



OCEANUS GROUP LIMITED

(Incorporated in the Republic of Singapore under Registration Number: 199805793D)
31 Harrison Road, Food Empire Building #11-03/04, Singapore 369 649
Tel: +65 6285 0500 Fax: +65 6280 0822

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL

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 12 August 2021 released its financial statement for the half-year period (“**1H 2021**”). Shareholders should refer to the announcement for further details.

Oceanus achieved a record-high turnover and net profit at half time, with a revenue surge of over 6.5 times or 553% to S\$52.5 million, from S\$8.0 million in the corresponding period of the preceding financial year (“**1H 2020**”).

The significant increase in revenue was attributable to several key factors. Expansion of the Group’s Distribution segment in FMCG contributed approximately S\$50.8 million in 1H 2021 as compared to S\$7.5 million in 1H 2020. This increase is in line with the Group’s strategy to boost its supply chain capabilities, which would in turn benefitted Oceanus’ other business pillars – Food Production, Services, and Innovation – through a synergistic ecosystem. Additionally, the Services segment contributed S\$1.3 million in 1H 2021 as compared to S\$0.2 million in 1H 2020. The increment was mainly due to contribution from the Group’s acquisition of Resolute Communications Pte Ltd, where it has long-standing, reputable clients such as Hewlett-Packard.

Other operating income increased 105% to S\$6.6 million in 1H 2021 from S\$3.2 million in 1H 2020, and this was largely due to an increase in unrealised foreign exchange gains as well as government grants received under the Jobs Support Scheme.

In line with the above, the Group’s gross profit for 1H 2021 stood at S\$3.3 million, a 237% improvement from 1H 2020. EBITDA for 1H 2021 was S\$7.5 million, a 222% increment from S\$2.3 million in 1H 2020.

Correspondingly, the Group achieved a S\$5.0 million net profit for 1H 2021, close to a 7-time increase as compared to S\$0.7 million in 1H 2020.

The Group’s balance sheet remains healthy with a positive net asset position of S\$30.4 million as at 30 June 2021, compared to S\$28.5 million recorded as at 31 December 2020. The Group’s net working capital position (or net current asset position) also improved and was at S\$24.0 million as at 30 June 2021 compared to S\$21.1 million as at 31 December 2020.

Update on Future Direction

Oceanus successfully achieved another record increment in turnover for the period, and with significant progress made towards the Group's four synergistic growth pillars – Food Production, Distribution, Services and Innovation – Oceanus Group is poised to continue its growth path and drive further business expansion through strategic partnerships and the creation of new revenue streams across the four pillars.

Under innovation, the Group held our first Extend Reality Annual General Meeting which is organized and created by our subsidiaries AP Media and Resolute Communications. Being one of the first of its kind in the world, the innovative AGM was well received by industry experts and shareholders. On the ongoing development of its upcoming e-commerce platform, Oceanus is taking active steps to build our technology capabilities, which includes active engagement of industry partners and increasing talent pool.

As part of the Group's effort to increase its online distribution presence, the Singapore Farmer (SG Farmer) website was developed for the purpose of distributing products which includes Oceanus' canned abalones and bird's nest products in Singapore and China. By redirecting certain exports channels from China to Singapore, Group will also be increasing its local online product offerings across SG Farmer and various e-commerce platforms in the coming months, which will provide a boost to its revenue contributions.

Oceanus will be focusing on its digital transformation across its four key pillars, commencing with the build up of its talent pool, partnering with strategic partners, and identifying synergistic technology businesses suitable for acquisition or investment.

With regards to the SGX-ST Watchlist under the Financial Entry Criteria, the Company announced on 26 February 2021, that it has made an application to the SGX-ST for a further extension of time until 15 April 2021 to satisfy the Financial Exit Criteria, on the basis that the Company is in the processes of finalising its audited financial statements for the financial year ended 31 December 2020. On 13 April 2021, the Group announced that it has submitted an application to the SGX-ST to exit the Watch-List. The Group will make necessary announcements to update shareholders as to the results of its application.

BY ORDER OF THE BOARD

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

12 August 2021