

COLLABORATION WITH BNY ABALONE WORLD FACTORY OUTLET PTY LTD

1. INTRODUCTION

The Board of Directors (“**Board**”) of Oceanus Group Limited (the “**Company**”) wishes to announce that the Company and BNY Abalone World Factory Outlet Pty Ltd (“**BNY**”) have entered into a collaboration agreement on 27 July 2017 (the “**Collaboration**”). The Collaboration involves the cooperation of the Company and BNY to, *inter alia*:

- (a) engage in the sale, procurement and production of abalone products within and outside of Australia; and
- (b) engage in research and development activities with respect to improving the production facilities of BNY and developing new technologies for production of abalone, formulating new ingredients and products.

To implement the Collaboration, the Company will:

- (a) incorporate a joint venture company in Singapore (“**SG JV Co**”), to which the Company will subscribe for such number of ordinary shares representing 60% of the issued and paid-up capital of the SG JV Co (“**SG JV Co Shares**”), while the founding shareholders of BNY will subscribe for the remaining 40% of the SG JV Co Shares; and
- (b) acquire such shares representing 60% of the issued and paid-up capital (“**Acquisition Shares**”) of BNY (the “**Acquisition**”).

The Acquisition is disclosed pursuant to Rule 1010 of the SGX-ST Listing Manual. Further details on the relative figures are set out in paragraph 4.10 of this announcement.

2. RATIONALE FOR THE COLLABORATION

The Company and BNY are desirous of building a symbiotic relationship and pursuing a common growth strategy together. The Board further believes that the Collaboration is strategic and will also allow the Company to develop a presence in retail as well as abalone processing in Australia.

3. INFORMATION ON BNY

Shareholders should note that information relating to BNY in this section and elsewhere in this announcement has been provided by BNY. The Company and the Directors have not independently verified the accuracy and correctness of such information herein. The sole responsibility of the Directors and the Company for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

BNY is an Australian-based seafood processor and producer of canned and dried abalones. BNY markets products under its own brands, as well as other leading abalone consumer brands from its OEM customers.

4. DISCLOSURES UNDER RULE 1010 OF THE SGX-ST LISTING MANUAL WITH RESPECT TO THE ACQUISITION PROVIDED FOR UNDER THE COLLABORATION

4.1. Particulars of the assets acquired or disposed of, including the name of company or business, where applicable

60% of the issued and paid-up capital of BNY.

4.2. Description of trade carried on

Refer to paragraph 1 above.

4.3. Consideration for assets being acquired pursuant to the Acquisition

There is no cash consideration for the acquisition. The Acquisition Shares are provided in exchange for administrative, management and accounting support provided by the Company.

4.4. Material conditions attaching to the Acquisition

Not Applicable.

4.5. The net profits attributable to the assets being acquired

Please refer to paragraph 4.10 below.

4.6. Financial effects of the Acquisition

For illustrative purposes only, the financial effects of the Acquisition as set out below are prepared based on latest [unaudited consolidated financial statements of the Company for the financial year ended 31 December 2016] and subject to the following key assumptions:

- (a) the effect of the Acquisition on the Group's consolidated net tangible assets ("NTA") per ordinary share in the capital of the Company ("Share") is based on the assumption that the Acquisition had been effected at the end of 31 December 2016; and
- (b) the effect of the Acquisition on the Group's consolidated earnings per Share ("EPS") is based on the assumption that the EPS had been effected at the beginning of 31 December 2016.

4.6.1. NTA

	Before the Acquisition	After the Acquisition
NTA (S\$'000)	(99,283,189)	(98,005,335)
Number of shares ('000)	4,614,090,611	4,614,090,611
NTA per Share (Singapore dollars)	(0.02)	(0.02)

4.6.2. EPS

	Before the Acquisition	After the Acquisition
Profit attributable to shareholders (SGD'million)	(21,260,321)	(20,871,419)
Weighted average no. of ordinary shares – Basic ('000)	4,614,090,611	4,614,090,611
EPS (SGD) - Basic	(0.005)	(0.004)

4.7. Rationale for the Acquisition

Refer to paragraph 2 above.

4.8. Interests of directors and controlling shareholders

Save for their respective shareholdings in the Company, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

4.9. Details of any service contracts of the directors proposed to be appointed to the issuer

Not Applicable.

4.10. Relative figures

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual are as follows:

Rule 1006		
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value	Not Applicable
(b)	The net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits	-0.018 ⁽²⁾
(c)	The aggregate value of consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	Less than 1% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition,	Not Applicable

compared with the number of equity securities previously in issue

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| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves | Not Applicable |
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Notes:-

- (1) Under Rule 1002(3)(b), net profits means profit or loss before income tax, minority interests and extraordinary items
- (2) Determined by dividing the net profit attributable to the assets acquired of S\$404,003 by the net loss as indicated in the Group's latest announced consolidated announcements for the full financial year, of S\$21,086,700.
- (3) As there is no cash consideration for the Acquisition Shares, this relative figure is negligible. Accordingly for purposes of computation, this rule is not applicable.

Having regard to the above figures, the Acquisition should be disclosed pursuant to Rule 1010 of the SGX-ST Listing Manual. Nevertheless, as the only limit breached is the profit test in Rule 1006(b) of the Listing Manual, having regard to Rule 1014(2) as well as Rule 1015(7) of the SGX-ST Listing Manual, shareholders approval is not required for the Acquisition.

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the collaboration agreement is available for inspection at the registered office of the Company at 31 Harrison Road, Food Empire Building #11-03/04, Singapore 369649 during normal business hours for a period of three (3) months from the date of this announcement.

6. TRADING CAUTION

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
28 July 2017