



OCEANUS GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199805793D)

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 30 JUNE 2025

The Board of Directors ("**Board**") of Oceanus Group Limited ("**Company**") and together with its subsidiaries, the "**Group**") refers to queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") dated 22 August 2025 regarding the Company's unaudited financial statements for the first half year ended 30 June 2025 which was released on 14 August 2025.

Query #1:

It is disclosed on page 10 that "The Group's other operating income for 1H 2025 was SGD5.5 million, a 72% increase from SGD3.2 million in 1H 2024. This was mainly attributable to gains from the disposal of assets recorded during 1 H 2025."

However, we note that in the Company's statement of cash flows, there were no proceeds received for these disposals in 1 H 2025.

(a) Please disclose the nature of these disposal(s) and why the Group's cash flow statements did not reflect any receipt of proceeds.

(b) Please also confirm whether the disposals were announced on SGXNet. If no, please disclose whether and how the Company has complied with Chapter 10 of the Listing Manual.

Company's Response:

- (a) The disposals relate to the divestment of a two plots non-core investment properties in Fujian, PRC (commonly referred to as the "Fotan Farms" property), undertaken by the Group's wholly-owned subsidiary, Oceanus (China) Aquaculture Co., Ltd., to an independent third-party purchaser pursuant to a sale and purchase agreement entered into in late December 2024.

The Group noted that SGD1.96 million of proceeds related to the divestment were captured within net cash flows from operating activities (through working-capital movements) rather than within investing activities. There is no impact on total cash and cash equivalents movement for the period, on the income statement or balance sheet. The Group will classify the relevant cash flow(s) to the appropriate investing activities section in the next set of financial statements.

- (b) The disposal was announced on SGXNet via the Company's "Proposed Sale of Investment Property" announcement dated 23 December 2024, and a follow-up "Fulfilment of Condition Precedent for Sale of Investment Property" announcement dated 30 December 2024.

For completeness, the relative figures under Rule 1006 were computed at the time of announcement and are restated below for ease of reference:

Rule	Basis	Relative Figures (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. ¹	15.3%
1006(b)	The net profit attributable to the assets disposed of, compared with the Group's net loss. ²	Not applicable
1006(c)	The aggregate value of the consideration, compared with the Company's market capitalization. ³	14.5%
1006(d)	The number of equity securities issued as consideration for an acquisition. ⁴	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of. ⁴	Not applicable

Notes:

1. The relative figure for Rule 1006(a) has been computed based on the net asset value of the Group of SGD 56,787,000 as at 30 June 2024 and the net asset value of the Property of SGD 8,694,000 as at the same date.
2. The relative figure for Rule 1006(b) reflects 54.7%. However, as the Proposed Sale constitutes the disposal of a loss-making asset by a loss-making issuer, the Practice Note 10A of the Listing Manual provides that Rule 1006(b) is not a determining factor in the classification of such transactions. Specifically, the focus is shifted to Rules 1006(a) and 1006(c) for determining disclosure and approval requirements in such scenarios. As both 1006(a) and 1006(c) figures are above 5% and below 50%, the transaction qualifies as a "discloseable transaction."
3. The relative figure for Rule 1006(c) has been computed based on the consideration of approximately SGD 19,200,000 and the Company's market capitalization of SGD 132,328,836 (based on the total number of issued shares of 25,665,018,696 multiplied by the closing price of SGD 0.0052 per share on the market day preceding the SPA date).
4. Rules 1006(d) and 1006(e) are not applicable as there are no equity securities issued, nor is this a disposal of mineral, oil, or gas reserves.

As the relative figures under Rules 1006(a) and 1006(c) were each above 5% but below 50%, the disposal was classified as a disclosable transaction; accordingly, the Company published the above SGXNet announcements and no shareholders' approval was required. The transaction did not constitute an interested person transaction.

Query #2:

Please explain the circumstances leading to the significant increase in inventories from S\$21,320k to S\$38,470k.

Company's Response:

The increase in inventories of S\$17.15 million — from S\$21.32 million as at 31 December 2024 to S\$38.47 million as at 30 June 2025 — was planned to support anticipated peak demand in the fourth quarter of the year and to capture favorable pricing opportunities.

Query #3:

Please disclose the nature of the inventory amounting to S\$38,470k as at 30 June 2025

Company's Response:

The inventory balance of S\$38.47 million as at 30 June 2025 comprises predominantly fast-moving consumables and food products, including seafood, packaged foods and beverages that are part of the Group's regular trading portfolio. These inventories are held in anticipation of seasonal demand in the upcoming quarters, are supported by confirmed customer orders, and are expected to be realised within normal operating cycles. The portfolio does not include slow-moving or obsolete items, and net realisable value testing did not indicate any material write-downs.

Query #4:

Please explain the reason(s) for the significant decrease in trade receivables from S\$108,659k as at 31 December 2024 to S\$85,225 as at 30 June 2025

Company's Response:

Trade receivables decreased by S\$23.43 million to S\$85.23 million as at 30 June 2025 primarily due to cash-collection improvements and sales-mix effects, with the Group intensifying receivables management in 1H2025 to prioritise older-aged buckets and enforce agreed terms. This is part of the Group's wider efforts to improve the overall cash conversion cycle of its trades.

Query #5:

Given the Group's significant liabilities of S\$113,101k and cash and bank balance of only S\$10,764, please disclose the Board's assessment (i) whether the Company's current assets are adequate to meet the Company's short term liabilities of S\$108,986k, including its bases of assessment; and (ii) how the Company intends to fulfil its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.

Company's Response:

- i) Having reviewed the cash flow projections of the Group and the reasonableness of the underlying assumptions of the projections, the Board is of the opinion that the Company is able to meet its short-term liabilities in the next 12 months. This includes the consideration of the following factors:
 - a. The Group has total current assets of SGD162.92 million, and a net positive working capital of SGD53.93 million as at 30 June 2025;
 - b. As at 30 June 2025, the Group's trade receivables of S\$85.33 million together with inventories of S\$38.47 million collectively exceed total short-term liabilities of S\$108.98 million. The Group does not anticipate any material collectability issues over its receivables, and the inventories comprise fast-moving consumer goods that are expected to be realised within approximately 60 days under normal operating cycles.; and
 - c. The Group is in compliance with all its external debt covenants.
- ii) To fulfil all its significant payment obligations in the next 12 months, the Group will:
 - a. Maintain or improve cash conversion cycles for all its various products, so that they are kept within a reasonable period; and
 - b. Continue the efficient deployment of all trade financing facilities provided to the Group, including the usage of trust receipts and export invoice financing facilities.

Peter Koh Heng Kang, PBM
Executive Director and Chief Executive Officer
26 August 2025