



9th April 2014

Company Announcements Office
Australian Securities Exchange
10th Floor
20 Bond Street
SYDNEY, NSW 2000.

Dear Sir,

Progress Update on the Haikou Free Trade Zone Project

On 18th March 2014, Cell Aquaculture ("the Company") announced the execution of a Heads of Agreement ("HOA") with the Vendors, Noble Rate Limited, Tang Dashun and Beijing Properties (Holdings) Limited, to acquire 100% of all the rights and title to two projects; one of these being, the Haikou Free Trade Zone Project on Hainan Island, China ("the Haikou Project").

This announcement is to be read in conjunction with the Company announcement released on the 18th March 2014.

THE HAIKOU PROJECT

Progress of Construction

Haikou Peace Base Industry Development Co. Ltd ("HPB") is the legal and beneficial owner of the Haikou Project and is owned by entities legally and beneficially owned by Vendors. HPB is responsible for the construction and operation of the Haikou Project.

The Haikou Project will contain the following buildings:

1. One commercial and administrative building with a total built up area of approximately 5,571m²;
2. Three building factories of various sizes with a total built up area of approximately 14,289m²;
3. Four bonded warehouses of various sizes with a total built up area of approximately 39,180m²; and
4. One exhibition centre with a total built up area of approximately 17,941m².

As at the 9th April 2014, the foundation preparation and excavations for all the buildings as mentioned above have been completed. The final foundation and concrete casting is expected to be completed by the end of April 2014.

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Lease Commitments

As at the 9th April 2014, HPB has signed several lease agreements for a portion of the exhibition centre, the warehouses and two factories.

Licenses, Permits and Approvals

As at the 9th April 2014, HPB had received the following licences, permits and approvals:

1. The *Planning Permit of Construction Engineering*;
2. The Land Use Certificate for the entire plot on which the project is situated;
3. Approval of the designs of all the warehouses and buildings by the Hainan Centre for Verification and Examination of Construction Drawing;
4. The Qualification license which allows for import and export services; and
5. The business license for the project with a special business scope of processing and selling of diamond, jewellery and gold.

Moving Forward

HPB is committed to completing the construction of the Haikou Project with an expected date of early November 2014.

In the interim, HPB will also be focusing their efforts on securing contracts to lease the remaining available property areas as well as establishing a sales base using the following approaches:

1. Establish jewellery retail counters in duty-free shops around Haikou and Sanya, Hainan Island, China;
2. Cooperate with Shanghai Insite Assets Management Group to establish a jewellery retail presence in 30 on-the-spot experience stores nationwide;
3. Set up an online jewellery sales platform to attract a wider group of consumers;
4. Participate in the Hong Kong International Jewellery Show in September 2014; and
5. Establish a strong jewellery marketing network in the United States of America.

A handwritten signature in black ink, appearing to read "Deborah Ho".

Deborah Ho
Company Secretary