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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 2023 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) %
	30-06-23 SGD'000	30-06-22 SGD'000	
Profit and Loss			
Revenue	121,800	85,718	42%
Cost of goods sold	(112,434)	(79,675)	41%
Total Gross Profit	9,366	6,043	55%
Other operating income	4,515	2,024	123%
Other operating expenses	(8,192)	(4,844)	69%
EBITDA	5,689	3,223	77%
Depreciation	(1,909)	(1,606)	19%
Finance Costs	(3,781)	(2,029)	86%
Profit/(Loss) before income tax	(1)	(412)	100%
Income tax expense	(609)	(406)	50%
Profit/(Loss) for the period	(610)	(818)	-25%

(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)
	30-06-23	30-06-22	
	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	(3,235)	(1,314)	146%
Other comprehensive income/(loss) for the period, net of tax	(3,235)	(1,314)	146%
Total comprehensive income/(loss) for the period, net of tax	2,625	496	429%
Profit/(Loss) attributable to:			
- Owners of the parent, net of tax	231	(1,011)	-123%
- Non-controlling interests, net of tax	(841)	193	536%
Profit/(Loss) net of tax	(610)	(818)	25%
Total comprehensive income/(loss) attributable to:			
- Owners of the parent	534	1,055	-49%
- Non-controlling interests	2,091	(559)	474%
Total comprehensive income/(loss)	2,625	496	-429%
Earnings per share for profit/(loss) for the period attributable to the owners of the Company during the year			
Basic (SGD in cent)	(0.002)	(0.003)	-25%
Diluted (SGD in cent)	(0.002)	(0.003)	-25%

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.

Balance Sheet	Group		Company	
	30-06-23	31-12-22	30-06-23	31-12-22
	SGD'000	SGD'000	SGD'000	SGD'000
Assets				
Current assets				
Cash and bank balances	12,326	10,300	6,125	1,117
Trade receivables	82,926	78,086	-	-
Other receivables	12,649	5,167	61,744	6,001
Other current asset	13,533	12,149	-	-
Inventories	58,986	30,437	-	-
Goods in transit	832	6,126	-	-
Other investment	1,126	1,726	-	1,726
Other financial assets		-		25,419
Total current assets	182,378	143,991	67,869	34,263
Non-current assets				
Property, plant and equipment	4,143	4,572	2,324	2,551
Investment property	11,054	12,753	-	-
Right of use assets	3,890	3,937	2,899	2,899
Loan to third party	388	-	-	-
Intangible assets	201	-	-	-
Investment in subsidiaries	151	151	123	123
Other financial assets		-		25,420
Other investment	773	773	-	-
Goodwill on consolidation	579	579	-	-
Total non-current assets	21,179	22,765	5,346	30,993
Total assets	203,557	166,756	73,215	65,256
Liabilities and Equity				
Current liabilities				
Trade payables	7,766	7,505	-	-
Other payables	16,904	15,450	1,657	1,789
Loans and borrowings	56,491	40,616	21,806	14,205
Progress billing	1,176	-	-	-
Lease liabilities	388	965	-	537
Current tax payable	4,955	5,407	155	90
Other non-financial liabilities	15,990	10,700	-	-
Total current liabilities	103,670	80,643	23,618	16,621
Non-current liabilities				
Loans and borrowings	34,996	24,375	3,342	3,123
Lease liabilities	3,586	3,058	2,963	2,427
Total non-current liabilities	38,582	27,433	6,305	5,550
Total liabilities	142,252	108,076	29,923	22,171
Capital and reserves				
Share capital	682,975	682,975	682,975	682,975
Capital reserve	(217,842)	(217,842)	2,254	2,254
Currency translation reserve	6,069	2,095	-	-
Statutory reserve	8,067	8,067	-	-
Accumulated losses	(425,961)	(424,631)	(641,937)	(642,144)
Company	53,308	50,664	43,292	43,085
Non-controlling interests	7,997	8,016	-	-
Total equity	61,305	58,680	43,292	43,085
Total liabilities and equity	203,557	166,756	73,215	65,256
Unsecured borrowings				
-Amount repayable in 1 year or less, or on demand	56,491	40,616		
-Amount repayable in after 1 year	34,996	24,375		
	91,487	64,991		

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	
	30-06-23	30-06-22
	SGD'000	SGD'000
Cash flows from operating activities		
Profit/(Loss) before income tax	(1)	(412)
Adjustments for:		
Depreciation of property, plant and equipment	1,909	1,606
Unrealised currency (gain)/loss	-	(251)
Exchange differences on translation	2,610	931
Operating cash flows before changes in working capital	4,518	1,874
Change in trade receivables	(4,839)	(17,867)
Change in other receivables	(7,609)	422
Change in inventories	(23,223)	278
Change in trade payables	902	(4,098)
Change in other payables	2,581	3,796
Change in other current asset	-	(7,552)
Change in other liability	5,290	(102)
Change in other financial assets	(1,384)	1,183
Cash (used in)/from operations	(23,764)	(22,066)
Income taxes paid	(1,061)	(521)
Net cash flows (used in) operating activities	(24,825)	(22,587)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(198)
Increase in other financial assets	212	-
Net cash flows generated/(used in) from investing activities	212	(198)
Cash flows from financing activities		
Proceeds on loans and borrowings	26,493	5,705
Net movements in amounts due to related companies	-	239
Net cash flows generated/(used in) from financing activities	26,493	5,944
Net increase (decrease) in cash and cash equivalent	1,880	(16,841)
Effect of cash and cash equivalent denominated in foreign currency	146	251
Cash and cash equivalent at beginning of the period	10,300	37,213
Cash and cash equivalents at end of the period	12,326	20,623

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	Statutory reserve	Accumulated losses	Total attributable to equity holders of the Company	Non controlling interest	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Current year:								
Opening balance at 1 January 2023	682,975	(217,842)	2,095	8,067	(424,631)	50,664	8,016	58,680
Changes in equity:								
Issue of new shares	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	3,974	-	(1,330)	2,644	(19)	2,625
Closing balance at 30 June 2023	682,975	(217,842)	6,069	8,067	(425,961)	53,308	7,997	61,305
Previous year:								
Opening balance at 1 January 2022	653,757	(217,842)	(5,160)	8,067	(411,471)	27,351	5,925	33,276
Changes in equity:								
Issue of new shares	29,218	-	-	-	-	29,218	-	29,218
Total comprehensive income/(loss) for the period	-	-	1,288	-	(233)	1,055	(559)	496
Closing balance at 30 June 2022	682,975	(217,842)	(3,872)	8,067	(411,704)	57,624	5,366	62,990

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 2023				
Revenue by segments	120,303	1,020	477	121,800
Results:				
Segment results	4,774	(1,924)	599	3,449
Finance costs	(2,881)	(22)	(878)	(3,781)
Foreign exchange gain	1,458	5	777	2,240
Depreciation and amortisation charges	(34)	(292)	(1,583)	(1,909)
Profit before income tax	3,317	(2,233)	(1,085)	(1)
Income tax expense	(535)	1	(75)	(609)
Profit for the period	2,782	(2,232)	(1,160)	(610)
6 months ended 30 June 2023				
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)

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 2023.

The Company does not have any treasury shares as at 30 June 2023.

(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 2022: 25,567,291,028 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 2022.

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	
	30-06-23	30-06-22
a) EPS based on weighted average number of shares (SGD cents/share)	(0.002)	(0.003)
b) EPS based on fully diluted basis (SGD cents/share)	(0.002)	(0.003)
Weighted average number of shares applicable to earnings per share	25,567,291,028	25,567,291,028
Weighted average number of shares fully diluted basis	25,567,291,028	25,567,291,028

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	
	30-06-23	31-12-22	30-06-23	31-12-22
Net asset value per ordinary share based on issued share capital as at end of the period (SGD cents/share)	0.24	0.23	0.17	0.17

Net asset value for the Group and the Company as at 30 June 2023 and 31 December 2022 are computed based on 25,567,291,028.
 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 2023 (“1H 2023”), the Group generated total revenue amounting to SGD121.8 million, a SGD36.1 million (or 42%) increase from SGD85.7 million recorded in the corresponding period of the preceding financial year (“1H 2022”).

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 growth of new distribution channels in large-scale frozen meat (Sino Food Group Pte Ltd), seafood (Asia Fisheries) and sugar commodities (ISC SG Pte Ltd).

As a result of the higher volume of trades, the Group’s total gross profit recorded a SGD3.3 million (or 55%) improvement in 1H 2023 to SGD9.4 million as compared to SGD6.0 million in 1H 2022.

OTHER OPERATING COSTS

Other operating expenses increased SGD3.3 million or 69% from SGD4.8 million in 1H 2023 to SGD8.2 million in 1H 2022. As part of the 3-5 year plan commencing last year to prime the Group to support its growing businesses across the key pillars and their long-term profitability, Group continues to prudently invest for growth, with the expansion of workforce size and talent pool, upgrade of ERP to Oracle NetSuite and step-up of cyber security measures.

OTHER OPERATING INCOME

The Group’s other operating income for 1H 2023 amounted to SGD4.5 million, an increase of 123% from SGD2.0 million recorded in 1H 2022. This increase is largely due to favourable foreign exchange movements 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 SGD61.3 million as at 30 June 2023, this represents a 4.4% (SGD2.6 million) increase from SGD58.7 million recorded as at 31 December 2022. The Group’s working capital position (or net current asset position) has also improved, increasing by 24.2% (SGD15.4 million) from SGD63.3 million as at 31 December 2022 to SGD78.7 million as at 30 June 2023.

Total assets of the Group increased by SGD36.8 million from SGD166.8 million as at 31 December 2022 to SGD203.6 million as at 30 June 2023. 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 increased to SGD142.3 million as at 30 June 2023, compared to SGD108.1 million recorded as at 31 December 2022. 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 decreased to SGD61.3 million as at 30 June 2023, compared to SGD58.7 million as at 31 December 2022.

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 SGD24.8 million for the year ended 30 June 2022. Net cash generated from financing activities amounted to SGD26.5 million and is largely attributed to the Group's proceeds from additional working capital facilities provided by banks, including UOB Bank. Overall, the Group generated positive net cash outflow of SGD1.9 million, resulting in positive closing cash balance of SGD12.3 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.

Oceanus recorded a new-high in revenue for 1H 2023, backed by its four pillars of growth.

The Group will be continuing its push to expand its global distribution reach through its subsidiary Asia Fisheries Pte Ltd. Asia Fisheries will continue to work closely with strategic partners to expand its distribution network and bridge the gap between food producers and merchants, enhance food security, and develop key aquaculture facilities within the region. As part of food security mission, Oceanus expanded its offering through the set-up of Sinofood Pte Ltd and ISC SG Pte Ltd, to distribute frozen meat and food commodities. With the recent gradual post-pandemic opening of Chinese cross-border trades, the distribution arm of the Group will expect to see growth in volumes across most of its offerings.

Under the Services pillar, Oceanus Tradelog, the Group's warehousing and logistics solutions arm will continue to scale up its 3PL services to meet ecommerce platforms and local distribution needs within the region in the next two to three years. The Group's award-winning multimedia capabilities under the consolidated Oceanus Media Global ("OMG") segment has continued to break new grounds, providing 'futurealistic experiences' through its Extended Reality Studio to help businesses create "next-generation storytelling experiences".

The Group has seen good progress in its 'tech up' and digitalisation efforts, which will greatly assist the Group's growth plans as well as its conduct of international trading. This includes improving the efficiencies of cross-border payments, trade financing and real-time shipment tracking. Leveraging upon the Group's expanding global trades, it will continue to invest and develop a suite of innovative marketplace solutions.

Oceanus is well-placed to advance its 'tech up' vision of securing Singapore's food security, and future-proofing its business as the leading industry game changer.

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 2023.

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 2023 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 2023