL

Share Registrar & Share Transfer Offices Principal
Appleby Trust (Cayman) Ltd
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Branch
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758
Tel: 65-6593 4848
Fax: 65-6593 4847

Investor Relations Contact
For enquiries from investors and securities analysts, please contact:
Investor Relations Department
Tel: 852-2589 4191
Fax: 852-2858 2764
E-mail: ir@chinafish.com

CONTENTS

CORPORATE INFORMATION

Board of Directors

Executive:
Ng Joo Kwee (Executive Chairman)
Sung Yu Ching (Managing Director)
Ng Joo Siang
Chan Tak Hei

Non-Executive:
Patrick Thomas Siewert
Janine Feng Junyuan
(Alternate to Patrick Thomas Siewert)

Independent Non-Executive:
Tse Man Bun (Lead Independent Director)
Lim Soon Hock
Tan Ngiap Joo

Audit and Risk Management Committee

Lim Soon Hock (Chairman)
Tse Man Bun
Tan Ngiap Joo
Patrick Thomas Siewert

Nominating Committee

Tse Man Bun (Chairman)
Lim Soon Hock
Tan Ngiap Joo

Remuneration Committee

Tan Ngiap Joo (Chairman)
Lim Soon Hock
Tse Man Bun

Investment Committee

Ng Joo Siang (Chairman)
Patrick Thomas Siewert
Tse Man Bun
Janine Feng Junyuan
(Alternate to Patrick Thomas Siewert)
Tan Ngiap Joo (Alternate to Tse Man Bun)

Corporate Social Responsibility Committee

Tse Man Bun (Chairman)
Ng Joo Siang
Patrick Thomas Siewert
Ng Puay Yee
Tan Ngiap Joo (Alternate to Tse Man Bun)
Lt-Gen (Ret) Ng Jui Ping (Alternate to Ng Joo Siang)
Janine Feng Junyuan
(Alternate to Patrick Thomas Siewert)
Keith Sainsbury (Advisor)

Principal Bankers

China CITIC Bank International Limited
DBS Bank (Hong Kong) Limited
Rabobank International, Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

Company Secretaries

Tan San-Ju
Yeo Poh Noi Caroline

Registered Office

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

Principal Office

Room 3312-3314, Hong Kong Plaza
188 Connaught Road West, Hong Kong
Tel: 852-2548 2666
Fax: 852-2548 9666

Auditors

Deloitte & Touche LLP
Public Accountants and Chartered Accountants, Singapore
6 Shenton Way
OUE Downtown 2 #32-00
Singapore 068809

Audit Partner-in-Charge

Jeremy Toh Yew Kuan
Date of Appointment: June 3, 2013

Company Registration Number

99414

Website

http://www.chinafisherygroup.com

CORPORATE PROFILE

Listed on the Mainboard of Singapore Exchange since 2006, China Fishery is a global integrated industrial fishing company with access to fish in some of the world's most important fishing grounds, including the Anchovy fishery in Peru.

Employing the latest catch and processing solutions, China Fishery sources, harvests, onboard-processes and delivers high quality catch to consumers the world over. China Fishery is also one of the world's leading producers of fishmeal and fish oil through its processing plants located strategically along Peru's coastal areas.

VISION

To be a world leader in the sourcing, processing, distribution and sales of seafood products, providing millions of people throughout the world with a natural source of healthy protein every day.

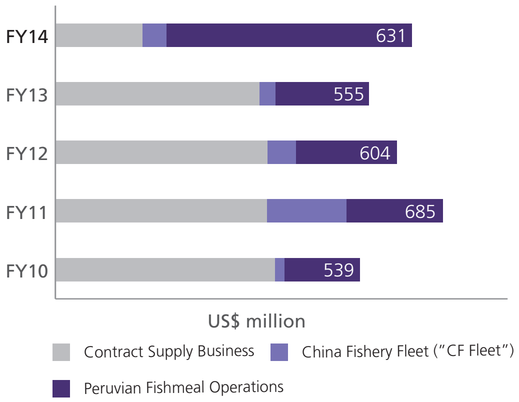
MISSION

To secure access to under-utilised and abundant ocean resources to meet the growing nutritional needs of consumers worldwide.

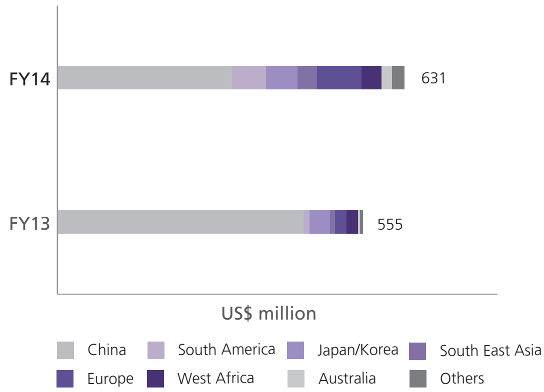
To offer world class seafood products of the highest quality and safety, while remaining firmly committed to the sustainability of seafood resources and the environment.

FINANCIAL HIGHLIGHTS

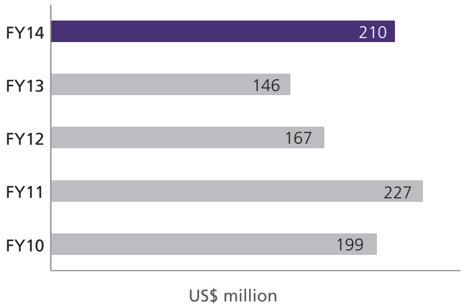
Revenue



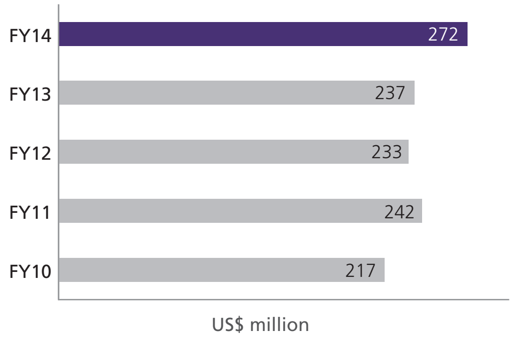
Revenue by market



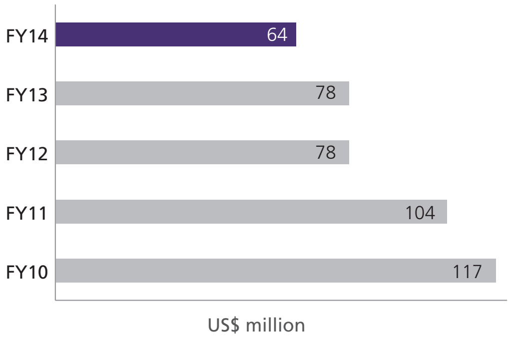
Gross Profit



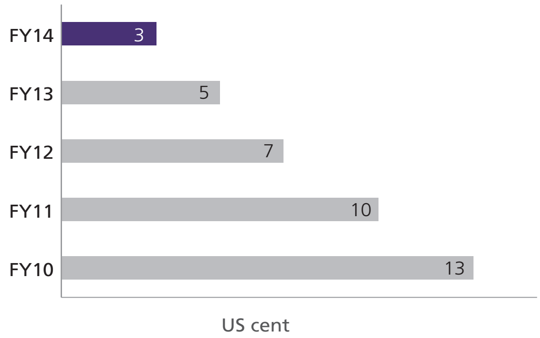
EBITDA



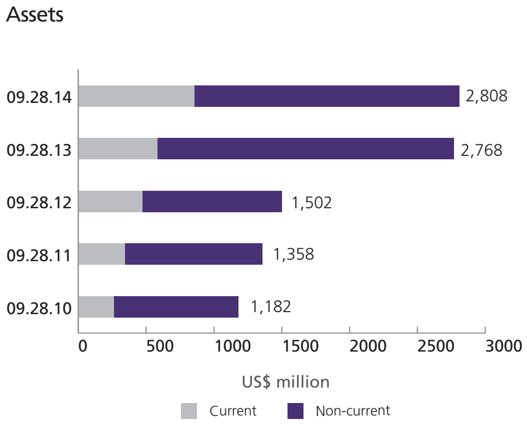
Net profit

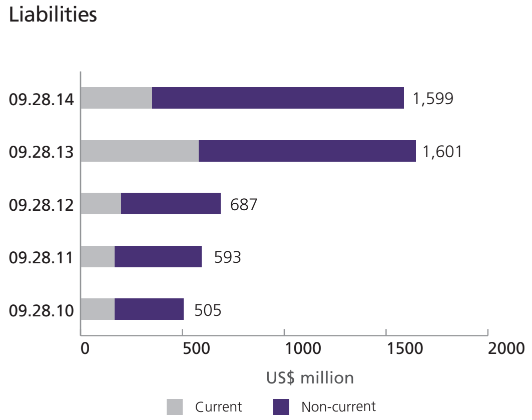


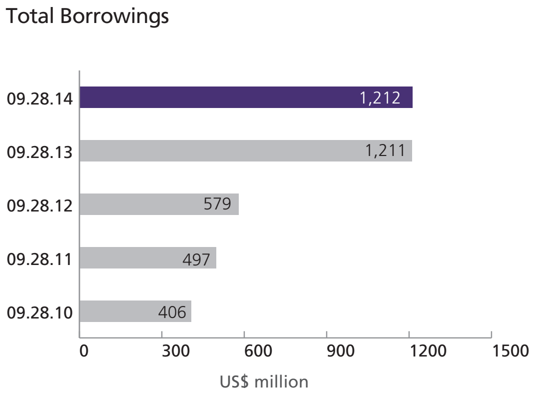
Basic earnings per share

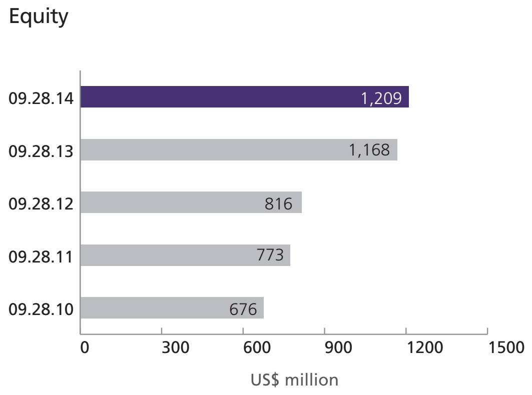


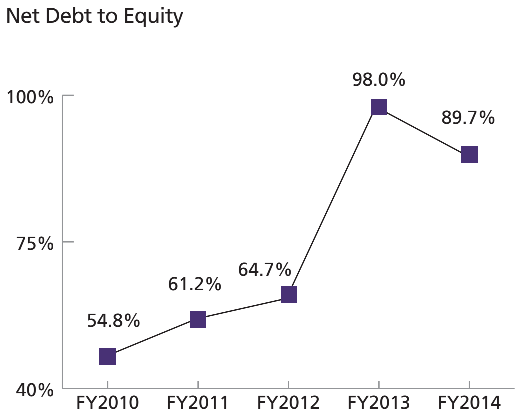
FINANCIAL HIGHLIGHTS

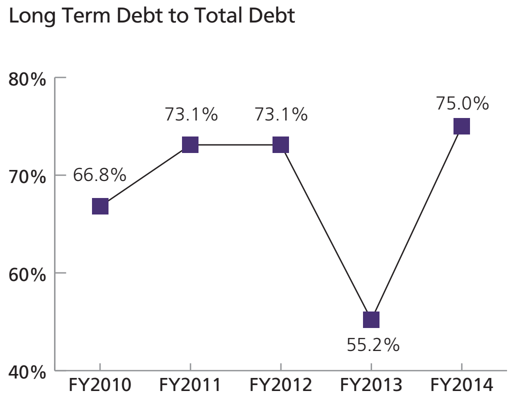












MESSAGE TO INVESTORS

Dear Valued Investors,

On behalf of your Board of Directors (the "Board"), I am pleased to deliver the annual report of China Fishery Group Limited ("China Fishery" or the "Company") and its subsidiaries (collectively "China Fishery Group" or the "Group") for the financial year ended September 28, 2014 ("FY2014").

FY2014 was the first year of transforming our business into one with a strong focus on fishmeal and fish oil production. It was also the first full year of consolidation of the enlarged operations of the Peruvian fishmeal and fish oil business into the Group's results. Throughout the year, we have created significant value through our strategies of realising synergies from the integration of our expanded Peruvian operations, improving operational efficiencies and tight management of capital expenditure.

Despite the fact that the Group was only able to utilise 61% of its fishing quota in Peru for the major April to July fishing season because of the effects of El Niño, the Group was nonetheless able to generate solid results for the year. This demonstrates the potential of the enlarged business to deliver impressive returns in the future, meeting the growing demand for fishmeal and fish oil.

We have implemented several initiatives designed to improve overall performance of our Peruvian Fishmeal Operations, including the closure of two fishmeal processing plants, reduction in fleet size, and centralisation of the engineering and vessel maintenance workforce. These initiatives expanded our operating margin from 26.3% to 33.3%. While we have made good progress, we still have more to accomplish to deliver on our long-term growth and margin targets.

We are pleased to have secured access to approximately 12% of the Horse Mackerel total allowable catch in Namibia during 2014, after only two and a half years of operation of our joint venture in that country. This efficient business model has enabled a swift entry into the market and increased the utilisation of our fishing fleet. We have been exploring the potential of expanding operations into other fisheries in this region.

During the year, we continued the journey towards our 75% debt to equity target and at the same time concentrated on optimising the balance sheet. I am pleased to report that we are well on track to achieve that target over the next two years.

In March, we completed the refinancing of the short term acquisition loan. This enabled us to enhance our financial flexibility and lengthen our debt maturity profile. In addition, the termination of the Long Term Supply Agreements ("LSAs") under our Contract Supply Business has allowed us to redeploy the significant capital tied up in pre-payments made under these former agreements towards improving our gearing ratios. As at the end of FY2014, we had received US$111 million as part-refund of the pre-payments from the suppliers. We expect to receive the remaining balance of US$130 million before the end of March 2016.

Financial Review

Our FY2014 financial results demonstrate that the transformation of our business is well on course. In summary, we delivered solid revenue growth of 13.7% with gross profit rising by 43.8%. This growth was led by a 162.5% increase in revenue in our enlarged Peruvian Fishmeal Operations which constituted 68.9% of the Group's overall revenue. Our net debt to equity ratio is on track for improvement, reducing from 98.0% to 89.7% throughout the year.

The Board and Management team remain committed to delivering strong shareholder returns over the long-term. Capital management remains a key focus of the business and cash flow generated over the next 12 months will assist the Group in reduction of its gearing.

The Board did not recommend dividends for FY2014 due to our commitment to strengthening the Company's balance sheet. Looking forward, the Board will assess the payment of dividends in the light of future business performance.

Market and Operations Review

The Food and Agriculture Organisation of the United Nations ("FAO") has reported that global per capita fish consumption has increased strongly from 9.9 kilograms in 1970 to 19.1 kilograms in 2012. With rising global affluence, this growth will continue to outpace world population growth. In addition, as the world becomes more conscious of the value of a healthy diet, FAO confirms that fish is the healthiest form of protein. It is a huge provider of micronutrients which lower the risk of coronary heart disease and improve cardio-vascular health.

As significant producers of essential aquaculture feed ingredients, fishmeal and fish oil, we are very encouraged by the accelerating global growth of aquaculture. In terms of human consumption, FAO has reported that farmed fish surpassed wild catch fish for the first time in 2014. It predicts that farmed fish production will grow at 4.14%[1] per annum through to 2022, notably faster than the previous forecasts.

[1] FAO: Aquaculture can grow faster, raising micronutrient supply from fish, November 14, 2014

MESSAGE TO INVESTORS

Therefore, we expect that aquaculture will remain one of the fastest-growing food-producing sectors and is set to play a key role in driving the rising demand for fishmeal and fish oil as key feed inputs in aquaculture, in addition to other farmed animal production.

With our enlarged operations in Peru, where we are the largest holder of Peruvian Anchovy quota, and with our expanding fishing operations in Africa, the Group is well-placed to benefit from the strong global demand for fish and ocean resources.

At the end of November, 2014, Peru's marine institute, Imarpe, completed its second assessment of the Peruvian Anchovy fishery for the fishing season scheduled to run from November, 2014 until January, 2015. The institute found a 94% density of juvenile fish (less than six months old) in the north-centre region which led the institute to reiterate its recommendation that the fishing season not be opened. These conditions were assessed to be the result of cyclical warming of the waters which caused the Anchovy stocks to temporarily disperse. On December 22, 2014, Imarpe submitted a further report to the Peruvian Ministry of Production and, as a consequence, the Ministry announced that it would maintain closure of the north-centre fishery until the environmental conditions return to normal and the Anchovy stocks recover. Imarpe noted the progressive normalisation of the environmental conditions and the steady recovery of the biological condition of the Anchovies.

Industry in general believes that the high percentage of juveniles is a very positive indicator for the major April to July fishing season of 2015. The Peruvian Anchovy resource has shown itself to be able to recover quickly from these cyclical events, as it is well-managed under an effective fishery management policy adopted by the Peruvian Government.

Corporate Social Responsibility ("CSR")

During 2014, the Group released its second Sustainability Report covering the years of 2012 and 2013. The Report highlighted the Group's developments in environmental sustainability, social compliance and product responsibility and outlined its sustainability commitments for 2014/2015. It was an important milestone as it met the Global Reporting Initiative (GRI)'s A+ level of reporting, the highest level available. GRI is a non-profit organisation promoting economic, environmental and social sustainability by providing organisations with a comprehensive sustainability reporting framework used worldwide.

The Report has won widespread acclaim for its breadth of coverage and transparency, and reflects the leadership position that the Group is seeking to take in sustainability within the industry.

To build our internal capacity on CSR, the Group developed the vision, mission and values which will be reflected throughout the entire operation. This will be further enhanced by the establishment of Group-wide sustainability principles to be implemented by 2015.

A more detailed review of our CSR achievements over FY2014 is detailed further in the Corporate Social Responsibility section on page 28.

Outlook and Prospects

Our core strategies for FY2015 are to continue to realise synergies from the further integration of the expanded Peruvian Fishmeal Operations, increase our asset utilisation, improve operating cash flow and reduce finance costs.

The continued enhancement of our production efficiency in our facilities in Peru and the expansion of fishing areas in Africa will increase our overall asset utilisation. This will underpin the Group's objective of improved margins over the medium term.

In order to improve our borrowings profile and capital structure, we have already announced the Group's intention to fully redeem the Copeinca senior notes by March 2015.

In FY2015, we will continue to focus on maximizing operating cash flow, continually monitoring our costs and capital expenditure. In the case of our largest revenue generating business, we are committed to becoming the most cost effective fishmeal and fish oil producer in Peru.

The future growth dynamics for the seafood industry globally are predicted to be very strong. In line with these predictions, we are excited about the opportunities ahead for our businesses. In addition, we expect to deliver further cost efficiencies which will help to support future growth and enable us to make further progress on our operating margins. As a result, we remain confident in our ability to continue to create value for our shareholders.

MESSAGE TO INVESTORS

Acknowledgements

On behalf of the Board, I would like to express my deepest gratitude to our shareholders, customers, business partners, advisors and bankers for their support and confidence in the Group. We look forward to continuing to earn your trust in 2015. Our people are key to our continued success and, on behalf of the Board, I would like to thank our senior management, and each and every one of our employees for their continued dedication and hard work.

Finally, I would like to thank my fellow Board members for their vision and commitment to the Group and for the ongoing support they have accorded to me.

Ng Joo Kwee
Executive Chairman

December 27, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

Income Statement

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.

Key operating statistics of the Peruvian Fishmeal Operations for this financial year compared with the prior-year are shown below:

Metric ton (MT)	**FY2014**	FY2013	Change
Peruvian Anchovy harvested	**674,518MT**	205,032MT	+229.0%
Peruvian Anchovy purchased from third party	**302,281MT**	32,120MT	+841.1%
Total volume of raw materials	**976,799MT**	237,152MT	+311.9%
Fishmeal produced	**235,322MT**	57,621MT	+308.4%
Fishmeal sold	**215,494MT**	81,483MT	+164.5%
Average selling price of fishmeal sold (US$/MT)	**1,502**	1,660	-9.5%
Fish oil produced	**38,923MT**	10,277MT	278.7%
Fish oil sold	**41,200MT**	11,383MT	261.9%
Average selling price of fish oil sold (US$/MT)	**1,974**	2,351	-16.0%

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.

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

- China – 49.4%
- Other Asia – 19.2%
- Europe – 12.6%
- South America – 9.9%
- Africa – 5.9%
- Australia – 3.0%

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

Statement of financial position

Total assets increased by 1.4% from US$2,768.4 million to US$2,807.6 million.

Current assets increased by 47.3% from US$581.8 million to US$857.0 million. The increase was due mainly to:

1. Increase in cash and bank balances following the partial refund of LSAs prepayments,

2. Prepayments made to suppliers which are scheduled to be refunded being reclassified to "Current Assets" after the termination of the LSAs, and

3. Higher fishmeal and fish oil inventories in the enlarged Peruvian Fishmeal Operations due to production being ramped-up as a result of improved catch results during 4QFY2014, in addition to higher cost of raw materials, goods in process and finished goods. Year-end fishmeal and fish oil inventories amounted to US$56.2 million and US$22.4 million respectively.

Non-current assets decreased by 10.8% from US$2,186.6 million to US$1,950.6 million due primarily to the reclassification of prepayments made to suppliers to "Current Assets" after the termination of the LSAs.

Total liabilities decreased slightly by 0.1% from US$1,600.6 million to US$1,598.6 million.

Current liabilities decreased by 38.3% from US$579.8 million to US$357.7 million after the completion of the refinancing of acquisition loans on Copeinca.

Non-current liabilities increased by 21.6% from US$1,020.8 million to US$1,240.8 million after the refinancing of acquisition loans into a 4 year term loan in March 2014.

Net debt to equity ratio improved from 98.0% to 89.7%.

Cash Flow and Liquidity

Cash generated by operations was US$256.6 million.

Working capital increased US$99.1 million as a result of a US$60.2 million increase in inventories and an aggregate US$75.9 million increase in trade and other receivables. Trade receivables increased as a result of higher sales recorded in the last quarter due to a higher catch volume towards the end of 4QFY2014. Inventories increased mainly reflecting higher inventory volumes as production was ramped-up due to higher catch volume towards the end of 4QFY2014, in addition to higher cost of raw materials, goods in process and finished goods.

Capital expenditures in FY2014 decreased to US$84.0 million from US$166.5 million in FY2013. The main investments carried out during the year included the purchase of office premises in Peru for combining the Group's Peruvian offices, and the mandatory general offer of shares in Copeinca.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

MR NG JOO KWEE 54, is the Executive Chairman of the Company, responsible for the overall management and strategic development of the Company. Mr Ng joined the Group in 2005 and was appointed to the Board on October 31, 2005 and last re-elected as a Director on January 27, 2014. He is also an executive director of Pacific Andes International Holdings Limited ("PAIH"), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), as well as an executive director of Pacific Andes Resources Development Limited ("PARD"), a company listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). In 1989, Mr Ng joined PAIH as general manager of its China operations, overseeing the daily operations, trading and sourcing activities. Mr Ng is a brother of Mr Ng Joo Siang, the Executive Director of the Company.

MR SUNG YU CHING 69, the Managing Director of the Company, oversees the operational management and business development of the Group. Mr Sung joined the Group in 2005 and was appointed to the Board on October 31, 2005 and last re-elected as a Director on January 28, 2012. He is also the chairman of Chuan-Chuan Yoo International Trade Ltd ("Chuan-Chuan"), a company engaged in the trading of seafood products, vessel spare parts and appliances, and provision of ship repairing and construction agency services. Mr Sung graduated from the marine engineering department of National Taiwan Ocean College and was a marine engineer in Taiwan from 1983 to 1988. In 1997, he started his trading business and became a shareholder in Chuan-Chuan.

MR NG JOO SIANG 55, an Executive Director of the Company, oversees the general management, sales and business development as well as strategic planning of the Group. Mr Ng joined the Group in 2006 and was appointed to the Board on April 25, 2006 and last re-elected as a Director on January 28, 2013. He is also the Chairman of the Investment Committee and a member of the Corporate Social Responsibility Committee. Mr Ng is the vice chairman, managing director and executive director of PAIH, a company listed on the Stock Exchange and an executive chairman of PARD, a company listed on the SGX-ST, responsible for the overall strategic planning, development, corporate policy formulation, investment and management of the Pacific Andes Group. He is also the chairman and the executive director of Copeinca AS (formally kown as "Copeinca ASA") ("Copeinca") which delisted in both Peru and Norway in 2014. He graduated from the Louisiana State University in Baton Rouge, Louisiana, with a Bachelor degree in International Trade and Finance, and has over 20 years of experience in the trading of seafood products. Mr Ng is a brother of Mr Ng Joo Kwee, the Executive Chairman of the Company.

MR CHAN TAK HEI 45, is the Finance Director of the Company, responsible for the overall financial management and corporate planning of the Group. Mr Chan joined the Group in 2005 and was appointed to the Board on February 15, 2005 and was last re-elected as a Director on January 27, 2014. He graduated from the Hong Kong Polytechnic University with a Bachelor degree in Accountancy and is a fellow member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in February 2005, Mr Chan worked in PAIH as its Financial Controller from 1995 to 2005.

Non-Executive Directors

MR PATRICK THOMAS SIEWERT 59, was appointed as a Non-Executive Director of the Company on July 28, 2010 and was last re-elected as a Director on January 28, 2013. Mr Siewert is also a member of the Audit and Risk Management Committee, Investment Committee and Corporate Social Responsibility Committee. He is a managing director of the Carlyle Group, focused on investments in consumer and retail businesses across Asia since April 2007. Prior to joining the Carlyle Group, Mr Siewert held various positions in Asia including group president and president and chief operating officer and corporate executive committee member of the Coca-Cola Company during the period from 2001 to 2007. He attended the Rochester Institute of Technology in Service Management and received a Bachelor of Science in Business Administration from Elmhurst College, Illinois and a Master of Science from Rochester Institute of Technology. Mr Siewert currently serves as a director of, but not limited to, Avery Dennison Corporation, Computime Group Limited, Eastern Broadcasting Company, Natural Beauty Bio-Technology Limited, Zhejiang Kaiyuan Hotel Investment & Management (Group) Company Limited, Mondelēz International, Inc. and Crystal Orange Hotel Holdings Limited.

MS JANINE FENG JUNYUAN 45, was appointed as an Alternate Director to Mr Patrick Thomas Siewert, a Non-Executive Director of the Company on July 28, 2010. Apart from her position with the Company, Ms Feng also serves as a non-executive director of other listed companies including Haier Electronics Group Co., Ltd., the shares of which are listed on the Stock Exchange. She received a Master degree in Business Administration from Harvard Business School in 1996.

Independent Non-Executive Directors

MR LIM SOON HOCK 64, was appointed as an Independent Non-Executive Director of the Company on January 16, 2006 and was last re-elected as a Director on January 28, 2013. Mr Lim is also the Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee and the Remuneration Committee. He has more than 40 years of working experience. More than 30 years were as a board member, CEO, technopreneur and private investor, across a variety of industries in a highly global competitive environment. Mr Lim is the Founder and Managing Director of PLAN-B ICAG, a boutique corporate advisory firm. He continues to sit on the boards of directors of several government agencies, public listed and private companies, as well as not-for-profit organisations. Post Compaq, where he was the Vice President and Managing Director of Compaq Computer Asia Pacific and the 1st Asian appointed to the position, he had been involved in taking companies public, M&As, as well as consulting for several global MNCs and SMEs. Mr Lim holds a Bachelor of Engineering degree with Honours in Electrical Engineering from the University of Singapore, a postgraduate Diploma in Business Administration and Graduate Certificate in International Arbitration from the National University of Singapore. He is a Fellow of the Institution of Engineers Singapore, Institution of Engineering and Technology, UK, Academy of Engineering Singapore, Singapore Computer Society, Singapore Institute of Directors and Singapore Institute of Arbitrators. Mr Lim also served more than 25 years in public service and community service

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

on a voluntary basis, in various appointments and chairmanship capacities. Accolades which he had received include 2014 National Day Public Service Star, 2012 NVPC President's Award for Volunteerism; 2012 IES Outstanding Volunteer Award; 2011 MCYS Outstanding Volunteer Award; 2010 IES-IEEE Joint Medal of Excellence Award; 2010 Honorary Fellow of ASEAN Federation of Engineering Organisations; 2009 National Day Public Service Medal; 2009 NUS Distinguished Alumni Service Award and 1992 NUS Distinguished Engineering Alumni Award. Mr Lim was appointed a Justice of the Peace in May 2008 and is now also a Volunteer Mediator with State Courts.

MR TSE MAN BUN 71, was appointed as an Independent Non-Executive Director of the Company on January 16, 2006 and was last re-elected as a Director on January 27, 2014. Mr Tse is the Chairman of the Nominating Committee and the Corporate Social Responsibility Committee, and a member of the Audit and Risk Management Committee, the Remuneration Committee and the Investment Committee. He was also appointed as the Lead Independent Director of the Company on November 21, 2013. Mr Tse has over 40 years of working experience in the banking industry. He joined The Hongkong and Shanghai Banking Corporation Limited ("HSBC") in 1968 and retired from the bank in December 2002. He is currently an independent non-executive director of Crystal International Limited, HSBC Insurance (Asia) Limited and HSBC Life (International) Limited, both are subsidiaries of HSBC which is listed in Hong Kong, London and New York, and Tysan Holdings Limited which is listed in Hong Kong.

MR TAN NGIAP JOO 69, was appointed as an Independent Non-Executive Director of the Company on January 12, 2009 and was last re-elected as a Director on January 28, 2012. Mr Tan is also the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nominating Committee. He was previously the deputy president of Oversea-Chinese Banking Corporation Limited ("OCBC"), which is listed on the main board of the SGX-ST. In September 2013, Mr Tan was appointed as independent non-executive director of OCBC. Prior to this, Mr Tan was a chief executive officer of Bank of Singapore (Australia) Limited. Presently, he sits on the boards of several listed companies. Mr Tan is the chairman and director of United Engineers Limited, which is listed on the main board of the SGX-ST. He is an independent non-executive director of Mapletree Logistics Trust Management Ltd., which is listed on the main board of the SGX-ST and Tan Chong International Limited, which is listed on the Stock Exchange. Mr Tan holds a Bachelor of Arts degree from the University of Western Australia.

Senior Management

MR JOSÉ MIGUEL TIRADO MELGAR 48, is a general manager of CFG Investment S.A.C. and has been brought in to run our Peru operations. In September 2013, Mr Tirado was appointed as the chief executive officer of Copeinca. He is responsible for the overall management of CFG Investment S.A.C., and supervision of the key managers of CFG Investment S.A.C.. Prior to joining the Group in 2006, Mr Tirado was an independent investor owning fishing vessels, processing plants and a fishing vessel shipyard in Peru. He graduated from Bentley College in Boston, Massachusetts in 1990 with a Bachelor degree in Management.

MR FRANCISCO JAVIER PANIAGUA JARA 44, is a general manager of CFG Investment S.A.C.. Mr Paniagua is responsible for all corporate, legal and regulatory matters relating to our Peruvian operations. Prior to joining the Group in 2006, he was an attorney with Estudio Echecopar and an inhouse counsel with Banco Latino, both in Lima, Peru. Mr Paniagua was also an attorney with Cleary, Gottlieb, Steen & Hamilton in New York. He holds a Bachelor degree in General Studies and a Law degree, both from Pontificia Universidad Catolica del Peru, and a L.L.M. degree from Cornell Law School in Ithaca, New York.

MR EDUARDO JAUREGUI 51, is a Fleet Manager of CFG Investment S.A.C. since December 2007. Mr Jauregui is a Mechanical Engineer from Universidad Católica del Perú and diplomated as Service Manager from Hamburg Marketing Akademie. Mr Jauregui worked for 9 years in Alfa Laval as Manager of Chile and Perú offices. He also worked for 9 years in the Peruvian fishmeal industry as Maintenance Manager in Austral Group.

MR VIDAL SENMACHE BERNARDO SUNI 47, is a production manager of CFG Investment S.A.C.. Mr Bernardo is a Mechanical Engineer from Universidad Católica del Perú. He holds a Master degree in Business Asia and certifications in Business Management and Management Skills at the University of Piura. Mr Bernardo has extensive professional experience in the fisheries sector. He worked for 17 years in Hayduk performing different positions, such as Project Manager, Canning Business Manager, Direct Human Consumption Central Manager, among others. Mr Bernardo last work experience was in Bluewave Marine Peru, multinational company dedicated to the production of aquatic products, where he held the position of General Manager.

MR MUNDACA CALDERON DE LA BARCA JAVIER 55, is a Human Resources Manager of CFG Investment S.A.C.. Mr Javier is a lawyer and graduated in industrial relations from Universidad San Martin de Porres and ontological coach from Universidad Católica del Perú. Before joining the Group, he worked in the Agribusiness, textile and mining sector handling volumes of Personnel between 3 and 12 000 workers. Mr Javier has extensive professional experience in human resource management and industrial relations with labor unions, besides having experience in university teaching. He is currently assuming the position of Human Management Manager in Copeinca.

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended September 28, 2014.

1 Directors

The directors of the Company in office at the date of this report are:

Executive Directors:
Ng Joo Kwee – Executive Chairman
Sung Yu Ching – Managing Director
Ng Joo Siang
Chan Tak Hei

Independent Non-Executive Directors:
Tse Man Bun – Lead Independent Director
Lim Soon Hock
Tan Ngiap Joo

Non-Executive Directors:
Patrick Thomas Siewert
Janine Feng Junyuan (Alternate to Patrick Thomas Siewert)

In accordance with Article 107 of the Company's Articles of Association, Messrs. Sung Yu Ching, Lim Soon Hock and Tan Ngiap Joo are subject to retirement and re-election at the forthcoming Annual General Meeting.

2 Arrangements to Enable Directors to Acquire Benefits by Means of The Acquisition of Shares and Debentures

Neither at the end of the financial year nor at any time during the financial year under review did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 Directors' Interests in Shares and Debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company except as follows:

	Direct		Deemed	
Name of Director and Company in which interests is held	**At September 29, 2013**	**At September 28, 2014**	**At September 29, 2013**	**At September 28, 2014**
The Company	Ordinary shares of US$0.05 each			
Tan Ngiap Joo	42,510	42,510	–	–
Penultimate holding company, Pacific Andes International Holdings Limited	Ordinary shares of HK$0.10 each			
Ng Joo Siang	–	–	4,828,171[a]	4,828,171[a]

[a] These shares are held under the name of the spouse of Ng Joo Siang.

The director's interests in the shares of the Company at October 19, 2014 were the same at September 28, 2014.

REPORT OF THE DIRECTORS

4 Directors' Receipt and Entitlement to Contractual Benefits

Since the beginning of the financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors of the Company received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 Share Options

a. Options to Take Up Unissued Shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

b. Options Exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

c. Unissued Shares Under Option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

6 Share Awards Scheme

The CFGL Share Awards Scheme ("CFGL SAS") in respect of ordinary shares in the Company was approved by the shareholders on April 30, 2007.

The CFGL SAS is administered by the Remuneration Committee, currently comprising Tan Ngiap Joo, Lim Soon Hock and Tse Man Bun.

The Company would at its discretion and on a free-of-charge basis grant shares to participants under the CFGL SAS. The shares will vest only after satisfactory completion of time-based targets and/or time-and-performance-based targets and shall not be more than 10 years from the date of the grant of the shares. Upon vesting, the participants may receive any or a combination of the following:

(a) new ordinary shares credited as fully paid up;

(b) existing shares repurchased from open market; and

(c) cash equivalent value of such shares.

No share awards have been granted under CFGL SAS during the current financial year. As at September 28, 2014, there were no share awards outstanding.

During the current financial year:

(i) no directors or employees of the Company and its subsidiaries has received shares pursuant to the release of awards granted under the CFGL SAS which, in aggregate, represent 5% or more of the aggregate of (a) total number of new shares available under CFGL SAS; and (b) total number of existing shares purchased for delivery of awards released under CFGL SAS; and

(ii) no Common Parent Participants has received 5% or more of the total number of shares available to Common Parent Participants under CFGL SAS.

REPORT OF THE DIRECTORS

6 Share Awards Scheme – continued

Since the commencement of CFGL SAS to the end of the current financial year, 1,221,826 share awards have been granted to Common Parent Participants under CFGL SAS.

The aggregate number of ordinary shares which may be issued under the CFGL SAS shall not exceed 10% of the issued share capital of the Company as at the date of approval of the CFGL SAS by the shareholders.

At no time during the year was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

7 Audit and Risk Management Committee, Nominating Committee and Remuneration Committee

Details of the Company's Audit and Risk Management Committee, Nominating Committee and Remuneration Committee are set out in the Report on Corporate Governance on pages 17 to 27 of the Annual Report.

8 Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On Behalf of the Directors

Sung Yu Ching
Managing Director

Chan Tak Hei
Finance Director

December 27, 2014

STATEMENT OF THE DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 30 to 93 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at September 28, 2014, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

On Behalf of the Directors

Sung Yu Ching
Managing Director

Chan Tak Hei
Finance Director

December 27, 2014

REPORT ON CORPORATE GOVERNANCE

The Board (the "Board") of Directors (the "Directors") is committed to maintaining a high standard of corporate governance within China Fishery Group Limited (the "Company" or "China Fishery") & its subsidiaries (the "Group") and confirms that the Company has adhered to the principles and guidelines as set out in the Code of Corporate Governance 2005 (the "Code") unless otherwise specified.

Board Matters

Principle 1: Board's Conduct of its Affairs

The Board oversees the business affairs of the Company and assumes responsibility for the Group's overall strategic plans, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices.

The Board is supported by the Audit and Risk Management Committee ("ARMC"), the Remuneration Committee ("RC"), the Nominating Committee ("NC"), the Investment Committee ("IC") and the Corporate Social Responsibility Committee ("CSRC").

The Board conducts regular scheduled meetings at least four times a year and meets as and when warranted by particular circumstances between these scheduled meetings. The Company's Articles of Association provide for meetings to be held via telephone and video conferencing.

The Company will formalise orientation programmes for newly-appointed Directors to ensure that they are familiar with the Group's structure, its business and operations. Newly appointed Directors are expected to participate in the orientation programmes, which include meetings with the Chairman/Managing Director and the Finance Director to obtain in-depth knowledge and a better understanding of the Group's business.

The Company has also set aside a training budget for its Directors to attend the relevant courses and seminars. The Directors are provided with updates on changes in the relevant laws and regulations, where appropriate, to enable them to make well-informed decisions and to discharge their duties responsibly.

Board approval is required for matters likely to have a material impact on the Group's operations as well as matters other than in the ordinary course of business.

The Board's principal functions include the review and approval of the following:

- Strategic plans, major investments and divestments as well as funding requirements;
- Budget and performance of the business;
- Financial results announcements;
- Interested persons transactions;
- Dividend payments; and
- Transactions of a material nature requiring announcement under the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Details of Directors' attendance at Board and Board committee meetings held in the financial year ended September 28, 2014 ("FY2014") are summarised in the table below:

	Board	ARMC	RC	NC
Mr Ng Joo Kwee	2	–	–	–
Mr Sung Yu Ching	4	–	–	–
Mr Ng Joo Siang	6	–	–	–
Mr Chan Tak Hei	6	–	–	–
Mr Tse Man Bun	6	4	2	3
Mr Lim Soon Hock	6	4	2	3
Mr Tan Ngiap Joo	6	4	2	3
Mr Patrick Thomas Siewert (alternate: Ms Janine Feng Junyuan)	6	4	–	–
Total held in FY2014	6	4	2	3

REPORT ON CORPORATE GOVERNANCE

Board Matters – continued

Principle 1: Board's Conduct of its Affairs – continued

	IC
Mr Ng Joo Siang	4
Mr Patrick Thomas Siewert	4
Ms Janine Feng Junyuan (alternate to Mr Patrick Thomas Siewert)	1
Mr Tse Man Bun	4
Mr Tan Ngiap Joo (alternate to Mr Tse Man Bun)	4
Total held in FY2014	4

	CSRC
Mr Tse Man Bun	2
Mr Tan Ngiap Joo (alternate to Mr Tse Man Bun)	2
Mr Ng Joo Siang	2
Lt-Gen (Ret) Ng Jui Ping (alternate to Mr Ng Joo Siang)	2
Mr Patrick Thomas Siewert	2
Ms Janine Feng Junyuan (alternate to Mr Patrick Thomas Siewert)	1
Ms Ng Puay Yee	1
Total held in FY2014	2

Principle 2: Board Composition

The Board comprises 8 Directors. The Board is of the view that its current size is appropriate, taking into account the nature and scope of the Group's operations.

As at the date of this report, the Board composition is as follows:

Executive Directors:
Mr Ng Joo Kwee (Executive Chairman)
Mr Sung Yu Ching (Managing Director)
Mr Ng Joo Siang
Mr Chan Tak Hei

Independent Non-Executive Directors:
Mr Tse Man Bun (Lead Independent Director)
Mr Lim Soon Hock
Mr Tan Ngiap Joo

Non-Executive Director:
Mr Patrick Thomas Siewert (alternate: Ms Janine Feng Junyuan)

The NC, which reviews the independence of each Director on an annual basis, adopts the 2012 Code's definition of what constitutes an independent director. The Independent Directors are Mr Tse Man Bun, Mr Lim Soon Hock and Mr Tan Ngiap Joo.

As a group, the Directors bring with them a broad range of expertise and experience in areas such as accounting, finance, business and management experience, industry knowledge, strategic planning, as well as customer-based experience and knowledge. The diversity of the Directors' experience allows for the useful exchange of ideas and views. The profile of Board members is set out in the section entitled 'Profile of Directors and Senior Management' of this Annual Report.

The Non-Executive Directors constructively challenge Management and assist in the development of proposals on strategy. The Non-Executive Directors also review the performance of Management.

REPORT ON CORPORATE GOVERNANCE

Board Matters – continued

Principle 3: Chairman and Managing Director

Mr Ng Joo Kwee is the Executive Chairman of the Company. Mr Ng is one of the founders of the Group and plays a key role in developing the business of the Group and provides the Group with strong leadership and vision. He is responsible for the workings of the Board and ensures the integrity and effectiveness of the governance process of the Board.

The Company's Managing Director ("MD") is Mr Sung Yu Ching, who is responsible for the day-to-day running of the Group.

Mr Ng Joo Siang is an Executive Director of the Company and a founder of Pacific Andes International Holdings Limited ("PAIH") and Pacific Andes Resources Development Limited ("PARD") (collectively, "Pacific Andes Group"), of which PAIH is listed on The Stock Exchange of Hong Kong Limited and PARD is listed on the SGX-ST. Mr Ng is responsible for the overall management of the Company, including implementing major business strategies and co-ordinating the business and operations of both Pacific Andes Group and China Fishery Group and ensuring the quality, quantity and timeliness of information flow between the Board and Management.

There is a clear division of responsibilities between the Chairman and the MD. This ensures a balance of power and authority at the top such that there is no concentration of power in any single individual. The roles of the Chairman and the MD are separate in line with good corporate governance practices. This also ensures increased accountability and provides the Board with greater capacity for independent decision-making.

All major decisions made by the Executive Chairman and the MD are endorsed by the Board. The NC and RC reviews their performance and remuneration packages periodically respectively. The NC and the RC comprise Independent Non-Executive Directors. As such, the Board believes that there are adequate safeguards in place against an unbalanced concentration of power and authority in any single individual.

Lead Independent Director, Mr Tse Man Bun, is available to shareholders should they have concerns for which contact through the Chairman, the MD or the Finance Director is inappropriate.

Principle 4: Board Membership

The Directors who held office in FY2014 and at the date of this report are disclosed on page 2 (Corporate Information) and pages 13 to 15 (Report of the Directors) of this Annual Report respectively. Profiles of Directors as at the date of this report are disclosed on pages 11 and 12 (Profile of Directors and Senior Management) of this Annual Report.

Principle 5: Board Performance

Nominating Committee

The NC, regulated by written terms of reference, comprises 3 members, all of whom are Independent Non-Executive Directors, as follows:

Mr Tse Man Bun (Chairman)
Mr Lim Soon Hock
Mr Tan Ngiap Joo

Mr Tse Man Bun, Chairman of the NC, is an Independent Non-Executive Director and the Lead Independent Director who is not associated with any substantial shareholder of the Company.

REPORT ON CORPORATE GOVERNANCE

Board Matters – continued

Principle 5: Board Performance – continued

Nominating Committee – continued

The terms of reference for the NC had been amended to be in line with the recommendations of the 2012 Code. The principal functions of the NC stipulated in its terms of reference are summarised as follows:

(a) Reviews and makes recommendations to the Board on all Board appointments;

(b) Reviews the Board structure, size and composition and makes recommendations to the Board with regards to any adjustment that are deemed necessary;

(c) Reviews the board succession plans for Directors, in particular, the Chairman and the MD;

(d) Determines the independence of each Director;

(e) Makes recommendations to the Board for the continuation of services by any Director who has reached the age of 70 (seventy) or otherwise;

(f) Assesses the effectiveness of the Board and its Board committees, the performance and contribution of each Director;

(g) Determines whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when the Director has multiple Board representations;

(h) Reviews and recommends newly-appointed Directors (including Alternate Directors, if applicable) and Directors retiring by rotation for re-election at each annual general meeting ("AGM"); and

(i) Reviews training and professional development programmes for the Board.

The NC had reviewed the independence of each Director for the FY2014 in accordance with the 2012 Code's definition of independence and is satisfied that at least one-third of the Board comprises Independent Non-Executive Directors.

The NC had adopted a formal process of evaluating the performance of the Board and the Board Committees as a whole. This process involves the completion of a questionnaire by members. A summary of findings is prepared based on the completed questionnaires and is reviewed and deliberated by the NC and respective Board Committees. The Chairman of the NC confers with the Chairman of the Board on the findings and appropriate follow-up actions are taken as necessary.

A Board performance evaluation was carried out to assess and evaluate amongst other things, the Board's composition, size and expertise, timeliness of Board information, accountability and processes.

Similar performance evaluations had also been conducted for various Board Committees, namely the ARMC, RC, NC, IC and CSRC.

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees, and their time commitment to the affairs of the Company, the NC believes that it would not be necessary to put a maximum limit on the number of listed company board representations and other principal commitments of each Director. However, the NC would continue to review from time to time, their Board representations and other principal commitments to ensure that Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

The NC also has in place a process for the selection and appointment of Directors. The process provides for the identification of prospective candidates, a review of their skills, knowledge and experience and an assessment of the candidates' suitability. Candidates found to be suitable to be appointed are recommended for consideration by the Board.

In accordance with the Company's Articles of Association, each Director retires at least once every three years by rotation and all newly appointed Directors retire at the AGM following their appointments. The retiring Directors are eligible to offer themselves for re-election.

REPORT ON CORPORATE GOVERNANCE

Board Matters – continued

Principle 5: Board Performance – continued

Nominating Committee – continued

The NC had recommended the re-appointment of the following Directors who will be retiring at the forthcoming AGM, following a review of their performance and contributions:

(1) Mr Sung Yu Ching
(2) Mr Tan Ngiap Joo
(3) Mr Lim Soon Hock

The Board had accepted the NC's recommendation and accordingly, the above-named Directors will be offering themselves for re-election.

Principle 6: Access to Information

Directors have independent access to the Group's senior management and Company Secretaries. Directors are provided with complete and adequate information prior to Board meetings and on an ongoing basis.

Company Secretaries provide advice, secretarial support and assistance to the Board and ensure adherence to Board procedures and relevant rules and regulations applicable to the Company. The Company Secretary attends all Board and Board committee meetings.

Directors may seek independent professional advice to fulfill their duties and such cost will be borne by the Company.

Remuneration Matters

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

Remuneration Committee

The RC, regulated by written terms of reference, comprises 3 members, all of whom are Independent Non-Executive Directors, as follows:

Mr Tan Ngiap Joo (Chairman)
Mr Lim Soon Hock
Mr Tse Man Bun

The terms of reference for the RC had been amended to be in line with the recommendations of the 2012 Code. The RC reviews:

(a) the remuneration of the Executive Directors and senior executives of the Group;

(b) the fees for Independent Non-Executive Directors whom are subject to shareholders' approval at the AGM;

(c) the service contracts and terms of employment of the Executive Directors; and

(d) the awards to be granted under the CFGL Share Awards Scheme,

and makes the necessary recommendation to the Board.

For administrative efficiency, the RC has delegated the review of the remuneration of senior executives of the Group to Mr Ng Joo Siang, an Executive Director, but retains its oversight responsibility.

The RC also has access to external professional advice on remuneration matters, if required.

REPORT ON CORPORATE GOVERNANCE

Remuneration Matters – continued

Principle 9: Disclosure on Remuneration – continued

Remuneration Committee – continued

The RC had recommended to the Board an amount of S$150,000 as Directors' fees for the year ending September 28, 2015, to be paid monthly in arrears. The Board will table this recommendation at the forthcoming AGM for shareholders' approval.

Directors' fees payable to the Independent Non-Executive Directors are set in accordance with a remuneration framework and in recognition of their contribution, effort, time spent and responsibilities of the Independent Non-Executive Directors.

The Executive Directors and Mr Patrick Thomas Siewert, a Non-Executive Director, do not receive Directors' fees.

The remuneration for the Executive Directors and senior executives comprises a basic salary plus other fixed allowances and an annual performance bonus tied to individual performance as well as the Group's performance.

Directors' Remuneration

The remuneration of the Directors and the MD are disclosed in bands of S$250,000. Although the disclosure is not in compliance with the recommendation of the 2012 Code, the Board is of the view that given the confidentiality and commercial sensitivity attached to remuneration matters, disclosure in bands of S$250,000 will be provided.

The remuneration paid for FY2014 is set out below:

Name of Director	Salary (%)	Bonus (%)	Director's Fee (%)	Other Benefits (%)	Total (%)
S$750,000 to S$1,000,000					
Mr Chan Tak Hei	56	19	–	25	100
S$500,000 to below S$750,000					
Nil					
S$250,000 to below S$500,000					
Mr Ng Joo Siang	48	16	–	36	100
Mr Ng Joo Kwee	58	19	–	23	100
Below S$250,000					
Mr Sung Yu Ching	89	11	–	–	100
Mr Lim Soon Hock	–	–	100	–	100
Mr Tse Man Bun	–	–	100	–	100
Mr Tan Ngiap Joo	–	–	100	–	100
Mr Patrick Thomas Siewert	–	–	–	–	–

Employees' Remuneration

The annual remuneration paid to each of the top five executives (who are not Directors) is set out below:

Name of Executive	Salary (%)	Bonus (%)	Others Benefits (%)	Total (%)
S$500,000 to below S$750,000				
Nil				
S$250,000 to below S$500,000				
Mr José Miguel Tirado Melgar	100	–	–	100
Mr Francisco Javier Paniagua Jara	100	–	–	100
Below S$250,000				
Mr Eduardo Jauregui	100	–	–	100
Mr Vidal Senmache Bernardo Suni	100	–	–	100
Mr Mundaca Calderon De La Barca Javier	100	–	–	100

REPORT ON CORPORATE GOVERNANCE

Remuneration Matters – continued

Principle 9: Disclosure on Remuneration – continued

Employees' Remuneration – continued

The Executive Directors' and key senior management's remuneration packages are based on service contracts and their remuneration which are determined by having regard to the performance of the Group as well as individuals and market trends. New service agreements or renewals, if any, will be subject to the RC's review to ensure that the terms are fair and for a reasonable period. The existing service agreement provides for termination by the Executive Directors or the Company with not less than 6 months' notice in writing.

With the exception of Mr Ng Joo Siang and Mr Ng Joo Kwee, there were no employees of the Company who are immediate family members of a Director or the Chairman or the MD and whose remuneration exceeded S$50,000 during the financial year under review. Mr Ng Joo Siang, Executive Director, is the brother of Mr Ng Joo Kwee, Executive Chairman.

The Company has in place a Share Awards Scheme (the "Scheme") administrated by the RC.

The Executive Directors, Non-Executive Directors and employees of the Group, except for those who are controlling shareholders or their associates, are eligible to participate in the Scheme. No grants of awards have been made under the Scheme for the financial year under review.

Details of the Scheme are disclosed under Report of the Directors on page 13 of this Annual Report.

Accountability and Audit

Principle 10: Accountability

The Board provides shareholders with a detailed and balanced explanation and an analysis of the Company's performance, financial position and prospects on a quarterly basis in the Group's quarterly and full-year results announcements.

Management provides the Board with financial statements of the Group's performance, position and prospects on a regular basis.

Principle 12: Audit and Risk Management Committee

The ARMC, regulated by written terms of reference, comprises 3 Independent Non-Executive Directors and 1 Non-Executive Director, as follows;

Mr Lim Soon Hock (Chairman)
Mr Tse Man Bun
Mr Tan Ngiap Joo
Mr Patrick Thomas Siewert

The Board is of the view that the ARMC members have adequate accounting or related financial management expertise and experience to discharge the ARMC's functions.

The ARMC meets at least four times a year and as and when deemed appropriate, to carry out its functions.

The ARMC has full access to and receives the co-operation of Management. The ARMC also has full discretion to invite any Director or executive officer to attend its meetings and has been given adequate resources to enable it to discharge its functions.

REPORT ON CORPORATE GOVERNANCE

Accountability and Audit – continued

Principle 12: Audit and Risk Management Committee – continued

The terms of reference for the ARMC had been amended to be in line with the recommendations of the 2012 Code. The ARMC performs the following functions:

- Reviews the annual and quarterly financial statements of the Company and the Group before submission to the Board for approval;
- Reviews with the external and internal auditors, their audit plans, evaluation of the system of internal controls, audit reports and management letter and management's response;
- Reviews and discusses with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;
- Reviews the adequacy and effectiveness of the Company's risk management and material internal controls, including financial, operational and compliance controls, and risk management via reviews carried out by the internal auditors;
- Reviews the cooperation given by Management to the external and internal auditors;
- Reviews and nominates the appointment or re-appointment of the external auditors;
- Reviews the scope and findings of the internal audit procedures including the effectiveness of the Company's internal audit function;
- Reviews interested person transactions, if any;
- Reviews the independence of the external auditors annually; and
- Reviews hedging policies of the Company for bunker costs and foreign exchange, if any.

The Company has adopted a whistle blowing policy. The scope of this policy has been extended to external parties as recommended by the 2012 Code. Under this policy, the ARMC reviews arrangement by which staff and external parties may, in confidence, report possible improprieties in a responsible and effective manner. The whistle blowing policy is also available on the Company's website at www.chinafisherygroup.com to facilitate participation by external parties. The objective for such arrangements is to ensure independent investigation of matters raised and allow appropriate actions to be taken.

The ARMC had reviewed the non-audit services provided by the external auditors, Deloitte & Touche LLP, and is of the opinion that the provision of such services does not affect their independence.

The ARMC meets with the external and internal auditors without the presence of Management on a quarterly basis. The Group has an in-house internal audit function.

The ARMC had recommended the re-appointment of Deloitte & Touche LLP as the Company's auditors at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of Deloitte & Touche LLP as the external auditors of the Company and its subsidiaries.

The Board has received assurance from the CEO and CFO (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) regarding the effectiveness of the Company's risk management and internal control systems.

REPORT ON CORPORATE GOVERNANCE

Accountability and Audit – continued

Principle 11: Internal Controls

Principle 13: Internal Audit ("IA")

The Board ensures that Management maintains a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The ARMC reviews the adequacy of financial, operational, compliance and information technology controls and risk management policies.

The ARMC is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interest and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and management of business risks.

Management regularly reviews and improves its business and operational activities to identify areas of significant business risks and takes appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the ARMC and the Board. The Group's financial risk management objectives and policies are outlined in the financial statements. Management is aware that risk management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, Management can make more informed decisions and benefit from a better balance between risks and rewards. This helps to protect and also create shareholders' value.

The Company has an IA function which reports directly to the ARMC. The internal auditor has adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The ARMC, on an annual basis, assesses the adequacy and effectiveness of the IA function by examining the scope of the internal audit work, the independence of areas reviewed and the internal audit reports on the state of the Group's internal controls.

The ARMC is satisfied that the IA function is adequately resourced and has the appropriate standing within the Company to undertake its activities independently and objectively.

The Internal Auditors perform detailed work to assist the ARMC in the evaluation of the Group's financial, operational, compliance and information technology controls based on an internal audit plan approved by the ARMC. Any material non-compliance or weakness noted in internal controls, including recommendations for improvements, are reported to the ARMC. The ARMC also reviews the effectiveness of actions taken by Management in response to recommendations made by the Internal Auditors.

In addition to the work performed by the Internal Auditors, the External Auditors also perform tests of certain controls relevant to the preparation of the Group's financial statements. The External Auditors report any significant deficiencies of such internal controls to the ARMC.

The Group had implemented an Enterprise Risk Management framework, which enables the identification, assessment, management and monitoring of key risks and controls of the Group's business.

Based on the internal controls established and maintained by the Group, work performed by the Internal and External auditors, and reviews performed by Management, various Board Committees and the Board; the Board with the concurrence of the ARMC, is of the opinion that the internal controls and risk management systems in place are adequate in addressing the Group's financial, operational, compliance and information technology risks in its current business environment.

REPORT ON CORPORATE GOVERNANCE

Shareholder Rights and Responsibilities

Principle 14: Shareholders Rights
Principle 15: Communication with Shareholder
Principle 16: Conduct of Shareholder Meetings

In line with continuous disclosure obligations, the Company is committed to regular and proactive communication with its shareholders. It is the Board's policy that shareholders are informed of all major developments within the Group.

Information is communicated to shareholders on a timely basis through:

(a) Announcements and press releases made via SGXNET on major developments of the Group;

(b) Financial statements containing a summary of the financial information and affairs of the Group for the respective quarters and full-year which are released via SGXNET;

(c) Annual reports sent to all shareholders; and

(d) Notices of annual general meetings and extraordinary general meetings together with the respective explanatory notes.

At the AGM, shareholders are given opportunities to communicate their views on matters pertaining to the Group and to participate in the meeting. Issues seeking approval of shareholders, if any, are tabled as separate resolutions.

The Chairpersons of all the Board Committees as well as the external auditors will be available at the forthcoming AGM to address any queries raised by shareholders.

Dividends

The Company did not propose dividends for FY2014 as to enable the Company to conserve cash for redemption of the Copeinca Senior Notes.

Investment Committee

The IC's primary function is to evaluate all investments in excess of US$20 million proposed to the Group.

The IC, regulated by written terms of reference, comprises 3 members, a majority of whom are Non-Executive Directors, as follows:

Mr Ng Joo Siang (Chairman)
Mr Patrick Thomas Siewert
Ms Janine Feng Junyuan (alternate to Mr Patrick Thomas Siewert)
Mr Tse Man Bun
Mr Tan Ngiap Joo (alternate to Mr Tse Man Bun)

Corporate Social Responsibility Committee

The CSRC, regulated by written terms of reference, comprises the following members:

Mr Tse Man Bun (Chairman)
Mr Ng Joo Siang
Mr Patrick Thomas Siewert
Ms Ng Puay Yee – executive director of PAIH
Mr Tan Ngiap Joo (alternate to Mr Tse Man Bun)
Lt-Gen (Ret) Ng Jui Ping (alternate to Mr Ng Joo Siang)
Ms Janine Feng Junyuan (alternate to Mr Patrick Thomas Siewert)

Note: The Company is an indirect non-wholly owned subsidiary of PAIH.

The CSRC's key objective is to monitor and evaluate corporate social responsibility matters (including but without limitation to fishery sustainability, environmental compliance and food safety) arising from the business and operations of the Group.

The CSRC met two times in FY2014 to carry out its function. A report on corporate social responsibility is included in this Annual Report on page 28.

REPORT ON CORPORATE GOVERNANCE

Securities Transactions

The Company has adopted an internal code governing dealings in securities by Directors and key officers of the Group. This code provides guidance on dealings in the Company's securities. Directors and key officers of the Group are required to comply with this code.

Directors and key officers have been informed not to deal in the Company's securities at all times whilst in possession of unpublished price sensitive information and during the periods commencing at least one month and 14 days prior to the announcement of the Company's results for the full-year and for the three quarters respectively.

Directors and key officers are also encouraged not to deal in the Company's securities on short-term considerations.

The Company has complied with its Best Practices Guide on Securities Transactions.

Interested Person Transactions

The Company has adopted procedures for the identification, approval and monitoring of interested person transactions. All interested person transactions are subject to review by the ARMC.

There were no interested person transactions in FY2014 undertaken pursuant to the shareholders' general mandate under Rule 920 of the Listing Manual of the SGX-ST obtained at the AGM.

Material Contracts

Except for the service agreements entered into with Mr Ng Joo Kwee, Mr Sung Yu Ching, Mr Ng Joo Siang and Mr Chan Tak Hei, no material contract involving the interests of any Director or controlling shareholders of the Company has been entered into by the Company or any of its subsidiaries in FY2014.

CORPORATE SOCIAL RESPONSIBILITY

China Fishery remains committed to offering a responsibly-derived range of quality seafood products. In late 2013 parent company Pacific Andes Group embarked on two important processes: it established Vision, Mission and Values which will be reflected across the Group and it revised the risk management approach at Group level.

The Board-level Corporate Social Responsibility Committee continued its oversight to uphold the Company's commitment to address the business, social and sustainability concerns associated with international fishing and fish processing. Dr. Keith Sainsbury, a marine ecologist with a wealth of expertise and research on the assessment, ecology and conservation of marine resources and ecosystems, continued to provide advisory services to the Committee.

Risk management

To ensure an acceptable balance between risk and return, the risk management approach at Group level was refined. Based on ISO31000, the internationally recognised standard for Enterprise Risk Management, the risk assessment process and risk matrix were simplified. This allows the Group to identify, assess and mitigate risks more effectively through a cross functional approach. A Risk Management Committee at head office was established to carry out a Group-wide Enterprise Risk Assessment at least annually and more often if necessitated by changes in the business environment.

Atlantic Pacific Fishing

China Fishery's subsidiary in Namibia, Atlantic Pacific Fishing Company (Pty) Limited, continued to successfully harvest horse mackerel in partnership with three local Namibian consortium groups holding horse mackerel fishing rights. In line with the national policy of 'Namibianisation' in the fishing sector, the joint venture structure lays the foundation for transferring knowledge to the local industry. We appointed a Namibian general manager with significant knowledge of the Namibian fishing industry and we embarked on a comprehensive training program for Namibian crew members enabling them to work in the bridge, engine room and deck positions. We will appoint Cadets as understudies in need of seagoing experience who have the potential to be up-skilled to higher positions over time.

Pacific Andes Group completed a stakeholder engagement exercise, working with a local Namibian consultant and fisheries expert. 17 stakeholder representatives from the Ministry of Fisheries and Marine Resources and other government departments, trade unions, non-governmental organisations, community groups, joint venture shareholders and the media provided feedback on operations in Namibia in terms of expectations on corporate governance, social and environmental issues. This will assist local management in the development of an effective business strategy and help to prioritise and develop measures to meet key stakeholders' expectations and concerns.

Group-wide sustainability platform

In order to ensure a robust system for environmental data collection and management at Group level, parent company Pacific Andes Group launched a web-based platform in 2013. This online platform is used to capture all relevant environmental data across operations, to set targets and key performance indicators, and reduce environmental impacts. It has enabled the Group to measure its global carbon footprint and participate in the Hong Kong Government Carbon Footprint Repository for the first time. As the platform continues to develop, Pacific Andes Group will be able to perform more sophisticated data analysis, regular reporting and target setting at Group and regional levels.

APEC Policy Partnership on Food Security

Pacific Andes Group continued active participation in 2014 on APEC's Policy Partnership on Food Security, an initiative that brings private sector knowledge and resources to APEC governments to ensure sustainable fisheries and food security by 2020. In February 2014 we became one of the Co-Chairs of the Working Group 2: "Sustainable Development of Agriculture and Fisheries Sectors" under PPFS. As the only direct fishing and fish processing company on the policy group, we have an important role to play in driving the sustainable fisheries and aquaculture agendas.

Fishing for a Future

In October 2013, Mr Ng Joo Siang attended the Fishing for a Future global dialogue in Italy. The dialogue brought together leaders in the field of global fisheries and aquaculture to review the urgent need to develop strategies and alignment on meeting the vast demand-supply gap for fish protein in the years to come. This meeting was instrumental in initiating internal thinking on this issue to better understand the future role we can play.

Sustainability report

The Group's second Sustainability Report 'Responsible seafood – from global to local' was published in July 2014. In line with the theme, the Report is structured around two core sections, namely a Global section and a Local section outlining each country's operation. The report meets the Global Reporting Initiative (GRI)'s A+ level of reporting, the highest level available. Selected quantitative data of the report was independently assured by Deloitte Touche Tohmatsu, Hong Kong. Pacific Andes Group will continue to produce a stand-alone Sustainability Report every two years.

Deloitte.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHINA FISHERY GROUP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of China Fishery Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at September 28, 2014, and the consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 93.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at September 28, 2014 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

December 27, 2014

STATEMENTS OF FINANCIAL POSITION

September 28, 2014

	Note	Group		Company	
		2014	2013	**2014**	2013
		US$'000	US$'000 (Restated)	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents	7	**129,086**	74,576	**104**	141
Trade receivables	8	**144,757**	141,475	**–**	–
Other receivables and prepayments	9	**226,304**	155,055	**71**	1,462
Derivative financial instruments	22	**139**	–	**–**	–
Advances to Suppliers	12	**40,500**	40,500	**–**	–
Prepaid income tax		**7,237**	12,758	**–**	–
Deferred expenses	10	**41,598**	32,935	**–**	–
Inventories	11	**158,404**	98,193	**–**	–
Receivable from/prepayment to Suppliers – current portion	12	**109,000**	26,298	**–**	–
Total current assets		**857,025**	581,790	**175**	1,603
Non-current assets					
Receivable from/prepayment to Suppliers	12	**21,525**	229,092	**–**	–
Property, plant and equipment	13	**602,655**	635,901	**–**	–
Investment property	14	**3,385**	3,218	**–**	–
Goodwill	15	**95,721**	95,721	**–**	–
Fishing and plant permits	16	**1,222,670**	1,222,670	**–**	–
Associate	17	**4,629**	–	**–**	–
Subsidiaries	18	**–**	–	**672,844**	674,417
Held-to-maturity financial asset	19	**–**	–	**3,060**	3,060
Total non-current assets		**1,950,585**	2,186,602	**675,904**	677,477
Total assets		**2,807,610**	2,768,392	**676,079**	679,080

STATEMENTS OF FINANCIAL POSITION

September 28, 2014

	Note	Group		Company	
		2014	2013	**2014**	2013
		US$'000	US$'000	**US$'000**	US$'000
			(Restated)		
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	20	**16,599**	17,879	**–**	–
Other payables and accrued expenses	21	**27,456**	15,122	**606**	1,589
Derivative financial instruments	22	**–**	1,895	**–**	–
Income tax payable		**10,076**	2,828	**–**	–
Financial guarantee contract		**–**	–	**4,068**	4,068
Current portion of finance leases	24	**–**	3,866	**–**	–
Current portion of bank loans	25	**303,607**	538,248	**–**	–
Total current liabilities		**357,738**	579,838	**4,674**	5,657
Non-current liabilities					
Financial guarantee contract		**–**	–	**15,127**	19,098
Long term payables	23	**24,869**	35,316	**–**	–
Finance leases	24	**–**	470	**–**	–
Bank loans	25	**376,370**	137,667	**–**	–
Senior notes	26	**532,136**	530,785	**–**	–
Deferred tax liabilities	27	**307,469**	316,514	**–**	–
Total non-current liabilities		**1,240,844**	1,020,752	**15,127**	19,098
Capital and reserves					
Share capital	28	**102,318**	102,318	**102,318**	102,318
Share premium		**517,951**	521,382	**517,951**	521,382
Warrants reserve	29	**3,431**	–	**3,431**	–
Other reserve		**855**	–	**–**	–
Foreign currency translation reserve	29	**3,835**	3,835	**–**	
Revaluation reserve	29	**7,879**	7,053	**–**	–
Merger reserve	29	**(30,503)**	(30,503)	**–**	–
Retained earnings		**601,082**	555,297	**32,578**	30,625
Attributable to owners of the Company		**1,206,848**	1,159,382	**656,278**	654,325
Non-controlling interests		**2,180**	8,420	**–**	–
Net equity		**1,209,028**	1,167,802	**656,278**	654,325
Total liabilities and equity		**2,807,610**	2,768,392	**676,079**	679,080

See accompanying notes to the financial statements.

CONSOLIDATED INCOME STATEMENT

Year ended September 28, 2014

	Note	Group 2014 US$'000	2013 US$'000 (Restated)
Revenue	30 & 31	**630,835**	555,014
Cost of sales		**(271,320)**	(271,478)
Vessel operating costs		**(149,529)**	(137,534)
Gross profit		**209,986**	146,002
Other operating income	32	**14,953**	89,739
Selling expenses		**(27,311)**	(25,534)
Administrative expenses		**(24,710)**	(18,875)
Other operating expenses		**(15,900)**	(69,709)
Finance costs	33	**(78,932)**	(50,567)
Profit before income tax		**78,086**	71,056
Income tax (expense) benefit	34	**(14,408)**	7,303
Profit for the year	35	**63,678**	78,359
Profit attributable to:			
Owners of the Company		**61,928**	77,720
Non-controlling interests		**1,750**	639
		63,678	78,359

	Note	Group 2014	2013 (Restated)
Earnings per share	36		
Basic earnings per share (US cents)		**3.03**	4.95
Diluted earnings per share (US cents)		**3.03**	4.95

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended September 28, 2014

	Note	Group 2014 US$'000	2013 US$'000 (Restated)
Profit for the year	35	**63,678**	78,359
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties		**826**	447
Items that may be reclassified subsequently to profit or loss			
Fair value change of available-for-sale investments		**–**	16,094
Reclassification adjustment transfer to profit or loss upon derecognition of available-for-sale investments		**–**	(16,094)
Exchange difference on translation of the Group's overseas operation		**(6)**	3,870
Other comprehensive income for the year, net of tax		**820**	4,317
Total comprehensive income for the year		**64,498**	82,676
Total comprehensive income attributable to:			
Owners of the Company		**62,754**	82,002
Non-controlling interests		**1,744**	674
		64,498	82,676

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended September 28, 2014

	Share capital US$'000	Share premium US$'000	Warrants reserve US$'000	Other reserve US$'000	Foreign currency translation reserve US$'000	Revaluation reserve US$'000	Merger reserve US$'000	Retained earnings US$'000	Attributable to owner of Company US$'000	Non–controlling interests US$'000	Total US$'000
Group											
Balance at September 29, 2012	51,159	282,239	12,714	–	–	6,606	(30,503)	493,289	815,504	–	815,504
Total comprehensive income for the year (restated)	–	–	–	–	3,835	447	–	77,720	82,002	674	82,676
Non-controlling interests arising from acquisition of subsidiary (Note 38)	–	–	–	–	–	–	–	–	–	7,746	7,746
Expiry of warrants	–	12,714	(12,714)	–	–	–	–	–	–	–	–
Issue of shares on exercise of rights issue	51,159	230,526	–	–	–	–	–	–	281,685	–	281,685
Share issue expenses	–	(4,097)	–	–	–	–	–	–	(4,097)	–	(4,097)
Final dividend of 1.90 Singapore cents per ordinary share in respect of financial year 2012 (Note 37)	–	–	–	–	–	–	–	(15,712)	(15,712)	–	(15,712)
Balance at September 28, 2013 (restated)	102,318	521,382	–	–	3,835	7,053	(30,503)	555,297	1,159,382	8,420	1,167,802
Total comprehensive income for the year	–	–	–	–	–	826	–	61,928	62,754	1,744	64,498
Issue of warrants (Note 29)	–	(3,431)	3,431	–	–	–	–	–	–	–	–
Non-controlling interests arising from acquisition of additional interest in subsidiary	–	–	–	855	–	–	–	–	855	(7,984)	(7,129)
Final dividend of 1.0 Singapore cent per ordinary share in respect of financial year 2013 (Note 37)	–	–	–	–	–	–	–	(16,143)	(16,143)	–	(16,143)
Balance at September 28, 2014	102,318	517,951	3,431	855	3,835	7,879	(30,503)	601,082	1,206,848	2,180	1,209,028

STATEMENTS OF CHANGES IN EQUITY

Year ended September 28, 2014

	Share capital US$'000	Share premium US$'000	Warrants reserve US$'000	Retained earnings US$'000	Total US$'000
Company					
Balance at September 29, 2012	51,159	282,239	12,714	41,145	387,257
Total comprehensive income for the year	–	–	–	5,192	5,192
Expiry of warrants	–	12,714	(12,714)	–	–
Issue of shares on exercise of rights issue	51,159	230,526	–	–	281,685
Share issue expenses	–	(4,097)	–	–	(4,097)
Final dividend of 1.90 Singapore cents per ordinary share in respect of financial year 2012 (Note 37)	–	–	–	(15,712)	(15,712)
Balance at September 28, 2013	102,318	521,382	–	30,625	654,325
Total comprehensive income for the year	–	–	–	18,096	18,096
Issue of warrants (Note 29)	–	(3,431)	3,431	–	–
Final dividend of 1.0 Singapore cent per ordinary share in respect of financial year 2013 (Note 37)	–	–	–	(16,143)	(16,143)
Balance at September 28, 2014	102,318	517,951	3,431	32,578	656,278

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended September 28, 2014

	Note	Group 2014 US$'000	Group 2013 US$'000 (Restated)
Operating activities			
Profit before income tax		**78,086**	71,056
Adjustments for:			
Amortisation of prepayment to Suppliers	35	**13,865**	30,466
Amortisation of senior notes issuing expenses	35	**1,351**	1,523
Depreciation of property, plant and equipment	35	**77,112**	96,131
Fair value (gain) loss on investment property	14	**(167)**	102
Impairment loss on property, plant and equipment	35	**2,160**	44,918
Gain on disposal of property, plant and equipment	32	**(710)**	(413)
Interest expense		**77,581**	49,044
Interest income	32	**(19)**	(86)
Fair value gain on available-for-sale investments	32	**–**	(16,094)
Gain on bargain purchase on acquisition of subsidiary	38(c)	**–**	(57,510)
Statutory employees profit share	21(a)	**3,973**	282
Provision for claims	23(a)	**3,407**	1,379
Operating cash flows before movements in working capital		**256,639**	220,798
Trade receivables		**(3,282)**	27,612
Other receivables and prepayments		**(75,878)**	48,204
Deferred expenses		**(8,663)**	(7,248)
Inventories		**(60,211)**	32,572
Trade payables		**(1,280)**	(6,662)
Other payables and accrued expenses and long term payables		**(6,195)**	8,699
Derivative financial instruments		**(2,034)**	(616)
Cash generated from operations		**99,096**	323,359
Interest paid		**(76,885)**	(46,164)
Income tax paid		**(10,684)**	(8,812)
Net cash from operating activities		**11,527**	268,383

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended September 28, 2014

	Note	Group 2014 US$'000	2013 US$'000 (Restated)
Investing activities			
Purchase of property, plant and equipment (Note A)		**(54,952)**	(13,979)
Acquisition of assets	39	**–**	(2,500)
Refund (additions) of prepayment to Suppliers		**111,000**	(150,000)
Proceeds from disposal of property, plant and equipment (Note A)		**10,462**	413
Net cash outflows on acquisition of subsidiary	38(d)	**–**	(720,469)
Interest received		**19**	86
Net cash from (used in) investing activities		**66,529**	(886,449)
Financing activities			
Acquisition of additional interest in subsidiary (Note B)		**(7,129)**	–
Additions of bank loans		**550,000**	448,229
Repayment of bank loans		**(561,595)**	(60,179)
Additions (repayment) of working capital loans		**15,657**	(4,910)
Net proceeds from rights issue		**–**	277,588
Repayment of obligations under finance leases		**(4,336)**	(3,789)
Dividends paid		**(16,143)**	(15,712)
Net cash (used in) from financing activities		**(23,546)**	641,227
Net increase in cash and cash equivalents		**54,510**	23,161
Cash and cash equivalents at beginning of year		**74,576**	51,415
Cash and cash equivalents at end of year		**129,086**	74,576
Cash and cash equivalents consist of:			
Cash at banks	7	**128,613**	53,201
Cash on hand	7	**473**	566
Short term deposits	7	**–**	20,809
		129,086	74,576

Note to consolidated statement of cash flows

A) During the year, the Group acquired property, plant and equipment with an aggregate cost of US$83,991,000 (2013: US$13,979,000) of which US$54,952,000 (2013: US$13,979,000) was paid in cash and US$29,039,000 (2013: US$Nil) was acquired through trade-in of certain assets with net book values amounting to US$29,039,000 (2013: US$Nil).

B) During the year, the Group carried out a compulsory acquisition of all remaining shares in Copeinca AS ("Copeinca") for a consideration of US$7,129,000 pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act. As a result, the Group has assumed ownership of all shares in Copeinca.

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

1 General

The Company is incorporated in Cayman Islands with its principal place of business is at Room 3312-3314, Hong Kong Plaza, 188 Connaught Road West, Hong Kong and registered office at Clifton House, 75 Fort Street, P.O. Box 1350 GT, Grand Cayman, KY1-1108, Cayman Islands. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in United States dollars and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 18 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended September 28, 2014 were authorised for issue by the Board of Directors on December 27, 2014.

2 Summary of Significant Accounting Policies

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the Singapore Financial Reporting Standards ("FRS").

The financial statements are also prepared in accordance with International Financial Reporting Standards. There are no material differences between the preparation of financial statements in Singapore Financial Reporting Standards and International Financial Reporting Standards that are applicable to the Group and Company.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On September 29, 2013, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

FRS 113 *Fair Value Measurement*

The Group has applied FRS 113 for the first time in the current year. FRS 113 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of FRS 113 apply to both financial instrument items and non-financial assets for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

FRS 113 *Fair Value Measurement* – continued

FRS 113 includes extensive disclosure requirements, although specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. Consequently the Group has not made any new disclosures required by FRS 113 for the comparative period.

Other than the additional disclosures, the application of FRS 113 has not had any material impact on the amounts recognised in the financial statements.

Amendments to FRS 107 *Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to FRS 107 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to FRS 107 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. The Group has presented the effects of its offsetting arrangements in Note 4(b) to the financial statements. Aside from the additional disclosures, the application of the amendments has had no material impact on the amounts recognised in the consolidated financial statements.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 27 (Revised) *Separate Financial Statements*
- FRS 110 *Consolidated Financial Statements*
- FRS 112 *Disclosure of Interests in Other Entities*
- Amendments to FRS 32 *Financial Instruments: Presentation*
- Amendments to FRS 36 *Impairment of Assets*
- Amendments to FRS 110 *Consolidated Financial Statements – Investment Entities*
- FRS 110, FRS 111, FRS 112 *Transition Guidance*
- Improvements to Financial Reporting Standards (January 2014)
- Improvements to Financial Reporting Standards (February 2014)

Consequential amendments were also made to various standards as a result of these new/revised standards.

FRS 110 *Consolidated Financial Statements and FRS 27 Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 *Consolidation – Special Purpose Entities*.

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after January 1, 2014, with retrospective application subject to transitional provisions.

When the Group adopts FRS 110, entities it currently consolidates may not qualify for consolidation, and entities it currently does not consolidate may qualify for consolidation. The Group is currently estimating the effects of FRS 110 on its investments in the period of initial adoption.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after January 1, 2014, and the Group is currently estimating the extent of additional disclosures needed.

Amendments to FRS 32 *Financial Instruments: Presentation*

The amendments to FRS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments to FRS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required.

Management is still evaluating the impact of the amendments to FRS 32 on the financial assets and liabilities that have been set-off on the statement of financial position.

Amendments to FRS 36 *Impairment of Assets*

The amendments to FRS 36 restrict the requirement to disclose the recoverable amount of an asset or cash generating unit ("CGU") to periods in which an impairment loss has been recognised or reversed. The amendments also expand and clarify the disclosure requirements applicable when such asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal, such as the level of 'fair value hierarchy' within which the fair value measurement of the asset or CGU has been determined, and where the fair value measurements are at Level 2 or 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique, key assumptions used including discount rate(s) used.

Upon adoption of the amendments to FRS 36, the Group expects additional disclosures arising from any asset impairment loss or reversals, and where their respective recoverable amounts are determined based on fair value less costs of disposal.

Management anticipates that the adoption of the above FRSs, amendments to FRSs and improvements to FRSs issued but not effective at the date of authorisation of these financial statements in future periods will not have material impact on the financial statement of the Group and of the Company in the period of their initial adoption except as discussed above.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

In the Company's financial statements, investments in subsidiaries and associate are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

COMMON CONTROL BUSINESS COMBINATION OUTSIDE THE SCOPE OF FRS 103 – A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The restructuring exercise in 2005 resulted in a business combination involving common control entities, and accordingly the accounting treatment is outside the scope of FRS 103 *Business Combinations*. For such common control business combinations, merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements.

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the consolidated financial statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

BASIS OF CONSOLIDATION – continued

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the financial statements of the constituent entities prior to the common control combination. The carrying amounts are included as if consolidated financial statements had been prepared by the controlling party, including adjustments required for conforming the combined entity's accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements of the combined entity.

Merger reserve represents the difference between the nominal amount of the share capital of the combining entities at the date on which it was acquired by the Group and the nominal amount of the share capital issued as consideration for the acquisition.

COMMON CONTROL BUSINESS COMBINATIONS WITHIN THE SCOPE OF FRS 103 – Where there is no common control prior to acquisition, the acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits respectively*;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

COMMON CONTROL BUSINESS COMBINATIONS WITHIN THE SCOPE OF FRS 103 – continued

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

ASSOCIATES – An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial Assets

Cash and Cash Equivalents in the Statement of Cash Flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and balances with banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Loans and Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

Financial Assets – continued

Held-to-Maturity Investments

Securities with fixed or determinable payments and fixed maturity dates where the Group has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

Financial Liabilities and Equity Instruments – continued

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables when the recognition of interest would be immaterial.

Interest-bearing bank loans and senior notes are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount of obligation under the contract recognised as a provision and the amount initially recognised less, when appropriate, cumulative amortisation. The amount amortised on a straight-line basis over the period of the guarantee is the deemed guarantee income for the issuer.

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative Financial Instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in Note 22 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Offsetting Arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company and the group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as Lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

Financial Liabilities and Equity Instruments – continued

The Group as Lessee – continued

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

DEFERRED EXPENSES – Expenses incurred in catching fish and other marine catches during voyages are deferred in the statement of financial position and released to profit or loss as expenses when the fish and marine catches are sold and revenue is recognised for the sale. Expenses on each voyage are deferred to the extent that there is reasonable probability of recovery from sale of fish and other marine catches from that voyage. When it is probable that the costs incurred or to be incurred on a voyage will exceed the estimated value of the catches, the expected loss is recognised as an expense in profit or loss immediately.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of processing and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT – Leasehold buildings held for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Property in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings is charged to profit or loss. On subsequent sale or retirement of a revalued building, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained earnings.

Property, plant and equipment with the exception of leasehold building are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method on the following bases:

Freehold buildings	–	33 years
Leasehold buildings	–	25 years upon every revaluation or the lease term, if shorter
Processing vessel	–	20 years
Fishing vessels	–	10 to 17 years
Fishing nets	–	4 years
Plant and machinery	–	2 to 10 years
Vehicles	–	20 years
Furniture, fittings and office equipment	–	4 to 10 years

Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

PROPERTY, PLANT AND EQUIPMENT – continued

Fully depreciated assets still in use are retained in the financial statements.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

GOODWILL – Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible Assets

Intangible Assets Acquired Separately

Intangible assets acquired separately are reported at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Prepayment to Suppliers

This represents future payment for supply of fishery products under the long term supply agreements which have been prepaid or contractually agreed to be prepaid. They are amortised and charged to profit or loss as cost of sales pro ratably over the period for which the prepayment is made and the benefits are expected to accrue.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

Intangible Assets – continued

Prepayment to Suppliers – continued

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL – At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of Fish and Marine Related Products

Revenue from the sale of fishes and related products are recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

Ocean Freight Income

Ocean freight income is recognised when the shipping and freight services are rendered.

Rental Income

Rental income is recognised on a straight-line basis over the term of the relevant lease.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYMENT LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associate except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

INCOME TAX – continued

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences which relate to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation accumulated in a separate component of equity, shall be reclassified from equity to income statement (as a reclassification adjustment) when the gain or loss on disposal is recognised.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) are recognised in other comprehensive income and accumulated in foreign currency translation reserves (attributed to minority interest, as appropriate).

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

2 Summary of Significant Accounting Policies – continued

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – continued

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

SEGMENT REPORTING – An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is internally provided to the Group's chief operating decision maker and the Board. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker and the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical Judgements in Applying the Group's Accounting Policies

Management did not make any material judgements that have a significant effect on the amounts recognised in the financial statements except for those affecting accounting estimates as disclosed in Note 3(ii).

(ii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Carrying Amounts of Balance with Suppliers

As at September 28, 2014, the carrying amounts of balances with Suppliers (Note 12) was US$272,311,000 (2013: US$398,645,000). The Group makes allowance for bad and doubtful debts based on an assessment of the recoverability of the balances with Suppliers. Allowances are applied to prepayment and advances to Suppliers where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of balances with Suppliers and doubtful debts expenses in the period in which such estimate has been changed.

The carrying amounts of balances with Suppliers at the end of the reporting period as disclosed in Notes 9 and 12 respectively, approximate their recoverable amounts.

Useful Lives of Property, Plant and Equipment

The carrying amounts of property, plant and equipment amounting to US$602,655,000 (2013: US$635,901,000) have been determined after charging depreciation on a straight-line basis over the estimated useful lives of these assets.

Components of these carrying amounts are detailed in Note 13.

Management reviews the estimated useful lives of these assets at the end of each annual reporting period and has determined that the useful lives as stated in Note 2 remain appropriate.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty – continued

Impairment of Property, Plant and Equipment Excluding Processing and Fishing Vessels

The Group assesses annually whether property, plant and equipment excluding processing and fishing vessels have any indication of impairment in accordance with the accounting policy. If there is indication of impairment, the recoverable amounts of property, plant and equipment are determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Management has carried out a review on the recoverable amount of the property, plant and equipment based on their value-in-use as disclosed in Note 13. The assessment has led to the recognition of impairment loss of US$2,160,000 (2013: US$4,847,000) for Peruvian operations in current year.

Carrying Amounts of Processing and Fishing Vessels and Fishing and Plant Permits

The carrying amounts of processing and fishing vessels (in-use and construction-in-progress) and fishing and plant permits was US$276,240,000 and US$1,222,670,000 respectively, as at September 28, 2014 (2013: US$264,381,000 and US$1,222,670,000, respectively). Determining whether the carrying amounts of these assets can be realised requires an estimation of the value in use of the cash-generating units and a suitable discount rate in order to calculate present value. Management has evaluated these projections using assumptions on catch quantities, prices of catch and operating costs after considering efficiencies that can be achieved when the operations become part of the Group's larger operations. The fishing system in Peru is quota system which entitles fishing companies holding valid licensed fishing vessels to a share of fishing quotas determined by the authorities. Management has evaluated the impact of the quota allocation under the quota system and included such consideration in the estimation of the value in use.

Management has carried out a review on the recoverable amounts of the processing and fishing vessels and fishing and plant permits based on their value-in-use as disclosed in Note 13. The assessment has led to the recognition of impairment loss of US$35,000,000 and US$5,071,000 for processing vessel and certain fishing vessels respectively in 2013.

Carrying Amount of Goodwill

Information relating to the carrying amount and management's assessment of goodwill is provided in Note 15. Based on the assessment as noted in Note 15, management expects the carrying amount of goodwill to be recoverable and there is no impairment in value of the goodwill.

Impairment of Investments in Subsidiaries

Management has carried out a review on the recoverable amounts of the investment in subsidiaries, having regard to the existing performance of the relevant subsidiaries and the carrying value of the net assets in these subsidiaries. No allowance for impairment of investment in subsidiaries has been recognised for year ended September 28, 2014 and September 28, 2013.

The carrying amounts of the investment in subsidiaries and amounts due from subsidiaries are disclosed in Note 18 to the financial statements.

Acquisition of Subsidiary

As disclosed in Note 38, the net assets acquired and previously held interest in relation to the acquisition of subsidiary were stated at fair value based on the valuation performed by an independent professional valuer. The independent professional valuer determined the fair values based on a method of valuation which involves the use of certain estimates. Management is of the view that the estimates used by the independent professional valuer are reasonable.

Contingent liabilities

Certain members of the Group are parties to legal processes in Peru. These relate to fishing compliance, former employees and miscellaneous claims. The scope, enforceability and validity of any claim, litigation or review may be highly uncertain. In making its judgement as to whether it is probable that any such claim, litigation or review will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise. Please see Note 41(a) for more details.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

4 Financial Instruments, Financial Risks and Capital Risks Management

(a) Categories of Financial Instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	**571,561**	369,976	**645,219**	648,220
Derivative financial instruments	**139**	–	**–**	–
Held-to-maturity	**–**	–	**3,060**	3,060
Financial liabilities				
Financial guarantee contract	**–**	–	**19,195**	23,166
Amortised cost	**1,266,894**	1,263,785	**606**	1,589
Derivative financial instruments	**–**	1,895	**–**	–

(b) Financial Instruments Subject to Offsetting, Enforceable Master Netting Arrangements and Similar Agreements

Group

2014

Financial assets

Type of financial asset	**(a)** **Gross amounts of recognised financial asset** **US$'000**	**(b)** **Gross amounts of recognised financial liabilities set off in the statement of financial position** **US$'000**	**(c) = (a) – (b)** **Net amounts of financial assets presented in the statement of financial position** **US$'000**
Other receivables	**686,258**	**(584,972)**	**101,286**

2013

Financial assets

Type of financial asset	(a) Gross amounts of recognised financial asset US$'000	(b) Gross amounts of recognised financial liabilities set off in the statement of financial position US$'000	(c) = (a) – (b) Net amounts of financial assets presented in the statement of financial position US$'000
Other receivables	645,632	(542,877)	102,755

In reconciling the 'Net amounts of financial assets and financial liabilities presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, under enforceable master netting arrangements and similar agreements. The residual amounts relate to those that are not in scope of the offsetting disclosures.

The Company does not have any financial instruments which are subjected to offsetting under enforceable master netting arrangements or similar netting agreements.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

4 Financial Instruments, Financial Risks and Capital Risks Management – continued

(c) Financial Risk Management Policies and Objectives

The Group's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Group.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates, credit and liquidity. The Group does not enter into any significant financial derivative contracts, except for forward foreign exchange contracts to manage its exposure to Japanese Yen.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign Exchange Risk Management

The Group entities transact largely in their functional currency, which is the United States dollar. Foreign exchange risk arises largely from transactions denominated in currencies such as Singapore dollar, Japanese Yen, Peruvian Nuevos Soles, Chinese Renminbi, Norwegian Krone, Hong Kong dollar, Namibian dollar and Euro.

At the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
United States dollars	**–**	55,159	**–**	59,069	**–**	–	**–**	–
Peruvian Nuevos Soles	**18,631**	8,317	**24,482**	1,668	**–**	–	**–**	–
Chinese Renminbi	**–**	–	**974**	507	**–**	–	**–**	–
Euro	**690**	388	**228**	198	**–**	–	**–**	–
Namibian dollar	**2,180**	1,268	**15,211**	5,869	**–**	–	**–**	–
Hong Kong dollar	**245**	941	**81**	135	**219**	873	**17**	5
Norwegian Krone	**43**	209	**366**	971	**–**	201	**–**	–
Singapore dollar	**3**	47	**84**	85	**–**	31	**53**	58

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

4 Financial Instruments, Financial Risks and Capital Risks Management – continued

(c) Financial Risk Management Policies and Objectives – continued

(i) Foreign Exchange Risk Management – continued

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency were to strengthen by 10% against the functional currency of each Group entity, the Group's profit for the year will decrease by:

	GROUP	
	2014	2013
	US$'000	US$'000
Impact of:		
United States dollar	**–**	391
Peruvian Nuevos Soles	**585**	(665)
Chinese Renminbi	**98**	51
Euro	**(46)**	(19)
Namibian dollar	**1,303**	460
Hong Kong dollar	**(16)**	(81)
Norwegian Krone	**32**	76
Euro dollar	**8**	4

The opposite applies if the relevant foreign currencies were to weaken by 10% against the functional currency of each Group entity.

The Company's exposure to foreign exchange risk is not significant, accordingly, a sensitivity analysis has not been performed.

(ii) Interest Rate Risk Management

Interest-earning financial assets comprise bank balances (Note 7). Summary quantitative data of the Group's interest-bearing financial liabilities can be found in section (iv) of this Note.

The Group mitigates its exposure to changes in interest rates by locking in fixed rate borrowings through the issue of senior notes (Note 26) and use of finance leases for which rates are fixed at inception of the finance leases (Note 24). The Group's policy is to obtain the most favourable interest rates available and also by reviewing the terms of the interest-bearing liabilities to minimise the adverse effects of changes in interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's and Company's profit for the year ended September 28, 2014 would increase/decrease by approximately US$643,000 and US$3,226,000 respectively (2013: increase/decrease by US$370,000 and US$3,234,000 respectively). This is mainly attributable to the Group's and Company's exposure to interest rates on its variable rate financial asset instruments.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended September 28, 2014 would decrease/increase by approximately US$3,400,000 (2013: US$3,380,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

4 Financial Instruments, Financial Risks and Capital Risks Management – continued

(c) Financial Risk Management Policies and Objectives – continued

(iii) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Sales of fish and other marine catches and fishmeal are made to companies which the Group has assessed to be of good credit rating through their trading and payment history as well as such commercial information which the Group obtains from time to time. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customers. Limits and credit quality attributed to customers are reviewed periodically. Sales of fishmeal are covered by letters of credit issued by reputable financial institutions. Trade debtors that are neither past due nor impaired are substantially companies with good collection track record with the Group. Management considers that the credit risk associated with the Group's trade receivables has been mitigated by the above risk management practices. The recoverable amount of each individual trade receivable is reviewed at the end of each reporting period and allowance is made for estimated irrecoverable amount.

There is concentration of credit risk as 90% (2013: 74%) of the Group's trade receivables at the end of the financial year relate to three entities (2013: four entities).

As at the end of the reporting period, the Group has balance due from the Suppliers which accounted for US$101,286,000 or 45% (2013: US$102,755,000 or 66%) of the other receivables and prepayments balances. In addition, the Group also advanced US$40,500,000 (2013: US$40,500,000) to the Suppliers (Note 12).

The credit risk on bank balances is limited because the counterparties are reputable financial institutions.

The maximum amount the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee is US$997.0 million (2013: US$707.1 million). Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from financial guarantees above, represents the Group's maximum exposure to credit risk.

Further details of credit risks on trade and other receivables and advances to Suppliers are disclosed in Notes 8, 9 and 12 respectively.

(iv) Liquidity Risk Management

The Group maintains sufficient cash and cash equivalents and obtains a mix of short-term and long-term external financing to fund its operations.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

4 Financial Instruments, Financial Risks and Capital Risks Management – continued

(c) Financial Risk Management Policies and Objectives – continued

(iv) Liquidity Risk Management – continued

Liquidity and interest risk analyses – continued

Non-derivative financial liabilities – continued

	Weighted average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
Group						
2014						
Non-interest bearing	**–**	**41,826**	**12,955**	**–**	**–**	**54,781**
Variable interest rate instruments	**3.66**	**322,369**	**397,987**	**–**	**(40,379)**	**679,977**
Fixed interest rate instruments	**9.41**	**53,227**	**687,785**	**–**	**(208,876)**	**532,136**
		417,422	**1,098,727**	**–**	**(249,255)**	**1,266,894**
2013						
Non-interest bearing	–	33,001	19,748	–	–	52,749
Finance lease liabilities	8.49	4,812	562	–	(1,038)	4,336
Variable interest rate instruments	2.78	543,310	138,024	–	(5,419)	675,915
Fixed interest rate instruments	9.41	53,684	430,717	308,304	(261,920)	530,785
		634,807	589,051	308,304	(268,377)	1,263,785

	Weighted average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
Company						
2014						
Non-interest bearing	**–**	**606**	**–**	**–**	**–**	**606**
Financial guarantee contract	**–**	**19,195**	**–**	**–**	**–**	**19,195**
		19,801	**–**	**–**	**–**	**19,801**
2013						
Non-interest bearing	–	1,589	–	–	–	1,589
Financial guarantee contract	–	23,166	–	–	–	23,166
		24,755	–	–	–	24,755

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

4 Financial Instruments, Financial Risks and Capital Risks Management – continued

(c) Financial Risk Management Policies and Objectives – continued

(iv) Liquidity Risk Management – continued

Liquidity and interest risk analyses – continued

Non-derivative financial liabilities – continued

The maximum amount that the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee, is US$997.0 million (2013: US$707.1 million). The earliest period that the guarantee could be called is within one year (2013: one year) from the end of the reporting period. As mentioned in Note 4c (iii), the Company considers that it is more likely than not that no amount will be payable under the arrangement.

Non-derivative financial assets

	Weighted average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
Group						
2014						
Non-interest bearing	**–**	**442,949**	**–**	**–**	**–**	**442,949**
Variable interest rate instruments	**0.11**	**128,631**	**–**	**–**	**(19)**	**128,612**
		571,580	**–**	**–**	**(19)**	**571,561**
2013						
Non-interest bearing	–	295,966	–	–	–	295,966
Variable interest rate instruments	0.11	74,095	–	–	(85)	74,010
		370,061	–	–	(85)	369,976

	Weighted average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
Company						
2014						
Non-interest bearing	**–**	**71**	**–**	**–**	**–**	**71**
Fixed interest rate	**10.92**	**–**	**–**	**3,394**	**(334)**	**3,060**
Variable interest rate instruments	**3.47**	**104**	**–**	**667,434**	**(22,390)**	**645,148**
		175	**–**	**670,828**	**(22,724)**	**648,279**
2013						
Non-interest bearing	–	1,462	–	–	–	1,462
Fixed interest rate	10.92	–	–	3,394	(334)	3,060
Variable interest rate instruments	3.47	141	–	669,063	(22,446)	646,758
		1,603	–	672,457	(22,780)	651,280

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

4 Financial Instruments, Financial Risks and Capital Risks Management – continued

(c) Financial Risk Management Policies and Objectives – continued

(iv) Liquidity Risk Management – continued

Liquidity and interest risk analyses – continued

Derivative financial liabilities

At September 28, 2014, the undiscounted contractual net cash outflows on foreign exchange forward contracts that settle on a net basis within one year from the end of the reporting date were US$139,000 (2013: US$1,895,000). The carrying amount of financial derivatives in the consolidated statement of financial position has been determined by reference to the quoted market prices for equivalent instruments at the end of the reporting period.

(v) Fair Values of Financial Assets and Financial Liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to financial statements.

Company

The fair value of financial guarantee contracts at initial recognition is at the present value of the expected loss of the guarantee where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

The Company had no financial assets or financial liabilities carried at fair value in 2014 and 2013.

Other than set out in the financial statements, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

(d) Capital Risk Management Policies and Objectives

The Group's objectives in managing capital are to maintain an optimal capital structure so as to maximise the return to its shareholders, to protect the interests of its stakeholders, safeguard the Group's ability to continue as a going concern and to be able to service its debts when they are due. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, obtain various forms of borrowings in the market and issue new shares at an appropriate price when necessary.

The capital structure of the Group is as follow:

	Group	
	2014	2013
	US$'000	US$'000
Debts:		
– Finance leases	**–**	4,336
– Bank loans	**679,977**	675,915
– Senior notes	**532,136**	530,785
	1,212,113	1,211,036
Cash and cash equivalents	**129,086**	74,576
Equity attributable to the owners of the Company	**1,206,848**	1,159,382

Management constantly reviews the capital structure to achieve the aforementioned objectives. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

Management would also monitor compliance with the financial covenants imposed by various financial institutions for the facilities granted to the Group. As at the end of the reporting period, the Group is in compliance with externally imposed financial covenants requirements.

The Group's and Company's overall strategy on capital risk management remains unchanged from prior year.

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September 28, 2014

5 Holding Company and Related Company Transactions

The Company is a subsidiary of Super Investment Limited, a company incorporated in Cayman Islands. Its intermediate holding company is Pacific Andes Resources Development Limited ("PARD"), a company incorporated in Bermuda with its shares listed on the Singapore Exchange Securities Trading Limited. Its penultimate holding company is Pacific Andes International Holdings Limited, a company incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited. Its ultimate holding company is N.S. Hong Investment (BVI) Limited, a company incorporated in the British Virgin Islands.

Some of the Company's transactions are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

6 Other Related Party Transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

Compensation of Directors and Key Management Personnel

The remuneration of directors and other members of key management during the year comprise:

	Group	
	2014	2013
	US$'000	US$'000
Short-term benefits	**2,376**	2,443
Post-employment benefits	**58**	58
Total	**2,434**	2,501

The remuneration of directors and key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

7 Cash And Cash Equivalents

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Cash at banks	**128,613**	53,201	**104**	141
Cash on hand	**473**	566	**–**	–
Short term deposits	**–**	20,809	**–**	–
Total cash and cash equivalents on the consolidated statement of cash flows	**129,086**	74,576	**104**	141

Cash at banks bears interest at rates ranging from 0.001% to 0.010% (2013: 0.001% to 0.110%) per annum.

As of September 28, 2014, a total sum of US$111,000,000 has been deposited into the designed repayment account for the redemption of Copeinca senior notes and/or repayment of US$650 million facility.

As of September 28, 2013, short-term deposits amounting to US$20,809,000 bore a short-term market interest rate of 5.30% per annum.

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8 Trade Receivables

	Group	
	2014	2013
	US$'000	US$'000
Outside parties	**144,757**	141,475

As at September 28, 2013, an allowance for estimated irrecoverable amount from the sale of goods to third parties of US$22,000 has been determined by reference to management's estimation of irrecoverable amounts. The Group has provided for receivables over 180 days based on historical experience.

At the end of the reporting period, the trade receivables past due but not impaired are as follows:

	2014	2013
	US$'000	US$'000
<30 days	**16,455**	9,399
31 to 60 days	**2,271**	11,705
61 to 90 days	**945**	21,065
> 90 days	**75,392**	25,190
	95,063	67,359

The Group does not hold any collateral over these balances and has not provided for allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable.

The remaining trade receivables balance of US$49,694,000 (2013: US$74,116,000) is neither past due nor impaired.

The credit period granted on sale of goods from the Contract Supply Business and Peruvian Fishmeal operation are up to 90 days and 60 days (2013: 90 days and 60 days), respectively. No interest is charged on overdue balances.

Movement in the allowance for doubtful debts:

	Group	
	2014	2013
	US$'000	US$'000
Balance at beginning of the year	**22**	43
Written off against trade receivables during the year	**(22)**	(21)
Balance at end of the year	**–**	22

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

9 Other Receivables and Prepayments

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Suppliers [(a)]	**101,286**	102,755	**–**	–
Prepayments for fishmeal and operating expenses	**79,770**	26,314	**–**	–
Value added tax recoverable	**19,841**	15,316	**–**	–
Others [(b)]	**25,407**	10,670	**71**	1,462
Total	**226,304**	155,055	**71**	1,462

(a) The balances with the Suppliers are unsecured, interest-free and are stated net of amounts payable to the Suppliers in respect of payments made by them on behalf of the Group. This offset has been effected on the basis of arrangements amongst members of the Group and the Suppliers as disclosed in Note 4(b).

The balances with Suppliers represented advances to the Suppliers for working capital advances for the supply of fish to the Group under the long term supply agreements (Note 12).

(b) The other receivables balances are neither past due nor impaired.

10 Deferred Expenses

This comprises costs incurred in operating the fishing vessels to be recovered through subsequent sales of fish and other marine products.

11 Inventories

	Group	
	2014	2013
	US$'000	US$'000
Fishmeal and fish oil [(a)]	**78,640**	61,257
Frozen fish	**59,187**	22,333
Supplies	**20,577**	14,603
Total	**158,404**	98,193

(a) Fishmeal with carrying amount of US$49,483,000 (2013: US$8,190,000) has been pledged as security for the Group's inventory loans totalling US$67,474,000 (2013: US$22,218,000) [Note 25(b)].

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

12 Receivable From/Prepayment/Advances To Suppliers

	Group	
	2014	2013
	US$'000	US$'000
Total prepayment to Suppliers	**438,000**	438,000
Less: Accumulated amortisation	**(196,475)**	(182,610)
Less: Refund during the year	**(111,000)**	–
	130,525	255,390
Included as current assets	**(109,000)**	(26,298)
Included as non-current assets	**21,525**	229,092

	Group	
	2014	2013
	US$'000	US$'000
Accumulated amortisation:		
At beginning of year	**182,610**	152,144
Amortisation during the year charged as cost of sales	**13,865**	30,466
At end of year	**196,475**	182,610

With effect from July 16, 2012, a subsidiary, China Fisheries International Limited ("CFIL"), had entered into long-term supply agreements with two companies, Perun Limited ("Perun") and Alatir Limited ("Alatir") (collectively referred to as the "Suppliers"), to prepay for supply of fish for 23 vessels for 10 to 18 years up to 2030.

To secure the benefits from the prepayments and to ensure that the counterparties comply with their obligations under the long-term supply agreements, the counterparties executed the following documents in favour of CFIL:

(i) charges of all the issued shares of Perun and Alatir; and

(ii) debentures over all the present and future assets of Perun and Alatir.

On April 1, 2014, the long-term supply agreements were terminated. The amount of prepaid fixed price shall be entitled to be refunded in cash or in the form of fish supply by March 28, 2016.

Advances to Suppliers

The advances to Suppliers as of September 28, 2013 were unsecured, interest-free and represented advances for working capital under the long term supply agreements. As at September 28, 2014, the advances amount remained unsecured, interest-free and will be offset against future purchases of fish from the Suppliers.

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September 28, 2014

13 Property, Plant and Equipment

	Freehold land	Freehold buildings	Leasehold buildings	Processing vessel	Fishing vessel	Fishing nets	Plant and machinery	Vehicles	Furniture, fittings and office equipment	Construction-in-progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group											
Cost or valuation:											
At September 28, 2012	8,456	25,222	8,878	79,033	192,169	10,026	398,457	897	7,775	53,885	784,798
Additions	–	–	–	–	205	–	5,782	–	68	7,924	13,979
Acquisition of subsidiary [Note 38(b)] (restated)	18,653	14,398	–	–	78,862	6,035	89,764	9	2,381	6,106	216,208
Acquisition of assets (Note 39)	–	–	–	–	2,500	–	–	–	–	–	2,500
Disposals	–	–	–	–	(2,680)	–	(25)	(66)	(14)	–	(2,785)
Reclassifications	163	3,588	–	–	1,556	48	10,621	–	338	(16,314)	–
Adjustment on asset revaluation	–	–	95	–	–	–	–	–	–	–	95
Exchange realignment	110	479	–	–	1,051	174	1,342	6	54	55	3,271
At September 28, 2013 (restated)	27,382	43,687	8,973	79,033	273,663	16,283	505,941	846	10,602	51,656	1,018,066
Additions	–	–	–	–	29,057	11	8,502	–	33	46,388	83,991
Disposals	–	(302)	–	–	(6,668)	(1,341)	(165,449)	(103)	(158)	–	(174,021)
Reclassifications	16,307	6,265	–	–	9,611	2,566	16,080	37	806	(51,672)	–
Adjustment on asset revaluation	–	–	464	–	–	–	–	–	–	–	464
At September 28, 2014	43,689	49,650	9,437	79,033	305,663	17,519	365,074	780	11,283	46,372	928,500
Comprising:											
September 28, 2013											
At cost (restated)	27,382	43,687	–	79,033	273,663	16,283	505,941	846	10,602	51,656	1,009,093
At valuation	–	–	8,973	–	–	–	–	–	–	–	8,973
	27,382	43,687	8,973	79,033	273,663	16,283	505,941	846	10,602	51,656	1,018,066
September 28, 2014											
At cost	43,689	49,650	–	79,033	305,663	17,519	365,074	780	11,283	46,372	919,063
At valuation	–	–	9,437	–	–	–	–	–	–	–	9,437
	43,689	49,650	9,437	79,033	305,663	17,519	365,074	780	11,283	46,372	928,500

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

13 Property, Plant and Equipment – continued

	Freehold land US$'000	Freehold buildings US$'000	Leasehold buildings US$'000	Processing vessel US$'000	Fishing vessel US$'000	Fishing nets US$'000	Plant and machinery US$'000	Vehicles US$'000	Furniture, fittings and office equipment US$'000	Construction-in-progress US$'000	Total US$'000
Accumulated depreciation:											
At September 28, 2012	–	5,143	–	8,234	41,305	8,861	168,748	807	3,220	–	236,318
Depreciation	–	1,145	352	2,906	13,139	2,624	75,071	63	831	–	96,131
Disposals	–	–	–	–	(2,680)	–	(25)	(66)	(14)	–	(2,785)
Eliminated on revaluation	–	–	(352)	–	–	–	–	–	–	–	(352)
Exchange realignment	–	111	–	–	300	111	478	6	26	–	1,032
At September 28, 2013	–	6,399	–	11,140	52,064	11,596	244,272	810	4,063	–	330,344
Depreciation	–	3,757	362	2,907	19,862	4,959	43,811	39	1,415	–	77,112
Disposals	–	(48)	–	–	(2,627)	(983)	(131,382)	(103)	(87)	–	(135,230)
Eliminated on revaluation	–	–	(362)	–	–	–	–	–	–	–	(362)
At September 28, 2014	–	10,108	–	14,047	69,299	15,572	156,701	746	5,391	–	271,864
Impairment:											
At September 28, 2012	–	–	–	–	5,650	–	1,253	–	–	–	6,903
Impairment during the year	–	–	–	35,000	5,071	53	4,505	11	278	–	44,918
At September 28, 2013	–	–	–	35,000	10,721	53	5,758	11	278	–	51,821
Impairment during the year	–	–	–	–	–	–	2,160	–	–	–	2,160
At September 28, 2014	–	–	–	35,000	10,721	53	7,918	11	278	–	53,981
Carrying amount:											
At September 28, 2013 (restated)	27,382	37,288	8,973	32,893	210,878	4,634	255,911	25	6,261	51,656	635,901
At September 28, 2014	43,689	39,542	9,437	29,986	225,643	1,894	200,455	23	5,614	46,372	602,655

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

13 Property, Plant and Equipment – continued

During the year, the Group made an impairment loss of US$2,160,000 (2013: US$9,918,000) for certain fishing vessels and plant and machinery that management has identified for scrapping. These impairment losses have been recognised in profit or loss and included in the line item other operating expenses. In addition, impairment loss of US$35,000,000 was recognised for a processing vessel in 2013.

The recoverable amount of these assets has been determined on the basis of their value in use. The discount rate used in measuring value in use was 17.62%. The discount rate used when the recoverable amount of these assets was previously estimated in 2013 was 13.65%.

At September 28, 2013, the carrying amount of the Group's property, plant and equipment includes an amount of US$3,390,000 in respect of assets held under finance leases (Note 24).

Fair Value Measurement of the Group's Leasehold Buildings

The Group's buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's leasehold buildings as at September 28, 2014 and September 28, 2013 were performed by BMI Appraisals Limited, independent valuers not connected with the Group, who have appropriate qualifications and recent experience in the fair value measurement of the properties in Hong Kong and Singapore.

The fair value of the buildings was determined on an open market value basis as at September 28, 2014 using the Direct Comparison Method and was performed in accordance with International Valuation Standards. There has been no change to the valuation technique during the year.

Details of the Group's leasehold land and buildings and information about the fair value hierarchy as at September 28, 2014 are as follows:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Fair value as at September 28, 2014 US$'000
Buildings	–	–	9,437	**9,437**

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

13 Property, Plant and Equipment – continued

Property, plant and equipment held by the Group	Fair value as at September 28, 2014 US$'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity
Commercial property in Singapore	5,615	Level 3	Direct comparison method The key input is the adjusted market price.	Adjusted market price: Approximate US$1,656 per sq. ft.	There is no indication that any slight change in the adjusted market price would result in significant higher or lower fair value measurement.
Commercial properties in Hong Kong	3,822	Level 3	Direct comparison method The key input is the adjusted market price.	Adjusted market price: Range from US$1,160 per sq. ft.	There is no indication that any slight change in the adjusted market price would result in significant higher or lower fair value measurement.

There was no transfer between Level 2 and Level 3 during the year.

At September 28, 2014, had the leasehold buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately US$3,025,000 (2013: US$3,199,000).

14 Investment Property

	Group 2014 US$'000	2013 US$'000
Balance at beginning of year	**3,218**	3,320
Fair value changes on investment property credited (charged) to profit or loss	**167**	(102)
Balance at end of year	**3,385**	3,218

Fair Value Measurement of the Group's Investment Property

As at the end of the reporting period, the fair value of the Group's investment property has been determined on the basis of valuation carried out by BMI Appraisals Limited, a firm of independent professional valuers on September 28, 2014 (2013: September 28, 2013), having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was arrived using Income Capitalisation Method and was performed in accordance with International Valuation Standards. In estimating the fair value of the investment property, the highest and best use of the property is their current use. There has been no change to the valuation technique during the year.

The following table gives information about how the fair value of the investment property is determined (in particular, the valuation technique and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which inputs to the fair value measure is observable.

The property rental income from the Group's investment property, all of which are leased out under operating leases, amounted to US$144,000 (2013: US$137,000). Direct operating expenses arising from the rental-generating investment property amounted to US$294,000 (2013: US$359,000).

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

14 Investment Property – continued

	Fair value as at September 28, 2014 US$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity
Investment property in Singapore	3,385	Level 3	Income Capitalisation Method The key inputs are (1) Term yield (2) Reversionary yield (3) Monthly term rental (4) Monthly reversionary rental	Term yield: 3.6%	There is no indication that any slight change in the reversionary yield would result in significant higher or lower fair value measurement
				Reversionary yield: 3.6%	There is no indication that any slight change in the term yield would result in significant higher or lower fair value measurement
				Monthly term rental: US$5.8 per sq. ft.	No sensitivity analysis for monthly term rental since they are derived from existing rental agreement.
				Monthly reversionary rental: an average of US$5.5 per sq. ft.	There is no indication that any slight change in the monthly reversionary rental would result in significant higher or lower fair value measurement

There was no transfer between Level 2 and 3 during the year.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

15 Goodwill

	Group	
	2014	2013
	US$'000	US$'000
Cost:		
At beginning and end of year	**95,721**	95,721

Goodwill acquired in a business combination is allocated, at acquisition to the cash generating units ("CGU"s) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to certain Peruvian operations which were acquired prior to September 28, 2014.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

For year ended September 28, 2014 and 2013, the Group engaged an independent financial advisor located in Hong Kong, BMI Appraisals Limited, to determine the value of the Peruvian fishmeal operations as of September 28, 2014 and 2013 respectively. Based on the report of the advisor, dated December 17, 2014 and December 20, 2013, management updated their assessment as of September 28, 2014 and 2013 respectively.

Management has evaluated the impact of the quota allocation under the TAC system and included such consideration in the estimation of the value in use. Based on these evaluations, management is of the view that the carrying amounts of the fishing vessels and fishing permits are realisable through future operations.

The assessment of recoverability of the carrying amount of goodwill includes:

(i) forecasted projected cash flows up to 2024 (2013: 2023) and projection of terminal value using the perpetuity method;

(ii) growth rate of 2.5% (2013: 3.0%) up to 2024 (2013: 2023); and

(iii) use of 24.52% for the fishmeal operations (2013: 18.01%) to discount the projected cash flows to net present values.

As at September 28, 2014 and 2013, any reasonably possible change to key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amount of goodwill.

Based on the above assessment, management expects the carrying amount of goodwill to be recoverable and there is no impairment in value of the goodwill.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

16 Fishing and Plant Permits

	Group	
	2014	2013
	US$'000	US$'000
Cost:		
At beginning of year	**1,222,670**	233,834
Arising on acquisition of subsidiary [Note 38(b)]	**–**	986,912
Exchange realignment	**–**	1,924
At end of year	**1,222,670**	1,222,670

Fishing and plant permits are granted by the authority in Peru. The fishing permits are attached to fishing vessels and are transferable to other fishing vessels.

In 2013, the cost of acquiring the subsidiaries which owned the fishing vessels and plant permits (Note 38) were allocated to the respective component of assets acquired on the basis of valuation report dated December 14, 2013 prepared by independent third party valuer in Peru, Jorge Antonio Revelli Bouroncle.

Management has obtained legal advice that the fishing and plant permits do not have a finite term and remain in full force and good standing as long as the applicable legal requirements are complied with.

Accordingly, the costs of fishing and plant permits are not amortised.

The Group has engaged independent valuer to determine the value of the Peruvian operations. Based on the report and management's assessment of business prospects, management expects the carrying amount of fishing permits to be recoverable and there is no impairment in value of the fishing and plant permits.

17 Associate

	Group	
	2014	2013
	US$'000	US$'000
Share of net assets	**4,629**	–
Comprising:		
Cost of investment in associate	**4,629**	–
Share of post-acquisition profits, net of dividend income received	**–**	–
	4,629	–

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

17 Associate – continued

At the end of the reporting period, the Group had interests in the following associate:

Name of entity	Country of incorporation or registration/ operation	Percentage of equity interest and voting power held 2014	Principal activities
Aproferrol S.A. [(1)]	Peru	**38.49%**	Engaged in the processing of waste water from companies that produce fishmeal and fishoil in Chimbote, Peru.

Note:

(1) The associate is audited by another audit firm.

Summarised financial information in respect of the Group's associate is set out below:

	2014 US$'000	2013 US$'000
Total assets	**15,730**	–
Total liabilities	**(4,368)**	–
Net assets	**11,362**	–
Group's share of associate's net assets	**4,629**	–

18 Subsidiaries

	Company 2014 US$'000	2013 US$'000
Unquoted equity shares, at cost	*	*
Amount due from a subsidiary	**645,044**	646,617
Fair value of a financial guarantee contract (Note 26)	**27,800**	27,800
Total	**672,844**	674,417

* Amount less than US$1,000.

The amount due from a subsidiary is unsecured and earns interest at 3% above the 3-months London Interbank Offer Rate. The interest earned ranged from 3.26% to 3.47% (2013: 3.26% to 3.47%) per annum. Management considers the amount due from the subsidiary to approximate fair value as the interest charged is determined with reference to market rate.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

18 Subsidiaries – continued

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operation	Principal activities	Effective proportion of ownership interest and voting power held 2014 %	2013 %
Smart Group Limited (2)	Cayman Islands	Investment holding	**100**	100
Subsidiaries of Smart Group Limited				
Grandwell Investment Group Ltd (4)	Hong Kong	Investment holding	**100**	100
China Fisheries International Limited (2)	Samoa/Worldwide	Management and operation of fishing vessels and sale of fish and other marine catches	**100**	100
CFG Peru Investments Pte Ltd (1)	Singapore	Investment holding	**100**	100
CFGL (Singapore) Private Limited (1)	Singapore	Property holding	**100**	100
Premium Choice Group Limited (2)	British Virgin Islands/ Worldwide	Management of fishing vessels	**100**	100
South Pacific Shipping Agency Limited (2)	British Virgin Islands/ Worldwide	Agent for procurement of provisions and supplies for the Group	**100**	100
Brandberg (Mauritius) Investments Holdings Limited (4)	Mauritius	Investment holding	**100**	100
Subsidiary of Grandwell Investment Group Ltd				
Grand Success Investment (Singapore) Pte Ltd (1)	Singapore	Investment holding	**100**	100
Subsidiary of Brandberg (Mauritius) Investments Holdings Limited				
Andeshali Namibia Investment Holdings (4)	Namibia	Investment holding	**100**	100
Brandberg Namibia Investments Company (Proprietary) Limited (2)	Namibia	Fishing operation	**100**	100

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

18 Subsidiaries – continued

Name of subsidiary	Country of incorporation and operation	Principal activities	Effective proportion of ownership interest and voting power held 2014 %	2013 %
Subsidiary of Brandberg Namibia Investments Company (Proprietary) Limited				
Atlantic Pacific Fishing Company (Pty) Limited [8]	Namibia	Operation of vessel and sale of fish	**49**	49
Subsidiaries of China Fisheries International Limited				
Admired Agents Ltd [2] [5]	British Virgin Islands/ Worldwide	Agent for procurement of provisions and supplies for the Group	**100**	100
Champion Maritime Ltd [2]	British Virgin Islands/ Worldwide	Inactive	**100**	100
Chanery Investment Inc. [2]	British Virgin Islands/ Worldwide	Property holding	**100**	100
Chiksano Management Limited [2]	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Excel Concept Ltd [2] [5]	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group	**100**	100
Fortress Agents Ltd [2]	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Gain Star Management Limited [2]	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Growing Management Limited [2]	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Hill Cosmos International Limited [2]	British Virgin Islands/ Worldwide	Inactive	**100**	100

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

18 Subsidiaries – continued

Name of subsidiary	Country of incorporation and operation	Principal activities	Effective proportion of ownership interest and voting power held 2014 %	2013 %
Subsidiaries of China Fisheries International Limited – continued				
Loyal Mark Holdings Limited (2)	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Metro Island International Ltd (2) (5)	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Mission Excel International Limited (2)	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Nidaro International Ltd (2)	British Virgin Islands/ Worldwide	Inactive	**100**	100
Nippon Fishery Holdings Limited (2)	British Virgin Islands/ Worldwide	Inactive since being acquired	**100**	100
Ocean Expert International Limited (2)	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Pioneer Logistics Limited (2)	British Virgin Islands/ Worldwide	Inactive	**100**	100
Sea Capital International Limited (2)	British Virgin Islands/ Worldwide	Inactive	**100**	100
Shine Bright Management Limited (2)	British Virgin Islands/ Worldwide	Agent for sales of fish and other marine catches of the Group and procurement of provisions and supplies for the Group	**100**	100
Superb Choice International Limited (2)	British Virgin Islands/ Worldwide	Inactive	**100**	100

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

18 Subsidiaries – continued

Name of subsidiary	Country of incorporation and operation	Principal activities	Effective proportion of ownership interest and voting power held 2014 %	2013 %
Subsidiaries of China Fisheries International Limited – continued				
Target Shipping Limited (2)	Hong Kong/ Worldwide	Investment holding	**100**	100
Toyama Holdings Limited (2)	British Virgin Islands/ Worldwide	Procurement of provisions and supplies for the Group	**100**	100
Subsidiary of Chanery Investment Inc.				
Powertech Engineering (Qingdao) Co. Ltd (4)	People's Republic of China	Agent for vessel repairing service for the Group	**100**	100
Subsidiaries of CFG Peru Investments Pte Limited				
CFG Investment S.A.C. (3)	Peru	Investment holding, operation of fishing vessel, operation of fishmeal plants and sale of fish and marine catches, fishmeal and fish oil	**100**	100
China Fishery Group Limited (2)	Hong Kong	Investment holding	**100**	100
Protein Trading Limited (2)	Samoa	Procurement and marketing agent for fishmeal	**100**	100
Sustainable Pelagic Fishery S.A.C. (3)	Peru	Operation of fishing vessel	**100**	100
Sustainable Fishing Resources S.A.C. (3)	Peru	Operation of fishing vessel	**100**	100
Subsidiaries of CFG Investment S.A.C.				
Consorcio Vollmacht S.A.C. (3)	Peru	Vessel holding	**100**	100
Corporacion Pesquera Frami S.A.C. (3)	Peru	Vessel holding	**100**	100
Inmobiliaria Y Constructora Pahk S.A.C. (3)	Peru	Investment holding	**100**	100

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

18 Subsidiaries – continued

Name of subsidiary	Country of incorporation and operation	Principal activities	Effective proportion of ownership interest and voting power held	
			2014	2013
			%	%
Subsidiaries of CFG Investment S.A.C. – continued				
Inversiones Pesqueras West S.A.C. (3)	Peru	Investment holding	**100**	100
Macro Capitales S.A. (3)	Panama	Investment holding	**100**	100
J.Wiludi & Associates Consultores En Pesca S.A.C. (3)	Peru	Vessel holding	**100**	100
Copeinca AS (4) (6) (7)	Norway	Investment holding	**100**	99.1
Subsidiary of China Fishery Group Limited				
CFG Investments (Shanghai) Ltd (4)	People's Republic of China	Inactive	**100**	100
Subsidiaries of Copeinca AS				
Copeinca Internacional S.L.U (4) (7)	Spain	Investment holding	**100**	99.1
PFB Fisheries B.V (4) (7)	Netherlands	Investment holding	**100**	99.1
Corporacion Pesquera Inca S.A.C (3) (7)	Peru	Investment holding, operation of fishing vessel, operation of fishmeal plants and sale of fish and marine catches, fishmeal and fish oil	**100**	99.1
Subsidiary of Premium Choice Group Limited				
Ringston Holdings Limited (2)	Cyprus	Investment holding	**100**	100
Subsidiary of Ringston Holdings Limited				
CJSC Invest Group (2)	Russia	Investment holding	**100**	100
Subsidiary of CJSC Invest Group				
LLC Investment Company Kredo (2)	Russia	Operation of vessel and sale of fish	**100**	100

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

18 Subsidiaries – continued

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by Deloitte Touche Tohmatsu, Hong Kong for sole purpose of inclusion of their financial position and operating results in the consolidated financial statements of the Group.

(3) Audited by Giris, Hernánder y Associados S.C., a member firm of Deloitte Touche Tohmatsu.

(4) Not audited as deemed not material to the Group.

(5) The share of the non-controlling interests in the net assets and profit or loss of these subsidiaries is not material.

(6) During the year, the subsidiary was transferred from Grand Success Investment (Singapore) Pte Ltd.

(7) During the year, the Group carried out a compulsory acquisition of all remaining shares in Copeinca AS ("Copeinca") for a consideration of US$7,129,000 pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act. As a result, the Group has assumed ownership of all shares in Copeinca.

(8) Audited by Deloitte Touche Tohmatsu, Hong Kong in 2014. Not audited as deemed not material to the Group in 2013.

The subsidiaries have representatives in Hong Kong, People's Republic of China, Taiwan, Russia, Namibia, Mauritius and Peru to perform various aspects of their activities.

19 Held-To-Maturity Financial Asset

This represents quoted debt security issued by a subsidiary of the Company in prior year.

The effective interest rate of the quoted debt security is 10.92% (2013: 10.92%) per annum.

As at September 28, 2014, the quoted debt security has nominal value amounting to US$4 million, (2013: US$4 million) with coupon rate at 9.75% (2013: 9.75%) per annum and mature by July 30, 2019 (2013: July 30, 2019).

There was no disposal or allowance for impairment for held-to-maturity financial asset.

20 Trade Payables

	Group	
	2014	2013
	US$'000	US$'000
Outside parties	**16,599**	17,879

The average credit period on purchase of goods is 30 days (2013: 30 days). No interest is charged on overdue balances. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

Trade payables principally comprise amounts outstanding for vessel operating costs and trade purchases.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

21 Other Payables and Accrued Expenses

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Accrued expenses	**9,996**	6,288	**606**	1,589
Provision for claims [Note 23(a)]	**2,229**	–	**–**	–
Interest payable	**8,371**	7,675	**–**	–
Statutory employees profit share [(a)]	**6,744**	447	**–**	–
Others	**116**	712	**–**	–
Total	**27,456**	15,122	**606**	1,589

(a) In accordance with Peruvian labour laws, employees of the Group's Peruvian subsidiaries are entitled to 10% share of the taxable profit of the Peruvian subsidiaries. The movements of the balance during the financial year are as follows:

	Group	
	2014	2013
	US$'000	US$'000
At beginning of year	**447**	3,575
Capitalised in inventories	**3,190**	–
Charged to profit or loss (Note 35)	**3,973**	282
Payments during the year	**(866)**	(3,410)
At end of year	**6,744**	447

22 Derivative Financial Instruments

	Group			
	2014		2013	
	Assets	**Liabilities**	Assets	Liabilities
	US$'000	**US$'000**	US$'000	US$'000
Forward foreign exchange contracts	**139**	**–**	–	1,895

During the year, the Group entered into foreign currency forward contracts with banks to reduce its exposure to currency fluctuation risk of contracted sales and purchases which are denominated in foreign currencies. These derivative contracts are not accounted for under hedge accounting.

At the end of the reporting period, the Group has outstanding forward foreign exchange contracts with notional amounts totaling US$199,440,000 (2013: US$262,800,000).

At September 28, 2014, the fair value of the foreign currency forward contracts is US$139,000 (2013: US$1,895,000), which is settled on a net basis. These amounts are based on quoted market prices for equivalent instruments at the end of the reporting period.

Changes in the fair value of non-hedging currency derivatives amounting to US$2,034,000 (2013: US$616,000) have been credited to profit or loss in the year and included in the line item in other operating income (Note 32).

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

22 Derivative Financial Instruments – continued

The following table details the forward foreign currency contracts outstanding as at the end of the reporting period:

Outstanding contracts	Average exchange rate		Foreign currency		Contract value		Fair value	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
			FC'000	FC'000	**US$'000**	US$'000	**US$'000**	US$'000
Group								
Sell Euro	**1.39**	1.40	**71,741**	66,000	**99,720**	92,400	**139**	1,594
or sell Japanese Yen	**98.95**	93.40	**9,867,294**	8,630,160	**99,720**	92,400	**–**	–
Sell Japanese Yen	**–**	94.95	**–**	7,406,100	**–**	78,000	**–**	301

Fair Value Measurement of the Group's Derivative Financial Instrument

As at the end of the reporting period, the fair value of the Group's derivative financial instrument has been determined based on discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable yield curves at the end of the financial year) and contracted exchange rates, discounted at a rate that reflects the credit risk of the Group or the counterparties, as appropriate.

Details of the Group's derivative financial instrument and information about the fair value hierarchy as at September 28, 2014 are as follows:

	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Fair value as at September 28, 2014 US$'000**
Structured foreign currency forward contracts treated as derivative financial instruments classified as other financial assets in the statement of financial position	–	–	139	**139**

There was no transfer between Level 2 and Level 3 during the year.

Financial asset	**Fair value as at September 28, 2014 US$'000**	**Fair value hierarchy**	**Valuation technique and key inputs**	**Significant unobservable inputs**	**Sensitivity**
Derivative financial instrument	139	Level 3	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and interest rates (from observable forward exchange rates and interest rates at the end of the reporting period) and contracted forward rates, volatility and correlation discounted at a rate that reflects the credit risk of various counterparties.	Volatility of exchange rates	A significant increase in volatility would result in a significant decrease in fair value and vice versa.
				Correlation of the exchange rates involved in the contract	A significant increase in correlation would result in a significant increase in fair value and vice versa.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

23 Long Term Payables

	Group	
	2014	2013
	US$'000	US$'000
		(Restated)
Long term trade payables	**11,937**	12,960
Provision for claims [(Note 41 (a)] [(a)]	**11,914**	12,578
Provision for severance payment	**–**	2,990
Other payables and accrued expenses	**1,018**	1,825
Other provisions [(b)]	**–**	4,963
	24,869	35,316

(a) Movements in the provision for claims are as follows:

	Group	
	2014	2013
	US$'000	US$'000
		(Restated)
At beginning of year	**12,578**	2,928
Charged to profit or loss (Note 35)	**3,407**	1,379
Settlement during the year	**(1,842)**	–
Arising on acquisition of subsidiary (restated)	**–**	8,271
At end of year [(Note 41(a)]	**14,143**	12,578
Included as current liabilities (Note 21)	**(2,229)**	–
	11,914	12,578

(b) In 2013, this represented the provision for fishing ban expenses, fishing expenses and labour reposition of personnel.

The long term payables are unsecured, interest-free and not to be repaid within 12 months.

The fair values of the Group's long term payables approximate their carrying amount.

24 Finance Leases

Group

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Amounts payable under finance leases:				
Within one year	**–**	4,812	**–**	3,866
In the second to fifth year inclusive	**–**	562	**–**	470
Less: Future finance charges	**–**	(1,038)	**NA**	NA
Present value of lease obligations	**–**	4,336	**–**	4,336
Less: Amount due for settlement within 12 months (shown under current liabilities)			**–**	(3,866)
Amount due for settlement after 12 months			**–**	470

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

24 Finance Leases – continued

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The carrying amounts of the Group's lease obligations approximate their fair value.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets (Note 13).

25 Bank Loans

	Group	
	2014	2013
	US$'000	US$'000
Bank loans	**698,330**	678,510
Less: Term loans issuing cost	**(18,353)**	(2,595)
	679,977	675,915

The bank loans are repayable as follows:

	Group	
	2014	2013
	US$'000	US$'000
On demand or within one year	**303,607**	538,248
In the second year	**121,476**	137,667
In the third year	**123,627**	–
In the fourth year	**131,267**	–
	679,977	675,915
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(303,607)**	(538,248)
Amount due for settlement after 12 months	**376,370**	137,667

The fair value of the Group's borrowings approximate their carrying amount.

The bank loans comprise the following:

(a) Unsecured term loans, revolving loans, and trust receipt loans of US$630,856,000 (2013: US$301,993,000) bear interest rates ranging from 1.25% to 3.68% (2013: 1.25% to 3.75%) per annum. These loans are guaranteed by the Company.

(b) Inventory loans of US$67,474,000 (2013: US$22,218,000) have current maturities, bear variable interest rates ranging from 2.35% to 3.4% (2013: 2.75% to 2.94%) per annum and are secured over the Group's fishmeal (Note 11).

(c) In 2013, the remaining borrowings of US$354,299,000 were unsecured and bore variable interest rates ranged from 3.18% to 3.25% per annum.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

26 Senior Notes

	Group	
	2014	2013
	US$'000	US$'000
At beginning of the year	**530,785**	279,363
Amortisation of issuance cost charged to profit or loss (Note 33)	**1,351**	1,523
Arising on acquisition of subsidiary [Note 38(b)] (b)	**–**	249,899
At end of the year	**532,136**	530,785

(a) On July 24, 2012, the Group, through its subsidiary, CFG Investment S.A.C. ("CFGI"), issued guaranteed senior fixed rate notes with aggregate nominal value of US$300,000,000 (the "Notes") which carried fixed interest of 9.75% per annum (interest payable semi-annually in arrears) and was repayable by July 30, 2019.

The Notes are listed on the Singapore Exchange Securities Trading Limited. They are unsecured and guaranteed by the Company and certain subsidiaries of the Group. The guarantees are effectively subordinated to secure obligations of each guarantor, to the extent of the value of assets serving as security. As at September 28, 2014 and 2013, the Company recognised the fair value of the above financial guarantee of US$27,800,000 on the statement of financial position as additional investment in subsidiary (Note 18) and a financial guarantee contract liability. Amortisation of the financial guarantee obligation amounted to US$3,971,000 (2013: US$3,971,000) was charged to the profit or loss during the financial year.

At any time prior to July 30, 2016, CFGI may redeem the Notes in whole or in part at the principal amount of the Notes plus an applicable premium and accrued interest provided that any partial redemption shall not result in less than US$100 million of outstanding Notes. At any time prior to and up to July 30, 2016, CFGI may redeem up to 35% of the Notes, with net cash proceeds from issue of ordinary shares of the Company or sale of ordinary shares of CFGI, at the redemption price equal to 109.75% of the principal amount of the Notes plus accrued and unpaid interests, if any, as of the redemption date.

The Notes contained certain covenants that limited the Company's and certain subsidiaries' abilities to, among other things:

- incur or guarantee additional indebtedness and issue disqualified or preferred shares;
- declare dividends or purchase or redeem shares;
- make investments or other specified restricted payments;
- issue or sell shares of certain subsidiaries;
- sell assets or create any lien; and
- enter into sale and leaseback transactions.

Management estimated the fair value of the Notes at September 28, 2014 to be approximately US$281,170,000 (2013: US$272,690,000). The fair value measurement is classified under Level 2 of the fair value hierarchy and has been calculated based on the bid price extracted from Bloomberg as at September 28, 2014 (2013: September 28, 2013). There has been no change to the valuation technique and no transfers between Level 2 and Level 3 of the fair value hierarchy during the year.

The net carrying amount of the Notes was stated net of issue expenses totalling US$17,045,000. Such expenses were amortised over the life of the Notes by charging the expenses to profit or loss and increasing the net carrying amount of the Notes with the corresponding amount. As of September 28, 2014, accumulated amortisation amounted to US$3,025,000 (2013: US$1,706,000).

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

26 Senior Notes – continued

(b) In January 2013, Copeinca Pesquera Inca S.A.C., ("Copeinca S.A.C.") reopened its US$175 million 9.00% senior notes due in 2017 raising gross proceeds of US$75 million, which are guaranteed by Copeinca ASA. The issue of these notes corresponds to a single issue of the US$175 million 9.00% senior notes due 2017. The total aggregate principal amount of the 9.00% senior notes due in 2017 outstanding following such reopening amounts to US$250 million.

On February 2, 2010, Copeinca S.A.C. agreed with Credit Suisse Securities (USA) LLC, as representative of several purchasers, to issue and sell to the several purchasers, US$175 million principal amount of its 9.00% senior notes due in 2017 to be issued under an indenture dated February 10, 2010, between Copeinca S.A.C., the Guarantor and Deutsche Bank Trust Company Americas, as trustee, guaranteed on an unsecured senior basis by the Company. Coupons bear a 9% interest and are payable on a semi-annual basis.

The Notes contained certain covenants that limited Copeinca's and certain subsidiaries' abilities to, among other things:

- incur or guarantee additional indebtedness and issue disqualified or preferred shares;
- declare dividends or purchase or redeem shares;
- make investments or other specified restricted payments;
- issue or sell shares of certain subsidiaries;
- sell assets or create any lien; and
- enter into sale and leaseback transactions.

Management estimated the fair value of the Notes at September 28, 2014 to be approximately US$247,500,000 (2013: US$251,250,000). The fair value measurement is classified under Level 2 of the fair value hierarchy and has been calculated based on the bid price extracted from Bloomberg as at September 28, 2014 (2013: September 28, 2013). There has been no change to the valuation technique and no transfers between Level 2 and Level 3 of the fair value hierarchy during the year.

The net carrying amount of the Notes was stated net of issue expenses totaling US$948,000. Such expenses were amortised over the life of the Notes by charging the expenses to the profit or loss using effective interest rate of 9.59% per annum and increasing the net carrying amount of the Notes with the corresponding amount. As of September 28, 2014, accumulated amortisation amounted to US$144,000 (2013: US$112,000).

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

27 Deferred Tax Liabilities

The following are the major deferred tax liabilities and deferred tax assets recognised by the Group and the movements thereon during the current financial year:

	Fair value adjustments (1) US$'000	Provisions US$'000	Net US$'000
At September 28, 2012	62,419	(1,728)	60,691
Arising on acquisition of subsidiary [Note 38(b)] (restated)	261,902	–	261,902
Credited to profit or loss [Note 34(c)]	(6,815)	–	(6,815)
Exchange realignment	736	–	736
At September 28, 2013 (restated)	318,242	(1,728)	316,514
Credited to profit or loss [Note 34(c)]	(9,045)	–	(9,045)
At September 28, 2014	309,197	(1,728)	307,469

(1) Being deferred tax effect on fair value adjustments of property, plant and equipment and fishing and plant permits on business combinations.

28 Share Capital

	Group and Company	
	Number of ordinary shares at US$0.05 per share	**Amount US$'000**
Authorised:		
At September 28, 2012	1,600,000,000	80,000
Increase on March 19, 2013	1,400,000,000	70,000
At September 29, 2013 and September 28, 2014	3,000,000,000	150,000
Issued and paid up:		
At September 28, 2012	1,023,177,273	51,159
Rights issue (a)	1,023,177,273	51,159
At September 28, 2013 and September 28, 2014	2,046,354,546	102,318

Fully paid ordinary shares carry one vote per ordinary share and carry a right to receive dividends.

(a) On April 19, 2013, the Company issued a 1,023,177,273 new ordinary shares of US$0.05 at an issue price of S$0.34 per share by way of rights issue on the basis of one rights share for every one existing share. Share issue expenses incurred for the rights issue amounting to US$4,097,000 were set off against share premium.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

29 Reserves

Warrants Reserve

Warrants reserve represents the fair value of the warrants issued by the Company. The reserve will be transferred to share capital and share premium accounts upon the exercise and lapse of the warrants.

On January 27, 2014, the Company issued 96,153,846 warrants to a related party at a total consideration of US$1.00. Each warrant entitles the holder to subscribe for one ordinary share of US$0.05 each at the exercise price of S$0.52 per share at any time from the date of issue up to and including January 27, 2017. The warrants are not listed or traded on the Main Board of the SGX.

As at September 28, 2014, there were 96,153,846 outstanding warrants at an exercise price of S$0.52 each.

Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of companies in the Group whose functional currencies are different from that of the Group's presentation currency.

Revaluation Reserve

The revaluation reserve arises on the revaluation of leasehold buildings. Where a revalued leasehold building is sold, the portion of the revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings. The revaluation reserve is not available for distribution to the Company's shareholders.

Merger Reserve

Merger reserve represents the difference between the aggregate nominal amounts of the share capital of the combining entities and the nominal amount of share capital issued by the Company during the restructuring exercise undertaken in 2005.

30 Revenue

	Group	
	2014	2013
	US$'000	US$'000
Sale of fish and marine catches	**190,770**	382,190
Sale of fishmeal and fish oil	**434,865**	165,648
Ocean freight income	**5,200**	7,176
	630,835	555,014

31 Segment Information

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is focused on the category of major fishing and production locations.

The Group's reportable segments under FRS 108 are therefore as follows:

- Contract Supply Business [(a)]
- Peruvian Fishmeal
- China Fishery Fleet

(a) Included in the Contract Supply Business segment is the business operations under the long term supply agreements with the Suppliers (Note 12) which were terminated with effect from April 1, 2014. Subsequent to the termination, the Group continues to purchase fishes from the Suppliers and other vendors at market rate.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

31 Segment Information – continued

Business Segments

	Contract Supply Business		Peruvian Fishmeal		China Fishery Fleet		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000 (Restated)	**US$'000**	US$'000	**US$'000**	US$'000 (Restated)
External revenue, representing total revenue	**153,850**	361,428	**434,865**	165,648	**42,120**	27,938	**630,835**	555,014
Segment results	**46,649**	103,374	**131,486**	106,386	**(20,502)**	(87,675)	**157,633**	122,085
Corporate expenses	**(615)**	(462)	**–**	–	**–**	–	**(615)**	(462)
Finance costs	**(4,531)**	(6,332)	**(74,253)**	(44,020)	**(148)**	(215)	**(78,932)**	(50,567)
Profit (Loss) before income tax	**41,503**	96,580	**57,233**	62,366	**(20,650)**	(87,890)	**78,086**	71,056
Income tax (expense) benefit	**–**	(2)	**(14,254)**	9,112	**(154)**	(1,807)	**(14,408)**	7,303
Profit (Loss) for the year	**41,503**	96,578	**42,979**	71,478	**(20,804)**	(89,697)	**63,678**	78,359
Other information								
Segment assets	**678,804**	607,154	**1,883,302**	1,920,625	**245,504**	240,613	**2,807,610**	2,768,392
Segment liabilities	**52,539**	158,714	**1,540,163**	1,435,802	**5,880**	6,074	**1,598,582**	1,600,590
Capital expenditure	**–**	150,000	**46,445**	10,688	**37,546**	5,791	**83,991**	166,479
Depreciation and amortisation	**26,553**	71,330	**39,742**	23,573	**26,033**	33,217	**92,328**	128,120
Impairment of property, plant and equipment	**–**	–	**2,160**	9,918	**–**	35,000	**2,160**	44,918

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31 Segment Information – continued

Geographical Segments

Revenue based on locations of the customers (which are different from the fishing and production locations) are as follows:

	Contract Supply Business		Peruvian Fishmeal		China Fishery Fleet		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Revenue								
People's Republic of China	**112,434**	298,537	**199,055**	113,637	**–**	–	**311,489**	412,174
South America	**–**	–	**62,296**	6,429	**–**	–	**62,296**	6,429
Japan and Korea	**20,545**	62,850	**36,579**	9,911	**–**	–	**57,124**	72,761
South East Asia	**11,625**	–	**24,944**	2,293	**5,201**	7,176	**41,770**	9,469
Europe	**5,715**	41	**73,760**	19,950	**–**	–	**79,475**	19,991
West Africa	**–**	–	**–**	–	**36,919**	20,762	**36,919**	20,762
Australia	**3,531**	–	**15,590**	3,924	**–**	–	**19,121**	3,924
Others	**–**	–	**22,641**	9,504	**–**	–	**22,641**	9,504
	153,850	361,428	**434,865**	165,648	**42,120**	27,938	**630,835**	555,014
Non-current assets								
People's Republic of China	**6,756**	9,667	**–**	–	**–**	–	**6,756**	9,667
South East Asia	**3,385**	3,218	**–**	–	**5,615**	5,308	**9,000**	8,526
Europe	**93,208**	285,720	**–**	–	**–**	–	**93,208**	285,720
Others *	**–**	–	**1,687,176**	1,700,835	**154,445**	181,854	**1,841,621**	1,882,689
	103,349	298,605	**1,687,176**	1,700,835	**160,060**	187,162	**1,950,585**	2,186,602

* Others mainly pertains to Peru

Information About Major Customer

For year ended September 28, 2014, included in revenue from Contract Supply Business are revenues of approximately US$100.0 million (2013: US$224.0 million) which arose from sales to the Group's single largest customer (2013: single largest customer).

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

32 Other Operating Income

	Group	
	2014	2013
	US$'000	US$'000
		(Restated)
Fair value gain on available-for-sale investment [Note 38(f)]	**–**	16,094
Net foreign exchange gains	**7,685**	13,653
Fair value changes on financial instruments (Note 22)	**2,034**	616
Fair value changes on investment property (Note 14)	**167**	–
Interest income	**19**	86
Gain on disposal of property, plant and equipment	**710**	413
Rental income from investment property	**144**	137
Gain on bargain purchase on acquisition of subsidiary [Note 38(c)]	**–**	57,510
Others	**4,194**	1,230
Total	**14,953**	89,739

33 Finance Costs

	Group	
	2014	2013
	US$'000	US$'000
Amortisation of senior notes issue expenses (Note 26)	**1,351**	1,523
Interest on:		
– Senior notes	**51,279**	30,755
– Bank loans	**26,074**	17,742
– Finance leases	**228**	547
Total	**78,932**	50,567

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

34 Income Tax (Expense) Benefit

(a) Operations Excluding Hong Kong and Peruvian Jurisdictions

The Group has no income tax liability from operations outside of Hong Kong and Peru as it fishes in international waters. Additionally, under the terms of the long term supply agreements executed by the Group with the Suppliers, the Suppliers bear all tax consequences, if any, relating to the agreements.

(b) Hong Kong

Certain subsidiaries act as procurement and marketing agents for the Group and some administrative personnel are located in Hong Kong. Tax on agency income is considered immaterial and has not been provided for.

(c) Peruvian Jurisdiction

	Group	
	2014	2013
	US$'000	US$'000
Current tax (expense) benefit	**(23,453)**	488
Deferred tax (Note 27)	**9,045**	6,815
Total	**(14,408)**	7,303

Income tax is calculated at the Peruvian tax rate of 30% (2013: 30%) applied to the estimated assessable profit for the year after deduction of statutory employees' profit share of 10% (2013: 10%) from the estimated assessable profit.

The total (charge) credit for the year can be reconciled to the accounting profit as follows:

	Group	
	2014	2013
	US$'000	US$'000
		(Restated)
Profit before tax of Peruvian jurisdiction	**57,233**	62,366
Tax expense at Peruvian tax rate of 30% (2013: 30%)	**(17,170)**	(18,710)
Tax effect of income that are not taxable in determining taxable profit	**3,954**	26,098
Effect of employees' profit share	**(1,192)**	(85)
Total	**(14,408)**	7,303

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

35 Profit for the Year

Profit for the year has been arrived at after charging (crediting):

	Group	
	2014	2013
	US$'000	US$'000
Depreciation and amortisation:		
– Amortisation of prepayment to Suppliers (Note 12)	**13,865**	30,466
– Depreciation of property, plant and equipment (Note 13)	**77,112**	96,131
– Amortisation of senior notes issue expenses (Note 33)	**1,351**	1,523
Total depreciation and amortisation	**92,328**	128,120
Impairment loss on property, plant and equipment (Note 13)	**2,160**	44,918
Provision for claims [Note 23(a)]	**3,407**	1,379
Statutory employees profit share [Note 21(a)]	**3,973**	282
Audit fees:		
– paid to auditors of the Company	**290**	324
– paid to other auditors	**962**	1,066
Total audit fees	**1,252**	1,390
Non-audit fees:		
– paid to auditors of the Company	**66**	330
– paid to other auditors	**–**	320
Total non-audit fees	**66**	650
Aggregate amount of fees paid to auditors	**1,318**	2,040
Directors' remuneration of the Company	**1,396**	1,426
Crew wages and employee benefits expense (including directors' remuneration)	**42,015**	22,773
Defined contribution plan expense	**2,730**	1,044
Fair value (gain) loss on investment property	**(167)**	102
Cost of inventories recognised as expense [(a)]	**177,453**	72,405
Quota fee (included in cost of sales)	**6,509**	2,352

(a) This comprises cost of inventories relating to the operations in Peru and China Fishery Fleet, the nature of which is stated in Note 11. It excludes cost incurred in fishing in the Contract Supply Business and China Fishery Fleet which are recorded as deferred expenses in Note 10.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

36 Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2014 **US$'000**	2013 US$'000 (Restated)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	**61,928**	77,720

	Number of shares **2014**	2013
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,046,354,546**	1,571,535,256
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,046,354,546**	1,571,535,256

37 Dividend

On January 28, 2013, the Company declared a final dividend of 1.90 Singapore cents (1.52 US cents) per share for the period ended September 28, 2012.

On January 28, 2014, the Company declared a final dividend of 1.00 Singapore cent (0.78 US cent) per share for the period ended September 28, 2013.

No final dividend is proposed in respect of the year ended September 28, 2014.

38 Acquisition of Subsidiary

In 2013, the Group acquired the following subsidiary and accounted for the acquisition using the purchase method of accounting:

Subsidiary incorporated in Norway	**Date of acquisition**
Copeinca AS ("Copeinca")	August 30, 2013

The Group acquired the above subsidiary primarily to increase its market share in the Peruvian fishmeal operations.

In 2013, the initial accounting for the acquisition of Copeinca (the "Acquisition") has only been provisionally determined as the Acquisition occurred close to the end of the reporting period. At the date of the finalisation of the financial statements, the necessary market valuations and other calculations for the net assets acquired and liabilities assumed had not been finalised and they have therefore only been provisionally determined based on management's best estimate of the likely values.

During the year, management finalised the provisional fair value for the Acquisition and has accounted for (i) the decrease in provisional fair value of the net assets acquired and liabilities assumed by US$6,539,000; and (ii) the decrease in the bargain purchase by US$6,539,000, retrospectively in accordance with FRS 103.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

38 Acquisition of Subsidiary – continued

(a) Consideration Transferred (At Acquisition Date Fair Values)

	Total US$'000
Cash consideration	787,690

(b) Assets Acquired and Liabilities Assumed at the Date of Acquisition

	Acquiree's carrying amount before combination US$'000	Fair value adjustments US$'000 (Restated)	Fair value US$'000 (Restated)
Non-current assets			
Property, plant and equipment	247,648	(31,440)	216,208
Fishing and plant permit	214,117	772,795	986,912
Goodwill	139,095	(139,095)	–
Current assets			
Inventories	48,838	24,651	73,489
Trade receivables	34,655	–	34,655
Other receivables and prepayments	20,284	–	20,284
Prepaid income tax	7,217	–	7,217
Deferred expenses	3,246	–	3,246
Current liabilities			
Trade payables	(4,723)	–	(4,723)
Other payables	(6,305)	–	(6,305)
Income tax payable	(4,562)	–	(4,562)
Current portion of bank loans	(1,288)	–	(1,288)
Non-current liabilities			
Long term payables	(6,584)	(4,929)	(11,513)
Senior notes	(249,899)	–	(249,899)
Deferred tax liabilities	(73,828)	(188,074)	(261,902)
Non-controlling interests	(4,352)	(3,394)	(7,746)
Net assets acquired and liabilities assumed	363,559	430,514	794,073

(c) Gain on Bargain Purchase Arising on Acquisition

	Total US$'000
Net cash consideration	720,469
Add: Fair value gain on available-for-sale investment (Note 32)	16,094
Less: Fair value of identifiable net assets acquired (restated)	(794,073)
Gain on bargain purchase of acquisition of subsidiary (Note 32) (restated)	(57,510)

Gain on bargain purchase represents the excess of the fair value of the net assets acquired over the purchase consideration.

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

38 Acquisition of Subsidiary – continued

(d) Net Cash Outflow on Acquisition of Subsidiary

	2013 US$'000
Total consideration paid in cash	787,690
Less: Fair value gain on available-for-sale investment (Note 32)	(16,094)
Less: cash and bank balances acquired	(51,127)
Net cash outflow on acquisition of subsidiary	720,469

(e) Impact of Acquisition on the Results of the Group

In 2013, the acquisition of the subsidiary resulted in inclusion of post-acquisition revenue of US$31,535,000 and profit of US$7,159,000 in the Group's financial statements.

Had the business combination during the year been effected at September 29, 2012, the revenue of the Group would have been US$729,302,000, and the profit for the year would have been US$54,660,000.

Management considers the above "pro-forma" numbers to represent an approximate measure of the performance of the combined group on annualised basis and to prove a reference point for comparison in future periods.

(f) Previously Held Interest

In 2013, the previously held equity interest of 17.19% in Copeinca was previously recorded as available-for-sale investment. It was re-measured at fair value at the date of acquisition. The difference between the fair value of US$133,643,000 and the carrying amount of 17.19% equity interest immediately prior to the date of acquisition of US$117,549,000 amounting to US$16,094,000 was recognised in other operating income (Note 32).

(g) Non-Controlling Interests

The interests of a non-controlling shareholder recognised at the acquisition date was measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

(h) Additional acquisition of interest in subsidiary

In 2014, the Group acquired an additional 0.9% interest in Copeinca, at a cash consideration of US$7,129,000. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid is recognised directly in equity and attributed to owners of the Company.

39 Acquisition of Assets

In 2013, the Group acquired the entire issued share capital of J.Wiludi & Asociados Consultores En Pesca SAC (Note 18) which owns a fishing vessel for a consideration of US$2,500,000. The transaction was determined by management to be an acquisition of assets rather than a business combination as defined in FRS 103 *Business Combinations*.

40 Operating Lease Arrangements

The Group as lessor

The Group rents out a portion of its investment property in Singapore under operating leases. Property rental income earned during the year was US$144,000 (2013: US$137,000) (Note 32). At the end of the reporting period, the Group has contracted with tenant for the following future minimum lease payments:

	Group	
	2014 **US$'000**	2013 US$'000
Within one year	**144**	144
Within two to five years	**–**	144
Total	**144**	288

NOTES TO FINANCIAL STATEMENTS

September 28, 2014

41 Contingent Liabilities

(a) Certain members of the Group are parties to legal processes in Peru amounting to approximately US$30,163,000 (2013: US$31,864,000). These relate to fishing compliance, former employees and miscellaneous claims. The Group's legal advisor has advised the Group that US$14,143,000 (2013: US$12,578,000) of these claims is likely to have unfavourable outcome for the Group and the outcome for claims of US$16,020,000 (2013: US$19,286,000) cannot be reasonably ascertained. Additionally, there are claims which the legal advisor has opined to have remote chances of resulting in unfavourable outcomes for the Group.

The Group made a provision of US$14,143,000 (2013: US$12,578,000) [Note 23(a)] for those claims where the outcome is likely to be unfavourable to the Group.

(b) At the end of the reporting period, the Company had contingent liabilities arising from unsecured guarantees given to banks in respect of banking facilities utilised by subsidiaries amounting to US$701,000,000 (2013: US$411,120,000). In addition, an unsecured guarantee was given in respect of the issuance of senior fixed rate notes with nominal value of US$296,000,000 (2013: US$296,000,000).

42 Commitments

As at the end of the reporting period, the Group had approved and contracted commitments for the acquisition of property, plant and equipment that were not provided for in the financial statements amounting US$1,570,000 (2013: US$8,447,000).

43 Comparative Figures

During the year, 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 in accordance with FRS 103 (Note 38).

As a result, the following 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. 2012 consolidated statement of financial position is not presented since the retrospective adjustments have no impact on 2012 balances.

September 28, 2013	As previously reported US$'000	Adjustments US$'000	As restated US$'000
Statement of financial position			
Property, plant and equipment	638,201	(2,300)	635,901
Deferred tax liabilities	317,204	(690)	316,514
Long term payables	30,387	4,929	35,316
Retained earnings	561,836	(6,539)	555,297
Consolidated income statement			
Other operating income	96,278	(6,539)	89,739
Profit for the year	84,898	(6,539)	78,359
Total comprehensive income for the year	89,215	(6,539)	82,676
Consolidated statement of cash flows			
Profit before income tax	77,595	(6,539)	71,056
Gain on bargain purchase on acquisition of subsidiary	64,049	(6,539)	57,510

SUPPLEMENTARY INFORMATION

The reporting currency of the Group is in United States Dollars. A Singapore Dollars equivalent of the statement of financial position and consolidated income statement of the Group is provided as Supplementary Information for shareholders and investors in Singapore.

Statement of Financial Position

September 28, 2014

	Group (Unaudited) 2014 S$'000	2013 S$'000 (Restated)
ASSETS		
Current assets		
Cash and cash equivalents	**164,534**	93,771
Trade receivables	**184,507**	177,891
Other receivables and prepayments	**288,447**	194,966
Derivative financial instruments	**177**	–
Advances to Suppliers	**51,621**	50,925
Prepaid income tax	**9,224**	16,042
Deferred expenses	**53,021**	41,412
Inventories	**201,902**	123,468
Receivable from/prepayment to Suppliers – current portion	**138,931**	33,067
Total current assets	**1,092,364**	731,542
Non-current assets		
Receivable from/prepayment to Suppliers	**27,436**	288,060
Property, plant and equipment	**768,144**	799,582
Investment property	**4,315**	4,046
Goodwill	**122,006**	120,360
Fishing and plant permits	**1,558,415**	1,537,385
Associate	**5,900**	–
Total non-current assets	**2,486,216**	2,749,433
Total assets	**3,578,580**	3,480,975
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	**21,157**	22,481
Other payables and accrued expenses	**34,995**	19,014
Derivative financial instruments	**–**	2,383
Income tax payable	**12,843**	3,556
Current portion of finance leases	**–**	4,861
Current portion of bank loans	**386,977**	676,793
Total current liabilities	**455,972**	729,088
Non-current liabilities		
Long term payables	**31,698**	44,406
Finance leases	**–**	591
Bank loans	**479,721**	173,102
Senior Notes	**678,261**	667,409
Deferred tax liabilities	**391,900**	397,985
Total non-current liabilities	**1,581,580**	1,283,493
Capital and reserve		
Share capital	**130,415**	128,655
Reserves	**1,407,834**	1,329,152
Attributable to owners of the Company	**1,538,249**	1,457,807
Non-controlling interest	**2,779**	10,587
Net equity	**1,541,028**	1,468,394
Total liabilities and equity	**3,578,580**	3,480,975

SUPPLEMENTARY INFORMATION

Consolidated Income Statement

Year ended September 28, 2014

	Group (Unaudited) 2014 S$'000	2013 S$'000 (Restated)
Revenue	**804,062**	697,875
Cost of sales	**(345,824)**	(341,356)
Vessel operating costs	**(190,590)**	(172,935)
Gross Profit	**267,648**	183,584
Other operating income	**19,059**	112,838
Selling expenses	**(34,811)**	(32,106)
Administrative expenses	**(31,495)**	(23,733)
Other operating expense	**(20,266)**	(87,653)
Finance costs	**(100,607)**	(63,584)
Profit before income tax	**99,528**	89,346
Income tax (expense) benefit	**(18,364)**	9,183
Profit for the year	**81,164**	98,529
Profit attributable to:		
Owners of the Company	**78,933**	97,725
Non-controlling interests	**2,231**	804
	81,164	98,529
Earnings per share		
Basic earnings per share (Singapore cents)	**3.86**	6.22
Diluted earnings per share (Singapore cents)	**3.86**	6.22

* Exchange Rate
As at 28.09.2014: US$1 = 1.2746
As at 28.09.2013: US$1 = 1.2574

SHAREHOLDERS' INFORMATION

As at December 19, 2014

Class of shares	:	Ordinary shares of US$0.05 each
Authorised share capital	:	US$150,000,000
Issued and fully paid-up capital (excluding Treasury Shares)	:	US$102,317,727.30
Number of issued shares (excluding Treasury Shares)	:	2,046,354,546
Voting rights (excluding Treasury Shares)	:	One vote per share

Treasury Shares

The Company does not hold any Treasury Shares.

Statistics of Warrantholdings

No. of Warrants	:	96,153,846
Expiry Date of Warrants	:	January 27, 2017
No. of Warrants Exercised	:	Nil

On January 27, 2014, the Company had issued 96,153,846 warrants to CAP III-A Limited at a total consideration of US$1.00 (the "Warrants"). Each of the Warrants carries the right to subscribe for one new ordinary share of the Company of US$0.05 each at an exercise price of S$0.52 per Warrant which is payable in United States dollar based on a fixed exchange rate in accordance with the warrant issuance agreement entered into with CAP III-A Limited. The Warrants will not be listed or traded on the main board of the SGX-ST.

Statistics of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	232	5.75	60,322	0.00
1,000 - 10,000	1,399	34.70	7,674,474	0.37
10,001 - 1,000,000	2,369	58.76	137,844,381	6.74
1,000,001 & ABOVE	32	0.79	1,900,775,369	92.89
TOTAL	4,032	100.00	2,046,354,546	100.00

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

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

SHAREHOLDERS' INFORMATION

As at December 19, 2014

Notes:

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

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

By virtue of the 100% shareholding held by TC Group Sub in CAP III 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 Limited ("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 in the Company.

	TWENTY LARGEST SHAREHOLDERS AS AT DECEMBER 19, 2014	NO. OF SHARES	%
1	SUPER INVESTMENT LIMITED	1,426,432,850	69.71
2	CAP III-A LIMITED	227,027,028	11.09
3	CITIBANK NOMINEES SINGAPORE PTE LTD	91,851,661	4.49
4	DBS NOMINEES PTE LTD	31,191,383	1.52
5	NOMURA SINGAPORE LIMITED	16,242,624	0.79
6	HSBC (SINGAPORE) NOMINEES PTE LTD	13,309,995	0.65
7	RAFFLES NOMINEES (PTE) LTD	12,649,981	0.62
8	DB NOMINEES (S) PTE LTD	11,364,425	0.56
9	MAK SENG FOOK	7,610,000	0.37
10	MAYBANK KIM ENG SECURITIES PTE LTD	6,246,086	0.31
11	CHONG KUAN KEONG	5,941,000	0.29
12	PHILLIP SECURITIES PTE LTD	5,783,920	0.28
13	UOB KAY HIAN PTE LTD	5,585,456	0.27
14	OCBC SECURITIES PRIVATE LTD	4,814,726	0.24
15	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,898,634	0.19
16	LOW WOO SWEE @ LOH SWEE TECK	3,632,000	0.18
17	CHUA CHENG ANN	2,830,000	0.14
18	DBSN SERVICES PTE LTD	2,513,000	0.12
19	JUSUF OR MARIANA	2,354,000	0.12
20	ANG JWEE PHOR	2,343,000	0.11
		1,883,621,769	92.05

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

18.39% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of China Fishery Group Limited ("Company" or "CFGL") will be held at Vanda Ballroom, Level 5, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Monday, January 26, 2015 at 9:30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended September 28, 2014 together with the Auditors' Report thereon.

   (Resolution 1)

2. To re-elect the following Directors of the Company ("Directors" or each a "Director") retiring by rotation pursuant to Article 107 of the Company's Articles of Association:

   Mr Sung Yu Ching **(Resolution 2)**
   Mr Lim Soon Hock **(Resolution 3)**
   Mr Tan Ngiap Joo **(Resolution 4)**

   Mr Tan Ngiap Joo will, upon re-election as a Director, remain Chairman of the Remuneration Committee and a member of each of the Audit and Risk Management Committee, the Nominating Committee, the Investment Committee and the Corporate Social Responsibility Committee and will be considered independent.

   Mr Lim Soon Hock will, upon re-election as a Director, remain Chairman of the Audit and Risk Management Committee and a member of each of the Nominating Committee and the Remuneration Committee and will be considered independent.

3. To approve the payment of Directors' fees amounting to S$150,000 for the financial year ending September 28, 2015, payable monthly in arrears (2014: S$150,000).

   (Resolution 5)

4. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

   (Resolution 6)

5. To transact any other ordinary business which may be transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

6. Authority to Issue Shares

   That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors be authorised and empowered to:

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

    (a) new shares arising from the conversion or exercise of any convertible securities;

    (b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

    (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)] **(Resolution 7)**

7. Authority to Issue Shares under the CFGL Share Awards Scheme

That the Directors be authorised and empowered to grant awards in accordance with the provisions of the CFGL Share Awards Scheme ("Scheme") and to issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Scheme, provided that the aggregate number of new shares to be issued pursuant to:

(a) the Scheme, shall not exceed ten percent (10%) of the total number of issued shares in the capital of the Company as at the date of approval of the Scheme by shareholders of the Company; and

(b) the Scheme and any other share scheme which the Company may have in place, shall not exceed fifteen percent (15%) of the total number of issued shares in the capital of the Company from time to time;

and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to Issue Shares under the CFGL Scrip Dividend Scheme

That authority be given to the Directors to issue from time to time such number of new fully-paid shares as may be required to be issued pursuant to the CFGL Scrip Dividend Scheme.

[See Explanatory Note (iii)] **(Resolution 9)**

By Order of the Board

Tan San-Ju
Company Secretary

Singapore, January 2, 2015

Explanatory Notes:

(i) Ordinary Resolution 7, if passed, will empower the Directors, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty percent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty percent (20%) may be issued other than on a pro rata basis to shareholders of the Company.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) Ordinary Resolution 8, if passed, will empower the Directors, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards under the Scheme and to issue from time to time such number of fully-paid shares pursuant to the vesting of the awards under the Scheme (which was approved by shareholders of the Company at the extraordinary general meeting held on April 30, 2007), provided that the aggregate number of shares to be issued pursuant to (a) the Scheme shall not exceed ten percent (10%) of the total number of issued shares in the capital of the Company as at the date of approval of the Scheme by shareholders of the Company and (b) the Scheme and any other share scheme which the Company may have in place, shall not exceed fifteen percent (15%) of the total number of issued shares in the capital of the Company from time to time.

(iii) Ordinary Resolution 9, if passed, will empower the Directors to issue new fully-paid shares pursuant to the CFGL Scrip Dividend Scheme, which was adopted by the Company in November 2009, to shareholders who, in respect of a qualifying dividend, have elected to receive their dividends in the form of shares in lieu of the cash amount of that qualifying dividend.

Notes:

1. A shareholder entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.

2. If a depositor wishes to appoint a proxy/proxies to attend the Annual General Meeting of the Company, then he/she must complete and deposit the Depositor Proxy Form at the office of the Company's Share Transfer Agent in Singapore, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758, not less than forty-eight (48) hours before the time of the Annual General Meeting of the Company.

3. If the depositor is a corporation, then the Depositor Proxy Form must be executed under its common seal or the hand of its duly authorised officer or attorney and must be deposited at the office of the Company's Share Transfer Agent in Singapore, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758, not less than forty-eight (48) hours before the time of the Annual General Meeting of the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting of the Company and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder'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 Annual General Meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting of the Company (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 shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder 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 shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

CHINA FISHERY GROUP LIMITED
Room 3312-14, Hong Kong Plaza, 188 Connaught Road West, Hong Kong
www.chinafisherygroup.com