



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 released its financial statement for the quarter ended 31 March 2016 on 13 May 2016. Shareholders should refer to the announcement for further details.

For the first quarter ended 31 March 2016 (“1Q16”), the Group generated revenue amounting to about RMB 5.3 million, almost 38 times higher than RMB 140,000 in the corresponding period of the preceding financial year (“1Q15”).

The Group also reported a reduction in net loss. For 1Q16, the Group’s net loss narrowed by 76% or RMB 46.8 million to RMB14.1 million from RMB 60.9 million in 1Q15. This is mainly due to a gain arising from change in fair value less cost to sell of biological assets, a foreign exchange gain of RMB 15.4 million against an exchange loss of RMB 20.4 million in 1Q15, reduction in operating cost (comprising feed used, Electricity and fuel and staff costs) by RMB1.3 million to RMB 2.3 million in 1Q16 compared to RMB 3.6 million in 1Q15.

The Group also reported a reduction in finance cost of RMB6.1 million arising from reduction in notional interest, to RMB8.8 million in 1Q16 from RMB 14.9 million in 1Q15, resulting from the extension of terms of existing convertible loans from 13 July 2015 to 31 December 2016, consequent to the re-structuring exercise which was completed in September 2015.

At 31 March 2016, the Group had cash and cash equivalents of RMB 4 million (31 December 2015: RMB 2 million). In addition, for the first quarter ended 31 March 2016, the Group managed to generate positive cash in-flow from operating activities.

Update on Future Direction

Amidst macro-economic uncertainties, the Group is cautiously optimistic on the outlook of 12M 2016. The Group is committed to accelerate its turnaround strategies and cost cutting measures, as elaborated in Note 10 of the Group's financial statement for the quarter ended 31 March 2016. It looks forward to reap the results of the fundamentals put in place in 12M 2014 and 12M 2015, as well as the start of new business ventures for greater sustainability and diversification of the Group's businesses.

BY ORDER OF THE BOARD

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

13 May 2016