



## **OCEANUS GROUP LIMITED**

(Incorporated in the Republic of Singapore under Registration Number: 199805793D)  
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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 28 February 2020 released its financial statement for the full-year ended 31 December 2019 (“**12M 2019**”) and financial quarter ended 31 December 2019 (“**4Q 2019**”). Shareholders should refer to the announcement for further details.

The Group reported a 55% year-on-year (“**YoY**”) increase in revenue to RMB11.2 million in 4Q 2019 and a 133% YoY growth in 12M 2019 revenue. This was mainly lifted by new revenue streams contributed by Alps Group Pte Ltd (“**Alps Group**”), AP Media Pte Ltd (“**AP Media**”) as well as Asia Fisheries Pte Ltd (“**Asia Fisheries**”).

Other operating expenses for 12M 2019 amounted to RMB28 million, a decrease of 15%, as a result of the Group’s efforts to streamline business operations and optimise its cost structure. Due to a significant increase in business expansion costs and increased overall staff sizing, the Group derived a negative EBITDA of RMB7 million for 12M 2019, as compared to an EBITDA of RMB60.8 million for the same period last year. The Group will continue to grow its various segments, while optimising the cost structures of its new businesses to improve margin efficiencies.

While the Group’s business expansion strategy resulted in higher revenue for 12M 2019, as a result of the higher cost of expansion, 12M 2019 registered an overall net loss of RMB19.4 million (net profit of RMB48.9 million in 12M 2018).

## **Update on Future Direction**

The Group continues to make good progress in its strategy of building an ecosystem of synergistic businesses across the aquaculture value chain beyond its farming business, with the reorganisation of its businesses into four key growth pillars – Aquaculture, Distribution, Services and Innovation. Having established a strong foundation for future growth, the Group seeks to strengthen the competencies and synergies across its key growth pillars to achieve greater efficiency and scale, with the objective of driving each of the segment's business development and revenue.

With the growing importance of food security and sustainability, Oceanus remains committed in its efforts towards addressing Singapore's food security. Through strategic investments in various aquaculture and seafood businesses, Oceanus will grow together with its partners, while addressing ongoing food security concerns through the propagation of sustainable farming practices. To further engage its partners in the area of Aquaculture, the Group incorporated Fujian Sheng Li Seafood Co Ltd in September 2019 as the leasing arm of Oceanus Group, mainly involved in the management and leasing of the Group's aquaculture farm plots located in Fujian, China. Its portfolio of four farm plots covers an area of 39.1 hectares with a total capacity of 6,074.

The Group will leverage upon its expanded FMCG and extensive end-to-end distribution network, to identify potential business and continuously expand on its product lines and trading presence in the region. It will actively engage leading retail brands and e-commerce platforms to reach out to a wider range of consumers. Recently, the Group incorporated a new subsidiary, Season Global Trading Pte. Ltd., in partnership with Season Hong International Trading Limited, an established company in the FMCG industry with a wide range of products and an extensive sales network in China. Through its newly-established subsidiary, the Group seeks to further expand into the global market and broaden its existing business of trading in consumable FMCG products in China.

In addition, the Group's Distribution segment has expanded its fish meal distribution business to include other quality seafood products. In line with the broadened business operations, Oceanus Feed was renamed to Asia Fisheries, reflecting the business expansion. Currently, Asia Fisheries exports wild and farmed seafood from Indonesia and Thailand, such as softshell crab, sashimi grade tuna and cuttlefish to Singapore, USA, UK, Australia and Japan.

The Group's services segment continues to provide a diversified revenue stream with growing contributions from the newly-acquired 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 in 2019 and secured projects in respect of the National Day Parade and the Singapore Bicentennial multimedia exhibition at the National Gallery of Singapore.

Through strategic partnerships with educational institutions, Oceanus' Innovation pillar has developed a range of science and evidence-based farming techniques and cutting-edge aquaculture technology to boost productivity. In June 2019, the Group entered into a memorandum of understanding ("MOU") with Temasek Polytechnic to collaborate with the Aquaculture Innovation Centre ("AIC") consortium in aquaculture research activities in areas such as joint research, intellectual assets enhancement projects and providing student training opportunities in Oceanus' farms. The Group will continue to engage 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 Group is on track to complete the revision of the Company's FY 2017 Statements within the first quarter of 2020 and the revision of the Company's FY 2018 Statements within three months thereafter. Oceanus will be in a position to make an application to the SGX-ST to exit the Watchlist after the revision of the Company's FY 2017 Statements and FY 2018 Statements.

**BY ORDER OF THE BOARD**

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

28 February 2020