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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2018 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 LL 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		Increase / (Decrease) %	6 months ended (YTD)		Increase / (Decrease) %
	30/6/2018	30/6/2017		30/6/2018	30/6/2017	
	RMB'000	RMB'000		RMB'000	RMB'000	
Profit and Loss						
Hatchery						
Revenue	4,135	2,479	67%	9,109	9,394	-3%
Feed Used	(193)	(137)	41%	(345)	(212)	63%
Electricity, fuel and water	(171)	(464)	-63%	(425)	(912)	-53%
Staff costs	(567)	(802)	-29%	(1,121)	(1,909)	-41%
Gross Profit - Hatchery	3,204	1,076	198%	7,218	6,361	13%
<i>GPM (%)</i>	<i>77.5%</i>	<i>43.4%</i>		<i>79.2%</i>	<i>67.7%</i>	
FMCG						
Revenue	3	37	-92%	72	304	-76%
Cost of goods	(2)	(23)	-91%	(44)	(261)	-83%
Gross Profit - FMCG	1	14	-93%	28	43	-35%
<i>GPM (%)</i>	<i>33.3%</i>	<i>37.8%</i>		<i>38.9%</i>	<i>14.1%</i>	
Consultancy						
Revenue	148	206	-28%	350	206	70%
Cost of goods	(120)	(185)	-35%	(301)	(185)	63%
Gross Profit - Consultancy	28	21	33%	49	21	133%
<i>GPM (%)</i>	<i>18.9%</i>	<i>10.2%</i>		<i>14.0%</i>	<i>10.2%</i>	
Marketing & media consulting						
Revenue	-	-	0%	244	-	100%
Cost of goods	-	-	0%	(196)	-	100%
Gross Profit - Marketing & media consulting	-	-	0%	48	-	100%
<i>GPM (%)</i>	<i>0.0%</i>	<i>0.0%</i>		<i>19.7%</i>	<i>0.0%</i>	
Total Revenue	4,286	2,722	57%	9,775	9,904	-1%
Total Cost of goods	(1,053)	(1,611)	-35%	(2,432)	(3,479)	-30%
Total Gross Profit	3,233	1,111	191%	7,343	6,425	14%
Gain/(Loss) from changes in fair value less cost to sell of bio assets	643	(7,745)	-108%	(681)	(5,732)	-88%
Other operating income	180	458	-61%	623	458	36%
Other operating expenses	(3,181)	365	-972%	(6,542)	(4,960)	32%
Operating Profit	875	(5,811)	-115%	743	(3,809)	-120%
Non-Operating						
Other non-operating income	2,266	11,581	-80%	2,266	23,578	-90%
Other non-operating expenses	-	(4,521)	-100%	-	(4,521)	-100%
Foreign exchange gain/(loss)	1,331	(40,649)	-103%	(479)	4,895	-110%
Profit/(Loss) for discontinued op	9,839	(18,723)	-153%	4,770	(14,973)	-132%
EBITDA	14,311	(58,123)	-125%	7,300	5,170	41%
Depreciation	(1,368)	(11,422)	-88%	(2,735)	(25,387)	-89%
Finance Costs	-	(14,728)	-100%	-	(29,252)	-100%
Profit/(Loss) before income tax	12,943	(84,273)	-115%	4,565	(49,469)	-109%
Income tax expense	-	-	0%	-	-	0%
Profit/(Loss) for the period	12,943	(84,273)	-115%	4,565	(49,469)	-109%

(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 (YTD)	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RMB'000	RMB'000	RMB'000	RMB'000
Comprehensive Income				
Profit/(Loss) for the period	12,943	(84,273)	4,565	(49,469)
Other comprehensive income				
Exchange differences on translation of foreign operations	(10,551)	52,451	(3,713)	(1,440)
Total comprehensive income for the period	2,392	(31,822)	852	(50,909)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	2,428	(31,822)	888	(50,909)
Non-controlling interests	(36)	-	(36)	-
	2,392	(31,822)	852	(50,909)

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	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Balance Sheet	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
<u>Current assets</u>				
Cash and bank balances	106,389	114,164	31,430	38,495
Trade receivables	524	-	-	-
Other receivables	9,338	9,292	15,381	9,907
Inventories	112	86	-	-
Biological assets	2,973	3,234	-	-
	119,336	126,776	46,811	48,402
<u>Non-current assets</u>				
Property, plant and equipment	80,176	81,868	-	-
Prepaid leases	2,237	5,791	-	-
Investment in subsidiaries	-	-	81,494	81,489
	82,413	87,659	81,494	81,489
Total assets	201,749	214,435	128,305	129,891
Liabilities and Equity				
<u>Current liabilities</u>				
Trade payables	9,157	10,218	-	-
Other payables	52,865	65,345	113,041	110,556
Loans and borrowings	3,267	3,384	-	3,384
Current tax payable	23,948	23,948	-	-
	89,237	102,895	113,041	113,940
Total liabilities	89,237	102,895	113,041	113,940
<u>Capital and reserves</u>				
Share capital	2,794,067	2,794,067	2,794,067	2,794,067
Capital reserve	(1,120,438)	(1,120,438)	28,295	28,295
Currency translation reserve	9,581	13,294	(6,042)	(6,215)
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(1,610,873)	(1,615,474)	(2,801,056)	(2,800,196)
Equity attributable to equity holders of the Company	111,599	110,711	15,264	15,951
Non-controlling interests	913	829	-	-
Total equity	112,512	111,540	15,264	15,951
Total liabilities and equity	201,749	214,435	128,305	129,891

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 (YTD)	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RMB'000	RMB'000	RMB'000	RMB'000
Cash Flows				
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	12,943	(84,273)	4,565	(49,469)
Adjustments for:	-	-	-	-
(Gain)/loss arising from changes in fair value less cost to sell of biological assets	(4,778)	5,266	(8,428)	(3,662)
Depreciation of property, plant and equipment	1,368	11,422	2,735	25,387
Gain on redemption of convertible loans	-	-	-	-
(Gain)/loss on disposal of property, plant and equipment	(793)	-	(793)	-
Amortisation of prepaid leases	3,707	121	3,781	245
Interest income	(327)	-	(620)	-
Interest expense	-	14,730	-	29,252
Net foreign exchange difference	(10,835)	3,110	(3,550)	(20,054)
Operating profit/(loss) before working capital changes	1,285	(49,624)	(2,310)	(18,301)
Change in trade receivables	(271)	(64,996)	(518)	(65,012)
Change in other receivables	(114)	58,296	(272)	58,055
Change in inventories	(68)	131	(25)	30
Change in biological assets	4,135	2,325	8,689	9,240
Change in trade payables	(1,173)	772	(1,069)	767
Change in other payables	(7,922)	10,663	(12,536)	6,148
Cash used in/(from) operations	(4,128)	(42,433)	(8,041)	(9,073)
Interest received	327	-	620	-
Net cash used in/(from) operating activities	(3,801)	(42,433)	(7,421)	(9,073)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	-	-	(251)	-
Proceeds from disposal of property, plant and equipment	-	84,962	-	84,962
Net cash generated/(used in) from investing activities	-	84,962	(251)	84,962
Cash Flows from Financing Activities				
Proceeds from loan	-	(17,468)	-	1,093
Capital contributions from NCI in a subsidiary	-	-	120	-
Repayment to loan from investors	-	5,103	-	-
Net cash (used in)/generated from financing activities	-	(12,365)	120	1,093
Net increase (decrease) in cash and cash equivalent	(3,801)	30,164	(7,552)	76,982
Effect of cash and cash equivalent denominated in foreign currency	505	-	(223)	-
Cash and cash equivalent at beginning of the period	109,685	56,363	114,164	9,545
Cash and cash equivalents at end of the period	106,389	86,527	106,389	86,527

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.

Group	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
At 1 January 2018	2,794,067	(1,120,438)	13,294	-	39,262	(1,615,474)	110,711	829	111,540
Issue of new shares	-	-	-	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-	-	-	-
Non-controlling interest arising from	-	-	-	-	-	-	-	120	120
Profit/(Loss) for the period	-	-	-	-	-	4,601	4,601	(36)	4,565
Other comprehensive income									
Foreign currency translation	-	-	(3,713)	-	-	-	(3,713)	-	(3,713)
Total comprehensive income/(loss) for the period	-	-	(3,713)	-	-	4,601	888	(36)	852
At 30 June 2018	2,794,067	(1,120,438)	9,581	-	39,262	(1,610,873)	111,599	913	112,512
At 1 January 2017	2,413,255	(1,137,504)	(994)	101,651	39,262	(1,906,468)	(490,798)	-	(490,798)
Adjustment for warrant reserve	-	-	-	-	-	-	-	-	-
Issue of new shares	3,029	-	-	-	-	-	3,029	-	3,029
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	(49,469)	(49,469)	-	(49,469)
Other comprehensive income									
Foreign currency translation	-	-	(1,440)	-	-	-	(1,440)	-	(1,440)
Total comprehensive income/(loss) for the period	-	-	(1,440)	-	-	(49,469)	(50,909)	-	(50,909)
At 30 June 2017	2,416,284	(1,137,504)	(2,434)	101,651	39,262	(1,955,937)	(538,678)	-	(538,678)

Company	Share capital	Capital reserve	Currency translation reserve	Warrant reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2018	2,794,067	28,295	(6,215)	-	(2,800,196)	15,951
Issue of new shares	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	(860)	(860)
Other comprehensive income						
Foreign currency translation	-	-	173	-	-	173
Total comprehensive income/(loss) for the period	-	-	173	-	(860)	(687)
At 30 June 2018	2,794,067	28,295	(6,042)	-	(2,801,056)	15,264
At 1 January 2017	2,413,255	11,229	1,851	101,651	(2,947,089)	(419,103)
Adjustment for warrant reserve	-	-	-	-	-	-
Issue of new shares	3,029	-	-	-	-	3,029
Issue of new warrants	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	(29,657)	(29,657)
Other comprehensive income						
Foreign currency translation	-	-	(15,154)	-	-	(15,154)
Total comprehensive income/(loss) for the period	-	-	(15,154)	-	(29,657)	(44,811)
At 30 June 2017	2,416,284	11,229	(13,303)	101,651	(2,976,746)	(460,885)

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Following the completion of the debt restructuring on 26 December 2017, there are no outstanding warrants as of 30 June 2018.

The Company does not have any treasury shares as at 30 June 2018.

(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 2018 is 24,296,921,463 shares (31 December 2017: 24,296,921,463 shares).

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

Not applicable.

(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2017.

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 (YTD)	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
a) EPS based on weighted average number of shares (RMB cents/share)	0.05	(1.83)	0.02	(1.07)
b) EPS based on fully diluted basis (RMB cents/share)	0.05	(1.83)	0.02	(1.07)
Weighted average number of shares applicable to earnings per share	24,296,921,463	4,614,090,611	24,296,921,463	4,614,090,611
Weighted average number of shares fully diluted basis	24,296,921,463	4,614,090,611	24,296,921,463	4,614,090,611

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	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	0.46	(11.22)	0.06	(9.69)

Net asset value for the Group and the Company as at 30 June 2018 and 31 December 2017 are computed based on 24,296,921,463 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.

For the six-month financial period ended 30 June 2018 ("1H 2018"), the Group generated total revenue amounting to RMB9.8 million, a RMB0.1 million decrease from RMB9.8 million recorded in the corresponding period of the preceding financial year ("1H 2017").

In line with the Group's income diversification efforts, the overall revenue contributed from segments beyond its core hatchery activities was bolstered by higher sales, including maiden six-month revenue contributed by the Group's marketing and media consulting subsidiary, Capy Comm Pte Ltd ("Capy Comm").

The Group's hatchery segment has seen improved profit margins largely due to the successful execution of measures implemented to better control direct production expenses and improve the efficiency of the use of resources.

Overall, the Group reported a 1H 2018 net profit of RMB4.5 million, compared to a net loss of RMB49.4 for 1H 2017. This is mainly due to:

- (1) Improved overall gross profit margins, resulting in a 14% growth in gross profit;
- (2) Zero finance cost incurred in 1H 2018 compared to the RMB29.2 million in finance cost recorded in 1H 2017 relating to the completion of debt restructuring exercise in Q4 2017, which had removed all secured interest-bearing debt from the Group's balance sheet;
- (3) A 90% decrease in other non-operating income to RMB 2.3 million recorded in 1H 2018, compared to the RMB23.5 million recorded in 1H 2017 that was mainly lifted by a compensation amount recognised during a year ago in relation to the acquisition of the Gulei Farms by the PRC Authority;
- (4) An 89% year-on-year decrease in depreciation expenses; and
- (5) A profit of RMB4.8 million recognised in 1H 2018 relating to discontinued operations, compared to a loss of RMB15.0 million in 1H 2017, largely due to an appreciation of the HKD against the RMB that positively impacted HKD-denominated intercompany balances.

After deducting non-cash items, including depreciation, amortisation, interest expense and unrealised exchange gain/loss, the Group derived a 41% increase in EBITDA to RMB7.3 million for 1H 2018, compared to a EBITDA of RMB5.1 million for the same period last year.

GROUP OPERATING ITEMS

Other operating income

Other operating income comprises mainly of discounts received from trade suppliers, scrap sales and rental income earned from the 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

The Group is in a **net asset** positive position of RMB112.5 million as at 30 June 2018.

Total assets of the Group decreased by RMB12.7 million from RMB214.4 million as at 31 December 2017 to RMB201.7 million as at 30 June 2018. This decrease is mainly attributed to the depreciation charges for this quarter and a decrease in cash and bank balances.

Total current liabilities decreased to RMB89 million as at 30 June 2018, RMB14 million lower than the RMB103 million recorded as at 31 December 2017.

There are no outstanding **non-current liabilities** as at 30 June 2018 upon completion of the debt restructuring exercise in Q4 2017.

Total equity increased to RMB112.5 million as at 30 June 2018, compared to RMB111.5 as at 31 December 2017.

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash outflow of RMB7.5 million, resulting in positive closing cash balance of RMB106 million for the six months ended 30 June 2018.

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.

Following the successful completion of the Group's debt restructuring announced on December 26, 2017, the Group's balance sheet has been strengthened with a net cash position of RMB106 million. With stronger fundamentals, Oceanus is now fully focused on pursuing both organic and inorganic long-term sustainable growth.

For its Hatchery segment, formerly known as the Live Marine Products segment, the Group will continue employing science and evidence-based farming techniques which will further reduce mortality rates and strengthen controls of its biological assets against various operating risks. On July 4, 2018, the Group appointed Mr Chan Wei Loong as Technical Director of Oceanus Group, who will oversee the Group's Chinese operations and spearhead the Group's effort to further leverage on science-based farming methods to improve farming yield.

The FMCG segment, formerly known as the Processed Marine Products segment, continues to explore collaborations with other processing plants in Australia and abroad, with a view to expand and strengthen its processing network. The Group has also formally ceased its collaboration and joint venture with BNY, as announced on 1 March 2018, and a settlement has been reached between the two parties in June 2018. The unwinding process is expected to complete in FY2018. The Group does not expect material financial impact from the settlement.

The Consultancy segment, led by the Group's subsidiary, Oceanus Tech, has extended its overseas 1-year consultancy project with a prominent SGX Mainboard-listed agriculture group until March 2019. Under the scope of the project, Oceanus will continue to provide aquaculture consultancy services to the customer.

The Group's Marketing & Media Consulting subsidiary, Copy Comm, continues to contribute positively to the Group.

With regards to the SGX-ST watch list under the Financial Entry Criteria, the Group has met the necessary exit criteria and made an application to the SGX-ST to exit the watch list on the basis of its audited financials for FY2017. The Group hopes to be granted its exit from the Financial Criteria Watchlist in FY2018, and continues to work closely with the authorities to accelerate the process.

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/recommendeded, 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. 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 2018 to be false or misleading in any material respect.

15. 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,^{PBM}
Executive Director and Chief Executive Officer

8 August 2018