



Oceanus Group Limited

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

ADJUSTMENTS AND RECLASSIFICATIONS TO THE UNAUDITED FIGURES IN THE FULL YEAR RESULTS ANNOUNCEMENT AND CLARIFICATIONS ON THE FULL RESULTS ANNOUNCEMENT

The Board of Directors of Oceanus Group Limited (the “**Group**”) refers to the audited financial statements for the financial year ended 31 December 2017 in the Group’s Annual Report 2017 (the “**Audited Financial Statements**”) and the announcement on the unaudited financial statements for the financial year ended 31 December 2017 on 1 March 2018 (the “**Full Year Unaudited Results Announcement**”)

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the board wishes to inform that there are deviations to the unaudited results after the completion of the financial statement audit.

The adjustments and reclassifications resulted in an increase of RMB30 million to the net assets of the Group as at 31 December 2017 and an increase of RMB13 million to the Group’s profit for the financial year ended 31 December 2017, each as compared to the respective preliminary results disclosed in the preliminary FY2017 results announcement. Further details on the adjustments and reclassifications are set out in the tables as shown below.

A comparison of audited and unaudited results for the financial year ended 31 December 2017 is set as below:

CONSOLIDATED INCOME STATEMENT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Audited Results	Unaudited Results	Difference		Note
	RMB'000	RMB'000	RMB'000	%	
Revenue	20,745	20,745	-	0%	
Cost of inventories	(19,988)	(19,988)	-	0%	
Gain/(Loss) arising from changes in fair value less cost to sell biological assets	8,062	13,501	(5,439)	-40%	PL1
Other operating income	283,516	245,820	37,696	15%	PL2
Feed used	-	(783)	783	-100%	PL3
Electricity, fuel and water	-	(1,388)	1,388	-100%	PL4
Staff costs	(6,700)	(8,515)	1,815	-21%	PL5
Amortisation of prepaid leases	(25)	-	(25)	0%	PL6
Impairment loss on other investment	(17,066)	-	(17,066)	0%	PL7
Reversal/(Impairment) loss on prepaid leases	5,043	-	5,043	0%	PL8
Reversal/(Impairment) loss on property, plant and equipment	22,962	-	22,962	0%	PL9
Depreciation	(14,698)	(11,601)	(3,097)	27%	PL10
Other operating expenses	(74,391)	(61,588)	(12,803)	21%	PL11
Finance costs	(17,821)	17,879	(35,700)	-200%	PL12
Foreign currency gain	-	818	(818)	-100%	PL13
Profit before tax	189,639	194,900	(5,261)	-3%	
Income tax	-	-	-	0%	
Profit after tax	189,639	194,900	(5,261)	-3%	
			-		
Discontinued operations	(301)	(18,791)	18,490	-98%	PL14
	189,338	176,109	13,229	8%	
Profit/(Loss) attributable to:					
Owners of the Company	189,343	176,114	13,229	8%	
Non-controlling interests	(5)	(5)	-	0%	
	189,338	176,109	13,229	8%	

Explanatory Notes – Income Statement

A) Adjustments to arising upon completion of valuation report

PL1. Changes in fair value less cost to sell of biological assets were due to the figure reflected in the valuation report by an independent valuer and net effect from the capitalisation of cost related to the biological transformation.

PL8. Based on the fair value less cost to sale valued by an independent valuer, a reversal was made on the impairment loss on prepaid leases amounting to RMB5.043 m.

PL9. Reversal of Impairment loss on property, plant and equipment amounting to RMB 22.962 m was provided based on the fair value less cost to sale valued by an independent valuer.

B) Reclassification

PL2. The difference is mainly due to the reclassification of gain on interest from the redemption of convertible loan in PL 12 and the written back of bad debt on other receivables of RMB 8.450m.

PL3, PL4, PL5. Due to reclassification to reflect a capitalisation of feed, electrical, staff and other costs to biological assets.

PL11, PL13. Net foreign currency difference was grouped into the other operating expenses instead of a separate line disclosure and a further foreign exchange loss arises from the audit adjustment.

PL12. Interest income of RMB17.879 m previously recognised as a result of the debt restructuring, has been reclassified out to other operating income. Separately, a further adjustment to recognise a RMB17.821 m interest expense was put through. This is however, net off by an adjustment to recognise an income of an equal amount in other operating income – resulting in no impact on overall profit.

C) Other adjustments

PL7. This relates to the investment consideration in Oceanus Australia Abalone World Pty Ltd (the “OAAW (AUS)”) which has been adjusted to recognise an impairment cost in the Oceanus Group Limited’s account.

Please refer to the announcement dated 1 March 2018 for further details in respect of this matter between the Group and OAAW(AUS).

PL14. This is due to the effects from the different exchange rate used for audit adjustments.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Audit Results RMB'000	Unaudited Results RMB'000	Difference RMB'000	Note
ASSETS				
Current Assets				
Cash and bank balances	114,164	114,163	1	BS1
Trade receivables	-	-	-	
Other receivables	9,292	10,476	(1,184)	BS2
Inventories	86	85	1	BS3
Biological assets	3,234	2,554	680	BS4
Total current assets	126,776	127,278		
Non-current assets				
Property, plant and equipment	81,868	58,838	23,030	BS5
Prepaid lease	5,791	975	4,816	BS6
Total non-current assets	87,659	59,813		
Total assets	214,435	187,091		
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	10,218	10,663	(445)	BS7
Other payables	65,345	71,530	(6,185)	BS8
Current tax payable	23,948	23,949	(1)	BS9
Borrowings	3,384	-	3,384	BS10
Total current liabilities	102,895	106,142		
Capital and reserves				
Share capital	2,794,067	2,795,101	(1,034)	BS11
Capital reserve	(1,120,438)	(1,137,504)	17,066	BS12
Statutory reserve	39,262	39,262	-	
Currency translation reserve	13,294	13,098	196	BS13
Warrant reserve	-	-	-	
Accumulated (losses) b/f	(1,804,812)	(1,805,946)	1,134	BS14
Current period profits	189,338	176,109	13,229	BS15
Equity attributable to owners of the Company	110,711	80,120	30,591	
Non-controlling interest	829	829		
Total liabilities and equity	214,435	187,091		

Explanatory Notes – Statement of Financial Position

A) Adjustments to arising upon completion of valuation report

BS4. The increase of biological assets is due to the adjustments that were made according to the valuation report by an independent valuer.

B) Reclassification

BS2. A significant portion of the difference is due to the reclassification of RMB 9.786 m other receivables to amount due from related parties and a recognition of other income receivable from a law case in Zhangzhou amounting to RMB 8.450 m. Other minor adjustments are RMB 0.104 m from output tax to offset with input tax account and a positive figure of RMB 0.030 m from other payable to other receivables.

BS7. There is a reclassification of RMB0.445 m from trade payable to other payable.

C) Other adjustments

BS1, BS3, BS9. This is due to rounding difference.

BS5. The increase is mainly due to the reversal of impairment loss on property, plant and equipment amounting to RMB 22.962 m that was provided based on the fair value less cost to sale valued by an independent valuer.

BS6. The change in prepaid leases is because of the reversal of impairment loss which is in accordance with the independent valuer's report.

BS8. The decrease in other payable is due to the reclassification and audit adjustments made whereby RMB3.384m is reclassified to borrowings. The remaining is due to an adjustment to reverse professional expenses previously provided for in FY2017.

BS10. This amount refers to the borrowing that was initially recognised in the other payables account.

BS11. This is because of the different exchange rate used in translating the movement in share capital during the year.

BS12. The difference relates to the consideration paid by a shareholder with his share in the Company to acquire the investment in OAAW (AUS).

BS13. This is the resultant change of translation from the adjustments made

BS14. This figure is a result of the translation difference on the transfer of warrant reserves to accumulated losses.

BS15. The difference is mainly due to the reversal of impairment loss on property, plant and equipment, prepaid leases and impairment loss on other investment amounting to 22.962 m, 5.043 m and 17.066 m respectively.

3. Material adjustment to cash flow statement in the Full Year Results Announcement:
Adjustments stated above have not materially affected the way the cash flow statement presented.

BY ORDER OF THE BOARD

Peter Koh Heng Kang
Executive Director and Chief Executive Officer
13 April 2018