



**OCEANUS GROUP LIMITED**

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**NEWS RELEASE**

**OCEANUS' PARTNERSHIP WITH A CHINESE FMCG CONGLOMERATE, SEASON HONG, GAINS MOMENTUM IN CHINA AND SOUTHEAST ASIA**

- *Oceanus' most significant investment, to be made in partnership, totals S\$20.0 million from both corporates*
- *S\$7.0 million in turnover and S\$13.7 million in confirmed orders within first two months of operations*
- *Significant growth expected with progressive opening up of markets and establishment of e-commerce trading platform*
- *Major milestone in the Group's concerted efforts to expand its core Distribution business regionally*
- *Resilience with a diversified business across the aquaculture and FMCG value chain*

**Singapore, May 21, 2020** – Homegrown premium seafood and fast-moving consumer goods (“**FMCG**”) value chain manager, Oceanus Group Limited (“**Oceanus**”, 欧圣集团), and together with its subsidiaries, the “**Group**”), is pleased to announce that the Group's partnership with Season Hong International Trading Limited (“**Season Hong**”), a leading distributor of FMCG products ranging from food and beverage to cosmetics in China and Southeast Asia, has gained momentum.

In January 2020, Oceanus established a new subsidiary, Season Global Trading Pte. Ltd. (“**SGTPL**”), which was formed as part of a strategic partnership with Season Hong, which holds a 49.9% stake in SGTPL. Since then, through the partnership, SGTPL has leveraged on Season Hong’s experience, track record and extensive sales network to gain access to new geographical markets and widen its customer base. With a joint capital injection of S\$4 million into the partnership, and a further S\$16 million planned in June 2020 (totalling S\$20 million from both partners), this represents the most significant investment made by Oceanus to date.

Oceanus’ Chief Executive Officer, Mr. Peter Koh, said, “We are deeply encouraged to have made significant and further progress in our core Distribution business<sup>1</sup> through this strategic partnership with a leading and international player like the Season Hong group, in vast markets. Notably, in April, with the opening of markets in China amidst the global pandemic, we have already achieved S\$13.7 million in confirmed customer orders and registered over S\$7 million in revenue within the first 60 days of operations. At the same time, this month, we are seeing the gradual opening up of other markets in Southeast Asia, such as Thailand, where Season Hong has a strong presence. With the additional injection of capital, we will expect the Group’s annual turnover to significantly ramp up.

“Season Hong enjoys an annual turnover of well over S\$200 million annually for FMCG products in Asia. With over 40 years of experience in the FMCG industry, Season Hong distributes a wide range of quality products through its extensive sales network in Asia. Coupled with Oceanus’ business support, operations financing and network management, we are positive that together, we can build a successful distribution business regionally, especially in China’s first- and second-tier markets, and Southeast Asia, where we have strong familiarity.”

Located in Shenzhen, Guangdong and established in 1979, Season Hong started its global expansion to Hong Kong, Southeast Asia and Europe in 2012, specialising in fine wine business. In 2018, Season Hong established its Thailand office to manage distribution of its business in Southeast Asia.

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<sup>1</sup> *Distribution business makes up approximately 67.3% of Oceanus’ revenue in FY2019.*

## Resilience in Diversity

Oceanus is recognised for its strong ability in seamlessly diversifying its business beyond being a “one product, one country” company, and creating new revenue streams for long-term sustainable growth. Over the last few years, Oceanus has grown and widened its business segments, with its presence now spanning across more than 10 countries. Oceanus harnesses synergies from its ecosystem comprising diversified businesses across four growth pillars – Aquaculture, Distribution, Services and Innovation. These synergistic growth pillars allow for cross-selling of opportunities amongst its business segments. These growth pillars are also highly scalable, offering flexibility for the Group to build upon its existing businesses for expansion.

“Over the years, our business model has been finetuned as we turned our focus towards building up our foundation through investments in synergistic businesses and joint ventures with the aim of creating new revenue streams, along the aquaculture and FMCG value chain.

“Apart from our proven income diversification strategy through our Distribution segment, we have also demonstrated our ability to reconfigure our Aquaculture segment to achieve greater resilience in income. Notably, prior to this global pandemic, in September 2019, we have successfully changed our focus from the hatchery of abalones to the leasing of farm land, a timely move before China’s lockdown.”

For Aquaculture, in September 2019, the Group incorporated Fujian Sheng Li Seafood Co Ltd (“**Fujian Sheng Li**”) as the leasing arm of the Group, mainly involved in the management and leasing of the Group’s aquaculture farm plots located in Fujian, China. Fujian Sheng Li’s portfolio of four farm plots covers an area of 39.1 hectares with a total capacity of 6,074 tanks and as at May 20, 2020 for most farm plots have been fully leased out for the next two to three years, providing the Group with a new stream of recurring income.

Additionally, in February 2020, the Group renamed Oceanus Feed Pte. Ltd. (“**Oceanus Feed**”) to Asia Fisheries Pte Ltd. (“**Asia Fisheries**”). The change in name is in line with the broadened business operations and reflects the expansion of the Group’s fish meal distribution business to include other quality seafood products. Currently, Asia Fisheries exports wild and farmed seafood from Indonesia and Thailand to Singapore, the United States, the United Kingdom, Australia and Japan.

The Group’s Distribution and Services segments, which together contributed to 90.0% of the Group’s total revenue in FY2019, has expanded to include seafood distribution. Apart from the partnership with Season Hong, this segment also comprises sales of the Group’s canned abalone products; as well as eco-friendly FMCG products by Alps Group, which was subsequently divested to realise value. The Group’s Services segment includes consultancy services relating to aquaculture-related technologies as well marketing and branding services under its integrated marketing company, AP Media Pte Ltd.

In Innovation, Oceanus remains committed towards its strategic partnerships with various educational institutions namely Temasek Polytechnic, Republic Polytechnic, James Cook University, Jimei University and National Taiwan Ocean University. At the same time, the Group will continue to engage with potential partners to further its research and development efforts.

“Collectively, our team has further harnessed synergies from our ecosystem spanning across four growth pillars of Aquaculture, Distribution, Services and Innovation, which are highly scalable, ensuring sustainable long-term growth for our shareholders and stakeholders.”

Earlier, Oceanus achieved success in its turnaround efforts, from having a secured debt of S\$94 million and negative asset position of S\$66 million as at FY2016, to the completion of a successful debt restructuring exercise in December 2017, which reversed the Group's balance sheet into the black. The Group's initiatives seeded over three years were reflected in its FY2017 performance, with Oceanus achieving a debt free position, its first operating profit since 2011, and turning in its first net cash position in seven years.

### **About Oceanus Group Limited**

Global premium seafood and FMCG value chain manager, Oceanus Group Limited ("**Oceanus**", and together with its subsidiaries, the "**Group**"), is listed on the Mainboard of the SGX-ST since May 2008. It harnesses synergies from its ecosystem comprising diversified businesses across the aquaculture and FMCG value chain, with four growth pillars – Aquaculture, Distribution, Services and Innovation.

Working closely with the brightest minds and industry thought leaders, Oceanus strives to create a synergistic aquaculture ecosystem with a focus on food security and safety.

For more information, please visit: <http://oceanus.com.sg/>

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