



26<sup>th</sup> June 2014

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

Dear Sir,

## **Progress Update on the Haikou Free Trade Zone Project**

On 18<sup>th</sup> 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").

On 10<sup>th</sup> June 2014, the Company announced the execution of formal Share Sale Agreements with each Vendor.

This announcement is to be read in conjunction with the Company announcements released on the 18<sup>th</sup> March 2014, 10<sup>th</sup> April 2014, 27<sup>th</sup> May 2014 and 10<sup>th</sup> June 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 centre with a total built up area of approximately 6,080m<sup>2</sup>;
2. Three building factories of various sizes with a total built up area of approximately 17,887m<sup>2</sup>;
3. Four bonded warehouses of various sizes with a total built up area of approximately 41,115m<sup>2</sup>; and
4. One exhibition centre with a total built up area of approximately 22,083m<sup>2</sup>.

---

Cell Aquaculture Ltd  
ACN 091 687 740  
Level 24  
44 St George's Terrace  
Perth, Western Australia, 6000  
Phone: (08) 6211 5099  
Fax: (08) 9218 8875  
ASX Code: CAQ



#### *Commercial and Administrative Centre*

As at 25<sup>th</sup> June 2014, construction of the basement, first floor and second floors has been completed. The third floor of the Centre is currently undergoing construction.

#### *Factories*

As at 25<sup>th</sup> June 2014, the construction of the basement and first floors has been completed. The second and third floors of the Factories are currently undergoing construction.

#### *Bonded Warehouses*

As at 25<sup>th</sup> June 2014, the foundation piling of two warehouses is currently undergoing inspection. Foundation piling inspection for the remaining two warehouses has been completed and is currently undergoing bedding and ground beam construction.

#### *Exhibition Centre*

As at 25<sup>th</sup> June 2014, 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	54%
Factories	54%
Warehouses	54%
Exhibition Centre	47%

#### **Licenses, Permits and Approvals**

As of the 25<sup>th</sup> June 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 25<sup>th</sup> June 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
<b>Total</b>	<b>87,164</b>	<b>48,967</b>	<b>5,000</b>	<b>33,198</b>

### Moving Forward

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

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

**Deborah Ho**  
**Company Secretary**