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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2022 OF OCEANUS GROUP LIMITED ("OCEANUS") AND ITS SUBSIDIARIES (COLLECTIVELY KNOWN AS THE "OCEANUS GROUP")

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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.

	6 months ended		Increase / (Decrease) %
	30/6/2022	30/6/2021	
Profit and Loss	SGD'000	SGD'000	
Revenue	85,718	52,515	63%
Cost of goods sold	(79,675)	(49,260)	62%
Total Gross Profit	6,043	3,255	86%
Other operating income	2,024	6,639	-70%
Other operating expenses	(4,844)	(2,444)	98%
EBITDA	3,223	7,450	-57%
Depreciation	(1,606)	(1,598)	1%
Finance Costs	(2,029)	(504)	303%
Profit/(Loss) before income tax	(412)	5,348	-108%
Income tax expense	(406)	(376)	8%
Profit/(Loss) for the period	(818)	4,972	-116%

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

	6 months ended		Increase / (Decrease) %
	30/6/2022	30/6/2021	
	SGD'000	SGD'000	
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	(1,314)	(3,279)	-60%
Other comprehensive income/(loss) for the period, net of tax	(1,314)	(3,279)	-60%
Total comprehensive income/(loss) for the period, net of tax	496	1,693	-71%
Profit/(Loss) attributable to:			
- Owners of the parent, net of tax	(1,011)	4,526	-122%
- Non-controlling interests, net of tax	193	446	57%
Profit/(Loss) net of tax	(818)	4,972	116%
Total comprehensive income/(loss) attributable to:			
- Owners of the parent	1,055	1,196	-12%
- Non-controlling interests	(559)	497	212%
Total comprehensive income/(loss)	496	1,693	71%
Earnings per share for profit/(loss) for the period attributable to the owners of the Company during the year			
Basic (SGD in cent)	(0.003)	0.02	-116%
Diluted (SGD in cent)	(0.003)	0.02	-116%

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	
	30-06-22	31-12-21	30-06-22	31-12-21
	SGD'000	SGD'000	SGD'000	SGD'000
Balance Sheet				
Assets				
Current assets				
Cash and bank balances	20,623	37,213	8,379	18,202
Trade receivables	60,274	40,671	-	-
Other receivables	7,847	5,884	54,135	6,683
Other current asset	7,927	368	-	28,690
Inventories	9,310	2,749	-	-
Goods in transit	26,867	34,654	-	-
Other investment	-	1,704	-	-
Total current assets	132,848	123,243	62,514	53,575
Non-current assets				
Property, plant and equipment	2,054	1,860	15	22
Investment property	14,927	16,593	-	-
Right of use assets	490	490	-	-
Investment in subsidiaries	521	-	83	4
Other investment	977	977	-	7,718
Goodwill on consolidation	897	897	-	-
Total non-current assets	19,866	20,817	98	7,744
Total assets	152,714	144,060	62,612	61,319
Liabilities and Equity				
Current liabilities				
Trade payables	6,403	10,263	-	-
Other payables	17,024	12,483	22,397	22,433
Loans and borrowings	24,541	66,197	11,047	39,130
Other current liabilities	775	787	-	-
Progress billing	1,658	-	-	-
Lease liabilities	150	190	-	-
Current tax payable	5,335	5,449	-	-
Total current liabilities	55,886	95,369	33,444	61,563
Non-current liabilities				
Loans and borrowings	18,004	-	-	-
Loan from bank	7,526	7,387	3,093	3,093
Lease liabilities	351	310	-	-
Amount due to related parties	7,957	7,718	-	-
Total non-current liabilities	33,838	15,415	3,093	3,093
Total liabilities	89,724	110,784	36,537	64,656
Capital and reserves				
Share capital	682,975	653,757	682,975	653,757
Capital reserve	(217,842)	(217,842)	2,254	2,254
Currency translation reserve	(3,872)	(5,160)	-	-
Statutory reserve	8,067	8,067	-	-
Accumulated losses	(411,704)	(411,471)	(659,154)	(659,348)
Company	57,624	27,351	26,075	(3,337)
Non-controlling interests	5,366	5,925	-	-
Total equity	62,990	33,276	26,075	(3,337)
Total liabilities and equity	152,714	144,060	62,612	61,319
Unsecured borrowings				
-Amount repayable in 1 year or less, or on demand	24,541	66,197		
-Amount repayable in after 1 year	33,383	15,105		
	57,924	81,302		

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	
	6 months ended	
	30-06-22	30-06-21
	SGD'000	SGD'000
Cash flows from operating activities		
Profit/(Loss) before income tax	(412)	5,345
Adjustments for:	-	-
Depreciation of property, plant and equipment	1,606	1,597
Unrealised currency (gain)/loss	(251)	(247)
Exchange differences on translation	931	(2,723)
Operating cash flows before changes in working capital	1,874	3,972
Change in trade receivables	(17,867)	(4,919)
Change in other receivables	422	(705)
Change in inventories	278	(944)
Change in trade payables	(4,098)	(2,872)
Change in other payables	3,796	422
Change in other current asset	(7,552)	1,126
Change in other liability	(102)	(630)
Change in other financial assets	1,183	(13)
Cash (used in)/from operations	(22,066)	(4,563)
Income taxes paid	(521)	(196)
Net cash flows (used in) operating activities	(22,587)	(4,759)
Cash flows from investing activities		
Purchase of property, plant and equipment	(198)	(7)
Proceeds from disposal of property, plant and equipment	-	(4)
Net cash flows generated/(used in) from investing activities	(198)	(11)
Cash flows from financing activities		
Proceeds on loans and borrowings	5,705	16,530
Net movements in amounts due to related companies	239	130
Net cash flows generated/(used in) from financing activities	5,944	16,660
Net increase (decrease) in cash and cash equivalent	(16,841)	11,890
Effect of cash and cash equivalent denominated in foreign currency	251	247
Cash and cash equivalent at beginning of the period	37,213	11,484
Cash and cash equivalents at end of the period	20,623	23,621

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 SGD'000	Capital reserve SGD'000	Currency translation reserve SGD'000	Fair Value reserve SGD'000	Statutory reserve SGD'000	Accumulated losses SGD'000	Total attributable to equity holders of the Company SGD'000	Non controlling interest SGD'000	Total SGD'000
At 1 January 2022	653,757	(217,842)	(5,160)	-	8,067	(411,471)	27,351	5,925	33,276
Issue of new shares	29,218	-	-	-	-	-	29,218	-	29,218
Issue of new warrants	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	(1,011)	(1,011)	193	(818)
Other comprehensive income									
Foreign currency translation	-	-	1,288	-	-	778	2,066	(752)	1,314
Total comprehensive income/(loss) for the period	-	-	1,288	-	-	(233)	1,055	(559)	496
At 30 June 2022	682,975	(217,842)	(3,872)	-	8,067	(411,704)	57,624	5,366	62,990
At 1 January 2021	653,757	(217,842)	(223)	-	8,067	(418,525)	25,234	3,239	28,473
Adjustment for reserve	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
Disposal of subsidiary with a change in control	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	4,526	4,526	446	4,972
Other comprehensive income									
Foreign currency translation	-	-	(3,279)	-	-	169	(3,110)	51	(3,059)
Total comprehensive income/(loss) for the period	-	-	(3,279)	-	-	4,695	1,416	497	1,913
At 30 June 2021	653,757	(217,842)	(3,502)	-	8,067	(413,830)	26,650	3,736	30,386

Company	Share capital	Capital reserve	Currency translation reserve	Fair value reserve	Accumulated losses	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
At 1 January 2022	653,757	2,254	-	-	(659,348)	(3,337)
Issue of new shares	29,218	-	-	-	-	29,218
Issue of new warrants	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	194	194
Other comprehensive income						
Foreign currency translation	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	194	194
At 30 June 2022	682,975	2,254	-	-	(659,154)	26,075
At 1 January 2021	653,757	2,254	-	-	(661,966)	(5,955)
Adjustment for reserve	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-
Issue of new warrants	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	1,792	1,792
Other comprehensive income						
Foreign currency translation	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	1,792	1,792
At 30 June 2021	653,757	2,254	-	-	(660,174)	(4,163)

1(e) Profit or loss from continuing operations and reconciliations

	Distribution	Services	Others	Total
	SGD'000	SGD'000	SGD'000	SGD'000
6 months ended 30 June 2022				
Revenue by segments	84,382	925	411	85,718
Results:				
Segment results	2,762	(907)	80	1,935
Finance costs	(1,198)	(19)	(812)	(2,029)
Foreign exchange gain	1,116	16	156	1,288
Depreciation and amortisation charges	(24)	(246)	(1,336)	(1,606)
Profit before income tax	2,656	(1,156)	(1,912)	(412)
Income tax expense	(406)	-	-	(406)
Profit for the period	2,250	(1,156)	(1,912)	(818)
6 months ended 30 June 2021				
Revenue by segments	50,829	1,316	370	52,515
Results:				
Segment results	1,219	(86)	2,201	3,334
Finance costs	(426)	-	(78)	(504)
Foreign exchange gain	19	(1)	4,098	4,116
Depreciation and amortisation charges	(12)	(12)	(1,574)	(1,598)
Profit before income tax	800	(99)	4,647	5,348
Income tax expense	(278)	(7)	(91)	(376)
Profit for the period	522	(106)	4,556	4,972

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 30 June 2022.

The Company does not have any treasury shares as at 30 June 2022.

(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 30 June 2022 is 25,567,291,028 shares (31 December 2021: 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 2021.

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.

	6 months ended	
	30/6/2022	30/6/2021
a) EPS based on weighted average number of shares (SGD cents/share)	(0.003)	0.02
b) EPS based on fully diluted basis (SGD cents/share)	(0.003)	0.02
Weighted average number of shares applicable to earnings per share	25,567,291,028	24,296,921,463
Weighted average number of shares fully diluted basis	25,567,291,028	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	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Net asset value per ordinary share based on issued share capital as at end of the period (SGD cents/share)	0.25	0.13	0.10	(0.01)

Net asset value for the Group and the Company as at 30 June 2022 and 31 December 2021 are computed based on 25,567,291,028 and 24,296,921,463 respectively 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.

TURNOVER

For the six-month financial period ended 30 June 2022 (“1H 2022”), the Group generated total revenue amounting to SGD85.7 million, a SGD33.2 million (or 63%) increase from SGD52.5 million recorded in the corresponding period of the preceding financial year (“1H 2021”). This represents the highest level of turnover for the Group on record.

This increase in revenue is mainly attributed to growth of the Group’s strategic effort to diversify its product offerings and global expansion of its customer base. This includes the addition of large-scale frozen meat distribution under the newly established Sino Food Group Pte Ltd as part of the Group’s push to be a key player in the Food Security industry.

As a result of the higher volume of trades, the Group’s total gross profit recorded a SGD6.0 million (or 86%) improvement in 1H 2022 as compared to SGD3.3 million in 1H 2021.

OTHER OPERATING COSTS

Other operating expenses increased SGD2.4 million or 98% from SGD2.4 million in 1H 2021 to SGD4.8 million in 1H 2022. During the course of the year, the Group has embarked on expanding its headquarter office and hiring additional staff and part of its plans to significantly increase its workforce size and talent pool. This is also to ensure that sufficient manpower resources may be secured to support its growing business across the key pillars in the coming years.

OTHER OPERATING INCOME

The Group’s other operating income for 1H 2022 amounted to SGD2.0 million, a decrease of 70% from SGD6.6 million recorded in 1H 2021. This increase is largely due to decrease unrealised foreign exchange gains as well as government grants received under the Jobs Support Scheme

(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 SGD63.0 million as at 30 June 2022, this represents a 89% (SGD29.7 million) increase from SGD33.3 million recorded in 31 December 2021. The Group’s working capital position (or net current asset position) has also improved, increasing by 176% (SGD49.1 million) from SGD27.9 million in 31 December 2021 to SGD77.0 million in 30 June 2022.

Total assets of the Group increased by SGD8.7 million from SGD144.1 million as at 31 December 2021 to SGD152.7 million as at 30 June 2022. This increase is attributed to an increase in trade receivable balances due from customers and inventory balances, both arising from an increase in trade volumes of FMCG products during the year.

Total liabilities decreased to SGD89.7 million as at 30 June 2022, compare to SGD110.8 million recorded as at 31 December 2021. This is largely due to placement of an aggregate of 1,270,369,565 new ordinary shares in the capital of the Company announced on 22 March 2022, for an aggregate price SGD29.2 million, resulting in the settlement and reduction of the Company’s loans and borrowings by an equivalent amount. The Group had also revised the terms of SGD17.9 million worth of loans, resulting in the reclassification of the equivalent amount from Current Liabilities, to Non-current Liabilities.

Total equity increased to SGD63.0 million as at 30 June 2022, compared to SGD33.3 as at 31 December 2021.

REVIEW OF CASH FLOW STATEMENT

In Nov 2021, the Group had received SGD17.9 million in proceeds from third-party loans. These proceeds were eventually deployed for the purposes of further driving the Group's Distribution segment, increasing trade volumes and payments to suppliers. This contributed to the net operating cash outflow of SGD22.6 million for the year ended 30 June 2022. Net cash generated from financing activities amounted to SGD5.9 million and is largely attributed to the Group's proceeds from additional working capital facilities provide from UOB Bank. Overall, the Group generated negative net cash outflow of SGD16.8 million, resulting in positive closing cash balance of SGD20.6 million for the year ended 30 June 2022.

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.

Over the past couple of years, Oceanus has held back its various expansion plans, in view of the ongoing pandemic and its associated uncertainties and restrictions. However, with the world now moving into a nascent post-pandemic era, industries are already preparing themselves for the re-opening of global markets.

In prior years of the Group's clean-up and build-up phases, plans have been put into place in a timely manner to continuously put Oceanus ahead of the industry, and it is no different now. Oceanus has been utilising this short window of opportunity to transition the Group, and prepare itself to launch ahead as a global FoodTech company.

Oceanus has taken several steps during the year to prime itself for a big leap of growth. This includes the development of S\$5 million state-of-the-art Extended Reality Studio under Oceanus Medial Global ("OMG"), which now consolidates all the Group's award-winning multimedia capabilities. In the area of manpower resources, the Group has also started to invest heavily in acquiring people to build larger teams in all departments across the Group's four key pillars. Such departments include global marketing, procurement, sales, innovation and IT. The Group has also relocated its global headquarter office to a larger premise, which will be able to accommodate its rapidly growing workforce.

Going ahead, the Group will continue to ramp up on its 'tech up' plans and build up its Innovation segment, which is vital for the future of Oceanus as a cutting-edge FoodTech company. This involves the digitalisation of the Group's operations across the entire value chain and development of e-commerce platform SG.eMart.

With the board and management already taking the above plans into action, the Group is prepared to meet the higher level of operating expenses expected over the next 12 months. On the other hand, the Group also looks forward to driving Oceanus to the next level of growth, evident in the recent growth in revenue in 1H 2022, increasing 63% to S\$85.7 million – again the highest level of turnover for the Group on record at half-time.

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/recommendeded, 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 30 June 2022.

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 6 months ended 30 June 2022 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
14 August 2022