



## **OCEANUS GROUP LIMITED**

(Incorporated in the Republic of Singapore under Registration Number: 199805793D)  
31 Harrison Road, Food Empire Building #11-03/04, Singapore 369 649  
Tel: +65 6285 0500 Fax: +65 6280 0822

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### **QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL**

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Oceanus Group Limited (the “**Company**”) has been placed on the watch list with effect from 14 December 2015, pursuant to Rule 1311 of the SGX-ST Listing Manual. In accordance with Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company would like to provide the following quarterly update on the Company, together with its subsidiaries (collectively, the ‘**Group**’).

#### **Update on Financial Situation**

The Group has on 13 May 2019 released its financial statement for the financial quarter ended 31 March 2019 (“**1Q 2019**”). Shareholders should refer to the announcement for further details.

For 1Q 2019, the Group’s revenue decreased 32% to RMB3.7 million compared to RMB5.5 million in the comparative period a year ago (“**1Q 2018**”). This was mainly due to a decline in the sales of juveniles as volumes were held back in the first quarter in anticipation of increasing selling prices in the later part of the year.

Notably, the Group’s FMCG segment generated a 3490% increase in revenue to RMB2.5 million in 1Q 2019 compared to RMB0.07 million in 1Q 2018, lifted mainly by the launch of its canned mini abalone and “Babylone” products in October 2018, as well as the acquisition of Alps Group Pte Ltd (“**Alps Group**”), owner of the eco-friendly FMCG brand ‘Cloversoft’, in December 2018. The Group’s services segment continues to contribute positively to the Group’s topline with segment revenue of RMB0.9 million recorded this quarter.

Due mainly to a reduction in aquaculture and hatchery segment sales as a result of an anticipated price increase in juvenile abalones, the Group narrowed its net loss to RMB7.4 million compared to RMB8.3 million in 1Q 2018. Similarly, the Group’s negative EBITDA was narrowed to RMB 6.0 million in 1Q 2019 compared to RMB7.0 million a year ago.

#### **Update on Future Direction**

Following the successful completion of the Group’s debt restructuring announced on December 26, 2017, which effectively extinguished all of the Group’s secured borrowings, the Group’s balance sheet has been strengthened with a net cash position of RMB87.3 million and a positive net asset position of RMB108.9 million. With stronger fundamentals, Oceanus is now fully focused on pursuing both organic and inorganic long-term sustainable growth across all four segments – Aquaculture, Distribution and FMCG, Services and Innovation.

For its Aquaculture segment, the Group will continue to focus on progressive farming techniques in its hatcheries in China that will further reduce mortality rates and strengthen controls of its biological assets against various operating risks. The Group will also continue its emphasis in addressing Singapore's food security, boosted by the recent entering of a joint venture under Oceanus Opal Pte Ltd which focuses on sustainable seafood production within the 11,900 sqm farming site allocation by the government of Singapore.

Significant additions to the Distribution and FMCG segment in recent months include the acquisition of Alps Group in December 2018 and the incorporation of Oceanus Feed Pte Ltd ("**Oceanus Feed**") in April 2019. Alps Group has made its maiden contribution to the segment and continues to actively pursue various B-to-B business opportunities – namely, restaurants, hotels and catering – under the locally established brand name "Cloversoft". With Cloversoft's focus on the production and distribution of environmentally-friendly disposables, this ties-in well with the Group's objective to further expand its capabilities in the FMCG distribution network and sustainable products sector. Meanwhile, Oceanus Feed's main operations involve the trading of animal feed products, including fish feed. With this new trading arm, the Group intends to further expand its trading and distribution network.

The Group saw a recent expansion of its services segment, specifically its media and marketing consultancy arm, following the acquisition of AP Media Pte Ltd ("**AP Media**"), a business focused on video marketing, content marketing, interactive media and marketing strategy consulting. AP Media was merged with the Group's existing subsidiary, Copy Comm, forming a new marketing group, AP Media Group. With a larger team to seek third-party business opportunities apart from supporting the Group's marketing needs, the Group expects this to provide further positive contribution to overall profitability as more third-party consultancy projects will be added to its pipeline.

With regards to the SGX-ST watch list under the Financial Entry Criteria, SGX-ST has provided approval for an extension of time to fulfil the Financial Exit Criteria by 28 June 2019, on the basis that the Group has also been granted an extension to hold its FY2018 AGM by 29 June 2019.

## **BY ORDER OF THE BOARD**

Peter Koh Heng Kang, PBM  
Executive Director and Chief Executive Officer

13 May 2019