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

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 9 MONTHS ENDED 30 SEPTEMBER 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 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		Increase / (Decrease)	9 months ended (YTD)		Increase / (Decrease)
	30/9/2018	30/9/2017		30/9/2018	30/9/2017	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit and Loss						
Revenue	4,006	2,927	37%	13,781	12,831	7%
Cost of goods sold	(3,201)	(2,451)	31%	(5,633)	(5,930)	-5%
Total Gross Profit	805	476	69%	8,148	6,901	18%
Gain/(Loss) from changes in fair value less cost to sell of bio assets	(1,387)	278	-599%	(2,068)	(5,454)	-62%
Other operating income	252	728	-65%	875	1,186	-26%
Other operating expenses	(3,850)	(3,070)	25%	(10,392)	(8,030)	29%
Operating Profit	(4,180)	(1,588)	-163%	(3,437)	(5,397)	36%
Non-Operating						
Other non-operating income	-	32,225	-100%	2,266	55,803	-96%
Other non-operating expenses	-	(20,527)	-100%	-	(25,048)	-100%
Foreign exchange gain/(loss)	3,112	613	408%	2,633	5,508	-52%
Profit/(Loss) for discontinued op	1,954	5,569	-65%	6,724	(9,404)	-172%
EBITDA	886	16,292	-95%	8,186	21,462	-62%
Depreciation	(1,386)	9,020	-115%	(4,121)	(16,367)	-75%
Finance Costs	-	(8,633)	-100%	-	(37,885)	-100%
Profit/(Loss) before income tax	(500)	16,679	-103%	4,065	(32,790)	112%
Income tax expense	-	-	0%	-	-	0%
Profit/(Loss) for the period	(500)	16,679	-103%	4,065	(32,790)	112%

(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		9 months ended (YTD)	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RMB'000	RMB'000	RMB'000	RMB'000
Comprehensive Income				
Profit/(Loss) for the period	(500)	16,679	4,065	(32,790)
Other comprehensive income				
Exchange differences on translation of foreign operations	(3,942)	7,166	(7,655)	5,726
Total comprehensive income for the period	(4,442)	23,845	(3,590)	(27,064)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	(4,482)	23,756	(3,594)	(27,153)
Non-controlling interests	40	-	4	89
	(4,442)	23,845	(3,590)	(27,064)

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.

Balance Sheet	Group		Company	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Current assets				
Cash and bank balances	98,258	114,164	22,159	38,495
Trade receivables	999	-	-	-
Other receivables	13,924	9,292	25,416	9,907
Inventories	284	86	-	-
Biological assets	1,586	3,234	-	-
	115,051	126,776	47,575	48,402
Non-current assets				
Property, plant and equipment	80,900	81,868	241	-
Prepaid leases	2,220	5,791	-	-
Investment in subsidiaries	1,505	-	81,494	81,489
	84,625	87,659	81,735	81,489
Total assets	199,676	214,435	129,310	129,891
Liabilities and Equity				
Current liabilities				
Trade payables	10,564	10,218	-	-
Other payables	53,535	65,345	116,978	110,556
Loans and borrowings	3,378	3,384	-	3,384
Current tax payable	23,948	23,948	-	-
	91,425	102,895	116,978	113,940
Total liabilities	91,425	102,895	116,978	113,940
Capital and reserves				
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	5,639	13,294	(8,297)	(6,215)
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(1,611,229)	(1,615,474)	(2,801,733)	(2,800,196)
Equity attributable to equity holders of the Company	107,301	110,711	12,332	15,951
Non-controlling interests	950	829	-	-
Total equity	108,251	111,540	12,332	15,951
Total liabilities and equity	199,676	214,435	129,310	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		9 months ended (YTD)	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RMB'000	RMB'000	RMB'000	RMB'000
Cash Flows				
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	(500)	16,679	4,065	(32,790)
Adjustments for:				
(Gain)/loss arising from changes in fair value less cost to sell of biological assets	(202)	(310)	(8,630)	(3,972)
Depreciation of property, plant and equipment	1,386	(9,020)	4,121	16,367
(Gain)/loss on disposal of property, plant and equipment	(2,097)	-	(2,890)	-
Amortisation of prepaid leases	17	5,521	3,798	5,766
Interest income	(661)	-	(1,281)	-
Interest expense	-	8,633	-	37,885
Net foreign exchange difference	(4,399)	(39,264)	(7,949)	(59,318)
Operating profit/(loss) before working capital changes	(6,456)	(17,761)	(8,766)	(36,062)
Change in trade receivables	(448)	201	(966)	(64,811)
Change in other receivables	(4,419)	(110,792)	(4,691)	(52,737)
Change in inventories	(165)	(4,834)	(190)	(4,804)
Change in biological assets	1,589	21	10,278	9,261
Change in trade payables	1,342	18,535	273	19,302
Change in other payables	314	117,499	(12,222)	123,647
Cash used in/(from) operations	(8,243)	2,869	(16,284)	(6,204)
Interest received	661	-	1,281	-
Interest paid	-	-	-	-
Income taxes paid	-	464	-	464
Net cash used in/(from) operating activities	(7,582)	3,333	(15,003)	(5,740)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	-	-	(251)	-
Proceeds from disposal of property, plant and equipment	-	77,474	-	162,436
Acquisition of Subsidiary	(1,505)	212	(1,505)	212
Net cash generated/(used in) from investing activities	(1,505)	77,686	(1,756)	162,648
Cash Flows from Financing Activities				
Proceeds from loan	-	725	-	1,818
Capital contributions from NCI in a subsidiary	(3)	-	117	-
Net cash (used in)/generated from financing activities	(3)	725	117	1,818
Net increase (decrease) in cash and cash equivalent	(9,090)	81,744	(16,642)	158,726
Effect of cash and cash equivalent denominated in foreign currency	959	-	736	-
Cash and cash equivalent at beginning of the period	106,389	86,527	114,164	9,545
Cash and cash equivalents at end of the period	98,258	168,271	98,258	168,271

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	-	-	-	-	-	184	184	-	184
Issue of new warrants	-	-	-	-	-	-	-	-	-
Non-controlling interest arising from	-	-	-	-	-	-	-	117	117
Profit/(Loss) for the period	-	-	-	-	-	4,061	4,061	4	4,065
Other comprehensive income									
Foreign currency translation	-	-	(7,655)	-	-	-	(7,655)	-	(7,655)
Total comprehensive income/(loss) for the period	-	-	(7,655)	-	-	4,061	(3,594)	4	(3,590)
At 30 September 2018	2,794,067	(1,120,438)	5,639	-	39,262	(1,611,229)	107,301	950	108,251
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	-	-	-	-	-	-	-	454	454
Profit/(Loss) for the period	-	-	-	-	-	(32,879)	(32,879)	89	(32,790)
Other comprehensive income									
Foreign currency translation	-	-	5,726	-	-	-	5,726	-	5,726
Total comprehensive income/(loss) for the period	-	-	5,726	-	-	(32,879)	(27,153)	543	(27,064)
At 30 September 2017	2,416,284	(1,137,504)	4,732	101,651	39,262	(1,939,347)	(514,922)	543	(514,379)

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	-	-	-	-	(1,537)	(1,537)
Other comprehensive income						
Foreign currency translation	-	-	(2,082)	-	-	(2,082)
Total comprehensive income/(loss) for the period	-	-	(2,082)	-	(1,537)	(3,619)
At 30 September 2018	2,794,067	28,295	(8,297)	-	(2,801,733)	12,332
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	-	-	-	-	(37,205)	(37,205)
Other comprehensive income						
Foreign currency translation	-	-	(12,579)	-	-	(12,579)
Total comprehensive income/(loss) for the period	-	-	(12,579)	-	(37,205)	(49,784)
At 30 September 2017	2,416,284	11,229	(10,728)	101,651	(2,984,294)	(465,858)

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 September 2018.

The Company does not have any treasury shares as at 30 September 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 September 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		9 months ended (YTD)	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
a) EPS based on weighted average number of shares (RMB cents/share)	0.02	0.36	(0.002)	(0.71)
b) EPS based on fully diluted basis (RMB cents/share)	0.02	0.36	(0.002)	(0.71)
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	
	30/9/2018	31/12/2017	30/9/2018	31/12/2017
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	0.44	0.46	0.05	0.07

Net asset value for the Group and the Company as at 30 September 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.

Profit and Loss	3 months ended		Increase / (Decrease)	9 months ended (YTD)		Increase / (Decrease)
	30/9/2018	30/9/2017		30/9/2018	30/9/2017	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Farming						
Revenue	1,589	32	4866%	10,698	9,426	13%
Feed Used	(253)	(376)	-33%	(598)	(588)	2%
Electricity, fuel and water	(296)	(250)	18%	(721)	(1,162)	-38%
Staff costs	(486)	(295)	65%	(1,607)	(2,204)	-27%
Gross Profit - Farming	554	(889)	162%	7,772	5,472	42%
<i>GPM (%)</i>	<i>34.9%</i>	<i>-2778.1%</i>		<i>72.6%</i>	<i>58.1%</i>	
FMCG						
Revenue	1,133	2,688	-58%	1,205	2,992	-60%
Cost of goods	(1,076)	(1,344)	-20%	(1,120)	(1,605)	-30%
Gross Profit - FMCG	57	1,344	-96%	85	1,387	-94%
<i>GPM (%)</i>	<i>5.0%</i>	<i>50.0%</i>		<i>7.1%</i>	<i>46.4%</i>	
Consultancy						
Revenue	155	207	-25%	505	413	22%
Cost of goods	(124)	(186)	-33%	(425)	(371)	15%
Gross Profit - Consultancy	31	21	48%	80	42	90%
<i>GPM (%)</i>	<i>20.0%</i>	<i>10.1%</i>		<i>15.8%</i>	<i>10.2%</i>	
Marketing & media consulting						
Revenue	1,129	-	100%	1,373	-	100%
Cost of goods	(966)	-	100%	(1,162)	-	100%
Gross Profit - Marketing & media consulting	163	-	100%	211	-	100%
<i>GPM (%)</i>	<i>14.4%</i>	<i>0.0%</i>		<i>15.4%</i>	<i>0.0%</i>	
Total Revenue	4,006	2,927	37%	13,781	12,831	7%
Total Cost of goods	(3,201)	(2,451)	31%	(5,633)	(5,930)	-5%
Total Gross Profit	805	476	69%	8,148	6,901	18%

For the nine-month period ended 30 September 2018 ("9M 2018"), the Group generated total revenue amounting to RMB13.8 million, a 7% or RMB1 million increase from RMB12.8 million recorded in the corresponding period of the preceding financial year ("9M 2017").

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

The Group's farming segment has seen improved profit margins largely due to sustained efforts to control direct production expenses and improve the efficiency of the use of resources.

Overall, the Group reported a 9M 2018 net profit of RMB4 million, compared to a net loss of RMB32.8 for 9M 2017. This is mainly due to:

- (1) Improved overall gross profit margins, resulting in RMB1.2 million additional gross profit;
- (2) RMB53.5 million decrease in other non-operating income recorded in 9M 2018, in the absence of a RMB55.8 million compensation amount recognised in 9M 2017 in relation to the acquisition of the Gulei Farms by the PRC Authority;
- (3) RMB12.2 million reduction in depreciation expenses, compared to the RMB16.4 million recorded in 9M 2017;
- (4) Absence of finance cost incurred in 9M 2018 as compared to the RMB37.9 million recorded in 9M 2017 relating to the debt restructuring exercise that had completed in Q4 2017, which had removed all secured debt from the Group's balance sheet.

After deducting non-cash items, including depreciation, amortisation, interest expense and unrealised exchange gain/loss, the Group derived an EBITDA of RMB8.2 million for 9M 2018, compared to an EBITDA of RMB21.5 million for the same period last year.

(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 RMB108.2 million as at 30 September 2018.

Total assets of the Group decreased by RMB14.7 million from RMB214.4 million as at 31 December 2017 to RMB199.7 million as at 30 September 2018. This decrease is mainly attributable to the depreciation charges for this quarter and a decrease in cash and bank balances.

Total current liabilities decreased to RMB91.4 million as at 30 September 2018, RMB11.6 million lower than the RMB103 million recorded as at 31 December 2017.

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

Total equity increased to RMB108.2 million as at 30 September 2018, compared to RMB111.5 as at 31 December 2017.

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash outflow of RMB16.6 million, resulting in positive closing cash balance of RMB98.2 million for the nine months ended 30 September 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 RMB94.9 million and a positive net asset position of RMB108.2 million. With stronger fundamentals, Oceanus is now fully focused on pursuing both organic and inorganic long-term sustainable growth.

For its Farming segment, formerly known as the Hatchery or Live Marine Products segment, the Group will continue employing science and evidence-based farming techniques that will further reduce mortality rates and strengthen controls of its biological assets against various operating risks. It will also focus on increasing the efficiency of the segment's allocation and utilisation of resources to optimise operating margins; the Group's efforts are reflected in this quarter's improvement of farming segment margins.

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. Oceanus has so far established a working relationship with another party in respect of the development and sale of its upcoming FMCG products. Separately, the Group has also formally ceased its collaboration and joint venture with BNY, and both parties have reached a settlement. This is not expected to have any material impact on the Group's financial performance in FY2018, as announced on 19 October 2018.

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 has also made headway to strengthen its value chain and diversify its revenue streams. Its Marketing & Media Consulting subsidiary, Copy Comm, continues to contribute positively to the Group as it seeks third-party business opportunities apart from supporting the marketing needs of the Group. In line with the Group's intention to diversify its business model and establish itself as a leader in the aquaculture industry, Oceanus had also made an investment into Barramundi Asia Pte Ltd, one of the world's largest Barramundi farming companies.

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/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. 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 9 months ended 30 September 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

13 November 2018