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

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 3 MONTHS ENDED 31 MARCH 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) %
	2016-03-31 RMB'000	2015-03-31 RMB'000	
<b>Sales of aquaculture products</b>			
Sales of live marine products	4,906	0	>100%
Sales of processed marine products	410	140	>100%
	<b>5,316</b>	<b>140</b>	
<b>Continuing operations</b>			
Gain arising from changes in fair value less cost to sell of biological assets	2,602	35	>100%
Sales of processed marine products	410	140	>100%
	<b>3,012</b>	<b>175</b>	>100%
<b>Other operating income</b>	<b>254</b>	<b>43</b>	>100%
Cost of sales	(606)	(104)	>-100%
Electricity and fuel	(243)	(706)	66%
Feed used	(88)	(201)	56%
Staff costs	(1,923)	(2,608)	26%
Other expenses	(1,722)	(1,851)	7%
<b>Total operating expenses</b>	<b>(4,582)</b>	<b>(5,470)</b>	16%
Depreciation	(14,360)	(15,811)	9%
Finance costs	(13,855)	(19,520)	29%
Foreign exchange gain/(loss)	15,390	(20,412)	NM
<b>Loss before income tax</b>	<b>(14,141)</b>	<b>(60,995)</b>	
Income tax	-	(63)	100%
<b>Loss for the period from continuing operations</b>	<b>(14,141)</b>	<b>(61,058)</b>	77%
<b>Discontinued operation</b>			
Profit for the period from discontinued operations	3	78	NM
<b>Loss for the period</b>	<b>(14,138)</b>	<b>(60,980)</b>	

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

	3 months ended		Favourable/ (Adverse)
	2016-03-31	2015-03-31	
	RMB'000	RMB'000	%
<b><u>Continuing operations</u></b>			
Interest expense			
(i) Coupon rate 5%	4,381	3,588	-22%
(ii) Notional interest	8,802	14,909	41%
(iii) Loan interest	-	607	100%
(iv) Withholding tax	673	416	-62%
Depreciation of property, plant and equipment	14,360	15,811	9%
Amortisation of prepaid leases	123	123	0%
Operating lease expenses	149	406	63%
Foreign exchange (gain)/loss	(15,390)	20,412	NM
<b><u>Discontinued operations</u></b>			
Foreign exchange (gain)/loss	(2)	(102)	-98%

*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.**

	<b>3 months ended</b>	
	<b>2016-03-31</b>	<b>2015-03-31</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Loss for the period</b>	(14,138)	(60,980)
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	(36,446)	43,510
<b>Total comprehensive income for the period</b>	<b>(50,584)</b>	<b>(17,470)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(50,584)	(17,470)

**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	
	2016-03-31	2015-12-31	2016-03-31	2015-12-31
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and bank balances	4,002	2,225	746	147
Trade receivables	10	73	-	-
Other receivables	14,180	14,656	39,926	39,069
Inventories	72	110	-	-
Biological assets	-	2,418	-	-
	<u>18,264</u>	<u>19,482</u>	<u>40,672</u>	<u>39,216</u>
<b><u>Non-current assets</u></b>				
Property, plant and equipment	360,770	375,130	-	-
Prepaid leases	10,101	10,224	-	-
Investment in subsidiaries	-	-	795,000	795,000
	<u>370,871</u>	<u>385,354</u>	<u>795,000</u>	<u>795,000</u>
<b>Total assets</b>	<b><u>389,135</u></b>	<b><u>404,836</u></b>	<b><u>835,672</u></b>	<b><u>834,216</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Trade payables	10,892	10,992	-	-
Other payables	81,739	74,256	60,577	52,527
Loans and borrowings	-	2,816	-	2,816
Current tax payable	23,948	23,948	-	-
Convertible loan	276,976	257,586	309,683	285,593
Derivative liabilities	145,157	139,246	147,079	141,090
	<u>538,712</u>	<u>508,844</u>	<u>517,339</u>	<u>482,026</u>
<b><u>Non-current liabilities</u></b>				
Convertible loan	32,706	28,007	-	-
Derivative liabilities	1,916	1,844	-	-
Deferred tax liabilities	5,991	5,747	5,991	5,747
	<u>40,613</u>	<u>35,598</u>	<u>5,991</u>	<u>5,747</u>
Total liabilities	<u>579,325</u>	<u>544,442</u>	<u>523,330</u>	<u>487,773</u>
<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	26,332	62,778	8,128	27,548
Warrant reserve	162,066	162,066	162,066	162,066
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(1,693,601)	(1,679,463)	(2,282,336)	(2,267,655)
Equity attributable to equity holders of the Company	<u>(190,190)</u>	<u>(139,606)</u>	<u>312,342</u>	<u>346,443</u>
<b>Total liabilities and equity</b>	<b><u>389,135</u></b>	<b><u>404,836</u></b>	<b><u>835,672</u></b>	<b><u>834,216</u></b>

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

	Group			
	2016-03-31		2015-12-31	
	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	276,976	-	257,586	-
Amount repayable after one year	32,706	-	28,007	-
	<u>309,682</u>	<u>-</u>	<u>285,593</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.

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>2016-03-31</b>	<b>2015-03-31</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash Flows from Operating Activities</b>		
Loss before income tax	(14,138)	(60,917)
Adjustments for:		
Loss arising from changes in fair value less cost to sell of biological assets	(2,602)	(35)
Depreciation of property, plant and equipment	14,360	15,811
Amortisation of prepaid leases	123	123
Interest income	(1)	-
Interest expense	13,855	19,520
Net foreign exchange difference	(15,392)	23,620
<b>Operating cash flows before working capital changes</b>	<b>(3,795)</b>	<b>(1,878)</b>
Trade receivables	65	-
Other receivables	478	71
Inventories	38	(133)
Biological assets	5,020	-
Trade payables	(102)	(2,722)
Other payables	72	(706)
<b>Cash generated from/(used in) operations</b>	<b>1,776</b>	<b>(5,368)</b>
Interest received	1	-
Income taxes paid	-	(63)
<b>Cash flows generated from/(used in) from operating activities</b>	<b>1,777</b>	<b>(5,431)</b>
<b>Financing activities</b>		
Proceeds on loan from investors	-	1,873
<b>Cash flows from financing activities</b>	<b>-</b>	<b>1,873</b>
<b>Net change in cash and cash equivalent</b>	<b>1,777</b>	<b>(3,558)</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>2,225</b>	<b>4,678</b>
<b>Cash and cash equivalents at end of the period</b>	<b>4,002</b>	<b>1,120</b>

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

	<b>3 months ended</b>	
	<b>31/03/2016</b>	<b>31/03/2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Cash and bank balances	<b>4,002</b>	<b>1,120</b>

**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)	60,212	101,651	39,262	(1,542,891)	(105,585)	-	(105,585)
Loss for the period	-	-	-	-	-	(60,980)	(60,980)	-	(60,980)
<u>Other comprehensive income:</u>									
Foreign currency translation	-	-	43,510	-	-	-	43,510	-	43,510
<b>Total comprehensive income/(loss) for the period</b>	-	-	43,510	-	-	(60,980)	(17,470)	-	(17,470)
<b>Balance at 31 March 2015</b>	<b>2,373,685</b>	<b>(1,137,504)</b>	<b>103,722</b>	<b>101,651</b>	<b>39,262</b>	<b>(1,603,871)</b>	<b>(123,055)</b>	-	<b>(123,055)</b>
Balance as at 1 January 2016	2,413,255	(1,137,504)	62,778	162,066	39,262	(1,679,463)	(139,606)	-	(139,606)
Loss for the period	-	-	-	-	-	(14,138)	(14,138)	-	(14,138)
<u>Other comprehensive income:</u>									
Foreign currency translation	-	-	(36,446)	-	-	-	(36,446)	-	(36,446)
<b>Total comprehensive income/(loss) for the period</b>	-	-	(36,446)	-	-	(14,138)	(50,584)	-	(50,584)
<b>Balance at 31 March 2016</b>	<b>2,413,255</b>	<b>(1,137,504)</b>	<b>26,332</b>	<b>162,066</b>	<b>39,262</b>	<b>(1,693,601)</b>	<b>(190,190)</b>	-	<b>(190,190)</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	18,259	101,651	(2,210,911)	293,913
Loss for the period	-	-	-	-	(20,327)	(20,327)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	9,289	-	-	9,289
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>9,289</b>	<b>-</b>	<b>(20,327)</b>	<b>(11,038)</b>
<b>Balance as at 31 March 2015</b>	<b>2,373,685</b>	<b>11,229</b>	<b>27,548</b>	<b>101,651</b>	<b>(2,231,238)</b>	<b>282,875</b>
Balance as at 1 January 2016	2,413,255	11,229	27,548	162,066	(2,267,655)	346,443
Loss for the period	-	-	-	-	(14,681)	(14,681)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(19,420)	-	-	(19,420)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>(19,420)</b>	<b>-</b>	<b>(14,681)</b>	<b>(34,101)</b>
<b>Balance as at 31 March 2016</b>	<b>2,413,255</b>	<b>11,229</b>	<b>8,128</b>	<b>162,066</b>	<b>(2,282,336)</b>	<b>312,342</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 31 March 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 31 March 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 31 March 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 2013.

**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	
	31/03/2016	31/03/2015
a) EPS based on weighted average number of shares (RMB cents/ share)	(0.31)	(1.68)
b) EPS based on fully diluted basis (RMB cents/ share)	(0.31)	(1.68)
Weighted average number of shares applicable to earnings per share	4,566,852,832	3,637,941,547
Weighted average number of shares fully diluted basis	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	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	(4.16)	(3.05)	6.84	7.59

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

The major contributions to the negative net asset value are the convertible loan and its derivative amounting to RMB310 million and RMB147 million respectively. If all the outstanding warrants were converted to shares, it will have a very favorable impact to the Group.

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 1Q2016 Adjusted EBITDA\* is a loss of RMB1.19 million.

In RMB'000	Q1/2016	Q4/2015
<b>Net loss</b>	<b>(14,138)</b>	<b>(21,841)</b>
Add/(deduct)		
Depreciation	14,360	14,433
Amortisation of prepaid lease	123	123
Interest expense	13,855	18,605
<b>EBITDA</b>	<b>14,200</b>	<b>11,320</b>
Foreign exchange (gain)/loss	(15,392)	(17,715)
<b>Adjusted EBITDA</b>	<b>(1,192)</b>	<b>(6,395)</b>

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

For the first quarter ended 31 March 2016 ("1Q16"), the Group generated revenue amounting to about RMB 5.3 million, almost 38 times higher than RMB 140,000 in the corresponding period of the preceding financial year ("1Q15").

The Group's net loss also narrowed by 77% or RMB 46.8 million to RMB14.1 million in 1Q16, compared to a loss of RMB 60.9 million during the same period last year, mainly due to:

- (1) A gain arising from change in fair value less cost to sell of biological assets amounting to RMB2.6 million. This is mainly due to the sales of biological assets at higher prices than previously accounted for;
- (2) An foreign exchange gain of RMB 15.4 million against a loss of RMB 20.4 million in 1Q15;
- (3) Operating costs comprising feed used, Electricity and fuel, staff costs and other expenses also declined by 16% or RMB0.9 million to RMB 4.6 million in 1Q16, down from RMB 5.5 million in 1Q15; and
- (4) A reduction in finance cost of RMB 5.7 million arising mainly from a reduction in notional interest, which reduced to RMB 8.8 million in 1Q16 from RMB 14.9 million in 1Q15. Reduction in notional interest is a direct result of the extension of terms of existing convertible loans from 13 July 2015 to 31 December 2016, consequent to the re-structuring exercise which was completed in September 2015.

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

### **Live Marine Products**

In RMB'000	3 months ended		Favourable/ (Adverse)
	31/3/2016	31/3/2015	
<b>External sales</b>	4,906	-	100%
<b>Gain on fair value</b>	2,602	35	>100%
<b>Other operating income</b>	151	2	>100%
<b>Feed used</b>	(88)	(201)	56%
<b>Electricity and fuel</b>	(243)	(706)	66%
<b>Staff costs</b>	(805)	(739)	(9%)
<b>Depreciation</b>	(14,360)	(15,811)	9%
<b>Foreign exchange gain/(loss)</b>	(12,683)	10,236	NM
<b>Other expenses</b>	(521)	(650)	20%
<b>Net Loss</b>	<u>(25,947)</u>	<u>(7,834)</u>	(>100%)

Sales for live marine products in 1Q16 amounted to RMB 4.9 million against 1Q15 where no sales were reported.

Direct production cost (referring to feed used, electricity and fuel, and staff costs) for 1Q16 amounted to RMB 1.1 million, representing a decline of 31% or RMB 0.5 million from RMB 1.6 million, against the same period last year. The decline was mainly due to a 66% or RMB 0.24 million decrease in costs incurred for electricity and fuel to RMB 0.2 million from RMB 0.7 million in 1Q15.

The decrease in direct production cost reflects the management's cost cutting initiatives implemented since the start of 2015, by way of farm consolidation, keeping farm sizes conservative and constant efforts to maintain farm operations lean and efficient.

Other expenses also reduced, in a similar downward trend, observed in other components of production costs as mentioned above.

Net loss for live marine products increased from RMB 7.8 million to RMB 25.9 million, mainly due to foreign exchange loss arising from a Singapore-dollar denominated loan obtained from its immediate holding company, due to the weakening of RMB against the Singapore dollar during the financial period under review.

As elaborated in the letter to shareholders dated January 25, 2016, the Group is gearing towards a new "hybrid" business model, where the Group will supply abalone juveniles or spawns to sea farmers and obtain full-grown abalones from them at lower prices, thereby allowing the Group to reduce operational risks and costs.

Preparation for this transition includes selling off the existing biological assets population, so as to capitalise on high prices, for maximum returns, during the "peak season" from January to March. This had freed up breeding space to allow for new joint venture arrangements and/or leasing agreements, whilst keeping monthly operating overheads to a minimum. The proceeds from the sale of the existing biological assets population will allow the farms operations to be self-sustainable.

The Management has started preparing for the next spawning season, which typically takes place during the colder months of October and November. Juveniles produced are then expected to yield returns by the first quarter of the next financial year, a strategy that has yielded results as shown by the improved revenue generated in 1Q16.

The management is confident that this new model will shorten product life cycle, improve operational cash flow and maximise cost efficiency.

## **GROUP OPERATING ITEMS**

### **Other operating income**

Other operating Income for 1Q16 comprised mainly wage credit scheme granted by IRAS and disposal of scrap amounting to RMB100,000 and RMB145,000 respectively.

**(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 RMB 16 million from RMB 405 million as at 31 December 2015 to RMB 389 million as at 31 March 2016. The decrease is mainly attributed to the depreciation charge for this quarter.

**Total current liabilities** increased by RMB 30 million from RMB 508 million as at 31 December 2015 to RMB 538 million as at 31 March 2016. The net increase was mainly due to an increase in interest payable arising from convertible loan of RMB 14 million as of 31 March 2016 as well as foreign exchange differences amounting to RMB 16 million.

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

**Total equity** decreased from a debit balance of RMB 140 million at 31 December 2015 to a debit balance of RMB 190 million as at 31 March 2016, the decrease was due to 1Q16 losses and reduction in currency translation reserve of RMB14 million and RMB 36 million respectively.

## **REVIEW OF CASH FLOW STATEMENT**

The Group generated a positive cash flow of RMB1.8 million for the 3 months for 1Q16, attributed by positive cash flow generated from operating activities.

**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**

The Group's cost cutting measures and new strategies have started to reflect its effectiveness in the financial performance, as can be seen in the meaningful improvement in revenue and further reduction in expenses.

As elaborated in Note 8 above, the Group has started to make preparations to shift towards an asset-light 'hybrid' model to work closely, instead of competing, with sea farmers. Selling off the existing biological assets population will free up breeding space to allow for new joint venture arrangements and/or leasing agreements as part of the Group's diversification strategy, in view of the Group's cyclical live marine products business due to the breeding requirements and cycle of abalones, coupled with festivities that typically lift sales in the first financial quarters. Selling off the existing biological assets population will concurrently keep monthly operating overheads to a minimum, reducing the Group's operational risks and costs, while proceeds from the sale will allow the farms operations to be self-sustainable.

In 12M 2016, the Group will continue to focus on accelerating its turnaround roadmap:

- Diversify downstream to the retailing of halal-certified, Australia-processed, MSG and preservatives-free canned abalones. These premium canned abalones had received warm reception during an independent surveyor report or 'blind test' conducted, and is slated to be made available to consumers via e-commerce platforms by 3Q2016;

- Convert the freed up farm space to explore the feasibility of other aquaculture products such as sea cucumbers, fish and shrimps, in addition to renting out un-utilised farming assets, to diversify the Group's product range and risks, while keeping operation costs low;
- Continue to explore and work with technology partners and global aquaculture groups on possible joint ventures as well as pursue possible merger and acquisition opportunities with strategic partners to strengthen and to achieve growth in market share whilst gaining competitive advantage.

In addition, the Group is currently in 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.

Amidst macro-economic uncertainties, the Group is cautiously optimistic on the outlook of 12M 2016. It looks forward to reaping the results of the fundamentals put in place in 12M 2014 and 12M 2015, as well as the start of new business ventures for greater sustainability and diversification of the Group's businesses.

## **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 net 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 3 months ended 31 March 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**

**13 May 2016**