



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

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 11 November 2016 released its financial statement for the third quarter ended 30 September 2016. Shareholders should refer to the announcement for further details.

For the first 9 months of the year ended 30 September (“9M 2016”), the Group reported sales amounting to about RMB 5.9 million, almost 6 times of the RMB 1.0 million reported in the corresponding period of the preceding financial year.

The Group reported narrowed year-to-date (“9M 2016”) loss of RMB92.1 million, a reduction of RMB22.6 million, or 19.7%, compared to a loss of RMB114.7 million recorded in the corresponding period of the preceding financial year (“9M 2015”). This is mainly due to an absence of a RMB23.6 million provision for redemption of a premium expense recorded in the corresponding period last year subsequent to the completion of the restructuring exercise.

Update on Future Direction

Amidst a macro-economic slowdown and challenging operating environment, the Group continues to pursue and execute the turnaround strategies elaborated in a letter to shareholders released on January 25, 2016. The Group expects to launch the e-retail website of its consumer abalones by early next year.

In relation to the Group’s debt restructuring exercise, the Group is pending the cooperation of a remaining key creditor. Following which, the Group expects its balance sheet to improve significantly upon completion of the debt restructuring exercise. As at the date of this announcement, a total of S\$1,500,000 worth of interim funding had been received from value investors. The proceeds will help fund the Group in the areas of spawning and growing of abalone juvenile abalones, as well as for audit, AGM and operating expenses.

BY ORDER OF THE BOARD

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

11 November 2016