



**OCEANUS GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199805793D)

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 30 JUNE 2024**

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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 2024 regarding the Company's unaudited financial statements for the first half year ended 30 June 2024 which was released on 14 August 2024.

**Query #1:**

Please disclose:

- a) a breakdown of the Group's other receivables amounting to S\$14.085 million as at 30 June 2024 and S\$11.834 million as at 31 December 2023; and
- b) details of the Group's underlying transactions of its other receivables, as well as the terms of the transactions.

Company's Response:

- a) Set out below is a breakdown of the Group's other receivables as at 30 June 2024 and 31 December 2023:

<b>Other receivables</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
	<b>(SGD'000)</b>	<b>(SGD'000)</b>
Deposits placed with suppliers	742	1,852
Accrued commission income	1,026	855
Accrued interest income		853
Accrued supplier rebate		1,062
GST input tax	115	81
Advances to trade suppliers & vendors	5,210	5,077
Balances reclassified from intercompany loans	3,991	
Grant receivables	220	
Others	2,781	2,054
<b>Total</b>	<b>14,085</b>	<b>11,834</b>

- b) As detailed above, the majority of other receivables are mostly due to arrangements between the various trading segments of the Group and their respective suppliers and vendors.

**Query #2:**

It is explained on page 10 of the unaudited financial statements that “Reduction in investment properties by SGD1.2m million due to annual straight-line depreciation impact.” Please explain whether and how the depreciation of investment properties have been accounted for in the cash flow statement.

Company’s Response:

The amount of SGD1.2m, representing straight-line depreciation, has been accounted for in the cash flow statement under line item “Depreciation of property, plant and equipment”, which includes the depreciation expenses of the Group’s investment properties.

**Query #3:**

Please elaborate on the Company’s loan to third party of S\$1.268 million for HY2024, including the identity of the lender and terms of the loan, including but not limited to, interest on loan and maturity date.

Company’s Response:

This represents a loan to strategic partner, Opal Fintech Pte. Ltd. (“Opal”). Opal provides the Group with cross-border payment services through a platform customised for the Group’s purposes. The loan is interest-free and repayable once Opal achieves positive operating cash flow.

**Query #4:**

Please disclose a breakdown of other current liabilities amounting to S\$2.810 million as at 30 June 2024. Please elaborate on the nature of these other current liabilities and whether the counterparties are related parties.

Company’s Response:

This amount pertains to deposits and prepayments received from customers. These counterparties are not related parties.

**Query #5:**

Please disclose a breakdown of other payables amounting to S\$13.546 million and S\$14.848 million as at 30 June 2024 and 31 December 2023 respectively. For other payables, please disclose the identity of the counterparties, the aging and nature of these other payables.

Company's Response:

Set out below is a breakdown of the Group's other payables as at 30 June 2024 and 31 December 2023:

<b>Other payables</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
	<b>(SGD'000)</b>	<b>(SGD'000)</b>
Accrued professional fees	434	2,119
Accrued interest expenses	852	1,870
Tax payable	1,282	1,282
Long-standing balances	7,137	5,459
GST output tax	36	
Accrued bonus/CPF	163	200
Others	3,642	3,918
<b>Total</b>	<b>13,546</b>	<b>14,848</b>

Other payables are payables to third parties, non-trade related, non-interest bearing, and are normally settled with an average term of 1 month from the date of the invoice. Long-standing balances relate to balances owed to third parties carried-forward since the restructuring exercise of the Group in 2015. The Group takes on a prudent approach to continue the recognition of these long-standing unclaimed balances.

**Query #6:**

It is disclosed that, "Increase in other receivables of SGD2.3 million due to reclass of intercompany loan from Kingsman EXIM Wine & Spirits Pte Ltd to other receivables."

Please explain what led to the reclass of intercompany loan from Kingsman EXIM Wine & Spirits Pte Ltd and how the loan from the entity results in a recognition of other receivables.

Company's Response:

It was the divestment of subsidiary Kingsman EXIM Wine & Spirits on 1 April 2024 that resulted in the reclass of intercompany loans (previously eliminated in the consolidated Group accounts) to other receivable balances.

**Query #7:**

Given the Group's significant short-term liabilities of S\$89.879 million and cash and bank balance of only S\$6.932 million and noting that the Company incurred losses of S\$1.171 million in HY2024, 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\$89.879 million, 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 SGD155.1 million, and a net positive working capital of SGD65.2 million as at 30 June 2024;
  - b. Trade receivables balance of SGD102.6 million as at 30 June 2024 alone exceeds the Group's entire current liabilities balance of SGD89.9 million. Furthermore, the Group is not expecting any material collectability issues over its trade receivables in the next 12 months;
  - c. In addition, the Group also has inventories totaling SGD20.5 million as at 30 June 2024, that are all fast-selling consumer goods in nature and realisable within 60 days; and
  - d. 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.

**Query #8:**

Please provide the Listing Rule 1006 figures for the divestments in:

- (a) Oceanus Media Global Pte Ltd; and
- (b) Kingsman EXIM Wine & Spirits Pte Ltd.

Company's Response:

- (a) Set out below are the relative figures for the divestments of Oceanus Media Global Pte. Ltd.:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	0.7% <sup>(1)</sup>
(b)	The net profit attributable to the assets acquired or disposed of, compared with the group's net loss	0.6% <sup>(2)</sup>
(c)	The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	2.9% <sup>(3)</sup>
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(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

Notes:

- <sup>(1)</sup> The net asset of the assets disposed and the Group as at 31 December 2023 was SGD404,642 and SGD61,371,000 respectively
- <sup>(2)</sup> The net losses attributable to the assets disposed and the Group as at 31 December 2023 was SGD14,210 loss and SGD2,244,000 loss respectively
- <sup>(3)</sup> The aggregate value of consideration was SGD6,000,000, compared to the Group's market capitalisation of SGD205,320,150. The market capitalisation is based on the multiplying the number of shares in issue (25,665,018,696) by the weighted average price of shares (SGD0.008) on 28 February 2024, which is the market day preceding the date of the sales and purchase agreement.

(b) Set out below are the relative figures for the divestments of Kingsman EXIM Wine & Spirits Pte. Ltd.:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	2.2% <sup>(1)</sup>
(b)	The net profit attributable to the assets acquired or disposed of, compared with the group's net loss	3.9% <sup>(2)</sup>
(c)	The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	0.9% <sup>(3)</sup>
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(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

Notes:

- (1) The net asset of the assets disposed and the Group as at 31 December 2023 was SGD1,344,600 and SGD61,371,000 respectively
- (2) The net losses attributable to the assets disposed and the Group as at 31 December 2023 was SGD87,000 loss and SGD2,244,000 loss respectively
- (3) The aggregate value of consideration was SGD1,800,000, compared to the Group's market capitalisation of SGD205,320,150. The market capitalisation is based on the multiplying the number of shares in issue (25,665,018,696) by the weighted average price of shares (SGD0.008) on 28 February 2024, which is the market day preceding the date of the sales and purchase agreement.

Peter Koh Heng Kang, PBM  
 Executive Director and Chief Executive Officer  
 26 August 2024