

**COMPULSORY ACQUISITION OF ABALONE FARMS**

---

The Board of Directors (“**Board**”) of Oceanus Group Limited (the “**Company**”) wishes to announce that the Company has been informed of the intention of Gulei Zhen People’s Government (古雷镇人民政府) (the “**PRC Authority**”) to compulsorily acquire 13 abalone farms of Oceanus (China) Aquaculture Co., Ltd (欧圣(中国)养殖有限公司) (“**Oceanus Aquaculture Limited**”), the Company’s wholly owned subsidiary, for purposes of urban planning by the PRC Authority (the “**Compulsory Acquisition**”).

On 2 March 2017, Oceanus Aquaculture Limited received from the PRC Authority duly executed compensation agreements, the terms of which include but are not limited to the amount of compensation to be received by Oceanus Aquaculture Limited for the Compulsory Acquisition as well as the further steps involved for the completion of the Compulsory Acquisition. The gross aggregate compensation amount stated in the compensation agreements is RMB182,512,767.45 (approximately S\$38,000,000.00) but this amount is subject to adjustments and deductions for various charges and fees such as administrative charges, penalties, reinstatement costs, etc. As the compensation amount is still subject to revisions and adjustments by the PRC Authority, the Company will make further announcements at an appropriate time to disclose further details of the Compulsory Acquisition, including the relative figures for the Compulsory Acquisition computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Company will continue to work with its consultants and advisors to minimise the various charges and fees and maximise the net compensation amount. The Company intends to utilise the net compensation amount received from the Compulsory Acquisition to repay the total debt of S\$20,000,000.00 remaining after the completion of the restructuring exercise described in the announcement on SGX-NET on 25 January 2017. The balance proceed will be used for general working capital purposes and to fund the Company’s growth strategies. Proceeds from the Compulsory Acquisition are expected to be recognized in the financial year ending 31 Dec 2017.

The Compulsory Acquisition will not have a material impact on the Company’s operations as the Company will relocate its existing operations to its farms in Fotan, People’s Republic of China, which are adequate for the Company’s new business model of focusing on abalone hatchery which requires less farm land, instead of focusing on land-based abalone farming. Please refer to the Letter to Shareholders announced on SGX-NET on 25 January 2016.

Shareholders and potential investors should exercise caution when trading in the shares of the Company. People who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

**BY ORDER OF THE BOARD**

Peter Koh Heng Kang  
Executive Director and Chief Executive Officer  
6 Mar 2017