



OCEANUS GROUP LIMITED

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ENTRY INTO MOU WITH BIOVALENCE

1. ENTRY INTO MOU

The Board of Directors (the “**Directors**”) of Oceanus Group Limited (the “**Company**”) wishes to announce that it has entered into a Memorandum of Understanding (the “**MOU**”) with BioValence Sdn. Bhd. (“**BioValence**”) in relation to the setting up of a joint venture company (the “**China SPV**”) based in the People’s Republic of China (the “**PRC**”) for the distribution of shrimp in the PRC (the “**Joint Venture**”). Under the MOU, BioValence and the Company shall use their best endeavours to incorporate the China SPV and execute the definitive agreement in relation to the Joint Venture as soon as practicable, but in any event within one year from the date of the MOU, unless otherwise agreed between the parties.

Following the entry into the MOU on 8 January 2015, the parties have recently concluded their feasibility studies and have initiated discussions in relation to implementation plans with a view to finalising the definitive agreement to launch the Joint Venture in early 2016.

The key terms of the MOU include, *inter alia*, the following:

- (a) BioValence and the Company shall hold 60% and 40% respectively of the China SPV, which shall operate as an independent profit centre. The operating expenditure of the China SPV shall be limited to a 60:40 participation respectively and injection of funds up to a maximum of US\$1,000,000. Further operating expenses shall be funded through sales revenue.
- (b) BioValence shall establish a facility suitable for the production of RSPF (as defined in section 2 of this announcement) shrimp in Penang (the “**Penang Facility**”) with a capacity to supply up to 500,000 RSPF juveniles or 75% of the estimated annual China SPV demand, whichever is higher. BioValence shall also provide the necessary technology and RetroMAD1 (as defined in section 2 of this announcement) as may be required for the joint venture.
- (c) The Company shall provide the necessary infrastructure for the China SPV, including its summer growing facilities for the RSPF juveniles and over-wintering facilities for the broodstock. The China SPV will bear any infrastructure changes needed to facilitate the culture of RSPF juveniles and broodstock.
- (d) The Company shall be responsible for the import of the RSPF juveniles into the PRC by putting forward purchasing orders at RM50 per piece or at a price agreed by the

parties for the first four (4) years. The RSPF juveniles will then be sold by the Company to the China SPV at RM60 per piece.

- (e) The China SPV shall sell the broodstock to various hatchery owners in the PRC at a price based on the market rate.

2. INFORMATION ON BIOVALENCE

Shareholders should note that information relating to the BioValence and Valiant Biopharma Sdn. Bhd. (“Valiant”) in this section and elsewhere in this announcement has been provided by BioValence. The Company and the Directors have not independently verified the accuracy and correctness of such information herein. The sole responsibility of the Directors and the Company for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

BioValence is the sole and exclusive representative appointed by Valiant to establish a rapid specific pathogen free (“RSPF”) production facility in Penang, Malaysia to produce RSPF post larvae and juvenile shrimp for sale in the PRC. BioValence has also perfected a method of producing the tails of bacteriophages (viruses of bacteria) to specifically target early mortality syndrome (“EMS”) causing bacteria. The technology possessed by BioValence, together with RetroMAD1, allows it to produce RSPF juvenile shrimp that are virus and EMS-pathogen free, the only one of its kind in the world at the point of signing of the MOU.

Valiant is the owner of the PCT Patent for an oral-delivery broad-spectrum antiviral drug known as RetroMAD1 (“RetroMAD1”), and has also been granted an irrevocable license to use the RSPF Patent, a process to produce RSPF post larvae and juvenile shrimp with the use of RetroMAD1.

The Company will make further announcements in relation to the Joint Venture as and when appropriate.

BY ORDER OF THE BOARD

Dr Ng Cher Yew
Executive Chairman

11 June 2015