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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 12 MONTHS ENDED 31 DECEMBER 2017 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		Favourable /(Adverse) %	12 months ended		Favourable /(Adverse) %
	31/12/2017 RMB'000	31/12/2016 RMB'000		31/12/2017 RMB'000	31/12/2016 RMB'000	
Sales of :-						
Live marine products	8,203	440	>100%	17,629	5,932	>100%
Processed marine products	(491)	4,033	(>100%)	2,501	4,443	(44%)
Consultancy	202	-	0%	615	-	0%
Revenue	7,914	4,473	77%	20,745	10,375	100%
Feed used	(195)	(83)	(>100%)	(783)	(250)	(>100%)
Electricity, fuel and water	(226)	(410)	45%	(1,388)	(873)	(59%)
Staff costs	(1,008)	(1,215)	17%	(3,212)	(3,043)	(6%)
Cost of sales	(754)	(3,721)	80%	(2,359)	(4,313)	45%
Total Cost of sales	(2,183)	(5,429)	60%	(7,742)	(8,479)	9%
Gross Profit	5,731	(956)	>100%	13,003	1,896	>100%
Other operating income	831	7,267	(89%)	2,017	8,481	(76%)
Other non-operating income	188,000	-	0%	243,803	-	0%
Staff costs	(1,816)	(1,303)	(39%)	(5,303)	(4,559)	(16%)
Other operating expenses	1,118	(3,391)	>100%	(3,796)	(9,592)	60%
Other non-operating expenses	(32,744)	(9,225)	(>100%)	(57,792)	(9,225)	(>100%)
Gain arising from changes in fair value	(8,203)	(440)	(>100%)	(17,629)	(5,932)	(>100%)
less cost to sell of biological assets	9,529	6,235	(53%)	13,501	9,554	(41%)
Adjusted EBITDA (excl. Foreign exchange gain or loss)	162,446	(1,813)	>100%	187,804	(9,377)	>100%
Profit/(Loss) for the year from discontinued operations	(9,387)	607	(>100%)	(18,791)	(319)	(>100%)
Foreign exchange gain/(loss)	(4,690)	(3,348)	NM	818	-	NM
EBITDA	148,369	(4,554)	>100%	169,831	(9,696)	>100%
Depreciation	4,766	8,045	41%	(11,601)	(34,749)	67%
Finance costs	55,764	26,400	(>100%)	17,879	(17,791)	>100%
Profit/(Loss) before income tax	208,899	29,891	>100%	176,109	(62,236)	>100%
Income tax	-	-	0%	-	-	0%
Profit/(Loss) for the period	208,899	29,891	>100%	176,109	(62,236)	>100%
Profit/(Loss) attributable to :						
Owners of the Company	208,993	29,891	>100%	176,114	(62,236)	>100%
Non-controlling interests	(94)	-	0%	(5)	-	0%
	208,899	29,891	>100%	176,109	(62,236)	>100%

Profit/(Loss) for the period is arrived at after charging / (crediting) the following items:

	3 months ended		Favourable / (Adverse) %	12 months ended		Favourable / (Adverse) %
	31/12/2017	31/12/2016		31/12/2017	31/12/2016	
	RMB'000	RMB'000	RMB'000	RMB'000		
<u>Continuing operations</u>						
Interest income	-	-	-	-	(1)	100%
Interest expense						
(i) Coupon rate 5%	(24,798)	4,387	>100%	(9,864)	18,965	>100%
(ii) Notional interest	(20,690)	9,890	>100%	-	37,479	100%
(iii) Loan interest	-	-		-	-	
(iv) Withholding tax	(7,445)	672	>100%	(5,396)	2,699	>100%
(v) Others	-	-		-	-	
Depreciation of property, plant and equipment	(4,766)	(8,045)	41%	11,601	34,749	67%
Amortisation of prepaid leases	122	121	(1%)	489	489	0%
Gain on disposal of property, plant and equipment	-	-		-	-	
Operating lease expenses	15	146	90%	355	584	39%
Foreign exchange (gain)/loss	4,690	3,348	NM	(818)	-	NM
<u>Discontinued operations</u>						
Foreign exchange (gain)/loss	19,150	10	NM	28,248	854	NM

NM: Not meaningful

(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		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(Loss) for the period	208,899	29,891	176,109	(62,236)
Other comprehensive income				
Ex change differences on translation of foreign operations	8,366	5,268	14,092	(30,799)
Total comprehensive income for the period	217,265	35,159	190,201	(93,035)
Attributable to:				
Owners of the Company	217,359	35,159	190,206	(93,035)
Non-controlling interests	(94)	-	(5)	-
Equity holders of the Company	217,265	35,159	190,201	(93,035)

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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
<u>Current assets</u>				
Cash and bank balances	114,163	9,545	38,495	3,170
Trade receivables	-	11	-	-
Other receivables	10,476	5,025	29,694	13,846
Inventories	85	180	-	-
Biological assets	2,554	6,404	-	-
	<u>127,278</u>	<u>21,165</u>	<u>68,189</u>	<u>17,016</u>
<u>Non-current assets</u>				
Property, plant and equipment	58,838	154,645	-	-
Prepaid leases	975	6,007	-	-
Investment in subsidiaries	-	-	157,562	157,558
	<u>59,813</u>	<u>160,652</u>	<u>157,562</u>	<u>157,558</u>
Total assets	<u>187,091</u>	<u>181,817</u>	<u>225,751</u>	<u>174,574</u>
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Trade payables	10,663	10,676	-	-
Other payables	71,530	121,581	106,583	77,267
Loans and borrowings	-	8,316	-	8,316
Current tax payable	23,949	23,948	-	-
Convertible loan	-	308,774	-	308,774
Derivative liabilities	-	147,549	-	147,549
	<u>106,142</u>	<u>620,844</u>	<u>106,583</u>	<u>541,906</u>
<u>Non-current liabilities</u>				
Convertible loan	-	44,122	-	44,122
Loans and borrowings	-	7,649	-	7,649
	-	51,771	-	51,771
Total liabilities	<u>106,142</u>	<u>672,615</u>	<u>106,583</u>	<u>593,677</u>
<u>Capital and reserves</u>				
Share capital	2,795,101	2,413,255	2,795,101	2,413,255
Capital reserve	(1,137,504)	(1,137,504)	11,229	11,229
Currency translation reserve	13,098	(994)	(6,193)	1,851
Warrant reserve	-	101,651	-	101,651
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(1,629,837)	(1,906,468)	(2,680,969)	(2,947,089)
Equity attributable to equity holders of the Company	80,120	(490,798)	119,168	(419,103)
Non-controlling interests	829	-	-	-
Total equity	<u>80,949</u>	<u>(490,798)</u>	<u>119,168</u>	<u>(419,103)</u>
Total liabilities and equity	<u>187,091</u>	<u>181,817</u>	<u>225,751</u>	<u>174,574</u>

1(c)(ii) Aggregate amount of the Group's borrowings and debt securities.

Details of any collateral

Secured loans

	Group			
	31/12/2017		31/12/2016	
	RMB'000	RMB'000	RMB'000	RMB'000
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Amount payable in one year or less, or demand	-	-	-	-
Amount repayable in one year or less	-	-	308,774	8,316
Amount repayable after one year	-	-	44,122	7,649
	-	-	352,896	15,965

Following the completion of the debt restructuring on 26 December 2017, the Group has no outstanding loans and borrowings nor convertible loans as of 31 December 2017. 19,682,830,852 New Shares were issued on December 26, 2017, converting S\$71.8 million of Oceanus' total outstanding debt to equity. Please refer to the SGX announcements made on 26 December 2017 and 28 December 2017 for more details.

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		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RMB'000	RMB'000	RMB'000	RMB'000
Cash Flows from Operating Activities				
Loss before income tax	208,899	29,891	176,109	(62,236)
Adjustments for:				
Gain (loss) arising from changes in fair value less cost to sell of biological assets	(9,529)	(6,235)	(13,501)	(9,554)
Depreciation of property, plant and equipment	(4,766)	(8,045)	11,601	34,749
(Gain) Loss on disposal of property, plant and equipment	-	4	-	4
(Reversal) of impairment loss on construction work in progress	-	9,142	-	9,142
Amortisation of prepaid leases	(734)	(55)	5,032	313
Other operating income (Derivative Liability)	(150,286)	-	(150,286)	-
Interest income	(535)	-	(535)	(1)
Interest expense	(55,764)	(26,494)	(17,879)	17,697
Net foreign exchange difference	8,111	(9,913)	(51,207)	(6,566)
Operating cash flows before working capital changes	(4,604)	(11,705)	(40,666)	(16,452)
Trade receivables	64,822	(2)	11	63
Other receivables	44,670	663	(8,067)	(149)
Inventories	4,899	(107)	95	(70)
Biological assets	8,090	614	17,351	5,932
Trade payables	(19,315)	(240)	(13)	14
Other payables	(160,557)	10,171	(36,910)	9,092
Cash used in/(from) operations	(61,995)	(606)	(68,199)	(1,570)
Interest received	535	-	535	1
Income taxes paid	(463)	-	1	-
Cash flows from/(used in) operating activities	(61,923)	(606)	(67,663)	(1,569)
Investing activities				
Purchase of property, plant and equipment	(114)	(890)	(114)	(890)
Proceeds from disposal of property, plant and equipment	-	7	162,436	7
Acquisition of Subsidiary	(1,010)	-	(798)	-
Cash flows from investing activities	(1,124)	(883)	161,524	(883)
Financing activities				
Proceeds from New Investors	21,629	4,412	23,447	9,789
Repayment of loan from investors	(12,690)	-	(12,690)	-
Cash flows from financing activities	8,939	4,412	10,757	9,789
Net increase (decrease) in cash and cash equivalent	(54,108)	2,923	104,618	7,337
Cash and cash equivalent at beginning of the period	168,271	6,622	9,545	2,208
Cash and cash equivalents at end of the period	114,163	9,545	114,163	9,545

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

	12 months ended	
	31/12/2017	31/12/2016
	RMB'000	RMB'000
Cash and bank balances	114,163	9,545

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.

	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
The Group									
Balance as at 1 January 2016	2,413,255	(1,137,504)	29,805	101,651	39,262	(1,844,232)	(397,763)	-	(397,763)
Issue of new shares	-	-	-	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(62,236)	(62,236)	-	(62,236)
Other comprehensive income									
Foreign currency translation	-	-	(30,799)	-	-	-	(30,799)	-	(30,799)
Total comprehensive income/(loss) for the period	-	-	(30,799)	-	-	(62,236)	(93,035)	-	(93,035)
Balance as at 31 December 2016	2,413,255	(1,137,504)	(994)	101,651	39,262	(1,906,468)	(490,798)	-	(490,798)
Balance as at 1 January 2017	2,413,255	(1,137,504)	(994)	101,651	39,262	(1,906,468)	(490,798)	-	(490,798)
Transfer between reserve and accumulated losses				(101,651)		100,517	(1,134)		(1,134)
Issue of new shares	381,846	-	-	-	-	-	381,846	-	381,846
Non-controlling interest arising from acquisition of a subsidiary							-	834	834
Loss for the period	-	-	-	-	-	176,114	176,114	(5)	176,109
Other comprehensive income									
Foreign currency translation	-	-	14,092	-	-	-	14,092	-	14,092
Total comprehensive income/(loss) for the period	-	-	14,092	-	-	176,114	190,206	829	190,201
Balance as at 31 December 2017	2,795,101	(1,137,504)	13,098	-	39,262	(1,629,837)	80,120	829	80,949

	<u>Share capital</u>	<u>Capital reserve</u>	<u>Currency translation reserve</u>	<u>Warrant reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>The Company</u>						
Balance as at 1 January 2016	2,413,255	11,229	26,132	101,651	(2,910,596)	(358,329)
Issue of new shares	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-
Loss for the period	-	-	-	-	(36,493)	(36,493)
Other comprehensive income						
Foreign currency translation	-	-	(24,281)	-	-	(24,281)
Total comprehensive income/(loss) for the period	-	-	(24,281)	-	(36,493)	(60,774)
Balance as at 31 December 2016	2,413,255	11,229	1,851	101,651	(2,947,089)	(419,103)
Balance as at 1 January 2017	2,413,255	11,229	1,851	101,651	(2,947,089)	(419,103)
Transfer between reserve and accumulated losses				(101,651)	100,517	(1,134)
Issue of new shares	381,846	-	-	-	-	381,846
Issue of new warrants	-	-	-	-	-	-
Loss for the period	-	-	-	-	165,603	165,603
Other comprehensive income						
Foreign currency translation	-	-	(8,044)	-	-	(8,044)
Total comprehensive income/(loss) for the period	-	-	(8,044)	-	165,603	157,559
Balance as at 31 December 2017	2,795,101	11,229	(6,193)	-	(2,680,969)	119,168

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 December 2017.

The Company does not have any treasury shares as at 31 December 2017.

(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 December 2017 is 24,296,921,463 shares (31 December 2016: 4,566,852,832 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 2016.

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		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
a) EPS based on weighted average number of shares (RMB cents/ share)	0.86	(0.23)	0.72	(2.23)
b) EPS based on fully diluted basis (RMB cents/ share)	0.86	(0.23)	0.72	(2.23)
Weighted average number of shares applicable to earnings per share	24,296,921,463	4,566,852,832	24,296,921,463	4,566,852,832
Weighted average number of shares fully diluted basis	24,296,921,463	4,566,852,832	24,296,921,463	4,566,852,832

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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	0.33	(10.44)	0.49	(6.56)

Net asset value for the Group and the Company as at 31 December 2017 and 31 December 2016 are computed based on 24,296,921,463 (31 Dec 2016 : 4,566,852,832) 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.

REVIEW OF RESULTS OF OPERATIONS

The Group recorded a profit of RMB187.8 million for its 12M 2017 Adjusted EBITDA*.

In RMB'000	12M /2017	12M /2016
Net Profit/(Loss)	176,109	(62,236)
Add/(deduct)		
Income tax	-	-
Depreciation	11,601	34,749
Interest expense	(17,879)	17,791
EBITDA	169,831	(9,696)
Discontinued operations	18,791	319
Foreign exchange (gain)/loss	(818)	-
Adjusted EBITDA	187,804	(9,377)

*Adjusted EBITDA demonstrates the real operating loss excluding non-cash items e.g. depreciation, amortization, interest expense and unrealized foreign exchange gain or loss etc.

For the full year ended 31 December 2017 ("12M 2017"), the Group generated revenue amounting to RMB21 million, a 100% or RMB11 million increase from RMB10 million recorded in the corresponding period of the preceding financial year ("12M 2016").

The Group reported a 12M 2017 net profit of RMB176 million, a turnaround from a net loss of RMB62 million for 12M 2016.

This is mainly due to:

- (1) Higher gross profit of RMB11 million recorded, in line with higher revenue recorded in 12M 2017;
- (2) An increase in other non-operating income to RMB244 million, due to (i) RMB94 million compensation received in relation to the disposal of the Group's Gulei Farms to the PRC Authority; and (ii) a reversal of derivative liabilities worth RMB150 million with the cancellation of warrants as at 31 December 2017 due to the completion of the debt restructuring exercise
- (3) An increase in other non-operating expenses to RMB48 million in 12M 2017 in relation to the compensation agreement for the disposal of the Group's Gulei Farms to the PRC Authority.
- (4) Reversal of finance costs of RMB35 million after the restructuring exercise completed on 22 Dec 2017

After deducting non-cash items including depreciation, amortisation, interest expense and unrealised exchange gain/loss, the Group derived a positive EBITDA of RMB187.8 million for 12M 2017, a marked improvement compared to a negative EBITDA of RMB9 million for the same period last year.

An analysis of the results by key business segment is as follows:-

China Operations

	3 months ended		Favourable /(Adverse) %	12 months ended		Favourable /(Adverse) %
	31/12/2017	31/12/2016		31/12/2017	31/12/2016	
	RMB'000	RMB'000		RMB'000	RMB'000	
Live marine products	8,203	440	>100%	17,629	5,932	>100%
Gain/(Loss) on fair value	9,529	6,235	53%	13,501	9,554	41%
Other operating income	1,232	216	>100%	1,880	1,081	74%
Other non-operating income	37,716	-	100%	93,519	-	100%
Feed used	(195)	(83)	(>100%)	(783)	(250)	(>100%)
Electricity and fuel	(226)	(410)	45%	(1,388)	(873)	(59%)
Staff costs	(1,008)	(1,099)	8%	(3,212)	(2,927)	(10%)
Other operating expenses	397	(946)	>100%	(1,089)	(3,329)	67%
Other non-operating expenses	(27,087)	-	(100%)	(52,135)	-	(100%)
Net Profit/(Loss) Before Depn, Forex & Finance Cost	20,358	3,913	>100%	50,293	3,256	>100%

Sales for live marine products amounted to RMB18 million in 12M 2017. This represents an increase of 197% from the RMB6 million recorded in the corresponding period last year, lifted by successful spawning achieved during the period.

Other non-operating income amounted to RMB94 million in 12M 2017 due to a compensation amount recognised during the quarter in relation to the disposal of the Group's Gulei Farms to the PRC Authority.

Direct production costs (referring to feed used, electricity and fuel and staff costs) for 12M 2017 amounted to RMB5.3 million, a 33% increase from RMB4 million during the same period last year due to the employment of temporary staff to support higher business volumes in tandem with the increase in sales activities for the live marine products segment in 12M 2017.

Other non-operating expenses for the full year ended 31 December 2017 amounted to RMB52 million, this relates to administrative charges and expenses for the compensation agreements regarding the disposal of the Group's Gulei Farms to the PRC Authority.

Net profit for the China operations segment rose to RMB50 million in 12M 2017 from the RMB3 million recorded in the corresponding period last year, mainly lifted by the fair value gain on disposal of the Gulei Farms coupled with higher contributions from the live marine products segment.

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

Total assets increased to RMB187 million as at 31 December 2017, a RMB5 million rise from RMB182 million as at 31 December 2016. The increase is mainly due to an increase in cash and bank balances as a result of compensation received from the PRC Authority in relation to the disposal of the Group's Gulei farms, partially offset by a decrease in depreciation charges for this year.

Total current liabilities decreased significantly to RMB106 million as at 31 December 2017, RMB515 million lower than the RMB621 million recorded as at 31 December 2016. The decrease was mainly due to the convertible loans being fully extinguished after the restructuring exercise which was completed on 22 Dec 2017.

There are no outstanding **non-current liabilities** as at 31 December 2017 upon completion of the debt restructuring, compared to RMB52 million recorded as at 31 December 2016.

Total equity reversed to a positive RMB81 million as at 31 December 2017, compared to a debit balance of RMB491 million as at 31 December 2016. The reversal was due to the conversion of 47,237,779 warrants and convertible loans to share capital after completion of the debt restructuring.

REVIEW OF CASH FLOW STATEMENT

The Group generated positive cash flow of RMB105 million for the twelve months ended 31 December 2017. This is mainly attributed to the compensation amount received from the PRC Authority in 12M 2017 in relation to the disposal of the Group's Gulei Farms.

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 effects of the restructuring exercise is reflected in the FY2017 balance sheet, where borrowings have been fully extinguished, compared to a total of RMB369 million loans in the preceding year. As at the end of FY2017, and for the first time in 7 years, the Group is in a positive net cash position of RMB114 million. This allows Oceanus to embark on its next chapter on a clean slate in the coming financial year ending December 31, 2018 ("FY2018").

The Group's revenue for 12M 2017 doubled to RMB21 million, a 110% increase from RMB10 million reported in 12M 2016. For the first time in 5 years, Oceanus has also reported its first net profit of RMB176 million in FY2017, a significant reversal from a net loss of RMB62 million in FY2016. The Group also reported positive adjusted EBITDA of RMB188 million in FY2017, compared to a negative FY2016 EBITDA of RMB9 million. This positive growth and profit bears testament to the effectiveness of its enhanced farming business model and extension of its value chain both up- and downstream, as well as its strengthened operational and risk management over the last three years, as outlined to shareholders in a turnaround roadmap announced on January 25, 2016.

For the Live Marine Products segment, sales revenue amounted to RM18 million in 12M 2017, a 197% increase compared to the corresponding period last year. It has completed the subsequent spawning cycle and will continue to aggressively push sales in FY2018. The Group's science-and-evidence based farming techniques has seen success in decreasing the mortality rates and improving risk controls of its biological assets.

The Group will continue working closely with partners, Temasek Polytechnic ("TP") and James Cook University, to pursue aquaculture training and R&D, working towards the Group's vision to move up the value chain and become a global premium seafood value chain manager, being at the forefront of cutting-edge aquaculture technology.

Oceanus Tech, which was incorporated in April 2017, has since secured an overseas 1-year consultancy project from a prominent SGX Mainboard-listed agriculture group, to provide aquaculture consultancy services. Oceanus Tech will continue to seek more of such opportunities to strengthen its track record and consulting capabilities.

The Group had on 18 July 2017 established Oceanus Oceanic Institute, which will focus on aquaculture education, research and development. During the year, Oceanus Group entered into a Memorandum of Understanding with TP at a launch event witnessed by Dr. Koh Poh Koon, Senior Minister of State, Ministry of Trade and Industry & Ministry of National Development, to collaborate on training, research and development relating to aquaculture and biomedical sciences under the Oceanus Innovation Centre @ Temasek Polytechnic, a centre jointly set up by Oceanus and TP at both Oceanus' farms in China and on site in TP's campus.

In December 2017, the Group announced the incorporation of a distribution center in Xiamen, China – Xiamen Oceanus Import and Export Ltd, which is expected to recognise its maiden revenue in FY2018. The Group is actively searching for import and export partners to expand its trading presence globally.

With regards to the watch list, the Group has met all necessary criteria required and hope to be granted our exit in FY2018. The Group will continue to work closely with our auditors and SGX to accelerate the process.

With a strengthened balance sheet and a positive net profit position, the Group is starting FY2018 on a strong note. Working closely with International Enterprise Singapore, Oceanus will continue to focus on driving growth by exploring viable opportunities both in Singapore and overseas, and to seek out strategic partners and potential investments. Oceanus will also create new revenue streams through diversification of the Group's business model and explore earnings-accretive merger & acquisition opportunities.

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/recommendeded, 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 12 months ended 31 December 2017 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.

16. As disclosed in the announcement dated 1 March 2018 relating to the disagreement between Oceanus Group and BNY, all disclosures made in this unaudited full year financial statements and announcements for the 12 months ended 31 December 2017 excludes BNY Information, and this set of financial results and its notes should be read subject to this exclusion (all capitalised terms bear the same meaning as set out in the 1 March 2018 and 28 July 2017 announcements).

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Relationship with any director and / or any substantial shareholder	Current position and duties, and the year the position was held
Robert Koh Keng Guan	66	Brother of Peter Koh Heng Kang	Operations Director (China Operations) of the Group's main subsidiary, Oceanus Aquaculture China, stationed in PRC

BY ORDER OF THE BOARD

Peter Koh Heng Kang, PBM

Executive Director and Chief Executive Officer

1 March 2018