



## **MEDIA RELEASE**

*For Immediate Release*

### **OCEANUS GROUP LTD ANNOUNCES MAJOR BUSINESS RESTRUCTURING**

**Singapore, 28 Jan 2015** – Following the announcement of management change in December last year, Oceanus Group has announced a slew of changes to its current business model with bold measures to cut cost and improve revenue.

CEO and Executive Director Peter Koh says: “With the current labour and economic outlook, it is necessary to keep ourselves competitive in terms of productivity and efficiency. Through a series of tough cost-cutting measures and improved productivity, we expect the Group’s China operation to reduce costs by more than 50 per cent in two months. The substantial savings is expected to put the business back on track.”

#### Cost-Cutting Measures

One of the major cost-saving measures that Oceanus will be employing is a brand new business model that allows the Group to work with the sea farmers - supplying them with abalone spawns instead of competing in the same space.

“Sea farmers can offer abalones at prices that are 30 to 40 per cent lower than what land farming can offer. Based on price competitiveness alone, it is clear that sea farmers have an upper hand. In view of this, the Group has made a collective decision to restructure our way of business to ensure its viability. We believe that this does not need to be a zero-sum game; sea farmers and land farmers can co-exist,” Mr Koh added.

Oceanus plans to purchase full-grown abalones from these sea farmers for redistribution, which mitigates the high risks the company faces due to natural abalone deaths.

The freed up farm space due to the restructuring will be redeployed for other joint ventures, such as prawn and fish farming. These new business ventures will help the company generate new income, diversify the company’s product mix and effectively reduces the risk of relying on a single product, abalone.

#### Revenue Improvement

Other than aggressively cutting cost within the Group, revenue is also expected to improve as global demand for abalone increases. Capitalising on this global growth, Oceanus Group has taken one step further to make its first foray into the consumer market with the launch of its canned abalone.

Oceanus is confident that despite the stiff competition in the market, its canned abalone will be well received by consumers. “Consumer demands are very different today- not only does taste matters, the quality of the product is one of the key purchase factors as well.



“Our canned abalone has no added MSG and most importantly, it is the only one in the market I am aware of that has achieved quality assurance by the Australian authorities,” said Mr Koh.

He also added that the competitive pricing and compliance with Halal certification should sufficiently encourage consumer to pick up a can.

#### About the CEO

The wealth of experience brought by the newly appointed CEO and Executive Director Mr Peter Koh Heng Kang also spells a positive outlook for Oceanus. Mr Koh started his journey with the group when he was appointed to the board as an independent director and member of the Nominating Committee in 2013. Prior to that, he spent 22 years building the branding company he founded, Pete’s Creation International, before selling his overseas operations in 2010. His background in expanding his company to China, Germany and the United States will be invaluable to the Oceanus Group, as the Group works to increase its regional footprint.

Mr Koh’s network with international MNCs from his career will also assist the Group secure strategic partnerships for business expansion.

#### About Oceanus Group

Oceanus Group Limited, an investment holding company, is engaged in the research, development, breeding, production, and sale of Japanese breed abalones. It is also involved in the aquaculture production. Oceanus Group Limited is headquartered in Singapore.

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