



OCEANUS GROUP LIMITED

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NEWS RELEASE

OCEANUS ACHIEVES SIGNIFICANT MILESTONE IN ITS BUSINESS TRANSFORMATION WITH FIRST 'CLEAN' AUDIT OPINION IN NINE YEARS

- ***Successfully resolves all legacy issues that caused disclaimer of opinion between FY2011 – FY2017***
- ***Testament to continuing commitment towards good corporate governance and reporting transparency***
- ***On track towards sustainable growth with strong shareholder support***

Singapore, July 7, 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 it has achieved its first ‘clean’ audit opinion in nine years, marking another significant milestone in its business transformation.

In prior years, under its former management, the Group was given disclaimer of opinions from its auditors. Issues include unascertainable biological asset mortality losses, lack of internal controls and corporate governance framework, insufficient evidence on rights of ownership of assets and farms in China and significant doubts in the company’s ability to continue as a going concern.

Since the onboarding of the new management team in 2015, deliberate and systematic steps were taken to build corporate governance. Oceanus maintains a high level of board independence, with 60% comprising of independent directors, and has appointed an independent director to head its audit committee. The Group has also pledged to uphold high standards of corporate transparency by actively engaging shareholders through the Securities Investors Association (Singapore)’s platform.

In terms of business growth transformation, the Group has made significant progress in executing its growth strategy to expand beyond a “one product, one country” company. Through its four growth pillars, Aquaculture, Distribution, Services and Innovation, the Group achieved its first operational profit in FY2017.

In September 2019, the Group upgraded its Aquaculture business model to contract farming and the leasing of aquaculture farm plots. Through this segment, the Group will continue to benefit from existing and prospective contracts with aquaculture farmers in China.

For the Distribution segment, the Group has launched its own brand products under Oceanus, the Singapore Farmer, distributing canned abalones and bird’s nest to the Singapore and China markets. The Group has also recently established a new FMCG distribution business under its subsidiary Season Global Trading Pte Ltd. These initiatives have already gained significant momentum and is expected to contribute positively to the Group ‘s performance.

Meanwhile, the Services segment, which supports the Group’s marketing needs and contributes through third-party consultancy projects, has established confirmed and prospective project pipelines with customers in Singapore, Malaysia, China and Cambodia, providing good earnings visibility.

Most recently, the Group has obtained the support of a new shareholder group led by Alacrity Investment Group Limited (“**Alacrity**”), which has been one of the major shareholders in Oceanus, prior to the married deal. The entry of this new shareholder group comes on the back of the Group’s resolution of legacy audit issues and represents a vote of confidence in Oceanus’ long-term growth strategy.

Oceanus' Chief Executive Officer, Mr Peter Koh, said "We are pleased to have completely moved forward from past issues, and be fully absolved from audit concerns. This is the result of concerted efforts to tighten our audit and risk management measures and develop a robust accounting system. With the affirmation of the clean audit report from RSM Singapore and onboarding of Alacrity, we are confident that we are well on track to achieve long-term sustainable growth."

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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