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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 3 MONTHS ENDED 31 MARCH 2019 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.

Profit and Loss	3 months ended		Increase / (Decrease)
	31/3/2019	31/3/2018	
	RMB'000	RMB'000	%
Revenue	3,710	5,489	-32%
Cost of goods sold	(3,033)	(1,379)	120%
Total Gross Profit	677	4,110	-84%
Gain/(Loss)from changes in fair value less cost to sell of bio assets	1,325	(1,324)	-200%
Other operating income	656	443	48%
Other operating expenses	(4,507)	(3,361)	34%
Operating Profit/(Loss)	(1,849)	(132)	1301%
Non-Operating			
Impairment of investment in subsidiary/Disposal	225	-	0%
Foreign exchange gain/(loss)	(4,824)	(1,810)	167%
Profit/(Loss) for discontinued operations	449	(5,069)	-109%
EBITDA	(5,999)	(7,011)	-14%
Depreciation	(1,420)	(1,367)	4%
Finance Costs	-	-	0%
Profit before income tax	(7,419)	(8,378)	-11%
Income tax expense	-	-	0%
Profit for the period	(7,419)	(8,378)	-11%

(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	
	31/3/2019	31/3/2018
	RMB'000	RMB'000
Comprehensive Income		
Profit/(Loss) for the period	(7,419)	(8,378)
Other comprehensive income		
Exchange differences on translation of foreign operations	3,542	6,838
Total comprehensive income for the period	(3,877)	(1,540)
Total comprehensive profit/(loss) attributable to:		
Owners of the Company	(3,558)	(1,552)
Non-controlling interests	(319)	12
	(3,877)	(1,540)

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	
	31/3/2019	31/12/2018	31/3/2019	31/12/2018
Balance Sheet	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
<u>Current assets</u>				
Cash and bank balances	90,658	96,606	11,052	16,382
Trade receivables	4,926	3,558	-	-
Other receivables	17,326	14,973	34,889	30,692
Inventories	3,121	3,580	-	-
Biological assets	6,897	5,328	-	-
	122,928	124,045	45,941	47,074
<u>Non-current assets</u>				
Property, plant and equipment	75,775	76,848	297	289
Prepaid leases	2,187	2,203	-	-
Investment in subsidiaries	-	-	81,494	81,494
Other investment	1,140	-	-	-
Goodwill on consolidation	4,390	2,482	-	-
	83,492	81,533	81,791	81,783
Total assets	206,420	205,578	127,732	128,857
Liabilities and Equity				
<u>Current liabilities</u>				
Trade payables	10,356	9,672	-	-
Other payables	59,827	56,510	87,344	113,644
Loans and borrowings	3,333	3,395	3,333	3,395
Current tax payable	23,948	23,948	23,948	-
	97,464	93,525	114,625	117,039
<u>Non-current liabilities</u>				
Deferred tax liabilities	50	-	-	-
	50	-	-	-
Total liabilities	97,514	93,525	114,625	117,039
<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	9,716	6,174	(7,352)	(8,635)
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(1,616,168)	(1,610,588)	(2,801,903)	(2,801,909)
Equity attributable to equity holders of the Company	106,439	108,477	13,107	11,818
Non-controlling interests	2,467	3,576	-	-
Total equity	108,906	112,053	13,107	11,818
Total liabilities and equity	206,420	205,578	127,732	128,857

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	
	31/3/2019	31/3/2018
Cash Flows	RMB'000	RMB'000
Cash Flows from Operating Activities		
Profit/(Loss) before income tax	(7,418)	(8,378)
Adjustments for:		
(Gain)/loss arising from changes in fair value less cost to sell of biological assets	(1,693)	(3,650)
Depreciation of property, plant and equipment	1,430	1,367
Amortisation of prepaid leases	15	74
Unrealised currency (gain)/loss	4,824	-
Interest income	-	(293)
Net foreign exchange difference	-	7,285
Operating profit/(loss) before working capital changes	(2,842)	(3,595)
Change in trade receivables	534	(247)
Change in other receivables	(971)	(158)
Change in inventories	(302)	43
Change in biological assets	124	4,554
Change in trade payables	798	104
Change in other payables	(569)	(4,614)
Cash used in/(from) operations	(3,228)	(3,913)
Interest received	-	293
Net cash used in/(from) operating activities	(3,228)	(3,620)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	-	(251)
Proceeds from disposal of property, plant and equipment	(65)	-
Net effect on Acquisition of Subsidiary	(646)	-
Acquisition of Subsidiary/other investment	(1,140)	-
Net cash generated/(used in) from investing activities	(1,851)	(251)
Cash Flows from Financing Activities		
Capital contributions from NCI in a subsidiary	(614)	120
Net cash (used in)/generated from financing activities	(614)	120
Net increase (decrease) in cash and cash equivalent	(5,693)	(3,751)
Effect of cash and cash equivalent denominated in foreign currency	(255)	(728)
Cash and cash equivalent at beginning of the period	96,606	114,164
Cash and cash equivalents at end of the period	90,658	109,685

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 2019	2,794,067	(1,120,438)	6,174	-	39,262	(1,610,588)	108,477	3,576	112,053
Issue of new shares	-	-	-	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	(790)	(790)
Profit/(Loss) for the period	-	-	-	-	-	(5,580)	(5,580)	(319)	(5,899)
Other comprehensive income									
Foreign currency translation	-	-	3,542	-	-	-	3,542	-	3,542
Total comprehensive income/(loss) for the period	-	-	3,542	-	-	(5,580)	(2,038)	(319)	(2,357)
At 31 March 2019	2,794,067	(1,120,438)	9,716	-	39,262	(1,616,168)	106,439	2,467	108,906
At 1 January 2018	2,794,067	(1,120,438)	13,294	-	39,262	(1,615,474)	110,711	829	111,540
Adjustment for reserve	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-
Non-controlling interest acquisition of a subsidiary	-	-	-	-	-	-	-	120	120
Profit/(Loss) for the period	-	-	-	-	-	(8,390)	(8,390)	12	(8,378)
Other comprehensive income									
Foreign currency translation	-	-	6,838	-	-	-	6,838	-	6,838
Total comprehensive income/(loss) for the period	-	-	6,838	-	-	(8,390)	(1,552)	12	(1,540)
At 31 March 2018	2,794,067	(1,120,438)	20,132	-	39,262	(1,623,864)	109,159	961	110,120

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 2019	2,794,067	28,295	(8,635)	-	(2,801,909)	11,818
Issue of new shares	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	6	6
Other comprehensive income						
Foreign currency translation	-	-	1,283	-	-	1,283
Total comprehensive income/(loss) for the period	-	-	1,283	-	6	1,289
At 31 March 2019	2,794,067	28,295	(7,352)	-	(2,801,903)	13,107
At 1 January 2018	2,794,067	28,295	(6,215)	-	(2,800,196)	15,951
Adjustment for reserve	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	(604)	(604)
Other comprehensive income						
Foreign currency translation	-	-	1,119	-	-	1,119
Total comprehensive income/(loss) for the period	-	-	1,119	-	(604)	515
At 31 March 2018	2,794,067	28,295	(5,096)	-	(2,800,800)	16,466

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 31 March 2019.

The Company does not have any treasury shares as at 31 March 2019

(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 31 March 2019 is 24,296,921,463 shares (31 December 2018: 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 2018.

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	
	31/3/2019	31/3/2018
a) EPS based on weighted average number of shares (RMB cents/share)	(0.02)	(0.03)
b) EPS based on fully diluted basis (RMB cents/share)	(0.02)	(0.03)
Weighted average number of shares applicable to earnings per share	24,296,921,463	24,296,921,463
Weighted average number of shares fully diluted basis	24,296,921,463	24,296,921,463

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	
	31/3/2019	31/12/2018	31/3/2019	31/12/2018
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	0.44	0.45	0.05	0.05

Net asset value for the Group and the Company as at 31 March 2019 and 31 December 2018 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 first quarter ended 31 March 2019 ("1Q 2019"), the Group generated total revenue amounting to RMB3.7 million, a RMB1.8 million decrease from RMB5.5 million recorded in the corresponding period of the preceding financial year ("1Q 2018") This is mainly due to a decline in the sales of juveniles as volumes were held back in the first quarter in anticipation of increasing selling prices in the later part of the year.

The Group will continue to control direct production expenses and improve the efficiency of use of resources for its hatchery segment.

The Group continues to forge ahead with its strategy to increase its capabilities and profitability outside of its core aquaculture segment, such as FMCG, distribution and services. Overall revenue contributed from non-core segments outside of its hatchery activities was bolstered from higher sales, including from both its FMCG and marketing and media consulting segments.

The Group's FMCG segment generated total revenue amounting to RMB2.5 million in 1Q 2019, which represents a RMB2.4 million (or 3490%) increase from RMB0.07 million recorded in the corresponding period of 1Q 2018. This is mainly attributed to the launch of its canned mini abalone and "Babylone" products in October 2018, as well as the acquisition of Alps Group Pte Ltd ("**Alps Group**"), owner of the eco-friendly FMCG brand 'Cloversoft', in December 2018.

The Group's services segment, which includes media and marketing consulting under Capy Comm Pte Ltd ("**Capy Comm**") and aquaculture consultancy under Oceanus Tech Pte Ltd ("**Oceanus Tech**") continues to contribute to the Group's overall top line, amounting to RMB0.9 million in 1Q 2019 as compared to RMB0.5 million in 1Q 2018.

After deducting non-cash items, including depreciation, amortisation, interest expense and unrealised exchange gain/loss, the Group derived a negative EBITDA of RMB6.0 million for 1Q 2019, which narrowed as compared to a negative EBITDA of RMB7.0 million for the same period last year.

Despite increased revenue from the Group's non-core segment, 1Q 2019 registered an overall net loss of RMB7.4 million (net loss of RMB8.3 million in 1Q 2018) mainly due to a reduction in aquaculture and hatchery segment sales as a result of anticipated price increase in juvenile abalones.

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 RMB108.9 million as at 31 March 2019.

Total assets of the Group increased by RMB0.8 million from RMB205.6 million as at 31 December 2018 to RMB206.4 million as at 31 March 2019. This decrease is mainly attributed to the depreciation charges for this quarter and a decrease in cash and bank balances.

Total current liabilities increased to RMB97.4 million as at 31 March 2019, RMB3.9 million higher than the RMB93.5 million recorded as at 31 December 2018.

Non-current liabilities increased by RMB0.05 million for deferred tax liabilities as at 31 March 2019 due to the acquisition of AP Media.

Total equity increased to RMB108.9 million as at 31 March 2019, compared to RMB112.1 as at 31 December 2018.

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash outflow of RMB5.7 million, resulting in positive closing cash balance of RMB90.6 million for the three months ended 31 March 2019.

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 which effectively extinguished all of the Group's secured borrowings, the Group's balance sheet has been strengthened with a net cash position of RMB87.3 million and a positive net asset position of RMB108.9 million. With stronger fundamentals, Oceanus is now fully focused on pursuing both organic and inorganic long-term sustainable growth across all four segments – Aquaculture, Distribution and FMCG, Services and Innovation.

For its Aquaculture segment, the Group will continue to focus on progressive farming techniques in its hatcheries in China that will further reduce mortality rates and strengthen controls of its biological assets against various operating risks. The Group will also continue its emphasis in addressing Singapore's food security, boosted by the recent entering of a joint venture under Oceanus Opal Pte Ltd which focuses on sustainable seafood production within the 11,900 sqm farming site allocation by the government of Singapore.

Significant additions to the Distributions and FMCG segment in recent months include the acquisition of Alps Group in December 2018 and the incorporation of Oceanus Feed Pte Ltd ("**Oceanus Feed**") in April 2019. Alps Group has made its maiden contribution to the segment and continues to actively pursue various B-to-B business opportunities – namely, restaurants, hotels and catering – under the locally established brand name "Cloversoft". With Cloversoft's focus on the production and distribution of environmentally-friendly disposables, this ties-in well with the Group's objective to further expand its capabilities in the FMCG distribution network and sustainable products sector. Meanwhile, Oceanus Feed's main operations involve the trading of animal feed products, including fish feed. With this new trading arm, the Group intends to further expand its trading and distribution network.

The Group saw a recent expansion of its Services segment, specifically its media and marketing consultancy arm, following the acquisition of AP Media Pte Ltd ("**AP Media**"), a business focused on video marketing, content marketing, interactive media and marketing strategy consulting. AP Media was merged with the Group's existing subsidiary Capy Comm, forming a new marketing group, AP Media Group. With a larger team to seek third-party business opportunities apart from supporting the Group's marketing needs, the Group expects this to provide to provide further positive contribution to overall profitability as more third-party consultancy projects will be added to its pipeline.

With regards to the SGX-ST watch list under the Financial Entry Criteria, SGX-ST has provided approval for an extension of time to fulfil the Financial Exit Criteria by 28 June 2019, on the basis that the Group has also been granted an extension to hold its FY2018 AGM by 29 June 2019.

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 3 months ended 31 March 2019 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 May 2019