



27th May 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 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 announcements released on the 18th March 2014 and 10th April 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.

Since the progress announcement on 10th April 2014, there has been an increase in the built up area of the buildings currently under construction.

The Haikou Project will contain the following buildings:

1. One commercial and administrative centre with a total built up area of approximately 6,080m²;
2. Three building factories of various sizes with a total built up area of approximately 17,887m²;
3. Four bonded warehouses of various sizes with a total built up area of approximately 41,115m²; and
4. One exhibition centre with a total built up area of approximately 22,083m².

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Commercial and Administrative Centre

As at 23rd May 2014, the basement construction has been completed. The first floor of the Centre is currently undergoing construction.

Factories

As at 23rd May 2014, the basement construction has been completed. The first floors of the Factories are currently undergoing construction.

Bonded Warehouses

As at 23rd May 2014, the concrete casting has been completed and the foundation piling is currently undergoing inspection.

Exhibition Centre

As at 23rd May 2014, works associated with waterproofing the Exhibition Centre's basement has been completed. The remainder of the basement is currently still undergoing construction.

The overall progress summary for the construction of each building structure is as follows:

Building	% Construction Completed
Commercial and Administrative Centre	46%
Factories	46%
Warehouses	46%
Exhibition Centre	40%

Licenses, Permits and Approvals

As of the 23rd May 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.



Lease Commitments

As at 23rd May 2014, HPB has signed several lease agreements for the entire Commercial and Administrative Centre and for portions of the Factories, Bonded Warehouses and Exhibition Centre.

A summary of the approximate lease commitments is as follows:

Building	Approximate Total Built Up Area (sqm)	Approximate Area of Lease Commitment Obtained (sqm)	Approximate Area of Lease Under Negotiations (sqm)	Approximate Area Vacant (sqm)
Commercial and Administrative Space	6,080	6,080	-	-
Factory Space	17,887	12,887	5,000	-
Warehouses	41,115	20,000	-	21,115
Exhibition Centre	22,083	10,000	-	12,083
Total	87,164	48,967	5,000	33,198

Moving Forward

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

Deborah Ho
Company Secretary