



## **OCEANUS GROUP LIMITED**

(Incorporated in the Republic of Singapore under Registration Number: 199805793D)  
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### **QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL**

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Oceanus Group Limited (the “**Company**”) has been placed on the watch-list with effect from 14 December 2015, pursuant to Rule 1311 of the SGX-ST Listing Manual. In accordance with Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company would like to provide the following quarterly update on the Company, together with its subsidiaries (collectively, the ‘**Group**’).

#### **Update on Financial Situation**

The Group has on 8 August 2018 released its financial statement for the six-month period ended 30 June 2018 (“**1H 2018**”). Shareholders should refer to the announcement for further details.

For 1H 2018, the Group’s revenue declined marginally by 1% to RMB9.8 million compared to RMB9.9 million in the comparative period a year ago (“**1H 2017**”). This was mainly due to a 76% decline in the FMCG segment, formerly known as the Processed Marine Products segment, which has formally ceased its collaboration and joint venture with BNY, as announced on 1 March 2018.

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 saw 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.

Despite the lower revenue and the absence of a compensation amount recognised in 1H 2017 relating to the acquisition of the Gulei Farms by the PRC Authority, the Group recorded net profit of RMB4.6 million compared to a net loss of RMB49.5 million. The Group reported a 41% growth in EBITDA to RMB7.3 million compared to RMB5.2 million in 1H 2017.

#### **Update on Future Direction**

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, Capy 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.

## **BY ORDER OF THE BOARD**

Peter Koh Heng Kang, PBM  
Executive Director and Chief Executive Officer

8 August 2018