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(Incorporated in the Republic of Singapore under Registration Number: 199805793D)

## **Oceanus Group Limited**

SECOND QUARTER UNAUDITED FINANCIAL STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

The quarterly reporting of financial statements is mandatory for the Company pursuant to Rule 705(2C) of the Mainboard Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness, or correctness of any of the information, statements or opinions made or reports contained in the announcement.

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2020 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		Increase / (Decrease)	6 months ended (YTD)		Increase / (Decrease)
	30/6/2020	30/6/2019		30/6/2020	30/6/2019	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Profit and Loss</b>						
Revenue	35,857	15,528	131%	40,353	19,238	110%
Cost of goods sold	(33,180)	(12,028)	176%	(35,508)	(15,061)	136%
<b>Total Gross Profit</b>	<b>2,677</b>	<b>3,500</b>	<b>-24%</b>	<b>4,845</b>	<b>4,177</b>	<b>16%</b>
Gain/(Loss)from changes in fair value less cost to sell of bio assets	-	(2,143)	-100%	-	(818)	-100%
Other operating income	2,170	850	155%	8,526	1,506	466%
Other operating expenses	(3,993)	(5,469)	-27%	(9,519)	(9,976)	-5%
<b>Operating Profit/(Loss)</b>	<b>854</b>	<b>(3,262)</b>	<b>NM</b>	<b>3,852</b>	<b>(5,111)</b>	<b>NM</b>
<b>Non-Operating</b>						
Impairment of investment in subsidiary/Disposal	-	(457)	-100%	-	(232)	-100%
Foreign exchange gain/(loss)	12,160	9,672	26%	7,745	4,848	60%
Profit/(Loss) for discontinued operations	-	126	-100%	-	575	-100%
<b>EBITDA</b>	<b>13,014</b>	<b>6,079</b>	<b>114%</b>	<b>11,597</b>	<b>80</b>	<b>14396%</b>
Depreciation	(3,887)	(4,827)	-19%	(7,771)	(6,247)	24%
Finance Costs	(196)	-	0%	(245)	-	0%
<b>Profit/(Loss) before income tax</b>	<b>8,931</b>	<b>1,252</b>	<b>613%</b>	<b>3,581</b>	<b>(6,167)</b>	<b>NM</b>
Income tax expense	(2)	-	0%	(2)	-	0%
<b>Profit/(Loss) for the period</b>	<b>8,929</b>	<b>1,252</b>	<b>613%</b>	<b>3,579</b>	<b>(6,167)</b>	<b>NM</b>

(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		6 months ended (YTD)	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Comprehensive Income</b>				
<b>Profit/(Loss) for the period</b>	8,929	1,252	3,579	(6,167)
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	(11,390)	5,798	(9,016)	9,340
<b>Total comprehensive income for the period</b>	<b>(2,461)</b>	<b>7,050</b>	<b>(5,437)</b>	<b>3,173</b>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the Company	(2,262)	6,284	(4,827)	2,726
Non-controlling interests	(199)	766	(610)	447
	<b>(2,461)</b>	<b>7,050</b>	<b>(5,437)</b>	<b>3,173</b>

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	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance Sheet</b>				
<b>Assets</b>				
<b>Current assets</b>				
Cash and bank balances	79,092	87,752	31,734	38,813
Trade receivables	3,170	5,392	-	-
Other receivables	2,641	9,012	61,069	14,920
Inventories	1,939	2,945	-	-
Good in Transit	50,248	-	-	-
Biological assets	-	-	-	-
	137,090	105,101	92,803	53,733
<b>Non-current assets</b>				
Property, plant and equipment	92,176	100,025	217	257
Right of use assets	1,157	1,071	-	-
Prepaid leases	1,181	1,167	-	-
Investment in subsidiaries	-	-	81,498	81,498
Other investment	774	791	-	-
Goodwill on consolidation	1,910	1,910	-	-
	97,198	104,964	81,715	81,755
<b>Total assets</b>	<b>234,288</b>	<b>210,065</b>	<b>174,518</b>	<b>135,488</b>
<b>Liabilities and Equity</b>				
<b>Current liabilities</b>				
Trade payables	6,953	6,369	-	-
Other payables	61,747	57,164	112,109	114,543
Loans and borrowings	-	4,232	-	3,484
Lease liabilities	652	831	-	-
Current tax payable	23,948	23,948	-	-
	93,300	92,544	112,109	118,027
<b>Non-current liabilities</b>				
Lease liabilities	399	243	-	-
Loans and borrowings	28,748	-	28,748	-
Deferred tax liabilities	51	51	-	-
	29,198	294	28,748	-
<b>Total liabilities</b>	<b>122,498</b>	<b>92,838</b>	<b>140,857</b>	<b>118,027</b>
<b>Capital and reserves</b>				
Share capital	3,278,100	3,278,100	3,278,100	3,278,100
Capital reserve	(1,137,504)	(1,137,504)	11,229	11,229
Currency translation reserve	(11,271)	(2,122)	(17,659)	(18,983)
Fair Value reserve	-	(133)	-	(133)
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(2,059,134)	(2,063,323)	(3,238,009)	(3,252,752)
Equity attributable to equity holders of the Company	109,453	114,280	33,661	17,461
Non-controlling interests	2,337	2,947	-	-
<b>Total equity</b>	<b>111,790</b>	<b>117,227</b>	<b>33,661</b>	<b>17,461</b>
<b>Total liabilities and equity</b>	<b>234,288</b>	<b>210,065</b>	<b>174,518</b>	<b>135,488</b>

**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		6 months ended (YTD)	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
Profit/(Loss) before income tax	8,929	1,252	3,579	(6,167)
Adjustments for:	-	-	-	-
(Gain)/loss arising from changes in fair value less cost to sell of biological assets	-	2,143	-	818
Depreciation of property, plant and equipment	3,887	4,817	7,771	6,247
Amortisation of prepaid leases	(149)	16	(14)	31
Unrealised currency (gain)/loss	(12,160)	(9,685)	(7,745)	(4,861)
<b>Operating cash flows before changes in working capital</b>	507	(1,457)	3,591	(3,932)
Change in trade receivables	1,678	(2,985)	2,146	(2,451)
Change in other receivables	13,361	6,347	2,333	5,376
Change in inventories	(49,409)	203	(49,057)	(99)
Change in biological assets	-	(39)	-	(283)
Change in trade payables	(1,437)	4,995	579	5,793
Change in other payables	(328)	(15,070)	1,342	(15,639)
<b>Cash (used in)/from operations</b>	(35,628)	(8,006)	(39,066)	(11,235)
<b>Net cash flows (used in) operating activities</b>	(35,628)	(8,006)	(39,066)	(11,235)
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	(37)	-	(102)
Proceeds from divestment of subsidiary	3,548	-	3,548	-
Disposal of subsidiary	-	(827)	-	(827)
Decrease in convertible loan receivable	5,193	-	5,193	-
Net effect on Acquisition of Subsidiary	-	646	-	-
Acquisition of other investment/goodwill	-	(899)	-	(2,039)
<b>Net cash flows generated/(used in ) from investing activities</b>	8,741	(1,117)	8,741	(2,968)
<b>Cash flows from financing activities</b>				
Capital contributions from NCI in a subsidiary	-	614	-	-
Proceeds on borrowings	24,516	-	24,516	-
<b>Net cash flows generated/(used in) from financing activities</b>	24,516	614	24,516	-
<b>Net increase (decrease) in cash and cash equivalents</b>	(2,371)	(8,509)	(5,809)	(14,203)
<b>Effect of cash and cash equivalent denominated in foreign currency</b>	(32)	6,305	(2,851)	6,051
<b>Cash and cash equivalent at beginning of the period</b>	81,495	90,658	87,752	96,606
<b>Cash and cash equivalents at end of the period</b>	79,092	88,454	79,092	88,454

**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.**

<b>Group</b>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Currency translation reserve</b>	<b>Fair value reserve</b>	<b>Statutory reserve</b>	<b>Accumulated losses</b>	<b>Equity attributable to owners of the Company</b>	<b>Non controlling interest</b>	<b>Total Equity</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	3,278,100	(1,137,504)	(2,122)	(133)	39,262	(2,063,323)	114,280	2,947	117,227
Profit/(Loss) for the period	-	-	-	-	-	4,189	4,189	(610)	3,579
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	(9,149)	133	-	-	(9,016)	-	(9,016)
Total comprehensive income/(loss) for the period	-	-	(9,149)	133	-	4,189	(4,827)	(610)	(5,437)
<b>At 30 June 2020</b>	<b>3,278,100</b>	<b>(1,137,504)</b>	<b>(11,271)</b>	<b>-</b>	<b>39,262</b>	<b>(2,059,134)</b>	<b>109,453</b>	<b>2,337</b>	<b>111,790</b>
At 1 January 2019	3,278,100	(1,137,504)	(2,067)	-	39,262	(2,042,569)	135,222	2,727	137,949
Non-controlling interest	-	-	-	-	-	-	-	104	104
Profit/(Loss) for the period	-	-	-	-	-	(6,566)	(6,566)	399	(6,167)
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	9,340	-	-	-	9,340	-	9,340
Total comprehensive income/(loss) for the period	-	-	9,340	-	-	(6,566)	2,774	399	3,173
<b>At 30 June 2019</b>	<b>3,278,100</b>	<b>(1,137,504)</b>	<b>7,273</b>	<b>-</b>	<b>39,262</b>	<b>(2,049,135)</b>	<b>137,996</b>	<b>3,230</b>	<b>141,226</b>

<b>Company</b>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Currency translation reserve</b>	<b>Fair value reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	3,278,100	11,229	(18,983)	(133)	(3,252,752)	17,461
Profit/(Loss) for the period	-	-	-	-	14,743	14,743
<b>Other comprehensive income</b>						
Foreign currency translation	-	-	1,324	133	-	1,457
Total comprehensive income/(loss) for the period	-	-	1,324	133	14,743	16,200
<b>At 30 June 2020</b>	<b>3,278,100</b>	<b>11,229</b>	<b>(17,659)</b>	<b>-</b>	<b>(3,238,009)</b>	<b>33,661</b>
At 1 January 2019	3,278,100	11,229	(17,368)	-	(3,280,384)	(8,423)
Profit/(Loss) for the period	-	-	-	-	267	267
<b>Other comprehensive income</b>						
Foreign currency translation	-	-	8,344	-	-	8,344
Total comprehensive income/(loss) for the period	-	-	8,344	-	267	8,611
<b>At 30 June 2019</b>	<b>3,278,100</b>	<b>11,229</b>	<b>(9,024)</b>	<b>-</b>	<b>(3,280,117)</b>	<b>188</b>

**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

Following the completion of the debt restructuring on 26 December 2017, there are no outstanding warrants as of 30 June 2020.

The Company does not have any treasury shares as at 30 June 2020.

**(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 30 June 2020 is 24,296,921,463 shares (31 December 2019: 24,296,921,463 shares).

**(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2019.

**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		6 months ended (YTD)	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
a) EPS based on weighted average number of shares (RMB cents/share)	0.04	0.005	0.02	(0.02)
b) EPS based on fully diluted basis (RMB cents/share)	0.04	0.005	0.02	(0.02)
Weighted average number of shares applicable to earnings per share	24,296,921,463	24,296,921,463	24,296,921,463	24,296,921,463
Weighted average number of shares fully diluted basis	24,296,921,463	24,296,921,463	24,296,921,463	24,296,921,463

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	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	0.45	0.48	0.14	0.07

Net asset value for the Group and the Company as at 30 June 2020 and 31 December 2019 are computed based on 24,296,921,463 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.**

For the six-month financial period ended 30 June 2020 ("1H 2020"), the Group generated total revenue amounting to RMB40.4 million, a RMB21.2 million significant increase from RMB19.2 million recorded in the corresponding period of the preceding financial year ("1H 2019"). This is mainly attributed to the expansion of the Group's Distribution segment following the establishment of new FMCG subsidiary Season Global Trading Pte Ltd, which has contributed RMB33.4 million in revenue in 1H 2020, which represents a RMB25.9 million (or 2.9 times) increase from RMB11.7 million recorded in 1H 2019.

The Group has registered an improvement in gross profit of 16% due to the strategic change of business model in the Group's Aquaculture segment to include farm lease-model as well as contract farming arrangements with other aquaculture farmers in the region. This change effectively allows the Group to maintain fixed income levels determined by contractual terms with other aquaculture farmers, whilst foregoing the high direct operating costs associated with a full-scale juvenile farming. This also allows the group to hedge against risks of mortality and volatile abalone juvenile prices.

In 1H 2020, the Group had received one-off payment for a long-outstanding balance arising from a prior sale of a processing facility in China. This receipt of payment largely contributed to the Group's other operating income for 1H 2020 amounting to RMB8.5 million, an increase of 5.6 times from RMB1.5 million recorded in 1H.

## **GROUP OPERATING ITEMS**

### **Other operating income**

In 1H 2020, the Group had been paid a long-outstanding balance arising from a sale of a processing facility in China. This receipt of payment largely contributed to the Group's other operating income for 1H 2020 amounting to RMB8.5 million, an increase of 5.6 times from RMB1.5 million recorded in 1H 2019 as well as interest income received.

**(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**

The Group is in a positive **net asset** position of RMB111.8 million as at 30 June 2020.

**Total assets** of the Group increased by RMB24.2 million from RMB210.1 million as at 31 December 2019 to RMB234.3 million as at 30 June 2020. This increase is mainly attributed to increase in FMCG inventory that in on-route to buyers

**Total liabilities** increased to RMB122.5 million as at 30 June 2020, compare to RMB92.8 million recorded as at 31 December 2019. This is increase is attributed to the increased level of working capital loans acquired to fund the Group's growing Distribution segment.

**Total equity** decreased to RMB111.8 million as at 30 June 2020, compared to RMB117.2 as at 31 December 2019.

### **REVIEW OF CASH FLOW STATEMENT**

The Group generated net cash outflow of RMB5.8 million, resulting in positive closing cash balance of RMB79.1 million for the year ended 30 June 2020.

### **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.**

Oceanus has built a resilient business model with diversity and global geographical reach and continues to focus on the smooth execution through its four key growth pillars – Aquaculture, Distribution, Services and Innovation. To better manage the volatilities brought on by the global pandemic, the Group seeks to

strengthen the competencies and synergies across its key business segments to achieve greater cost efficiency and scale, achieving resilience in revenue for long-term sustainable growth.

Oceanus remains committed in its efforts towards addressing food security.

Additionally, in September 2019, the Group upgraded its Aquaculture business model to contract farming and the leasing of aquaculture farm plots. This segment will continue to benefit from existing and prospective contracts with aquaculture farmers in China, as well as its recurring income. Additionally, the Group has established a new arm, Asia Fisheries Pte Ltd, that reaches further down the aquaculture value chain by bringing quality wild and farmed seafood from Indonesia and Thailand to Singapore, USA, Australia, China, and Japan. The Group will continue to identify potential business opportunities to expand its presence in the region.

In Distribution, the Group currently markets over 2,000 products ranging from beverages, cosmetics, snacks and baby products across its global distribution network, supported by a reliable supply chain. The Group will continue to leverage on its newly established subsidiary, Season Global Trading Pte. Ltd. ("SGTPL"), to further expand its FMCG distribution in the key markets of China and Southeast Asia. The Group will also continue to leverage upon its expanded FMCG and extensive end-to-end distribution network, to expand its global presence.

The Group's services segment continues to provide a diversified revenue stream with growing contributions from the media and marketing consulting arm, AP Media, and aquaculture consultancy services arm, Oceanus Tech. [Award-winning AP Media made significant headway in the multimedia space and secured projects with notable clients including the National Gallery Singapore, the Agency for Science, Technology and Research and the National Heritage Board. This division has established confirmed and prospective project pipelines with customers in Singapore, Malaysia, China and Cambodia, providing good earnings visibility.

Oceanus' Innovation pillar continues to explore science and evidence-based farming techniques and cutting-edge aquaculture technology to boost productivity through its strategic partnerships with various educational institutions namely Temasek Polytechnic, Nanyang Technological University, Republic Polytechnic, James Cook University, Jimei University and National Taiwan Ocean University. The Group will continue to engage potential partners and educational institutions on research and development of innovative solutions to address key issues such as food scarcity and environmental sustainability.

With regards to the SGX-ST Watchlist under the Financial Entry Criteria, the Company has announced on 15 June 2020, that it received SGX-ST's approval for its application for a further extension of time to 1 Mar 2021 to meet the Financial Exit Criteria.

## **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/recommended, a statement to that effect.**

No dividend has been declared in respect of the current financial period in view of the Group's current accumulated losses position as at 30 June 2020.

**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. 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 6 months ended 30 June 2020 to be false or misleading in any material respect.

**15. 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.

**BY ORDER OF THE BOARD**

Peter Koh Heng Kang,<sup>PBM</sup>  
Executive Director and Chief Executive Officer  
13 August 2020