



OCEANUS GROUP LIMITED

(Incorporated in the Republic of Singapore under Registration Number: 199805793D)
61 Robinson Road, #10-01 Robinson Centre, Singapore 068893
Tel: +65 6837 0568 Fax: +65 6837 2660

**COMPLETION OF 2014 LOAN AND WARRANTS AND
EXISTING LOAN AND WARRANTS RESTRUCTURING**

Unless otherwise provided herein or the context requires otherwise, capitalised terms used but not defined herein shall have the same meaning ascribed to it in the circular dated 6 May 2015 (the “Circular”).

A. INTRODUCTION

1. The board of directors (the “**Board**” or the “**Directors**”) of Oceanus Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) refers to the announcements by the Company dated 27 June 2014, 31 October 2014, 27 March 2015, 6 May 2015, 31 July 2015 and 3 August 2015, each in relation to the Proposed Restructuring.
2. The Board wishes to announce that all conditions precedent under the Proposed Restructuring has been satisfied (or waived) on 2 September 2015 (“**Restructuring Effective Date**”). Accordingly, in accordance with the terms and conditions of the Proposed Restructuring, the Company has on the Restructuring Effective Date entered into the following agreements:
 - (a) Loans
 - (i) an amended and restated loan agreement between OWIL and the Company (which restates in entirety the loan agreement between OWIL and the Company dated 5 April 2012) for a principal amount of S\$38,883,069.27 (“**OWIL Loan**”); and
 - (ii) an amended and restated loan agreement between BWIL and the Company (which restates in entirety the loan agreement between BWIL and the Company dated 5 April 2012) for a principal amount of S\$25,500,000¹ (“**BWIL Loan**”),

(collectively, “**EW Loan Agreements**”, and each, a “**EW Loan Agreement**”).

¹ It was previously provided in the Circular (Page 22) Full Horizon Investment Limited (“**FHIL**”) shall be a sub-participant to the Hupomone Loan and Warrants (as defined in the Circular) duly assigned to BWIL, in respect of a principal loan amount of S\$3,000,000 retrospectively with effect from 5 April 2012. Notwithstanding the foregoing, the Company understands from BWIL that moving forward under the Proposed Restructuring, the loan with the principal amount of S\$3,000,000 would be subsumed under the principal loan amount owing by the Company to BWIL.

(b) Warrants

- (i) an amended and restated subscription agreement between OWIL and the Company (which restates in entirety the subscription agreement between OWIL and the Company dated 5 April 2012, and includes the warrant instrument and warrant certificate) for 1,794,327,147 Restructuring Warrants; and
- (ii) an amended and restated subscription agreement between BWIL and the Company (which restates in entirety the subscription agreement between BWIL and the Company dated 5 April 2012, and includes the warrant instrument and warrant certificate) for 1,176,742,040 Restructuring Warrants;

(collectively, “**EW Subscription Agreements**”, and each, a “**EW Subscription Agreement**”).

(c) Security Documents

- (i) an intercreditor deed between the Company, Oceanus Aquaculture Group Pte Ltd (“**OAG**”), Oceanus (China) Aquaculture Co., Ltd (“**OAC (China)**”), OWIL, BWIL, OKGL and Madison Pacific Pte. Ltd. (“**Security Trustee**”) as security trustee (“**Intercreditor Deed**”). Please see Section D.3 of this Announcement for more information on the Intercreditor Deed;
- (ii) a share charge between the Company as chargor and the Security Trustee as chargee (“**OAG Share Charge**”). Please see Section D.1 of this Announcement for more information on the OAG Share Charge;
- (iii) a pledge of equity between OAG as pledgor, OAC (China) and Security Trustee as pledge (“**Pledge of Equity**”) Please see Section D.2 of this Announcement for more information on the Pledge of Equity;
- (iv) a charge over account between the Company as chargor and OWIL as chargee (“**OWIL Account Charge**”). Please see Section D.4 of this Announcement for more information on the OWIL Account Charge;
- (v) a charge over account between the Company as chargor and BWIL as chargee (“**BWIL Account Charge**”). Please see Section D.4 of this Announcement for more information on the BWIL Account Charge ;
- (vi) a charge over account between the Company as chargor and OKGL as chargee (“**OKGL Account Charge**”). Please see Section D.4 of this Announcement for more information on the OKGL Account Charge;

(collectively, “**Security Documents**”, and each, a “**Security Document**”).

(d) Miscellaneous

- (i) a supplemental deed between the Company and OWIL, in respect of amendments to the terms of settlement of outstanding accrued interest as at 30 June 2014 by the Company to OWIL;

- (ii) a supplemental deed between the Company and BWIL, in respect of amendments to the terms of settlement of outstanding accrued interest as at 30 June 2014 by the Company to OWIL;

(collectively, “**Supplemental Deeds**”), and each, a “**Supplemental Deed**”).

- (iii) a warrant agency agreement between the Company and Security Trustee as warrant agent and calculation agent in respect of the Restructuring Warrants issued to OWIL and BWIL; and
- (iv) a warrant agency agreement between the Company and Boardroom Corporate Advisory Services Pte Ltd as warrant agent and calculation agent in respect of (i) the OKGL Warrants issued to OKGL; and (ii) the Financing Shareholders Warrants issued to the Financing Shareholder.

B. PRINCIPAL TERMS OF THE EW LOAN AGREEMENTS AND EW SUBSCRIPTION AGREEMENTS

Save in respect of (i) the manner in which interest accrued and outstanding under each of the OWIL Loan and BWIL Loan as of 30 June 2014 shall be satisfied by the Company (as announced by the Company on 3 August 2015); and (ii) the security to be provided by the Group in favour of OKGL, OWIL and BWIL (as further set out in Section D of this Announcement), the salient terms and conditions of the EW Loan Agreements and EW Subscription Agreements remain substantially similar to those set out in Section 3 of the Circular.

C. ISSUANCE OF RESTRUCTURING WARRANTS

1. In accordance with the terms and conditions of the EW Subscription Agreements and OKGL Subscription Agreement, the Company has on the Restructuring Effective Date:
 - (a) in respect of OWIL, issued to OWIL, and OWIL has subscribed for 1,794,327,147 Restructuring Warrants, each exercisable into one (1) new Share at the exercise price of S\$0.02167 per Share, in accordance with the terms and conditions of the EW Subscription Agreement. Please see Appendix B of the Circular for other key terms of the OWIL Restructuring Warrants;
 - (b) in respect of BWIL, issued to BWIL, and BWIL has subscribed for 1,176,742,040 Restructuring Warrants, each exercisable into one (1) new Share at the exercise price of S\$0.02167 per Share, in accordance with the terms and conditions of the EW Subscription Agreement. Please see Appendix B of the Circular for other key terms of the BWIL Restructuring Warrants;
 - (c) in respect of OKGL, issued to OKGL, and OKGL has subscribed for 600,000,000 OKGL Warrants (representing the part of the 1st Tranche of the Drawdown Amount already disbursed by OKGL to the Company as of the date of this Announcement)²,

² OKGL and the Company have agreed that the remaining S\$2,200,000 of the 1st Tranche will be disbursed by OKGL to the Company no later than 90 days from 2 September 2015. The remaining 169,230,769 OKGL Warrants will be issued to OKGL upon disbursement of such amount by OKGL to the Company.

each exercisable into one (1) new Share at the exercise price of S\$0.013 per Share in accordance with the terms and conditions of the OKGL Subscription Agreement. Please see Appendix A of the Circular for other key terms of the OKGL Warrants; and

- (d) in respect of the Financing Shareholders, issued to (i) Thomas Chan, and Thomas Chan has subscribed for 14,171,334³ Financing Shareholders Warrants; and (ii) Perman Yadi, and Perman Yadi, has subscribed for 33,066,445² Financing Shareholder Warrants, each exercisable into one (1) new Share at the exercise price of S\$0.013 per Share in accordance with the terms and conditions of the TC Subscription Agreement and Yadi Subscription Agreement (as amended by the letter agreements dated 31 July 2015), respectively. Please see Appendix C of the Circular (read together with the Company announcement dated 3 August 2015) for other key terms of the Financing Shareholders Warrants.

D. SECURITY

Set out below is an overview of the security granted to each of OWIL, BWIL and OKGL pursuant to the Security Documents, as part of the Existing Loans and Warrants Restructuring and the OKGL Loan and Warrants:

1. Share Charge (Oceanus Aquaculture Group Pte Ltd)

Pursuant to the OAG Share Charge, the Company, as legal and beneficial owner of the shares of OAG ("**OAG Shares**") and such dividends attaching to the OAG Shares ("**OAG Dividends**"), and as a continuing security for the payment of all liabilities (comprising all present and future moneys, debts and liabilities due, owing or incurred by the Group to OWIL, BWIL and OKGL ("**Finance Parties**") under or in connection with the Existing Loans and Warrants Restructuring and the OKGL Loan and Warrants respectively) ("**Liabilities**"), charges in favour of the Security Trustee (as trustee for the Finance Parties) by way of first fixed charge, and assigns and agrees to assign absolutely to the Security Trustee (as trustee for the Finance Parties), free from all security, all its rights, title and interest in and to, all present and future OAG Shares and OAG Dividends.

As between OAG and the Security Trustee, the OAG Share Charge shall become immediately enforceable, and all the other powers conferred on the Security Trustee by the OAG Share Charge shall be immediately exercisable at any time upon the occurrence of an Event of Default (as defined in the EW Loan Agreements and OKGL Loan Agreement).

2. Pledge of Equity (Oceanus (China) Aquaculture Co., Ltd)

Pursuant to the Pledge of Equity, as a continuing security for the due and punctual payment and performance of the Liabilities, OAG, by way of first priority pledge, has pledged all of its rights, title and interest in, to and under (i) its entire equity in OAC (China) arising from its

³ Pursuant to the supplemental letter dated 31 July 2015 entered into between the Company and the Financing Shareholders, the Company will issue to (i) Thomas Chan 65,482,947 Shares, in settlement of S\$565,772.66 of the loan outstanding under the TC Loan Agreement; and (ii) Perman Yadi 152,793,544 Shares, in settlement of S\$1,320,136.22 of the loan outstanding under the Yadi Loan Agreement. Given the agreed settlement of the respective loans, the Financing Shareholders' Warrants to be issued by the Company have been reduced to represent the outstanding principal loan owing to each of the Financing Shareholders. Please note that the Company has made an application to the SGX-ST for the listing of and quotation for, *inter alia*, such settlement shares and will make the necessary announcement as regards the outcome of the application in due course.

contribution of the Contributed Capital; (ii) all Capital Contribution certificates issued to OAC (China) in respect of its Contributed Capital; and (iii) all moneys, dividends, voting rights, interest and benefits at any time arising in respect of its Contributed Capital under the Articles of Association, to the Security Trustee (for the benefit of the secured parties as provided under the Intercreditor Deed), in accordance with the relevant provisions of the applicable laws.

Subject to the terms and provisions of the Intercreditor Deed, after the security created by the OAC (China) Pledge of Equity has become enforceable, the Security Trustee shall be entitled without notice to immediately enforce and exercise all the powers and remedies possessed by it as pledgee of the pledged equity as and when it may see fit (either in its own name or in the name of OAG) in accordance with the applicable laws of the PRC.

For purposes of this Section D.2:

“Contributed Capital” means the paid-up registered capital contributed by OAG to OAC (China) under OAC (China)’s Articles of Association from time to time, including without limitation, (a) the total paid up registered capital contributed by OAG to OAC (China) under OAC (China)’s Articles of Association as of the date of the OAC (China) Pledge of Equity, and (b) any Contributed Capital contributed by OAG after the date of the OAC (China) Pledge of Equity.

3. Intercreditor Deed

3.1 The Intercreditor Deed sets out the mechanism through which the OAG Share Charge and Pledge of Equity shall be shared between OKGL, OWIL and BWIL following the occurrence of an event of default. It also provides that OAC (China) shall not sell, lease, license, sub-license, transfer or otherwise dispose of any of the Properties (as defined herein) without the prior consent of the Security Trustee (**“Property Sale”**).

3.2 If a Property Sale occurs (or is scheduled to occur), the Company shall (or procure that it be done):

- (a) give the Security Trustee not less than 30 days’ prior notice of such event;
- (b) from the date an agreement is made in connection with a Property Sale but prior to completion of such Property Sale, open and maintain (or procure to be opened and maintained) a sale proceeds account for the relevant Property in the name of the Company, as the case may be, OAC (China) (a **“Sale Proceeds Account”**) with an account bank designated by the Security Trustee in respect of each Property;
- (c) ensure or procure that OAC (China) enters into such further agreements and documents and make all appropriate registrations of such agreements and documents as the Security Trustee may reasonably require to create or perfect security over the relevant Sale Proceeds Account in favour of the Security Trustee.

3.3 Each of OWIL, BWIL and OKGL agree that, to the extent any proceeds of enforcement of the security under the Pledge of Equity and the OAG Share Charge can be identified as having arising from the sale of:

- (i) the Fotan Property (**“EW Security Property”**), any such proceeds of enforcement shall, to the extent payment is permitted under the laws of PRC, be paid to OWIL and

BWIL on a *pari passu* basis to the extent of the Liabilities owed to them, with the remainder being paid to OKGL to the extent of the Liabilities owed to it, in their capacities as shareholders of OAC (China) (pursuant to direct ownership or indirect ownership of OAG); and

- (ii) the Dongshan Property, the Gulei Property and the Huilai Property (“**OKGL Security Property**”), any such proceeds of enforcement shall, to the extent payment is permitted under the laws of PRC, be paid to OKGL to the extent of the Liabilities owed to it, with the remainder being paid to OWIL and BWIL (or any party who become party to the EW Loan Agreements) on a *pari passu* basis to the extent of the Liabilities owed to them, in their capacities as shareholders of OAC (China) (pursuant to direct ownership or indirect ownership of OAG),

Provided That (a) in the event OKGL fails to disburse any of the loans in the amounts and on the dates specified in the Drawdown Schedule (set out in Section 2.3(a) of the Circular); or (b) OKGL converts any or any part of the OKGL Loan into Shares pursuant to the terms of the OKGL Loan Agreement, an OKGL Security Property shall be re-designated as an EW Security Property, provided always that immediately after such re-designation, an LTV ratio of not more than 0.50 : 1 is maintained.

3.4 For purposes of this Section D.3:

“**Properties**” means the Dongshan Property, the Fotan Property, the Gulei Property and the Huilai Property and “**Property**” means any one of them;

“**Dongshan Property**” means the entire land and buildings situated at Chencheng Town, Dongshan County, Zhangzhou City, Fujian Province, PRC, including all plants and machinery which at the date of the Intercreditor Deed is owned legally by OAC (China);

“**Fotan Land**” means the entire land and buildings situated at Fotan Town, Zhangpu County, Fujian Province, PRC, including all plants and machinery which at the date of the Intercreditor Deed is owned legally by OAC (China);

“**Fotan Leased Property**” means the entire land and buildings situated at Fotan Town, Zhangpu County, Fujian Province, PRC, including all plants and machinery which at the date of the Intercreditor Deed is leased by OAC (China) from the relevant landlord;

“**Fotan Property**” means the Fotan Land and the Fotan Leased Property;

“**Gulei Property**” means the entire land and buildings situated at Gulei Town and Duxun Town, Zhangpu County, Fujian Province, PRC, including all plants and machinery which at the date of this Deed is owned legally or leased by OAC (China);

“**Huilai Property**” means the entire land and buildings situated at Qianzhan Town, Shengquan Town, Xian-an Town and Jinghai Town, Huilai County, Guangdong Province, PRC, including all plants and machinery which at the date of the Intercreditor Deed is owned legally or leased by OAC (China);

“**LTV ratio**” means the ratio of Total Loan to Total Security Value;

“Total Loan” means at any particular time, the aggregate of all amounts outstanding (whether actually or contingently) at that time of the loan disbursed under the OKGL Loan Agreement; and

“Total Security Value” means at any particular time, the aggregate of the value of the OKGL Security Properties and any cash standing to the credit of a Sale Proceeds Account into which proceeds from a Property Sale of an OKGL Security Property had been credited.

4. Interest Account Reserve Charge

Pursuant to each of the OWIL Account Charge, BWIL Account Charge and OKGL Account Charge, the Company shall create an exclusive first charge security over a Singapore Dollar denominated and interest bearing bank account to be held with a bank in Singapore reasonably acceptable to OWIL, BWIL and OKGL respectively, pursuant to which the Company shall within 12 months commencing from the Restructuring Effective Date open and maintain such an account, and:

- (a) in respect of the OWIL Account Charge, cause a sum equivalent to S\$958,760.61, being the aggregate of six month's interest payable on the OWIL Loan, to be deposited into such account;
- (b) in respect of the BWIL Account Charge, cause a sum equivalent to S\$628,767.12, being the aggregate of six month's interest payable on the BWIL Loan, to be deposited into such account; and
- (b) in respect of the OKGL Account Charge, cause a sum equivalent to the aggregate of six months' interest payable on the OKGL Loan outstanding on the date on which the account is opened, to be deposited in such account.

The Board would like to take this opportunity to thank all Shareholders for their support in ensuring the completion of the Existing Loans and Warrants Restructuring and the OKGL Loan and Warrants.

BY ORDER OF THE BOARD

OCEANUS GROUP LIMITED

Dr. Ng Cher Yew
Executive Chairman

3 September 2015