



OceanEthix International Holdings Limited

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LETTER TO SHAREHOLDERS

May 1, 2014

Dear Fellow Shareholders,

We are pleased to say that the company ended its first six months operations in 31 December 2013 with revenue of \$HK12.601M, and profit of \$HK2.41M, this is on target for full financial year results.

Since listing in August, 2014, notable activities undertaken by the company have centered on the completion of post-listing activities and pursuing new business opportunities. Over the last three quarters, we have been focused on identifying short and medium term revenue streams to establish a stable baseline of positive cash flow position.

Marketing:

In our effort to begin building market visibility outside of our existing shareholders, Lloyd Moskalik conducted the first road show in Australia, visiting brokers, investors and operators in Sydney, Melbourne and Perth during March 12 – 21, 2014. With positive initial response and level of interest, we are now planning regular investor road shows in the future.

Additionally, we retained a media and communication advisor and a market research company in Australia to broaden our market reach and visibility. Our aim is to deliver regular research information on OCX to relevant investor communities in various media platforms.

Licensing:

In December, 2013, we signed a Master License Agreement with Global Marine Seafood Connection, Ltd., Singapore for the exclusive rights to use Atoll technology. The license fee was USD1 million, for a ten year period.

Farming:

Our Singapore partner, Global Marine Seafood Connection, Ltd, has outsourced the farming of Mouse Grouper fingerlings in Hong Kong starting May 7, as part of their feasibility study to build an industrial scale farm. Farm location and output capacity will be assessed during the trial grow out period in Fotan.

Moreover, the scaled down Shallow Rail System (SRS) pilot module for the Korean Ministry of Agriculture will be completed soon with test farming of Flounder fingerlings.

Logistics and Distribution:

We have been working with Australian coop and live seafood consolidating companies, dealing largely in the import of lobsters into China. OCX technology is being tested both as a holding and resting facility during the distribution channel.

Many valuable lessons are being learnt as we hone our experience and knowledge in the supply chain from “eggs to table”.

Preliminary meetings and discussions are in place with a major HK based company to incorporate the Atoll system in their supply chain. Trial testing will begin in May in Fotan with two species (lobster and Red Coral Trout), followed by similar testing in Shanghai in June.

We are jointly assessing the feasibility of building a holding facility in Chongqing, China – a major land locked city of 30 million people in the southwest region.

Shanghai Facility Expansion:

As our customers’ interest in the use of Atoll increases, so does the demand to become a solution provider. We decided to move and expand our holding facility close to the Pudong International Airport (south of Shanghai), to improve receiving and distribution processes. Construction will be completed end of June.

We are constantly monitoring new technology, the supply and demand of live seafood in the region, the cause and effect of environmental and regulatory changes.

We remain attracted to the Chinese and North Asian markets, as new logistics hubs and demand for live seafood continue to shift and grow. As our network of operators, suppliers and investors widens across the global regions as a result of high profile media exposure (CNN and BBC news coverage), and customer referrals, we are pleased to report that we are engaged in several ongoing discussions in key strategic areas – logistics, distribution and farming.

We encourage you to visit our website (www.oceanethix.com) for updates.

Our focus on execution, enhancing customer solutions, and building intrinsic shareholder value remain unchanged.

We appreciate your trust,

Chuly Lee
Chairman

Lloyd Moskalik
Managing Director