



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 24 February 2017 released its financial statement for the full year ended 31 December 2016. Shareholders should refer to the announcement for further details.

For the 12 months of the year ended 31 December (“12M 2016”), the Group reported sales amounting to about RMB10 million, double that of the RMB5 million reported in the corresponding period of the preceding financial year.

The Group narrowed its 12M 2016 loss by 23% or RMB 30 million to RMB102 million compared to a loss of RMB132 million recorded in 12M 2015. This is mainly due to the absence of a RMB23 million provision for the redemption of a premium expense recorded in the corresponding period last year subsequent to the completion of the restructuring exercise.

Update on Future Direction

The Group’s improvement in its 12M 2016 performance is a testament of its turnaround strategies and prudent austerity measures. Amidst a macro-economic slowdown and challenging operating environment, the Group will continue to execute its turnaround strategies, including the diversification of its income streams via upstream and downstream extension of its value chain, such as the e-retailing of its halal-certified canned abalones that has launched for sale on the Group’s website since January 2017.

Subsequent to the financial year-end, the Group had also on January 24, 2017 announced that it has entered into a binding term sheet with its key creditors, converting 80.3% of its total outstanding debt to equity, thereby substantially improving its balance sheet. Following the debt restructuring exercise, which is subject to shareholders’ approval at an extraordinary general meeting to be convened, the remaining debt will be S\$20 million, which is not repayable until December 31, 2018 and will be interest-free on and from July 1, 2016.

BY ORDER OF THE BOARD

Peter Koh Heng Kang, PBM
Executive Director and Chief Executive Officer
24 February 2017