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 (Incorporated in the Republic of Singapore under Registration Number: 199805793D)

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2016 OF OCEANUS GROUP LIMITED ("OCEANUS") AND ITS SUBSIDIARIES (COLLECTIVELY KNOWN AS THE "OCEANUS GROUP")**

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

**1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	3 months ended		Favourable /(Adverse)	6 months ended		Favourable /(Adverse)
	30/6/2016	30/6/2015		30/6/2016	30/6/2015	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Sales of aquaculture products</b>						
Sales of live marine products	269	891	(69.8)	5,175	891	>100.0
Sales of processed marine products	-	23	>100.0	410	163	>100.0
	<b>269</b>	<b>914</b>	(70.6)	<b>5,585</b>	<b>1,054</b>	>100.0
<b>Continuing operations</b>						
Gain arising from changes in fair value						
less cost to sell of biological assets	269	7,553	(96.4)	2,871	7,588	(62.2)
Sales of processed marine products	-	23	(100.0)	410	163	>100.0
	269	7,576	(96.4)	3,281	7,751	(57.7)
<b>Other operating income</b>	595	<b>1,658</b>	(64.1)	849	<b>1,701</b>	(50.1)
Cost of sales	-	(14)	100.0	(606)	(118)	(>100.0)
Feed used	-	(211)	100.0	(88)	(412)	78.6
Electricity, fuel and water	(33)	(506)	93.5	(276)	(1,212)	77.2
Staff costs	(1,513)	(2,691)	43.8	(3,436)	(5,299)	35.2
Foreign currency gain/(loss)	(13,962)	23,282	NM	1,428	2,870	(50.2)
Other operating expenses	(3,618)	(2,375)	(52.3)	(5,340)	(4,226)	(26.4)
Depreciation	(14,265)	(15,802)	9.7	(28,625)	(31,613)	9.5
Finance costs	(15,327)	(20,117)	23.8	(29,182)	(39,637)	26.4
<b>Loss before income tax</b>	(47,854)	(9,200)	>100.0	(61,995)	(70,195)	11.7
Income tax	-	63	100.0	-	-	
<b>Loss for the year from continuing operations</b>	<b>(47,854)</b>	<b>(9,137)</b>	>100.0	<b>(61,995)</b>	<b>(70,195)</b>	11.7
<b>Discontinued operations</b>						
Profit for the year from discontinued operations	(762)	1	NM	(759)	79	NM
<b>Loss for the period</b>	<b>(48,616)</b>	<b>(9,136)</b>	>100.0	<b>(62,754)</b>	<b>(70,116)</b>	10.5

Loss for the period is arrived at after charging / (crediting) the following items:

	3 months ended		Favourable / (Adverse)	6 months ended		Favourable / (Adverse)
	30/6/2016	30/6/2015		30/6/2016	30/6/2015	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b><u>Continuing operations</u></b>						
Interest income	(1)	(1)	-	(1)	(1)	-
Interest expense						
(i) Coupon rate 5%	5,721	3,640	(57.2)	10,102	7,228	(39.8)
(ii) Notional interest	8,940	14,936	40.1	17,741	29,845	40.6
(iii) Loan interest	-	684	100.0	-	1,291	100.0
(iv) Withholding tax	669	857	22.0	1,341	1,273	(5.4)
Depreciation of property, plant and equipment	14,265	15,802	9.7	28,625	31,613	9.5
Amortisation of prepaid leases	123	122	(0.8)	246	245	(0.4)
Operating lease expenses	143	411	65.1	292	817	64.2
Foreign exchange (gain)/loss	13,962	(23,282)	NM	(1,428)	(2,870)	50.2
<b><u>Discontinued operations</u></b>						
Foreign exchange (gain)/loss	846	(1)	NM	844	(103)	NM

N/M: Not meaningful

**(b) A Statement of Comprehensive Income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	3 months ended		6 months ended	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Loss for the period</b>	(48,616)	(9,136)	(62,754)	(70,116)
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	(2,076)	(12,039)	(38,522)	165
<b>Total comprehensive income for the period</b>	<b>(50,692)</b>	<b>(21,175)</b>	<b>(101,276)</b>	<b>(69,951)</b>
<b>Attributable to:</b>				
Equity holders of the Company	(50,692)	(21,175)	(101,276)	(69,951)

**1 (c)(i) A balance sheet (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and bank balances	5,496	2,208	217	147
Trade receivables	10	73	-	-
Other receivables	553	993	15,238	14,645
Inventories	74	110	-	-
Biological assets	-	2,418	-	-
	<u>6,133</u>	<u>5,802</u>	<u>15,455</u>	<u>14,792</u>
<b><u>Non-current assets</u></b>				
Property, plant and equipment	170,072	198,697	-	-
Prepaid leases	7,255	7,501	-	-
Investment in subsidiaries	-	-	262,129	262,129
	<u>177,327</u>	<u>206,198</u>	<u>262,129</u>	<u>262,129</u>
<b>Total assets</b>	<b><u>183,460</u></b>	<b><u>212,000</u></b>	<b><u>277,584</u></b>	<b><u>276,921</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Trade payables	11,411	10,993	-	-
Other payables	103,982	82,697	73,081	53,827
Loans and borrowings	-	2,816	-	2,816
Current tax payable	23,948	23,948	-	-
Convertible loan	274,835	239,647	274,835	239,647
Derivative liabilities	175,357	163,258	175,357	163,258
	<u>589,533</u>	<u>523,359</u>	<u>523,273</u>	<u>459,548</u>
<b><u>Non-current liabilities</u></b>				
Convertible loan	34,291	28,007	34,291	28,007
Derivative liabilities	1,980	1,844	1,980	1,844
Deferred tax liabilities	2,059	1,917	2,059	1,917
	<u>38,330</u>	<u>31,768</u>	<u>38,330</u>	<u>31,768</u>
<b>Total liabilities</b>	<b><u>627,863</u></b>	<b><u>555,127</u></b>	<b><u>561,603</u></b>	<b><u>491,316</u></b>
<b><u>Capital and reserves</u></b>				
Share capital	2,413,255	2,413,255	2,413,255	2,413,255
Capital reserve	(1,137,504)	(1,137,504)	11,229	11,229
Currency translation reserve	20,529	59,051	(7,474)	29,186
Warrant reserve	162,066	162,066	162,066	162,066
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(1,942,011)	(1,879,257)	(2,863,095)	(2,830,131)
Equity attributable to equity holders of the Company	<u>(444,403)</u>	<u>(343,127)</u>	<u>(284,019)</u>	<u>(214,395)</u>
<b>Total liabilities and equity</b>	<b><u>183,460</u></b>	<b><u>212,000</u></b>	<b><u>277,584</u></b>	<b><u>276,921</u></b>

**1(c)(ii) Aggregate amount of the Group's borrowings and debt securities.**

**Group**

	31/03/2016		31/12/2015	
	RMB'000	RMB'000	RMB'000	RMB'000
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Amount payable in one year or less, or demand	-	-	-	2,816
Amount repayable in one year or less	274,835	-	239,647	-
Amount repayable after one year	34,291	-	28,007	-
	<u>309,126</u>	<u>-</u>	<u>267,654</u>	<u>2,816</u>

**Details of any collateral**

The loans amounting to approximately RMB310 million mainly relates to a restructuring exercise which was completed on 2 September 2015. The convertible loans are secured by the creation of charges over specify Company assets. (Kindly refer to Company's circular dated 6 May 2015) for more details of these security charges.

The Company has on 3 September 2015 issued an aggregate of 2,971,069,187 Restructuring Warrants and 647,237,779 New Warrants and on 26 October 2015, issued a further 107,692,308 New Warrants.

The restructured convertible loan was classified as current liabilities as they will expire on 31 December 2016.

The convertible loan arising from new warrants issued was classified as non-current as the loan has a term of five (5) years commencing from the 1<sup>st</sup> drawdown date of 3 September 2015.

**1(d) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			
	3 months ended		6 months ended	
	30/6/2016 RMB'000	30/6/2015 RMB'000	30/6/2016 RMB'000	30/6/2015 RMB'000
<b>Cash Flows from Operating Activities</b>				
Loss before income tax	(48,616)	(9,199)	(62,754)	(70,116)
Adjustments for:				
Gain (loss) arising from changes in fair value less cost to sell of biological assets	(155)	(7,553)	(2,757)	(7,588)
Depreciation of property, plant and equipment	14,265	15,802	28,625	31,613
Amortisation of prepaid leases	123	122	246	245
Interest income	-	(1)	(1)	(1)
Interest expense	15,328	20,117	29,184	39,637
Net foreign exchange difference	16,818	(38,260)	1,424	(14,640)
<b>Operating cash flows before working capital changes</b>	<b>(2,237)</b>	<b>(18,972)</b>	<b>(6,033)</b>	<b>(20,850)</b>
Trade receivables	-	-	64	-
Other receivables	(36)	(620)	440	(549)
Inventories	-	16	38	(117)
Biological assets	155	927	5,175	927
Trade payables	522	(1,736)	420	(4,458)
Other payables	3,113	14,453	3,183	13,747
<b>Cash used in operations</b>	<b>1,517</b>	<b>(5,932)</b>	<b>3,287</b>	<b>(11,300)</b>
Interest received	-	1	1	1
Income taxes paid	-	63	-	-
<b>Cash flows from/(used in) operating activities</b>	<b>1,517</b>	<b>(5,868)</b>	<b>3,288</b>	<b>(11,299)</b>
<b>Financing activities</b>				
Proceeds on loan from investors	-	5,475	-	7,348
<b>Cash flows from financing activities</b>	<b>-</b>	<b>5,475</b>	<b>-</b>	<b>7,348</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>1,517</b>	<b>(393)</b>	<b>3,288</b>	<b>(3,951)</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>3,979</b>	<b>1,120</b>	<b>2,208</b>	<b>4,678</b>
<b>Cash and cash equivalents at end of the period</b>	<b>5,496</b>	<b>727</b>	<b>5,496</b>	<b>727</b>

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

	6 months ended	
	30/06/2016	30/06/2015
	RMB'000	RMB'000
Cash and bank balances	5,496	727

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

	Share capital	Capital reserve	Currency translation reserve	Warrant reserve	Statutory surplus reserve funds	Accumulated losses	Total attributable to equity holders of the Company	Non controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>The Group</b>									
Balance as at 1 January 2015	2,373,685	(1,137,504)	49,191	101,651	39,262	(1,746,992)	(320,707)	-	(320,707)
Loss for the period	-	-	-	-	-	(70,116)	(70,116)	-	(70,116)
Other comprehensive income									
Foreign currency translation	-	-	165	-	-	-	165	-	165
<b>Total comprehensive income/(loss) for the period</b>	-	-	165	-	-	(70,116)	(69,951)	-	(69,951)
<b>Balance at 30 June 2015</b>	<b>2,373,685</b>	<b>(1,137,504)</b>	<b>49,356</b>	<b>101,651</b>	<b>39,262</b>	<b>(1,817,108)</b>	<b>(390,658)</b>	<b>-</b>	<b>(390,658)</b>
Balance as at 1 January 2016	2,413,255	(1,137,504)	59,051	162,066	39,262	(1,879,257)	(343,127)	-	(343,127)
Loss for the period	-	-	-	-	-	(62,754)	(62,754)	-	(62,754)
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	(38,522)	-	-	-	(38,522)	-	(38,522)
<b>Total comprehensive income/(loss) for the period</b>	-	-	(38,522)	-	-	(62,754)	(101,276)	-	(101,276)
<b>Balance at 30 June 2016</b>	<b>2,413,255</b>	<b>(1,137,504)</b>	<b>20,529</b>	<b>162,066</b>	<b>39,262</b>	<b>(1,942,011)</b>	<b>(444,403)</b>	<b>-</b>	<b>(444,403)</b>

	<u>Share capital</u>	<u>Capital reserve</u>	<u>Currency translation reserve</u>	<u>Warrant reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>The Company</u></b>						
Balance as at 1 January 2015	2,373,685	11,229	19,504	101,651	(2,773,386)	(267,317)
Loss for the period	-	-	-	-	(41,513)	(41,513)
Other comprehensive income						
Foreign currency translation	-	-	15,655	-	-	15,655
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>15,655</b>	<b>-</b>	<b>(41,513)</b>	<b>(25,858)</b>
<b>Balance as at 30 June 2015</b>	<b>2,373,685</b>	<b>11,229</b>	<b>35,159</b>	<b>101,651</b>	<b>(2,814,899)</b>	<b>(293,175)</b>
Balance as at 1 January 2016	2,413,255	11,229	29,186	162,066	(2,830,130)	(214,394)
Loss for the period	-	-	-	-	(32,965)	(32,965)
Other comprehensive income						
Foreign currency translation	-	-	(36,660)	-	-	(36,660)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>(36,660)</b>	<b>-</b>	<b>(32,965)</b>	<b>(69,625)</b>
<b>Balance as at 30 June 2016</b>	<b>2,413,255</b>	<b>11,229</b>	<b>(7,474)</b>	<b>162,066</b>	<b>(2,863,095)</b>	<b>(284,019)</b>



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

There was no change in the Company's share capital since the end of the previous period reported on.

As of 30 June 2016, there were 3,725,999,274 outstanding warrants. If all the outstanding warrants were converted to shares, there will be 8,292,852,106 shares issued.

The Company did not have any treasury shares as at 30 June 2016.

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

The total number of issued shares as at 30 June 2016 is 4,566,852,832 shares (31 December 2015: 4,566,852,832 shares).

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2014.

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

Not applicable.

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

	3 months ended		6 months ended	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
a) EPS based on weighted average number of shares (RMB cents/ share)	(1.07)	(1.12)	(1.38)	(2.80)
b) EPS based on fully diluted basis (RMB cents/ share)	(1.07)	(1.12)	(1.38)	(2.80)
Weighted average number of shares applicable to earnings per share	4,566,852,832	3,637,941,547	4,566,852,832	3,637,941,547
Weighted average number of shares fully diluted basis	4,566,852,832	3,637,941,547	4,566,852,832	3,637,941,547

Basic earnings per share is calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares issued during the financial period under review.

The dilutive earning per share is shown as the same amount as the basic earnings per share because the warrants are considered anti dilutive and ignored in the computation of diluted earnings per share.

**7. Net asset value (for the Issuer and Group) per ordinary share based on issued share capital excluding treasury shares of the Issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year.**

	Group		Company	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	(9.73)	(3.05)	(6.22)	7.59

Net asset value for the Group and the Company as at 30 June 2016 and 31 December 2015 are computed based on 4,566,852,832 at the end of the financial period under review.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

## REVIEW OF RESULTS OF OPERATIONS

The Group's 2Q 2016 Adjusted EBITDA\* is a loss of RMB4.9 million.

In RMB'000	Q2/2016	Q1/2016	Q4/2015
<b>Net loss</b>	<b>(48,616)</b>	<b>(14,138)</b>	<b>(21,841)</b>
Add/(deduct)			
Income tax	-	-	-
Depreciation	14,265	14,360	14,433
Amortisation of prepaid lease	123	123	123
Interest expense	15,327	13,855	18,605
<b>EBITDA</b>	<b>(18,901)</b>	<b>14,200</b>	<b>11,320</b>
Foreign exchange (gain)/loss	13,962	(15,390)	(17,715)
<b>Adjusted EBITDA</b>	<b>(4,939)</b>	<b>(1,190)</b>	<b>(6,395)</b>

\*Adjusted EBITDA demonstrates the real operating loss excluding non-cash items e.g. depreciation, amortization, interest expense and unrealized foreign exchange gain or loss etc.

Sales for the first half of the year ended 30 June 2016 ("6M 2016") amounted to about RMB5.6million, almost 5 times higher than RMB 1.0 recorded in the corresponding period of the preceding financial year ("6M 2015").

The Group reported a loss of RMB 48.6 million in Q2 2016, against a loss of RMB9.2 million for the same quarter last year. This is mainly due to fluctuation in exchange difference, from a gain of RMB23.2million to loss of RMB13.9million.

After deduction of non-cash items such as depreciation, amortisation, interest expense and unrealised exchange gain loss, the Group derived a negative EBITDA of RMB4.9 million for the quarter ending 30 June 2016, compared to positive EBITDA of RMB 3.6 million for the same quarter last year.

The variance of about RMB 8.5 million was mainly due to the following:

- (1) Absence of gain arising from changes in fair value of biological assets amounting to about RMB7.3million in the last year for the period ended 6M 2015.
- (2) A reduction of other operating income of about RMB1.0million, down from RMB1.6million last year to about RMB 0.6million for 6M2016.

An analysis of the results by key business segment is as follows:-

### **Live Marine Products**

	3 months ended		Favourable	6 months ended		Favourable
	30/6/2016	30/6/2015	/(Adverse)	30/6/2016	30/6/2015	/(Adverse)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
External sales	269	891	(69.8)	5,175	891	>100%
(Loss)/Gain on fair value	269	7,553	(96.4)	2,871	7,588	(62.2)
Other operating income	575	1,658	(65.3)	726	1,660	(56.3)
Feed used	-	(211)	100.0	(88)	(412)	78.6
Electricity and fuel	(33)	(506)	93.5	(276)	(1,212)	77.2
Staff costs	(393)	(914)	57.0	(1,198)	(1,653)	27.5
Depreciation	(14,265)	(15,802)	9.7	(28,625)	(31,613)	9.5
Foreign exchange gain/(loss)	(3,071)	7,025	NM	(15,754)	17,261	NM
Other operating expenses	(474)	(697)	32.0	(995)	(1,347)	26.1
Net loss before tax	(17,392)	(1,894)	(>100)	(43,339)	(9,728)	(>100)

Sales for live marine products in 6M 2016 amounted to RMB 0.27 million. This represents a reduction of 70% from RMB 0.89 million recorded in the corresponding period last year

For 6M 2016, other operating income amounted to RMB 0.73 million, 56% lower than RMB 1.6 million in 6M 2015 due mainly to one-time gains recorded last year on scrap disposal.

Net loss for live marine products increased from RMB 9.7 million to RMB 43.3 million, mainly due to foreign exchange loss arising from a Singapore-dollar denominated loan obtained from its immediate holding company. This is in contrast to an exchange gain for the same period last year. The fluctuation is due to the weakening of RMB against the Singapore dollar during the financial period under review.

Direct production cost (referring to feed used, electricity and fuel, and staff costs) for 6M 2016 amounted to RMB 1.56 million, a 52% or RMB 1.7 million declined from RMB 3.27 million during the same period last year. The decrease was a result of continuing cost cutting measures implemented by the management since 2015.

Other operations expenses of approximately RMB 1 million consists mainly of repair and maintenance amounting to about RMB0.3million and professional fees relating to audit and valuation fees amounting to RMB 0.1million.

### **GROUP OPERATING ITEMS**

#### **Other operating income**

Other operating income comprising mainly discount received from trade suppliers and scrap sales and rental earned from rental of farms to local farmers.

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

### **REVIEW OF BALANCE SHEET**

**Total assets** of the group decreased RMB29 million from RMB212 million as at 31 December 2015 to RMB183 million as at 30 June 2016. The decrease is mainly attributed to the depreciation charge for this period.

**Total current liabilities** increased by RMB66 million from RMB524 million as at 31 December 2015 to RMB590 million as at 30 June 2016. The net increase was mainly due to an increase in interest payable arising from convertible loan of RMB29 million for 6M 2016 as well as foreign exchange differences amounting to RMB36 million.

**Non-current liabilities** decrease in deferred tax liabilities mainly due to the foreign exchange differences.

**Total equity** decreased from a debit balance of RMB343 million at 31 December 2015 to a debit balance of RMB444 million as at 30 June 2016, the decrease was due to 6M 2016 losses and reduction in currency translation reserve of RMB63 million and RMB 38 million respectively.

## **REVIEW OF CASH FLOW STATEMENT**

The Group generated a positive cash flow of RMB3.8 million for the 6 months ended 30 June 2016.

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

Not applicable.

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

Amidst the challenging economy climate, the Group continues to execute its turnaround strategies elaborated in a letter to shareholders released on January 25, 2016, such as collaborating instead of competing with sea farmers to reduce cost and operating risk, as well as downstream diversification to the retailing of halal-certified, Australia-processed, MSG and preservatives-free premium canned abalones.

The Group is also in the midst of active negotiations with its warrant holders to restructure its loans and warrants due in FY2016 to ensure that the Group is able to satisfy its financial obligations. Should negotiations and the restructuring be successful, the Group's cash flow position is expected to improve.

### **11. Dividend**

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

Any dividend declared for the current financial period reported on?

No

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

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

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

Not applicable

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

Not applicable

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

No dividend has been declared in respect of the current financial period.

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

There is no general mandate obtained from shareholders for the interested person's transactions.

**14. Use of Net Proceed from the Rights Issue**

The Group had fully utilized the nets proceeds of S\$28,250,000 raised from Rights Issue as of 30 June 2014 as disclosed in the Company's Unaudited Second Quarter Financial Statements and Announcement for the 6 months ended 30 June 2014, as announced on SGX-NET on 8 August 2014.

**15. Negative assurance confirmation on the interim financial results pursuant to Rule 705(5) of the listing manual.**

The Board hereby confirms to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the 6 months ended 30 June 2016 to be false or misleading in any material respect.

**16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

**BY ORDER OF THE BOARD**

Peter Koh Heng Kang,<sup>PBM</sup>  
**Executive Director and Chief Executive Officer**

**12 August 2016**