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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 2016 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) %
	31/12/2016	31/12/2015		31/12/2016	31/12/2015	
	RMB'000	RMB'000		RMB'000	RMB'000	
Sales of aquaculture products						
Sales of live marine products	440	2,868	(85%)	5,932	3,759	58%
Sales of processed marine products	3,266	1,632	100%	3,676	1,795	>100%
	3,706	4,500	(18%)	9,608	5,554	73%
Continuing operations						
(Loss)/Gain arising from changes in fair value						
less cost to sell of biological assets	8,361	384	>100%	11,680	6,056	93%
Sales of processed marine products	3,266	1,632	100%	3,676	1,795	>100%
	11,627	2,016	>100%	15,356	7,851	96%
Cost of sales						
Other operating income	11,630	338	>100%	12,844	2,699	>100%
Changes in inventories	(3,309)	(1,361)	(>100%)	(3,901)	(1,483)	(>100%)
Feed used	(83)	(366)	77%	(250)	(1,003)	75%
Electricity, fuel and water	(397)	(588)	32%	(860)	(2,303)	63%
Staff costs	(2,047)	(3,489)	41%	(7,131)	(11,163)	36%
Foreign currency gain/(loss)	6,602	22,032	(70%)	9,950	(3,176)	NM
Provision of redemption premium	-	-		-	(23,623)	100%
Other operating expenses	(4,935)	(3,063)	(61%)	(11,136)	(10,137)	(10%)
Depreciation	(14,120)	(14,433)	2%	(56,914)	(61,824)	8%
Finance costs	(14,949)	(18,605)	20%	(59,140)	(28,773)	(>100%)
Loss before income tax	(9,981)	(17,519)	43%	(101,182)	(132,935)	24%
Income tax	-	-		-	-	
Loss for the year from continuing operations	(9,981)	(17,519)	43%	(101,182)	(132,935)	24%
Discontinued operations						
Profit for the year from discontinued operations	(10)	(5)	(>100%)	(936)	680	NM
Loss for the year	(9,991)	(17,524)	43%	(102,118)	(132,255)	23%

The gain arising from changes in fair value is based on established market value since the change of business model to selling abalone juveniles rather than growing them out into bigger sizes.

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

	3 months ended		Favourable	12 months ended		Favourable
	31/12/2016	31/12/2015	/(Adverse)	31/12/2016	31/12/2015	/(Adverse)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Continuing operations						
Interest income	-	-		(1)	(1)	0%
Interest expense						
(i) Coupon rate 5%	4,387	8,270	47%	18,965	19,151	1%
(ii) Notional interest	9,890	14,011	29%	37,477	9,375	NM
(iii) loan interest	-	(99)	100%	-	1,862	100%
(iv) Withholding tax	672	(3,577)	NM	2,698	(1,661)	NM
(v) Others	-	-		-	46	100%
Depreciation of property, plants and equipment	14,433	14,433		56,914	61,824	8%
Amortisation of prepaid leases	121	123	2%	489	490	0%
Operating lease expenses	146	526	72%	584	1,910	69%
(Gain)/loss on disposal of property, plant and equipment	-	-		-	(284)	(100%)
Foreign exchange (gain)/loss	(6,602)	(17,715)	(63%)	(9,950)	6,876	NM
Discontinued operations						
(Gain)/Loss on disposal of plant and equipment	-	-		-	-	
(Gain)/loss on disposal of prepaid lease	-	-		-	-	
(Reversal)/Write-down in value of inventories, net	-	-		-	-	
Foreign exchange (gain)/loss	10	5	100%	854	(707)	NM

(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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period	(9,991)	(17,524)	(102,118)	(132,255)
Other comprehensive income				
Exchange differences on translation of foreign operations	4,525	25,241	(31,634)	9,850
Total comprehensive income for the period	(5,466)	7,717	(133,752)	(122,405)
Attributable to:				
Equity holders of the Company	(5,466)	7,717	(133,752)	(122,405)

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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
<u>Current assets</u>				
Cash and bank balances	7,181	2,208	3,170	147
Trade receivables	14	73	-	-
Other receivables	(2,761)	993	20,412	14,645
Inventories	72	110	-	-
Biological assets	8,529	2,418	-	-
	<u>13,035</u>	<u>5,802</u>	<u>23,582</u>	<u>14,792</u>
<u>Non-current assets</u>				
Property, plant and equipment	141,776	198,697	-	-
Prepaid leases	7,011	7,501	-	-
Investment in subsidiaries	-	-	262,129	262,129
	<u>148,787</u>	<u>206,198</u>	<u>262,129</u>	<u>262,129</u>
Total assets	<u>161,822</u>	<u>212,000</u>	<u>285,711</u>	<u>276,921</u>
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Trade payables	3,592	10,993	-	-
Other payables	107,518	82,697	81,434	53,827
Loans and borrowings	-	2,816	-	2,816
Current tax payable	23,948	23,948	-	-
Convertible loan	286,032	239,647	286,032	239,647
Derivative liabilities	170,700	163,258	170,700	163,258
	<u>591,790</u>	<u>523,359</u>	<u>538,166</u>	<u>459,548</u>
<u>Non-current liabilities</u>				
Convertible loan	34,582	28,007	34,582	28,007
Loans and borrowings	8,393	-	8,393	-
Derivative liabilities	1,922	1,844	1,922	1,844
Deferred tax liabilities	2,014	1,917	2,014	1,917
	<u>46,911</u>	<u>31,768</u>	<u>46,911</u>	<u>31,768</u>
Total liabilities	<u>638,701</u>	<u>555,127</u>	<u>585,077</u>	<u>491,316</u>
<u>Capital and reserves</u>				
Share capital	2,413,255	2,413,255	2,413,255	2,413,255
Capital reserve	(1,137,504)	(1,137,504)	11,229	11,229
Currency translation reserve	27,417	59,051	5,422	29,186
Warrant reserve	162,066	162,066	162,066	162,066
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(1,981,375)	(1,879,257)	(2,891,338)	(2,830,131)
Equity attributable to equity holders of the Company	<u>(476,879)</u>	<u>(343,127)</u>	<u>(299,366)</u>	<u>(214,395)</u>
Total liabilities and equity	<u>161,822</u>	<u>212,000</u>	<u>285,711</u>	<u>276,921</u>

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

	Group			
	31/12/2016		31/12/2015	
	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	-	-	-	2,816
Amount repayable in one year or less	286,032	-	257,586	-
Amount repayable after one year	34,582	8,393	28,007	-
	<u>320,614</u>	<u>8,393</u>	<u>285,593</u>	<u>2,816</u>

Details of any collateral

Secured loans

The loans amounting to approximately RMB320 million mainly relates to a restructuring exercise which was completed on 2 September 2015. The convertible loans are secured by the creation of charges over specify Company assets. (Kindly refer to Company's circular dated 6 May 2015) for more details of these security charges.

The Company has on 3 September 2015 issued an aggregate of 2,971,069,187 Restructuring Warrants and 647,237,779 New Warrants and on 26 October 2015, issued a further 107,692,308 New Warrants.

The restructured convertible loan ("**RCL**") was classified as current liabilities and had expired on 31 December 2016.

Notwithstanding the expiry date of 31 December 2016, the Company had announced on 8th September 2016 that it had entered into a binding term sheet with two of three key creditors, in relation to a propose debt restructuring of the **RCL**. In the term sheet, these two key creditors have also agreed to extend the expiry date of the **RCL** to 31 December 2018. In addition, they have also agreed that interest will cease to accrue on and from 1 July 2016, upon completion of the proposed restructuring exercise. On 25 January 2017, all the 3 creditors come to an agreement to extend the expiry date of the **RCL** to 31 December 2018 and interest will cease to accrue on and from 1 July 2016 (Kindly refer to Company's announcement on 25 January 2017 for more details)

The convertible loan arising from new warrants issued to the Company's third key creditor was classified as non-current as the loan has a term of five (5) years commencing from the 1st drawdown date of 3 September 2015.

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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RMB'000	RMB'000	RMB'000	RMB'000
Cash Flows from Operating Activities				
Loss before income tax	(9,991)	(17,524)	(102,118)	(132,255)
Adjustments for:				
Gain (loss) arising from changes in fair value less cost to sell of biological assets	(8,361)	(384)	(11,680)	(6,056)
Depreciation of property, plant and equipment	14,120	14,433	56,914	61,824
(Gain) Loss on disposal of property, plant and equipment	-	-	-	(284)
(Reversal) of impairment loss on construction work in progress	-	-	-	-
Amortisation of prepaid leases	121	123	489	490
(Gain) Loss on disposal of prepaid lease	-	-	-	-
Provision for warrant redemption premium	-	-	-	23,623
Interest income	-	-	(1)	(1)
Interest expense	-	18,604	44,191	28,772
Net foreign exchange difference	5,070	(24,668)	8,417	3,436
Operating cash flows before working capital changes	959	(9,416)	(3,788)	(20,451)
Trade receivables	(5)	(73)	59	(73)
Other receivables	4,568	563	3,754	644
Inventories	1	6	38	(110)
Biological assets	251	2,813	5,569	3,679
Trade payables	(7,655)	15	(7,401)	(4,367)
Other payables	(573)	417	(1,652)	(747)
Cash used in operations	(2,454)	(5,675)	(3,421)	(21,425)
Interest received	-	-	1	1
Interest paid	-	-	-	(46)
Income taxes paid	-	-	-	-
Cash flows used in from operating activities	(2,454)	(5,675)	(3,420)	(21,470)
Investing activities				
Purchase of property, plant and equipment	-	-	-	(113)
Proceeds from disposal of property, plant and equipment	-	-	-	1,670
Cash flows used in investing activities	-	-	-	1,557
Financing activities				
Proceeds on loan from investors	3,016	-	8,393	10,974
Issuance of new convertible loan	-	7,182	-	41,779
Repayment of loan from investors	-	-	-	(34,597)
Cash flows from financing activities	3,016	7,182	8,393	18,156
Net increase (decrease) in cash and cash equivalent	562	1,507	4,973	(1,757)
Cash and cash equivalent at beginning of the period	6,619	701	2,208	3,965
Cash and cash equivalents at end of the period	7,181	2,208	7,181	2,208

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

	12 months ended	
	31/12/2016	30/12/2015
	RMB'000	RMB'000
Cash and bank balances	7,181	2,208

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 Jan 2015	2,373,685	(1,137,504)	49,201	101,651	39,262	(1,747,002)	(320,707)	-	(320,707)
Issue of new shares	39,570	-	-	-	-	-	39,570	-	39,570
Issue of new warrants	-	-	-	60,415	-	-	60,415	-	60,415
Loss for the period	-	-	-	-	-	(132,255)	(132,255)	-	(132,255)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	9,850	-	-	-	9,850	-	9,850
Total comprehensive income/(loss) for the period	-	-	9,850	-	-	(132,255)	(122,405)	-	(122,405)
Balance as at 31 December 2015	2,413,255	(1,137,504)	59,051	162,066	39,262	(1,879,257)	(343,127)	-	(343,127)
Balance as at 1 Jan 2016	2,413,255	(1,137,504)	59,051	162,066	39,262	(1,879,257)	(343,127)	-	(343,127)
Issue of new shares	-	-	-	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(102,118)	(102,118)	-	(102,118)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(31,634)	-	-	-	(31,634)	-	(31,634)
Total comprehensive income/(loss) for the period	-	-	(31,634)	-	-	(102,118)	(133,752)	-	(133,752)
Balance at 31 December 2016	2,413,255	(1,137,504)	27,417	162,066	39,262	(1,981,375)	(476,879)	-	(476,879)

	<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 Jan 2015	2,373,685	11,229	19,897	101,651	(2,773,387)	(266,925)
Issue of new shares	39,570	-	-	-	-	39,570
Issue of new warrants	-	-	-	60,415	-	60,415
Loss for the period	-	-	-	-	(56,744)	(56,744)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	9,289	-	-	9,289
Total comprehensive income/(loss) for the period	-	-	9,289	-	(56,744)	52,530
Balance as at 31 December 2015	2,413,255	11,229	29,186	162,066	(2,830,131)	(214,395)
Balance as at 1 Jan 2016	2,413,255	11,229	29,186	162,066	(2,830,131)	(214,395)
Issue of new shares	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-
Loss for the period	-	-	-	-	(61,207)	(61,207)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(23,764)	-	-	(23,764)
Total comprehensive income/(loss) for the period	-	-	(23,764)	-	(61,207)	(84,971)
Balance as at 31 December 2016	2,413,255	11,229	5,422	162,066	(2,891,338)	(299,366)

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There was no change in the Company's share capital since the end of the previous period reported on.

As of 31 December 2016, there were 3,725,999,274 outstanding warrants. If all the outstanding warrants were converted to shares, there will be 8,292,852,106 shares issued.

The Company did not have any treasury shares as at 31 December 2016.

(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 2016 is 4,566,852,832 shares (31 December 2015: 4,566,852,832 shares).

(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares 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 2014.

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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
a) EPS based on weighted average number of shares (RMB cents/ share)	(0.23)	(0.48)	(2.23)	(3.52)
b) EPS based on fully diluted basis (RMB cents/ share)	(0.23)	(0.48)	(2.23)	(3.52)
Weighted average number of shares applicable to earnings per share	4,566,852,832	4,566,852,832	4,566,852,832	3,874,623,052
Weighted average number of shares fully diluted basis	4,566,852,832	4,566,852,832	4,566,852,832	3,874,623,052

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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	(10.44)	(3.05)	(6.56)	7.59

Net asset value for the Group and the Company as at 31 December 2016 and 31 December 2015 are computed based on 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's 4Q 2016 Adjusted EBITDA* is a profit of RMB12 million.

In RMB'000	Q4/2016	Q3/2016	Q2/2016	Q1/2016
Net loss	(9,991)	(29,373)	(48,616)	(14,138)
Add/(deduct)				
Income tax	-	-	-	-
Depreciation	14,120	14,169	14,265	14,360
Amortisation of prepaid lease	121	122	123	123
Interest expense	14,949	15,009	15,327	13,855
EBITDA	19,199	(73)	(18,901)	14,200
Foreign exchange (gain)/loss	(6,602)	(1,920)	13,962	(15,390)
Provision for redemption premium	-	-	-	-
Reversal loss on construction work in progress	-	-	-	-
(Reversal)/Write-down in value of inventories, net	-	-	-	-
Bad debt recovered	-	-	-	-
Adjusted EBITDA	12,597	(1,993)	(4,939)	(1,190)

* 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.

The Group report a YTD ("12M 2016") loss of RMB102 million, a 23% or RMB30 million improvement compared to a loss of RMB132 million recorded in the corresponding period of the preceding financial year ("12M 2015")

This improvement is mainly due to:

- (1) A reduction in expenses, in 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;
- (2) A reduction in staff costs to RMB7 million from RMB11 million mainly due to a reduction in local staff strength.
- (3) An increase in other operating income to RMB12 million from RMB6 in the corresponding period last year

The Group generated revenue amounting to about RMB10 million, double that of the RMB5 million generated in the same period last year.

After deduction of non-cash items such as depreciation, amortisation, interest expense and unrealised exchange gain/loss, the Group derived a positive EBITDA of RMB12 million for Q4 2016, a substantial improvement compared to a negative EBITDA of RMB6 million for the same quarter last year.

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

Live Marine Products

	3 months ended		Favourable /(Adverse) %	12 months ended		Favourable /(Adverse) %
	31-12-16 RMB'000	31-12-15 RMB'000		31-12-16 RMB'000	31-12-15 RMB'000	
External sales	440	2,868	(85%)	5,932	3,759	58%
(Loss)/Gain on fair value	8,361	384	>100%	11,680	6,056	93%
Feed used	(83)	(366)	77%	(250)	(1,003)	75%
Electricity and fuel	(397)	(588)	32%	(860)	(2,303)	63%
Staff costs	(744)	(727)	2%	(2,572)	(3,114)	17%
Other operating expenses	(5,511)	(557)	>100%	(7,894)	(2,390)	>100%
Net Profit/Loss Before Depn & Forex	1,626	(1,854)	NM	104	(2,800)	NM

Sales for live marine products in 12M 2016 double to RMB6 million compared to the RM3 million recorded in the same period last year.

Other operating income increased to RMB13 million in 12M 2016 from RMB2 million in 12M 2015 due to a write-off of other payable with no movement for the past three years.

Net loss for live marine products increased to RMB67 million in 12M 2016 from RMB52 million, mainly due to foreign exchange loss of RMB24 million, arising from a Singapore-dollar denominated loan obtained from its immediate holding company. This is in contrast to an exchange gain of RMB9 million for the same period last year. The fluctuation is due to the weakening of the RMB against the Singapore Dollar during the financial period under review.

Direct production costs (referring to feed used, electricity and fuel, and staff costs) for 12M 2016 amounted to RMB3.6 million, a 44% or RMB2.8 million decline from RMB6.4 million during the same period last year.

Other operating expenses for the 12M 2016 ended 31 December 2016 amounted to RMB7 million. This is RMB5 higher than the RMB2 million recorded in same period last year, due to a bad debt of RMB4 million and final settlement of RMB1 million.

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 of the Group decreased RMB50 million to RMB162 million as at 31 December 2016 from RMB212 million as at 31 December 2015. The decrease is mainly attributed to a depreciation charge of RMB57 million, partially offset by an increase of cash and bank balances of RMB5 million as a result of interim funding received during Q4 2016.

Total current liabilities increased by RMB59 million to RMB592 million as at 31 December 2016 from RMB523 million as at 31 December 2015. The increase was mainly due to:

- (1) An increase in derivatives liabilities of RMB7 million due to effects of exchange difference;
- (2) An increase in convertible loans of RMB47 million due to notional interest of RMB37 million for the period 12M 2016 and effects of exchange differences of RMB10 million;
- (3) An increase in other payables of RMB25 million mainly due to convertible loan interest of RMB20 million and increase in accrual of RMB5 million mainly due to a rise in professional fees accrued, as well as effects of exchange difference.

Non-current liabilities increased to RMB47 million as at 31 December 2016 from RMB32 million as at 31 December 2015 mainly due to:

- (1) Interim funding amounting to RMB8 million received from valued investors.
- (2) Reclassification of loans from financing shareholders of RMB2.9 million from current liabilities at 31 December 2015 to non-current as at the end of this reporting period.
- (3) Non-current notional interest recognised of RMB2 million for the period 12M 2016; as well as effects of exchange differences.

Total equity decreased to a debit balance of RMB477 million at 31 December 2016 from a debit balance of RMB343 million as at 31 December 2015. The decrease was due to 12M 2016 losses and reduction in currency translation reserves of RMB102 million and RMB31 million, respectively.

REVIEW OF CASH FLOW STATEMENT

The Group generated a positive cash flow of RMB5 million for the 12 months ended 31 December 2016. This is mainly attributed by interim funding received from new investors.

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.

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\$20million, which is not repayable until December 31, 2018 and will be interest-free on and from July1, 2016.

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. Use of Net Proceed from the Rights Issue

The Group had fully utilized the nets proceeds of S\$28,250,000 raised from Rights Issue as of 30 June 2014 as disclosed in the Company's Unaudited Second Quarter Financial Statements and Announcement for the 6 months ended 30 June 2014, as announced on SGX-NET on 8 August 2014.

15. 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 9 months ended 31 December 2016 to be false or misleading in any material respect.

16. 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.

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	65	Brother of Peter Koh Heng Kang	Country Manager (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

24 February 2017