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(Incorporated in the Republic of Singapore under Registration Number: 199805793D)

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 12 MONTHS ENDED 31 DECEMBER 2019 OF OCEANUS GROUP LIMITED (“OCEANUS”) AND ITS SUBSIDIARIES (COLLECTIVELY KNOWN AS THE “OCEANUS GROUP”)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended		Increase / (Decrease)	12 months ended (YTD)		Increase / (Decrease)
	31/12/2019	31/12/2018		31/12/2019	31/12/2018	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit and Loss						
Revenue	11,210	7,236	55%	49,038	21,017	133%
Cost of goods sold	(7,520)	(2,606)	189%	(38,756)	(8,239)	370%
Total Gross Profit	3,690	4,630	-20%	10,282	12,778	-20%
Gain/(Loss)from changes in fair value less cost to sell of bio assets	3,349	156	2047%	3,080	(1,912)	-261%
Other operating income	1,472	11,537	-87%	8,896	22,695	-61%
Other operating expenses	(19,155)	(22,490)	-15%	(28,009)	(32,866)	-15%
Reversal of/(impairment loss)	(434)	58,806	-101%	(1,166)	60,130	-102%
EBITDA	(11,078)	52,639	-121%	(6,917)	60,825	-111%
Depreciation	(796)	(7,847)	-90%	(12,560)	(11,968)	5%
Profit/(Loss) before income tax	(11,874)	44,792	-127%	(19,477)	48,857	-140%
Income tax expense	(17)	-	0%	48	-	0%
Profit/(Loss) for the period	(11,891)	44,792	-127%	(19,429)	48,857	-140%

(b) A Statement of Comprehensive Income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended		12 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RMB'000	RMB'000	RMB'000	RMB'000
Comprehensive Income				
Profit/(Loss) for the period	(11,891)	44,792	(19,429)	48,857
Other comprehensive income				
Exchange differences on translation of foreign operations	4,517	450	(203)	(7,205)
Total comprehensive income for the period	(7,374)	45,242	(19,632)	41,652
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	(7,791)	45,171	(20,479)	41,577
Non-controlling interests	417	71	847	75
	(7,374)	45,242	(19,632)	41,652

1 (c)(i) A balance sheet (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RMB'000	RMB'000	RMB'000	RMB'000
Balance Sheet				
Assets				
<u>Current assets</u>				
Cash and bank balances	87,752	96,367	38,813	16,382
Trade receivables	5,340	2,188	-	-
Other receivables	9,392	6,548	14,920	5,409
Inventories	2,818	3,315	-	-
Biological assets	-	1,816	-	-
	105,302	110,234	53,733	21,791
<u>Non-current assets</u>				
Property, plant and equipment	97,474	108,664	257	289
Right of use assets	905	-	-	-
Prepaid leases	2,306	2,203	-	-
Investment in subsidiaries	-	-	81,498	86,537
Other investment	413	-	-	-
Goodwill on consolidation	5,278	3,368	-	-
	106,376	114,235	81,755	86,826
Total assets	211,678	224,469	135,488	108,617
Liabilities and Equity				
<u>Current liabilities</u>				
Trade payables	7,124	23,420	-	-
Other payables	57,655	35,757	114,543	113,645
Loans and borrowings	4,232	3,395	3,484	3,395
Lease liabilities	666	-	-	-
Current tax payable	23,948	23,948	-	-
	93,625	86,520	118,027	117,040
<u>Non-current liabilities</u>				
Lease liabilities	409	-	-	-
Deferred tax liabilities	52	-	-	-
	461	-	-	-
Total liabilities	94,086	86,520	118,027	117,040
<u>Capital and reserves</u>				
Share capital	2,794,067	2,794,067	2,794,067	2,794,067
Capital reserve	(1,137,504)	(1,137,504)	11,229	11,229
Currency translation reserve	5,886	6,089	(10,960)	(9,212)
Statutory reserve	39,262	39,262	-	-
Accumulated losses	(1,586,936)	(1,566,692)	(2,776,875)	(2,804,507)
Equity attributable to equity holders of the Company	114,775	135,222	17,461	(8,423)
Non-controlling interests	2,817	2,727	-	-
Total equity	117,592	137,949	17,461	(8,423)
Total liabilities and equity	211,678	224,469	135,488	108,617

1(d) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3 months ended		12 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RMB'000	RMB'000	RMB'000	RMB'000
Cash Flows				
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	(11,891)	44,792	(19,429)	48,857
Adjustments for:				
(Gain)/loss arising from changes in fair value less cost to sell of biological assets	3,349	156	(3,080)	(1,912)
Depreciation of property, plant and equipment	796	7,846	12,560	11,967
(Gain)/loss on disposal of property, plant and equipment	-	(6,453)	-	(9,343)
Impairment loss on other investment	-	(17,066)	-	(17,066)
(Reversal of)/impairment on property, plant and equipment	-	(36,847)	-	(36,847)
Amortisation of prepaid leases	(150)	(3,596)	(103)	202
(Gain)/loss on disposal of prepaid lease	-	3,613	-	3,613
Unrealised currency (gain)/loss	6,184	-	(1,189)	-
Interest income	-	(832)	-	(2,113)
Net foreign exchange difference	191	145	-	(7,804)
Operating profit/(loss) before working capital changes	(1,521)	(8,242)	(11,241)	(10,446)
Change in trade receivables	(1,095)	9,264	(1,113)	8,298
Change in other receivables	(3,109)	3,694	(1,856)	(997)
Change in inventories	14,058	(1,275)	569	(1,465)
Change in biological assets	(1,499)	(386)	4,896	3,330
Change in trade payables	(2,619)	(23,374)	(16,294)	(23,101)
Change in other payables	(9,830)	12,222	17,455	-
Cash (used in)/from operations	(5,615)	(8,097)	(7,584)	(24,381)
Interest received	-	832	-	2,113
Net cash (used in)/from operating activities	(5,615)	(7,265)	(7,584)	(22,268)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	-	(3,548)	-	(3,799)
Proceeds from disposal of property, plant and equipment	3,717	11,338	(113)	11,338
Disposal of subsidiary	-	-	(827)	-
Acquisition of other investment/goodwill	753	(2,868)	(1,307)	(4,373)
Net cash generated/(used in) from investing activities	4,470	4,922	(2,247)	3,166
Cash Flows from Financing Activities				
Capital contributions from NCI in a subsidiary	-	1	-	118
Net cash (used in)/generated from financing activities	-	1	-	118
Net increase (decrease) in cash and cash equivalent	(1,145)	(2,342)	(9,831)	(18,984)
Effect of cash and cash equivalent denominated in foreign currency	(2,327)	451	1,216	1,187
Cash and cash equivalent at beginning of the period	91,224	98,258	96,367	114,164
Cash and cash equivalents at end of the period	87,752	96,367	87,752	96,367

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Capital reserve	Currency translation reserve	Warrant reserve	Statutory surplus reserve funds	Accumulated losses	Total attributable to equity holders of the Company	Non controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2019	2,794,067	(1,137,504)	6,089	-	39,262	(1,566,692)	135,222	2,727	137,949
		-				32	32	-	32
Issue of new shares	-	-	-	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	(757)	(757)
Profit/(Loss) for the period	-	-	-	-	-	(20,276)	(20,276)	847	(19,429)
Other comprehensive income									
Foreign currency translation	-	-	(203)	-	-	-	(203)	-	(203)
Total comprehensive income/(loss) for the period	-	-	(203)	-	-	(20,276)	(20,479)	847	(19,632)
At 31 December 2019	2,794,067	(1,137,504)	5,886	-	39,262	(1,586,936)	114,775	2,817	117,592
At 1 January 2018	2,794,067	(1,137,504)	13,294	-	39,262	(1,615,474)	93,645	2,652	96,297
Adjustment for reserve	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-
Non-controlling interest acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	48,782	48,782	75	48,857
Other comprehensive income									
Foreign currency translation	-	-	(7,205)	-	-	-	(7,205)	-	(7,205)
Total comprehensive income/(loss) for the period	-	-	(7,205)	-	-	48,782	41,577	75	41,652
At 31 December 2018	2,794,067	(1,137,504)	6,089	-	39,262	(1,566,692)	135,222	2,727	137,949

Company	Share capital	Capital reserve	Currency translation reserve	Warrant reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2019	2,794,067	11,229	(9,212)	-	(2,804,507)	(8,423)
Issue of new shares	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	27,632	27,632
Other comprehensive income						
Foreign currency translation	-	-	(1,748)	-	-	(1,748)
Total comprehensive income/(loss) for the period	-	-	(1,748)	-	27,632	25,884
At 31 December 2019	2,794,067	11,229	(10,960)	-	(2,776,875)	17,461
At 1 January 2018	2,794,067	11,229	(6,215)	-	(2,800,196)	(1,115)
Adjustment for reserve	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	(4,311)	(4,311)
Other comprehensive income						
Foreign currency translation	-	-	(2,997)	-	-	(2,997)
Total comprehensive income/(loss) for the period	-	-	(2,997)	-	(4,311)	(7,308)
At 31 December 2018	2,794,067	11,229	(9,212)	-	(2,804,507)	(8,423)

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Following the completion of the debt restructuring on 26 December 2017, there are no outstanding warrants as of 31 December 2019.

The Company does not have any treasury shares as at 31 December 2019

(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 31 December 2019 is 24,296,921,463 shares (31 December 2018: 24,296,921,463 shares).

(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been reviewed or audited by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 months ended		12 months ended (YTD)	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
a) EPS based on weighted average number of shares (RMB cents/share)	(0.05)	0.003	(0.08)	0.02
b) EPS based on fully diluted basis (RMB cents/share)	(0.05)	0.003	(0.08)	0.02
Weighted average number of shares applicable to earnings per share	24,296,921,463	24,296,921,463	24,296,921,463	24,296,921,463
Weighted average number of shares fully diluted basis	24,296,921,463	24,296,921,463	24,296,921,463	24,296,921,463

Basic earnings per share is calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares issued during the financial period under review.

The dilutive earning per share is shown as the same amount as the basic earnings per share because the warrants are considered anti-dilutive and ignored in the computation of diluted earnings per share.

7. Net asset value (for the Issuer and Group) per ordinary share based on issued share capital excluding treasury shares of the Issuer at the end of the: -
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net asset value per ordinary share based on issued share capital as at end of the period (RMB cents/share)	0.48	0.56	0.07	(0.03)

Net asset value for the Group and the Company as at 31 December 2019 and 31 December 2018 are computed based on 24,296,921,463 at the end of the financial period under review

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

For the full year ended 31 December 2019 ("**12M 2019**"), the Group generated total revenue amounting to RMB49 million, a RMB28 million increase from RMB21.0 million recorded in the corresponding period of the preceding financial year ("**12M 2018**"). This is mainly due to the 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**").

The Group continues to forge ahead with its strategy to increase its capabilities across the four key pillars of growth – Aquaculture, Distribution, Service and Innovation. The Group’s overall revenue in 12M 2019 has more than doubled (2.33 times) compared to revenue in 12M 2018, which is largely attributable to the ramp up of its Distribution and Services segments.

The Group’s Distribution segment generated total revenue amounting to RMB33.0 million in 12M 2019, which represents a RMB30.9 million (or 15.7 times) increase from RMB2.1 million recorded in 12M 2018. This was mainly attributed to the expansion of the Group’s fish meal trading arm beyond feed distribution to seafood distribution. Other key contributors of this segment’s revenue in 12M 2019 includes sales of eco-friendly FMCG products by subsidiary Alps Group that was acquired in December 2018; as well as the ramp up of e-commerce sales and retail presence of the Group’s canned mini abalone and “Babylone” products that were launched in October 2018.

The Group’s services segment recorded a growth in revenue to RMB11.1 million in 12M 2019 as compared to RMB2.6 million in 12M 2018, largely lifted by contributions from the newly-acquired media and marketing consulting arm, AP Media.

Notably, the Group’s award-winning subsidiary, AP Media, broke new grounds, having secured projects in respect of the 2019 National Day Parade and the Singapore Bicentennial multimedia exhibition project at the National Gallery of Singapore.

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).

GROUP OPERATING ITEMS

Other operating income

Other operating income comprises mainly government grants received by the Group.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

REVIEW OF BALANCE SHEET

The Group is in a positive **net asset** position of RMB117.6 million as at 31 December 2019.

Total assets of the Group decreased by RMB12.8 million from RMB224.5 million as at 31 December 2018 to RMB211.7 million as at 31 December 2019. This decrease is mainly attributed to the depreciation charges and a decrease in cash and bank balances.

Total current liabilities increased to RMB93.6 million as at 31 December 2019, compare to RMB86.5 million recorded as at 31 December 2018.

Non-current liabilities increased by RMB0.5 million for deferred tax liabilities and lease liabilities as at 31 December 2019.

Total equity decreased to RMB117.6 million as at 31 December 2019, compared to RMB138 as at 31 December 2018.

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash outflow of RMB9.8 million, resulting in positive closing cash balance of RMB87.8 million for the year ended 31 December 2019.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10.A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

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.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared in respect of the current financial period in view of the Group's current accumulated losses position as at 31 December 2019.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no general mandate obtained from shareholders for the interested person's transactions.

14. Negative assurance confirmation on the interim financial results pursuant to Rule 705(5) of the listing manual.

The Board hereby confirms to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the 12 months ended 31 December 2019 to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Peter Koh Heng Kang,^{PBM}
Executive Director and Chief Executive Officer

28 February 2020