

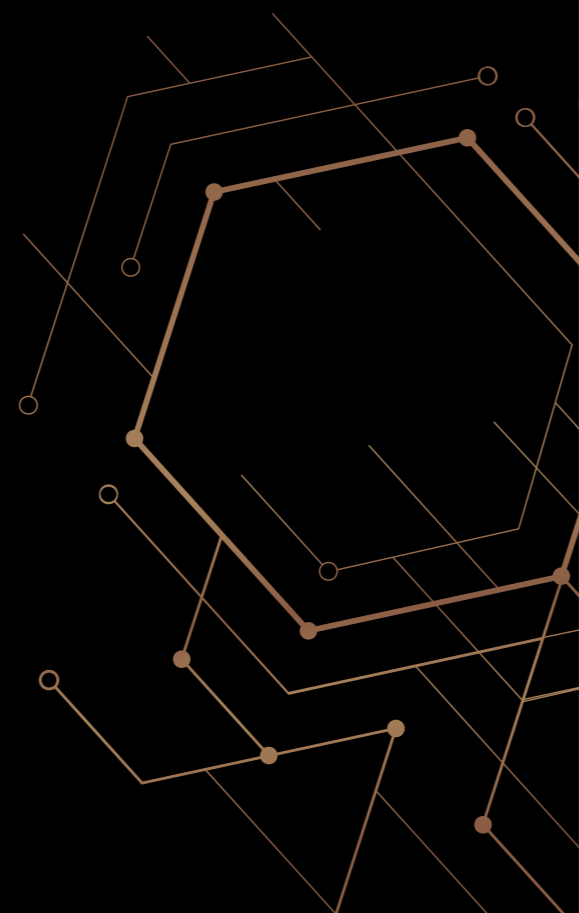


ENVISIONING
THE FUTURE OF FOOD SECURITY

ANNUAL REPORT
2020

“It all started with a promise, and we delivered. 6 years on, we continue on our next quest: to transform Oceanus into a leading FoodTech enterprise of the future.”

Peter H. K. Koh, PBM
EXECUTIVE DIRECTOR & GROUP CEO





A HEARTFELT MESSAGE

from our CEO

Dear Shareholders,

Since we last spoke, the management team and I have been working hard and setting things in motion for our Tech Up Phase. We have been fully focused on our next mission; to harness the best of technology and digitalise our business for a more sustainable future. We have come far on this journey – but we did not do it alone.

When I joined the Oceanus family six years ago, I made a promise to all shareholders with the Clean Up Phase: To clean up our operations, pull the company out of the red and set it on a path of growth. Naysayers and critics were plenty, but I never once lost heart. The motivation to continually push ahead, was deeply driven by your belief in me and my team's unwavering support. It brings me great pride and joy to say that this promise has been fulfilled. As we conclude our Build Up Phase, we have truly transformed a debt-ridden and distressed company into one with sustainable profit centres and a strong foundation to support long-term growth.

Our shared success today is only possible because of the person reading this – You. You have been there with us throughout this journey, and for that, I will always be grateful. Your trust and support have not been in vain. I also wish to extend my appreciation to the whole Oceanus family for their resilience, commitment and hard work. As we continue to transform, we will never stop staying true to our promise on building sustainable value for all stakeholders.

I am excited as I look forward to the new future of Oceanus Group. Even as my earlier promise has been fulfilled, we will not simply rest on our laurels. There is still much to do and greater heights for the Group to reach. We will push on.

On behalf of the Management, it is my pleasure to present our review and plans moving forward.

FINANCIAL REVIEW

We are pleased to have achieved a significant milestone in our corporate journey, recording our highest turnover since the Group's listing in 2008. This underscores the success of our business transformation for our food production segment, and strategic diversification since 2018, through four synergistic growth pillars – Food Production, Distribution, Services and Innovation.

For FY2020, our total revenue surged 9.6 times to S\$92.1 million, from S\$9.6 million in the corresponding period of the preceding financial year ("FY2019").

The Group's decision to pivot our business model to embrace contract farming and leasing of aquaculture farm plots to third-party operators have proven effective. We are pleased to see a recurring rental income stream for the Group, with an approximate S\$4.0 million revenue contribution from our Food Production segment. In all, this business transformation has enabled us to maintain fixed income levels through contractual terms with other aquaculture farmers, while forgoing direct, high operating costs associated with full-scale farming.

In addition to the revamped Food Production segment, the expansion of our Distribution segment in FMCG across several geographical markets also played a significant role in the Group's turnaround. This includes revenue contributions from Japan, Taiwan, Thailand and Korea, as well as key markets of China and Southeast Asia, where we have gained significant traction. Bolstered by the expansion, this segment generated a total revenue of approximately S\$84.7 million. This expansion is aligned with our strategic plan to establish the Group as a key player in the global food supply chain.

Lastly, the Group's Services segment also performed exceptionally well, providing us with a further diversified revenue base. The Services arm offers aquaculture consulting, media, marketing, and branding solutions, not just to third-party operators, but also within the Group. Such in-house capabilities provides synergy across Oceanus' pillars and boosts overall productivity and profitability for the Group. For FY2020, the Services segment saw a contribution of approximately S\$2.9 million to the Group's topline.

In line with business expansion, the Group's gross profit for FY2020 stood at S\$9.1 million, a 318% increment from FY2019. EBITDA for FY2020 was S\$12.1 million, a 346% increment from a S\$4.9 million loss in FY2019.

Correspondingly, we successfully achieved a turnaround in net profit for FY2020 to S\$8.6 million, from a S\$7.4 million loss in FY2019.

Our balance sheet remains healthy with a positive net asset position of S\$28.5 million as at 31 December 2020, an increase of 26.7% from S\$22.5 million a year ago. The Group's net working capital position (or net current asset position) also improved by 817% from S\$2.3 million as at 31 December 2019 to S\$21.1 million as at 31 December 2020.

TRANSFORMING FOR GROWTH

In terms of business growth transformation, we are making significant progress in executing our growth strategy to expand beyond a "one product, one country" company through our four growth pillars – Food Production, Distribution, Services and Innovation.

Food Production

Through years of research and development and Oceanus' in-depth experience, the Group has formulated efficient farming methodologies which allow us to maintain our position as one of the world's largest land-based abalone farms, proliferating our aquaculture know-how by working closely with our farm plot lessees and contract-farming partners. Since December 2019, we have successfully revamped our business model and entered into strategic contract farming arrangements with aquaculture farmers, allowing us to fully utilise our tanks and maximising profits.

Under our new arm, Asia Fisheries Pte Ltd. ("Asia Fisheries"), we have diversified beyond abalone to include other seafood offerings such as sea cucumber, soft shell crab, tuna and others. We have also successfully exported seafood from Indonesia and Thailand to Singapore, China, USA, UK, Australia and Japan.



Following the Group's decision a year ago to transform its Food Production business model, an investment was made into Universal Aquaculture Pte Ltd ("Universal Aquaculture") in September 2020 for deep tech indoor farming. This is in line with the Group's forward-looking strategies to further strengthen its Food Production pillar and develop industry leaders. We will continue our efforts to seek and forge strong partnerships with like-minded partners within the Food Security and Food Tech space.

Distribution

Under our own brand, the Singapore Farmer (SG Farmer), we have begun distributing canned abalones and bird's nest products locally and in China. We have also successfully launched our e-commerce website during Chinese New Year, to promote Oceanus' brand of products.

Additionally, the Group recently established a new FMCG distribution business under its subsidiary, Season Global Trading Pte Ltd. These initiatives have gained significant momentum and contributed positively to the Group's performance.

With over 2,000 FMCG products currently, we will continue to build upon our product range in the Distribution segment, focusing on an expansion of frozen meat and fresh seafood goods. By leveraging our distribution network and our integrated suite of logistics and supply chain services, we will position the Group to become a major contributor to the global food security and food supply chain.

Services

Our Services division, which supports the Group's marketing needs and contributes through third-party consultancy projects, have established confirmed and prospective project pipelines with customers in Singapore, Malaysia, China and Cambodia, providing good earnings visibility.

AP Media Pte Ltd continues to spearhead high profile projects both locally and overseas, such as 'The Front Row', Singapore's first virtual fashion show held in August 2020. Additionally, the recent acquisition of Resolute Communications Pte. Ltd., an experiential

marketing company based in Singapore, who services clients such as Hewlett-Packard, will assist the Group in further broadening our clientele-base.

In September 2019, the Group incorporated Singapore-China Oceanus Property Investment Ltd ("SCOPI") as the leasing arm of the Group, primarily involved in the management and leasing of the Group's aquaculture farm plots located in Fujian, China. Fujian Sheng Li's portfolio of four farm plots covers an area of 39.1 hectares with a total capacity of 6,074 tanks. As at 20 May 2020, most farm plots have been leased with plans for them to be continually renewed for the next two to three years, providing the Group with additional recurring income stream.

Innovation

Oceanus holds firm to the idea that research and development is key to being at the forefront of the industry, and continues to engage educational institutions and agencies to collaborate on cutting-edge projects to surpass the boundaries of aquaculture. To 'tech-up' our operations for the next lap, Oceanus Tech will take the lead in digitalising our ecosystem for our next growth.

For the "hardware" tech-up plan, apart from our partnership with Universal Aquaculture, we have also entered into a partnership with Hainan Raffles Group, setting up the world's first Oceanus FoodTech Hub in Hainan, a key aquaculture centre for shrimp and fish farming in the region. Oceanus FoodTech Hub will be located within the Hainan Laocheng Economic Development Zone, China's fourth comprehensive free trade zone. During the first phase, Oceanus FoodTech Hub will produce approximately 200 tonnes of shrimp in its first year of production before gradually increasing to approximately 1,000 tonnes of shrimp in the following years.

Oceanus will build on the network and strength of its four business units through digital transformation, thereby harnessing greater synergy across the Group's Pillars. We will also look to establish a digital exchange platform for our distribution network that will enhance our presence globally. Businesses would

be able to access our portfolio of more than 2,000 FMCG products on the exchange, instead of relying solely on our FoodTech Hubs. More importantly, the digital exchange will give businesses the ability to better oversee product delivery and quality, and will be instrumental in supporting our distribution network.

Oceanus Group will focus on applying deep tech strategies to supplement our businesses, thereby creating additional growth for the Group, and enhancing food security in the process.

LOOKING AHEAD

Over the last 3 years, we have successfully transformed Oceanus into a multi-product and multi-country company. We have laid the foundation for sustainable growth under our four key business pillars, and achieved our first 'clean' audit opinion in nine years.

We have seen the onboarding of a long-term strategic investor during the year, Alacrity Investment Group Limited, and this is a clear vote of confidence for Oceanus. We will work closely with them to expand our presence in the aquaculture value chain. The COVID-19 situation has also underscored the importance of food production and food security, and we are committed to continue making headway in the Food Security and Food Tech space. As we embark on our digital transformation, we are confident that we will be able to enhance working synergies across our business pillars through technology.

Oceanus remains focused on driving further business expansion through strategic partnerships, and the creation of new revenue streams across the Group's four pillars for continued sustainable growth.

ACKNOWLEDGEMENT

I would like to take this opportunity to extend the Board's appreciation to Independent, Non-Executive Director, Mr Kee Poir Mok, and Non-Independent,

Non-Executive Director, Mr Stephen Lee, for their past contributions and we wish them well in their future endeavours.

We would like to welcome Mr Zahidi Bin Abd Rahman, who has been appointed as Independent, Non-Executive Director with effect from 26 June 2020. Mr Zahidi brings with him three decades of experience as an architect.

Our warm welcome is also extended to Dr Yaacob Bin Ibrahim, who has been appointed as Independent Director of the Company with effect from 1 September 2020. Dr Yaacob brings with him deep and varied experiences, including knowledge in the area of Environment and Water Resources, and Communications and Information.

With the collective deep and varied experiences of our board, including strong expertise in the areas of environment and water resources, investment and finance and architecture and sustainability, we can look forward to a good diversity of robust views on these important areas as we chart Oceanus' next phase of growth.

On behalf of the Board, I thank the Oceanus family for their commitment, tenacity and exceptional teamwork in laying the groundwork for the Group's growth plans. Also, I would like to extend my sincere gratitude to our shareholders, partners and business associates for their confidence and unwavering support for Oceanus.



Yours Sincerely,
Peter H.K. Koh, PBM
Executive Director & Group CEO



MEET THE MASTERMINDS leading our transformation

Meet the team leading Oceanus' ecosystem in synergy. Together, they serve as the backbone, delivering our promise to you and bringing our vision of food sustainability and security to life.

BOARD OF DIRECTORS

- 1 MR PETER H. K. KOH, PBM
Executive Director & Group CEO
- 2 MR EDWARD LOY CHEE KIM
Independent, Non-Executive Director
- 3 MR EUGEN CHUA
Non-Independent, Non-Executive Director
- 4 DR YAACOB BIN IBRAHIM
Independent, Non-Executive Director
- 5 MR ZAHIDI BIN ABD RAHMAN
Independent, Non-Executive Director

SENIOR MANAGEMENT

- 1 MS DAPHNE LIM
Group Director,
Corporate Planning & Strategy
- 2 MR DUANE HO
Group Chief Financial Officer
- 3 MS JENNY KOH
Group Director,
Food Production
- 4 MR SAMMUL LIN
Group Director, Commerce
- 5 MS TAN MAY LING
Group Financial Controller

MANAGEMENT

- A MR DERRICK TAN
Procurement &
Supplier Management
- B MR NICK TAN
Digital Media Technology
- C MS SHERO DONG
Operations &
Partner Management
- D MR TIMOTHY CHUA
Business Development
& Innovation



Mr Peter H.K. Koh, PBM
Executive Director & Group CEO

Board of DIRECTORS

Mr Peter H.K. Koh, PBM, was appointed as the Group's Chief Executive Officer in December 2014. Mr Koh has been instrumental in driving the strategic direction and development of the Group's business since his appointment, including the diversification and expansion of the Group's business model beyond farming, building new income streams for Oceanus' long term sustainable growth. He was also pivotal in the Group's successful debt restructuring exercise, which was completed in December 2017, that had reversed the Group's balance sheet back into the black.

In recognition of his efforts and pivotal role in the Group's successful restructuring, Mr Koh was conferred the 2018 Outstanding CEO Award by Influential Brands, which was held in conjunction with the 2018 ASIA CEO Summit.

Mr Koh has more than three decades of experience across multiple industries, including media, branding, manufacturing and environment sustainability. Within the aquaculture industry, Mr Koh has taken up various positions with aquaculture innovation and research bodies, such as member of Advisory Board of James Cook University and member of Advisory Council of the Singapore Aquaculture Innovation Centre.

An astute entrepreneur, Mr Koh actively champions social causes and was conferred the Public Service Medal in 2014.

Mr Edward Loy was appointed to the Board as an Independent, Non-Executive Director on 3 May 2018. Mr Loy is the Chairman of the Audit Committee. He was last re-elected on 31 July 2019.

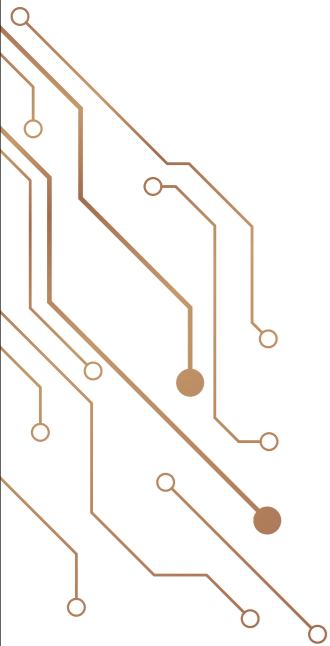
Mr Loy has almost three decades of experience across multiple industries – including Banking, Insurance and FMCG – in various markets across the Asia-Pacific region. He brings with him rich experience in financial restructuring, mergers & acquisitions, risk management, operational and general management.

Currently the Managing Director of KONE Malaysia, he has also held senior positions in several multi-national companies. He was Regional Audit Manager at Unilever and Regional Finance Director at Saint-Gobain before becoming its Managing Director for Malaysia, Singapore and Indonesia. His work with these global companies has taken him to living in different countries across 2 continents. He was posted to China twice in his career.

Mr Loy holds a Bachelor of Commerce (Economics and Accounting) from The Australian National University and is a qualified Certified Public Accountant. Mr Loy completed Executive Management Programs at MIT Sloan in 2015 and IMD in 2018.

Mr Edward Loy Chee Kim
Independent, Non-Executive Director





Mr Eugen Chua was appointed as an Independent, Non-Executive Director on 2 October 2019, and was redesignated as Non-Independent, Non-Executive Director on 5 April 2020.

Mr Chua has almost two decades of experience across a range of industries, holding key finance and investment positions. He is currently the Chief Investment Officer of CFAM Pte. Ltd., where he manages a portfolio of both public and private market investments across multiple asset classes. Mr Chua is also the investment manager of Alacrity Investment Group, Oceanus' largest shareholder. Before joining CFAM, Mr Chua held senior positions in several financial advisory and private equity firms. He was previously Executive Director at Cap One Financial Limited, and Chief Financial Officer of Fulton Capital Management Limited, where he was engaged in the core disciplines of corporate finance and asset management.

Prior to that, Mr Chua served for close to a decade as the Chief Financial Officer of D'League Pte. Ltd., a leading retailer and distributor of luxury brands including Richard Mille and Boucheron.

Mr Chua is a Chartered Accountant (Singapore), an ASEAN Chartered Professional Accountant, as well as a Chartered Valuer and Appraiser. He graduated with a Bachelor of Accountancy (Hons) from Nanyang Technological University and a Master of Liberal Arts from Harvard University.

Mr Eugen Chua
Non-Independent, Non-Executive Director



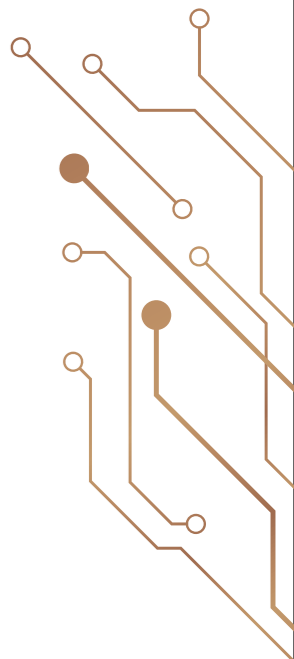
Dr Yaacob Bin Ibrahim
Independent, Non-Executive Director

Dr Yaacob was appointed to the Board as an Independent, Non-Executive Director on 1 September 2020. As former Minister for Communications and Information, Dr Yaacob adds diversity to Oceanus' Board of Directors with extensive and varied experience in the area of Environment and Water Resources, and Communications and Information.

Dr Yaacob is currently a professor of engineering at the Singapore Institute of Technology ("SIT") where he is also the Advisor to the President of SIT. He also advises several start-ups and sits on several boards of private companies and unions.

Dr Yaacob served as a Minister in the Ministries of Communications and Information (2011 - 2018), Environment and Water Resources (2004 - 2011) and Community Development and Sports (2002 - 2004). Throughout his 16 years as a Minister, he was also Minister-in-charge of Muslim Affairs. He started his political career as a Member of Parliament in Jalan Besar GRC on 2 January 1997. He held several political appointments before becoming a minister in 2002. Dr Yaacob stepped down from the cabinet on 30 April 2018 after 23 years of service.

Dr Yaacob obtained his PhD at Stanford University and spent two years as a post-doctoral fellow at Cornell University. He also holds a Bachelor of Engineering (Honours) and a Master of Science from the University of Singapore.





Mr Zahidi Bin Abd Rahman
Independent, Non-Executive Director

Mr Zahidi was appointed to the Board as an Independent, Non-Executive Director on 26 June 2020. Mr Zahidi is Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee. Mr Zahidi has almost three decades of experience as an architect, providing architectural, interior design and project management services for buildings, housing and townships, as well as education institutions.

Currently the Principal Architect of Zahidi A.R. Arkitek, Mr Zahidi's key projects include Eastparc Hotel Yokyakarta, Kebun Villas in Lombok, Somerset, Bencoolen, Curtin University (Singapore) and Danga Utama Commercial Development (JB, Malaysia). Mr Zahidi is also a board member of the Singapore Malay Chamber of Commerce and Industry and the Mendaki Foundation.

He was previously a board member of the Central Provident Fund Board, the Infocomm Media Development Authority and the National Heritage Board.

Mr Zahidi holds a Bachelor of Arts (Arch. Studies) and a Bachelor of Art (Hon) from the National University of Singapore.

Paving the way for a
GREATER TOMORROW

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A WALK THROUGH TIME

GROWING SUSTAINABLY THROUGH THE YEARS

2008

OCEANUS GROUP LIMITED LISTED ON SGX

2012

1ST AUDIT DISCLAIMER due to unascertainable biological asset mortality losses, lack of internal controls, corporate governance framework, and insufficient evidence on rights of ownership of assets and farms in China.

2013

OCEANUS' ABALONE FARMS WERE DAMAGED BY TYPHOON USAGI. Trading was suspended due to abnormal abalone deaths.



2014

DEFAULTED ON DEBTS TOTALLING S\$94 MILLION with a negative net asset position of approximately S\$66 million. Creditors assumed full control over Oceanus' farming assets and began debt enforcement proceedings.

TURBULENT HISTORY

Throughout our history, Oceanus has emerged stronger from every great challenge and stayed true to its promise on building sustainable value and trust for its shareholders. From our Clean Up Phase to our Build Up Phase, we have stood steadfast to our beliefs, delivering on our goals to steer the company back in the right direction and diversifying our business for long-term growth.



MR PETER H. K. KOH, PBM
APPOINTED AS GROUP CEO
to spearhead Oceanus' turnaround.

2015

Outlined cost-cutting measures and commenced our transition to **HATCHERY BUSINESS MODEL**

THE CLEAN UP

Fulfilling our promise to reduce cost, optimise our operations and eliminate all our debt.

2016

OUTLINED PROGRESS IN TURNAROUND STRATEGIES:

- Successful transition of business model from farming to hatchery
- Secured first Original Equipment Manufacturer (OEM) sales order
- Achieved 60% reduction in overheads and expenses

Launched Oceanus Abalone for shareholders.

Regained control of farms.

2017

COMPLETED DEBT RESTRUCTURING EXERCISE

and eliminated all debt through cash repayments and debt-to-equity conversion. Received S\$6 million in fresh equity injection, resulting in a net asset positive position.



2020

INVESTED IN UNIVERSAL AQUACULTURE PTE. LTD., a Singapore-based start-up focused on deep tech indoor farming of live vannamei prawns.

Long-term strategic shareholder, Alacrity Investment Group Limited acquired a significant stake in Oceanus. This represented the exit of Oceanus' last major ex-creditor and **HERALDED CONFIDENCE IN ITS LONG-TERM GROWTH STRATEGY.**

ACHIEVED A NET PROFIT GROWTH OF S\$8.6 MILLION and record-high revenue of S\$92.1 million, the highest turnover since our listing in 2008.

OCEANUS' 1ST FOODTECH HUB to be set up in Hainan, China with the Hainan Raffles Group, a Chinese conglomerate, establishing a key regional aquaculture centre for shrimp and fish farming.

1ST 'CLEAN' UNQUALIFIED AUDIT STATUS that marked the successful resolution of all legacy issues that caused disclaimer of opinion from FY2011-FY2017.

INCORPORATED SEASON GLOBAL TRADING PTE. LTD. to access new geographical markets.

THE BUILD UP

Building our revenue and profitability by strengthening our foundation and creating new revenue streams.



2018

REVAMPED OUR STRATEGY WITH THE 4 PILLARS OF GROWTH

-  **AQUACULTURE**
-  **DISTRIBUTION**
-  **SERVICES**
-  **INNOVATION**

2019

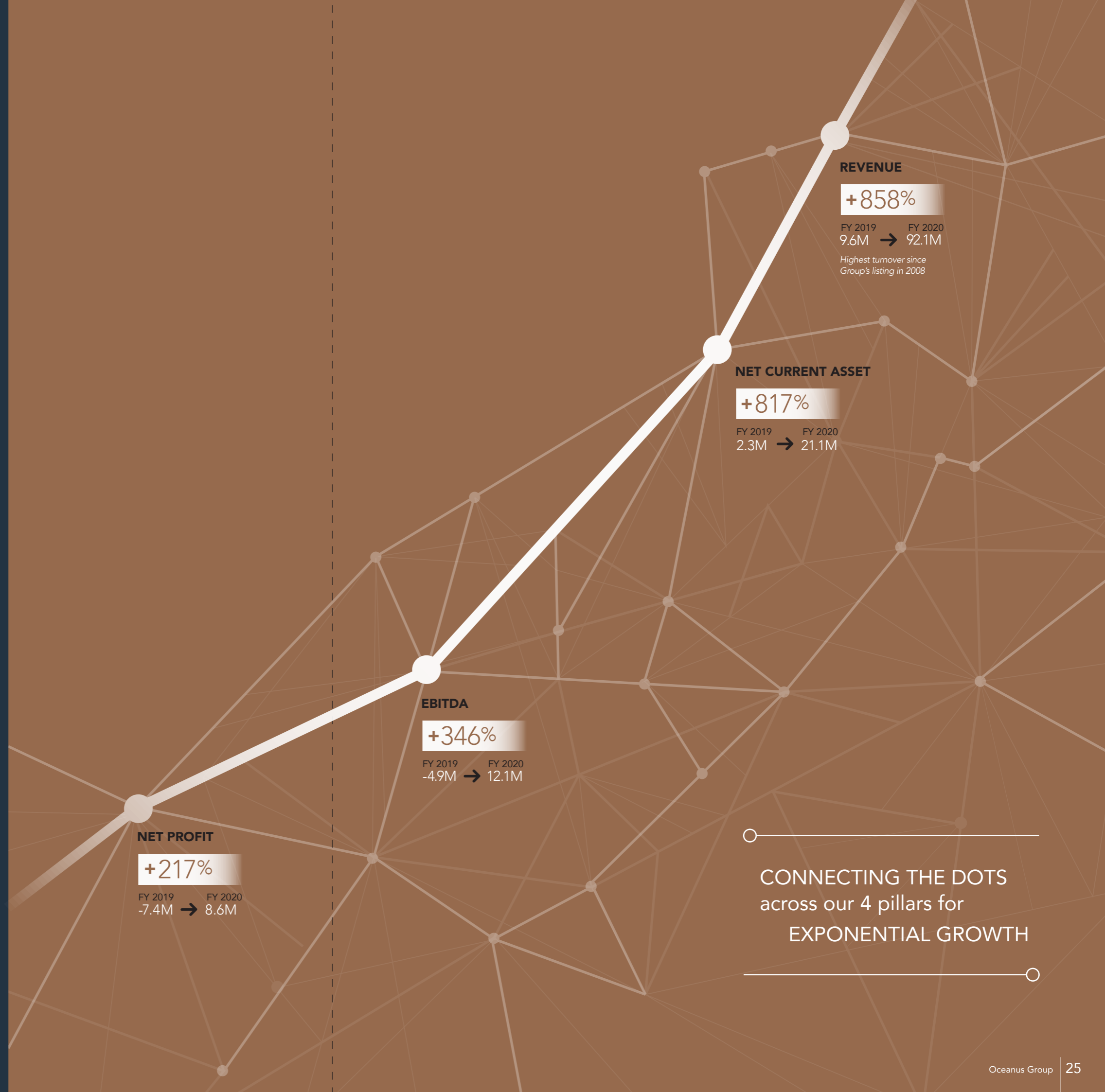
INCORPORATED ASIA FISHERIES (FKA OCEANUS FEED) to expand our seafood range and distribution markets.

ACQUIRED AP MEDIA to support our digital media needs.



OUR MILESTONES DELIVERED

For the Build Up Phase



REVENUE

+858%

FY 2019 9.6M → FY 2020 92.1M

Highest turnover since Group's listing in 2008

NET CURRENT ASSET

+817%

FY 2019 2.3M → FY 2020 21.1M

EBITDA

+346%

FY 2019 -4.9M → FY 2020 12.1M

NET PROFIT

+217%

FY 2019 -7.4M → FY 2020 8.6M

○ ————— ○

CONNECTING THE DOTS
across our 4 pillars for
EXPONENTIAL GROWTH

————— ○

OUR DNA: what we embody

OUR VISION

Building sustainability today for the security of tomorrow

At the heart of Oceanus, lies our core drive to continuously create value for all stakeholders. With our deep passion and entrepreneurial astuteness, we work together to achieve sustainable success. In the face of adversity, our unique and resilient constitution enables us to not only rebound every time, but springboard to even greater heights.

Throughout our journey, we will continue to practice utmost transparency and openness with our stakeholders. Oceanus strongly believes that trust is crucial to a sound foundation for any relationship. Furthermore, we take into consideration our future generations. Together, let us work toward building a business that can truly contribute towards a sustainable tomorrow.

OUR VALUES

- INTEGRITY
- ENTREPRENEURSHIP
- WIN-WIN
- SUCCESSION



About OCEANUS GROUP

Oceanus is a global corporation listed on the Mainboard of the Singapore Exchange ("SGX") since 2008, with a diverse business portfolio, spanning Food Production, Distribution, Services and Innovation.

FOOD PRODUCTION



DISTRIBUTION



SERVICES



INNOVATION



BUILDING A SUSTAINABLE & RESILIENT BUSINESS

Since 2018, we have been reaping cross-selling opportunities through our synergistic growth pillars, resulting in highly scalable business verticals, while creating new revenue streams across the aquaculture and fast-moving consumer goods (FMCG) value chain, to ensure sustainable growth.

OUR MULTINATIONAL presence

In 2018, we committed ourselves to growing our business beyond a **'one product, one country'** organisation.

Over the years, Oceanus has seamlessly diversified with its four growth pillars, creating multiple revenue streams for long-term sustainable growth. Our international footprint has expanded beyond Singapore and China, to a total of 13 offices in 6 countries.



FOOD PRODUCTION

Since our inception, aquaculture has been a cornerstone pillar of Oceanus' business. We remain committed to delivering the gold standard in fresh and frozen food products to all our partners.

Strong potential for growth:

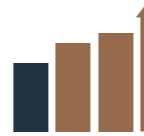
- Total global seafood market value was estimated to be about USD 150 billion in 2016
- Forecasted to grow at a compounded annual growth rate (CAGR) of approximately 4.3%
- Forecasted to hit USD 210 billion in 2024

Oceanus' strategies to leverage sustainable practices and adoption of cutting-edge food production technologies have positioned us at the forefront of addressing global food security issues.

HIGHLIGHTS

BUSINESS TRANSFORMATION

from farming to contract farming and farm leasing model, thereby effectively reducing risk and increasing profit



DIVERSIFIED into deep tech farming

One of the **WORLD'S LARGEST** land-based farm owners



ENLARGED our product range from partnerships with seafood logistics and fisheries companies

DISTRIBUTION

To guarantee prompt delivery and impeccable quality control, Oceanus oversees the distribution of products from the first to the last mile. This greatly boosts our competitive advantages in market exposure, as well as operational speed.

Leveraging our established corporate presence and global trading network, we have strengthened our position throughout the value chain — from raw materials to an expanding portfolio of consumer goods.

HIGHLIGHTS

OVER 2,000 different FMCG Products



Distribution in **16 COUNTRIES**

Launched our own **IN-HOUSE** brand products



Invested **\$20 MILLION** in distribution capabilities

SERVICES

Oceanus continues to grow our service offerings beyond product distribution, and now provides services ranging from consultation and business strategies to media solutions and corporate branding.

We offer in-house capabilities in aquaculture consulting, marketing and branding to clients and third parties. Thus, Oceanus is further empowered to boost the productivity of our FMCG segment, as well as create more profit centres.

HIGHLIGHTS

ESTABLISHED

SCOPI (Singapore China Oceanus Property Investment) to manage our landbank in China



Collaborated on **NATIONAL MEDIA EVENTS** in Singapore and Cambodia

WON 2020

digital marketing award for Singapore's first virtual fashion festival, The Front Row Festival



Resolute Communications Pte. Ltd. was set up with a specialisation in **EXPERIENTIAL MARKETING**

INNOVATION

To constantly stay ahead of the curve, Oceanus relentlessly pursues cutting-edge aquaculture research & development (R&D) alongside our industry partners and institutions.

Our international strategy of collaborative innovation has culminated in the establishment of the Oceanus Oceanic Institute in Zhangpu, China and Oceanus Innovation Centre in Singapore. These endeavours are testament to Oceanus' dedication to shaping the future of farming and food security.

HIGHLIGHTS

Established the Oceanus **OCEANIC INSTITUTE** in Zhangpu, China and Oceanus Innovation Centre @ Temasek Polytechnic



Organised **EDUCATION TOURS** on abalone farming to China

Our 1st foray to digitalising our business through our **SG FARMER E-COMMERCE PLATFORM**



1ST OCEANUS FOODTECH HUB earmarked in Hainan, China

2015 - 2017

CLEAN UP PHASE SUMMARY

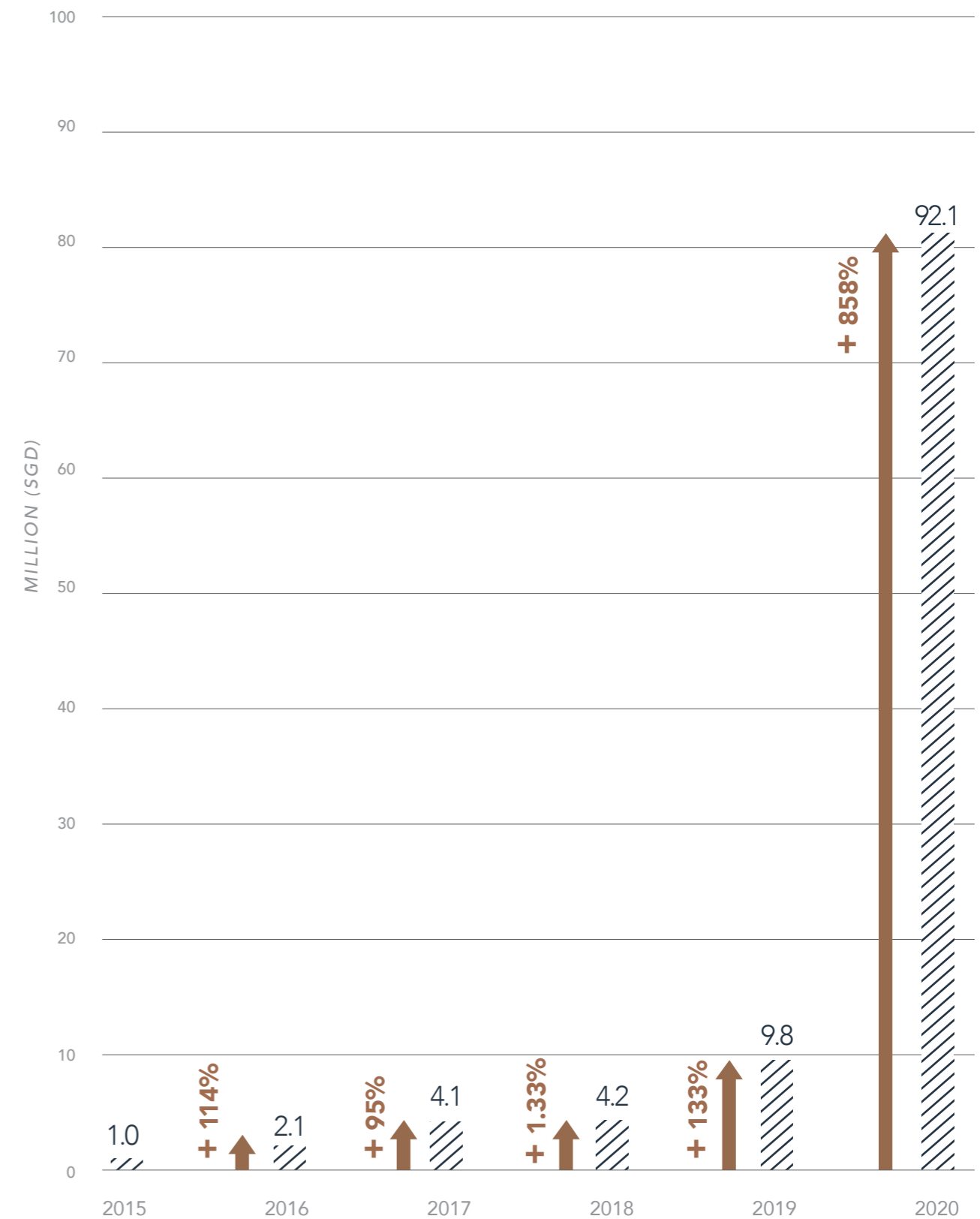
- 1 Successful cost cutting in operations, resulting in 70% reduction in operational costs in 2015.
- 2 Successful debt restructuring in December 2017, resulted in the elimination of SGD92.2 million liabilities.
- 3 Completed business restructuring from farming to hatchery (1st operational profit for FY2017).
- 4 The Group's negative net asset position reversed by 123% to SGD22.3 million in 2017.
- 5 Fully regained control of our farms.
- 6 1st attachments from educational institutions and retail investors visit to Oceanus farms.

2018 - 2020

BUILD UP PHASE SUMMARY

- 1 Independent auditors upgraded their opinion from 'Disclaimer' to 'Qualified' in 2018, followed by a clean 'Unqualified' opinion from 2019 onwards.
- 2 Constant growth in revenue, with an exponential increase (858%) in revenue in FY2020, achieving a record high turnover of SGD92.1 million.
- 3 Reversal of net loss of SGD7.4 million in FY2019 to a profit of SGD8.6 million in FY2020.
- 4 With increased working capital funding from banks under Enterprise Financing Schemes, our net current asset position increased 9.2 times to SGD21.1 million.
- 5 Total of SGD20 million invested into expansion of the Group's Distribution segment.
- 6 Successful setup of Oceanus' synergistic ecosystem (4 pillars of growth).
- 7 Exit of major shareholder (creditor) and entry of long-term strategic shareholder, Alacrity.

REVENUE



A LEGACY in progress

Today, our successful business growth and commitment to corporate governance and social responsibility are recognised by several government agencies and institutions.



ASEAN BUSINESS AWARDS 2019

Oceanus won top honours in the SME Excellence Growth category at the ASEAN Business Awards 2019. We were recognised for staging a strong financial turnaround, following the successful completion of our debt restructuring exercise in December 2017, which saw us move from a negative to positive asset position.

The Group was also lauded for diversifying our business by creating new revenue streams to ensure long-term sustainable growth. Since 2017, Oceanus has expanded our presence to over 10 countries and has diversified our businesses across four key pillars: food production, distribution, services and innovation.

"This award is a strong endorsement of our team's collective efforts to steer the company back in the right direction. This will spur us on to further harness synergies across our four highly scalable growth pillars, and ensuring sustainable long-term growth for our shareholders and stakeholders,"

— Oceanus Group CEO, Peter H. K. Koh, PBM.



SINGAPORE TOP 1000 COMPANY

For the past 30 years, the Singapore 1000 Family of Rankings (Singapore 1000 & Singapore SME 1000) ranks Singapore's top companies annually, based on company revenue, net profit and equity. The Singapore 1000 takes into consideration all companies and analyses over 70,000 audited financials annually to determine the top 1000 corporations and SMEs in Singapore. Experian is the official ranking body of companies in Singapore, with EY as co-producer and the Singapore Business Federation (SBF), Enterprise Singapore (ESG), Accounting and Corporate Regulatory Authority (ACRA) and Infocomm Media Development Authority (IMDA) as supporting partners.

In 2020, Oceanus was ranked as Singapore Top 1000 company by profit margin, coming in 132nd. In 2019, Oceanus was ranked as Top Overall 1000 public listed company in Singapore.

OUTSTANDING CEO AWARD

In 2018, Group CEO, Mr Peter H. K. Koh, PBM, was conferred the Outstanding CEO award by Influential Brands.

He accepted the award during the annual ceremony, which was held in conjunction with the 2018 ASIA CEO Summit in Singapore.

The coveted Outstanding CEO award acknowledges the top corporate leaders in the region, who possess a track record of creating new brand concepts and have demonstrated the ability to take calculated risks when expanding their respective businesses. Recipients are further evaluated on their organisations' financial performance, their teams' ability to innovate, and his/her personal integrity.





RECOGNITION FOR GOOD CORPORATE GOVERNANCE

Oceanus believes in being transparent with all shareholders. With the onboarding of a new management team in 2015, deliberate and systematic steps were taken to rebuild the company, including embracing good corporate governance practices.

Oceanus continues to maintain a high level of board independence, with 60% of members comprising independent directors, including one to oversee the audit committee. Since 2017, the Group has remained committed to upholding the highest standards of corporate transparency by actively engaging shareholders through the Securities Investors Association (Singapore)'s platform.

In 2020, Oceanus received our highest Singapore Governance and Transparency Index (SGTI) score since 2011, highlighting the Group's commitment to corporate governance excellence.

The SGTI is a collaboration between Certified Practising Accountant (CPA) Australia, NUS Business School's Centre for Governance, Institutions and Organisations (CGIO), and Singapore Institute of Directors (SID); and is the leading index for assessing corporate governance practices of Singapore-listed companies.

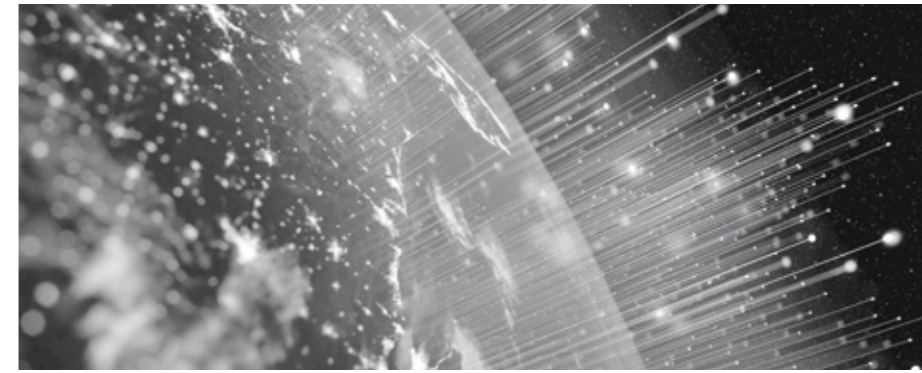
A NEW ERA
FOR OCEANUS
is about to begin

2021 AND BEYOND

OCEANUS, THE FOODTECH COMPANY

The resonance from the ongoing COVID-19 pandemic continues to shine a light on the critical importance of food security across the globe. According to World Bank research, several challenges such as widespread disruption, continue to affect the food supply chain at domestic levels, despite global agricultural markets remaining relatively stable.

To address this difficulty, Oceanus will be digitalising its entire value chain. The Tech Up phase will focus on developing deep tech solutions aimed towards the development of a sustainable food production and distribution framework. With well established capabilities, we are well-positioned to advance our vision in securing Singapore's food security and future-proofing our business.



HOLDING GREAT PROMISE FOR OUR FUTURE

In the Build Up Phase (2018 – 2020), Oceanus has successfully established a strong foundation through our four growth pillars – Food Production, Distribution, Services, and Innovation. This foundation enables the Group to harness synergies across our portfolio.

In 2020, we made excellent progress in the development of high-value IPs, while building our network of key partners for the subsequent growth phase:

- In September 2020, the Group invested in deep tech farm start-up, Universal Aquaculture, to further boost our aquaculture foothold and overall business growth;
- In November 2020, the Group signed an agreement with Hainan Raffles Group, a Chinese conglomerate, to set up the world's first Oceanus FoodTech Hub in Hainan, China.

3-YEAR TECH UP ROADMAP OUR NEXT STEPS

Since 2020, Oceanus has kept an active lookout for prospective partners to collaborate on the next phase of the Group's growth plan.

ESTABLISH NETWORK

2021

Develop IPs and build network of key partners

GLOBAL DEPLOYMENT

2022

Global deployment of Oceanus FoodTech Hubs

INCREASE COMPANY VALUATION

2023

Establish Oceanus as one of the world's leading industry players

Helping hands:
GIVING BACK
TO SOCIETY



CORPORATE SOCIAL RESPONSIBILITY

Beyond financial excellence, the Oceanus Group also believes in giving back to the community, while enhancing the latter's quality of life through various means.



WILLING HEARTS 2020

The Oceanus Group aspires to be the medium for positive social and environmental impact within the local community. In FY2019, Oceanus held a charity event called the "Oceanus' Smile Project". Through this project, Oceanus, together with its friends, donated 6500 cans of abalones to Willing Hearts kitchen. Oceanus' staff also volunteered to prepare and deliver the lunch boxes to the needy families.



DONATION TO RP SCHOLARSHIP (SUSTAINABILITY)

The Oceanus Group believes in its role in paving the next generation's path for food security. Since 2018, Oceanus proudly sponsored the Republic Polytechnic Education Fund (RPEF), which was setup by the Polytechnic to provide financial assistance schemes to students. This is based on the belief that all students are entitled to a quality education experience, regardless of background.



ENVIRONMENTAL COMMUNITY PROGRAMME

Extending our commitment to environmental sustainability, from December 2019 to January 2020, the Oceanus Group has supported the Waterways Watch Society (WWS), donating S\$1 for every online abalone sale.

PUTTING OUR BEST FOOT FORWARD

on sustainability

OUR SUSTAINABILITY PHILOSOPHY

By incorporating sustainability issues into our strategic formulation, we aim to grow our business, without adversely impacting the environment that we operate in, while steadfastly adhering to our long-term goals of enhancing food security and food safety. We aspire to shape the future of aquaculture through sustainable R&D and research-based farming.

STRONG SUSTAINABILITY GOVERNANCE

Established a Sustainability Task Force, comprising the heads of various departments and chaired by the Group Chief Financial Officer.

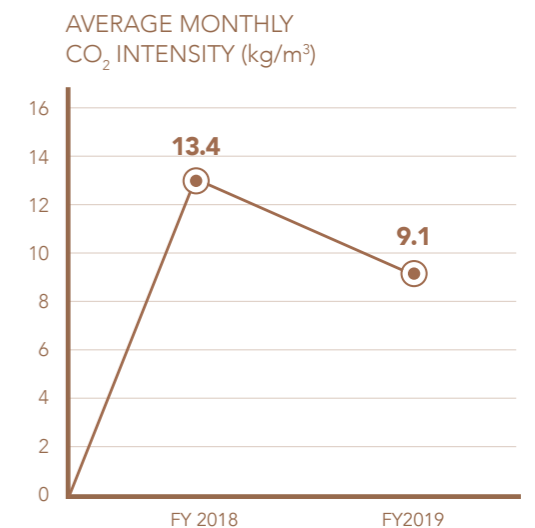
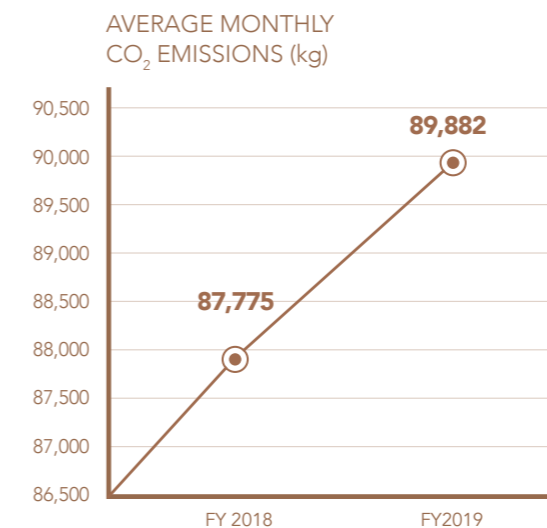
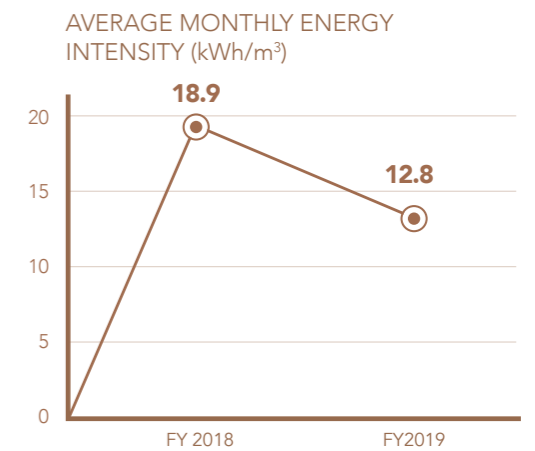
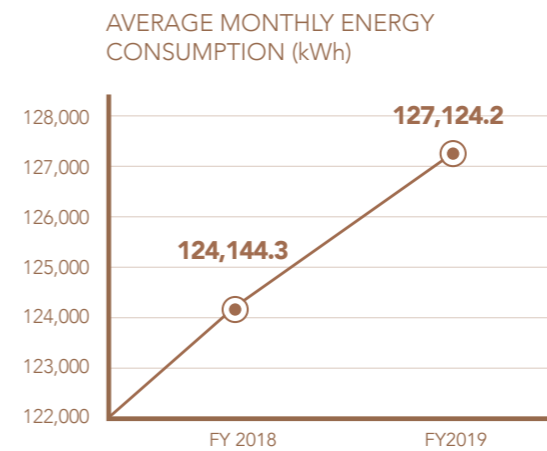
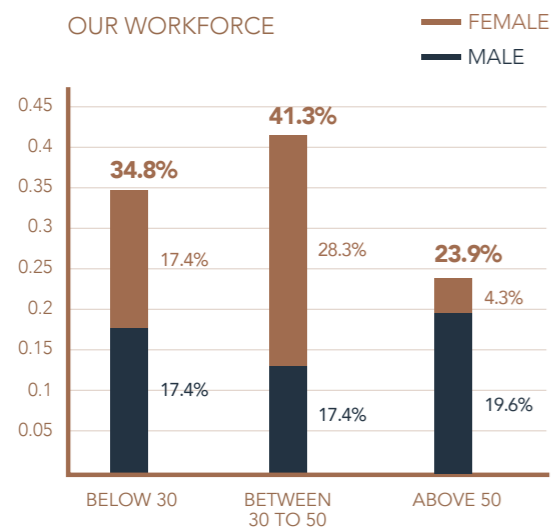
MEANINGFUL STAKEHOLDER ENGAGEMENT

Identified key stakeholders, their engagement platforms and participated in meaningful and productive dialogue about their concerns.

OUR PEOPLE, OUR RESPONSIBILITY

Staying committed to the sustainable development of the community and our staff:

- Adequate health & safety trainings to ensure workplace safety
- Goal of zero fatal accidents at all worksites
- Remunerating all employees fairly regardless of age or gender
- Providing a conducive work environment that fosters fairness, equality & respect for diversity



INSPIRING ENVIRONMENTAL STEWARDSHIP

- Strict implementation of environmental policies amongst all staff and workers
- Increased energy efficiency at all stages of our farming operations
- Optimal activation of seawater pumps
- Located farms closer to the shoreline to reduce energy needed for pumping seawater
- Shaded tanks with black netting to eliminate need for water cooling equipment during the summer

CORPORATE information

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Proxy Form

DIRECTORS

EXECUTIVE DIRECTOR AND CEO
Peter Koh Heng Kang

INDEPENDENT DIRECTORS
Edward Loy Chee Kim
Zahidi Bin Abd Rahman
Yaacob Bin Ibrahim

NON-EXECUTIVE DIRECTORS
Eugen Chua

AUDIT COMMITTEE
Edward Loy Chee Kim (Chairman)
Zahidi Bin Abd Rahman
Eugen Chua

NOMINATING COMMITTEE
Zahidi Bin Abd Rahman (Chairman)
Edward Loy Chee Kim
Peter Koh Heng Kang

REMUNERATION COMMITTEE
Yaacob Bin Ibrahim (Chairman)
Edward Loy Chee Kim
Eugen Chua

COMPANY SECRETARIES
Raymond Lam Kuo Wei
Leh Si Yuan

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REGISTRAR
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

BANKERS
United Overseas Bank
DBS Bank Ltd
Bank of China

AUDITOR
RSM Chio Lim LLP
8 Wilkie Road
#03-08
Wilkie Edge
Singapore 228095

Partner-in-charge:
Ng Thiam Soon
(since financial year 2018)

CORPORATE governance report

The Board of Directors (the “Board” or the “Directors”) and Management of Oceanus Group Limited (the “Company”) are committed to maintaining a high standard of corporate governance (including accountability, transparency and sustainability) and business conducts that balancing the interests of the Company’s stakeholders. The Group is also committed to maintaining a high standard of accountability to the shareholders of the Company by complying with the benchmark set by the Code of Corporate Governance 2018 (the “Code”) where it is applicable and practical to the Company and its subsidiaries (the “Group”) in the context of the Group’s business and organisation structure.

This Annual Report sets out the corporate governance practices and procedures that have been adopted by the Group with specific reference to the principles and provisions of the Code, the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual”) and the Companies Act (Cap. 50) of Singapore (“Act”) where applicable, except where there are deviation from the Code, appropriate explanations are provided.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is entrusted with the responsibility for the overall management of the business, corporate affairs, corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Group.

Despite the Company had announced the cessation of quarterly reporting, the Board will continue to meet on a quarterly basis to discharge its duties effectively and convene ad-hoc Board meetings as and when they are deemed necessary. In between Board meetings, other important matters will be put to the Board’s approval by way of circulating resolutions in writing. The Company’s Constitution provide for meetings of Directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or other means.

Matters which specifically require the Board’s decision or approval are those involving:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nomination of Board for appointment to the Board and appointment of key personnel;
- quarterly (if applicable), half yearly^{Note A} and full year results announcements, the annual report and accounts;
- identification of the key stakeholder groups and review of the effect of their perception on the Company’s reputation;
- sustainability issues as part of its strategic formulation;
- material acquisitions and disposal of assets; and
- all matters of strategic importance.

All other matters are delegated to board committees (“Board Committees”) whose actions are monitored and endorsed by the Board. These committees include the Audit Committee (“AC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”), which operate within written terms of reference and functional procedures.

CORPORATE governance report

Each Director acts in good faith and in the best interest of the Company. All Directors are expected to fulfil their duties to objectively take decisions in the interest of the Company. Where there are circumstances of conflict of interest/possible conflict of interest on any transaction/proposed transaction with the Company, the Director(s) involved are required to disclose his/her interests in a timely manner and refrained from participating in the discussions on the matter.

The number of meetings held and the attendance at meetings of the Board and Board Committees by the previous and present Directors of the Company during the financial year end 31 December 2020 (“FY2020”) are, as follows:

	Board	AC	NC	RC
Number of meetings held	5	5	1	1
	Number of meetings attended			
Peter Koh Heng Kang	5	N.A.	N.A.	N.A.
Stephen Lee ⁽¹⁾	4	3	1	1
Kee Poir Mok ⁽²⁾	2	1	1	1
Edward Loy Chee Kim ⁽³⁾	5	5	N.A.	N.A.
Eugen Chua ⁽⁴⁾	5	1	1	1
Zahidi Bin Abd Rahman ⁽⁵⁾	2	2	N.A.	N.A.
Dr. Yaacob Bin Ibrahim ⁽⁶⁾	1	N.A.	N.A.	N.A.

Notes:

- (1) Mr Stephen Lee was resigned as a Non-Independent Non-Executive Director, a member of each of the NC, the AC and the RC of the Company on 8 July 2020.
- (2) Mr Kee Poir Mok was retired as an Independent Non-Executive Director at the conclusion of the Company’s Annual General Meeting held on 29 June 2020. He also ceased to act as the Chairman of NC and a member of each of the AC and the RC of the Company.
- (3) Mr Edward Loy Chee Kim was appointed as a member of the NC on 5 April 2021.
- (4) Mr Eugen Chua was appointed as a member of AC of the Company on 1 September 2020. Subsequently, Mr Eugen Chua was re-designated as Non-Independent Non-Executive Director on 5 April 2021. He also relinquished to act as the Chairman of the RC and a member of the NC on 5 April 2021.
- (5) Mr Zahidi Bin Abd Rahman was appointed as an Independent Non-Executive Director, Chairman of the NC and a member of each of the AC and the RC of the Company on 29 June 2020. Subsequently, he relinquished to act as a member of the RC on 5 April 2021.
- (6) Dr. Yaacob Bin Ibrahim was appointed as an Independent Non-Executive Director of the Company on 1 September 2020. He was appointed as a member of the RC, subsequently, be appointed as the Chairman of the RC on 5 April 2021.

N.A. = Not applicable

Directors are also informed and encouraged to attend seminars and receive training to improve themselves in discharge of their duties as Directors. The Company will work closely with professionals to provide its Directors with updates on changes to relevant laws, regulations and accounting standards.

The newly appointed Directors are given an orientation on the Group’s business strategies and operations. Directors also have the opportunity to visit the Group’s operating facilities and meet with Management to gain a better understanding of

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the Group's business operations and governance practices. Mr Zahidi Bin Abd Rahman and Dr. Yaacob Bin Ibrahim were the incoming directors during the financial year under review. As the first-time Director to the listed issuer, Mr Zahidi Bin Abd Rahman will attend the relevant Listed Entity Director training courses which are organised by the Singapore Institute of Director as prescribed by the SGX-ST within the stipulated timeline. Based on Dr. Yaacob's past directorship, he had experience as a director in a Singapore-listed entity and is not regarded as a "First-Time Director" as prescribed by the SGX-ST.

During the year, the Directors attended various conferences, workshops and training programmes organised by the Singapore Institute of Directors, Singapore Management University, the Institute of Banking & Finance Singapore etc. In addition to the training courses/programmes, Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations.

In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Further, Non-Executive Directors and Independent Directors are routinely briefed by the Executive Director or Management at Board meetings or at separate sessions on business developments of the Group. Non-Executive Directors and Independent Directors, either individually or as a group, have full access to the Executive Director, Management and the Company Secretary.

In furtherance of their duties, the Directors may seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities. The appointment of such independent professional advisers is subject to the approval of the Board.

The Company Secretaries attend all Board and Board Committees' meetings. Together with Management, the Company Secretaries are responsible for ensuring that appropriate Board procedures are followed and that the requirements of the Act and the provisions in the Mainboard Rules are complied with. The appointment or removal of the Company Secretaries is a matter for the Board as a whole.

The Directors are briefed either during Board and Board Committee meetings or by the Company Secretaries of these changes especially where these changes have an important bearing on the Directors' disclosure obligations.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Annual Report, the Board comprises the following directors:

Mr Peter Koh Heng Kang	Executive Director and Chief Executive Officer
Mr Eugen Chua	Non-Independent Non-Executive Director
Mr Edward Loy Chee Kim	Independent Non-Executive Director
Mr Zahidi Bin Abd Rahman	Independent Non-Executive Director
Dr. Yaacob Bin Ibrahim	Independent Non-Executive Director

The profile of each member of the Board is found in the "Board of Directors" section of this Annual Report.

The Board currently comprises three (3) Independent Non-Executive Directors, namely Mr Edward Loy Chee Kim, Mr Zahidi Bin Abd Rahman and Dr. Yaacob Bin Ibrahim, one (1) Executive Director, namely Mr Peter Koh Heng Kang, and one (1) Non-Independent Non-Executive Director, namely Mr Eugen Chua. Mr Eugen Chua had been re-designated as the Non-Executive Non-Independent Director of the Company with effect from 5 April 2021 due to his appointment as an investment manager of a substantial shareholder of the Company. Details of the announcement had been released to the SGX-ST on 5 April 2021. The Board will source for suitable candidates who can strengthen the experience and expertise

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of the Board and Board Committee. The Company has not yet taken firm decision on the appointment of a new Chairman and continues to search for a suitable candidate.

The Board considers that there is a strong independent element retained in the Board as the numbers of Independent Directors represent majority of the Board. Non-executive Directors of the Company also make up a majority of the Board.

The Board considers an "Independent Director" as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related companies, its 5% shareholders or its officers who could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the conduct of the Group's affairs. The Board believes it is able to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues. Each Independent Director is required to complete a confirmation of independence annually to confirm his independence based on the provisions as set out in the Code. Save for the director's shareholding as stated in the Directors' Statement, the Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, or its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company. The NC is of the view that Mr Edward Loy Chee Kim, Mr Zahidi Bin Abd Rahman and Dr. Yaacob Bin Ibrahim are independent and satisfied that there is no other relationship which would affect their independence.

Consideration is given to Guideline 2.4 of the Code of Corporate Governance 2012 (continues to apply until 1 January 2022), which states that the independence of any Director who has served on the Board beyond nine (9) years from the date of his first appointment be subject to particularly rigorous review, the NC is charged with the responsibility of monitoring and determining if a director remains independent in accordance with the Code. There are no Independent Directors who have served on the Board beyond nine (9) years.

The Board, through the NC, has examined its structure, size and composition and is of the view that it is an appropriate size for effective decision-making, taking into account the Company's values, mission, strategic and business plan. The NC is also of the view that the current Board comprises persons who as a group possesses core competency required for the Board to be effective. Details of the Board members' qualifications and experience are presented in this Annual Report under the heading "Board of Directors".

The Non-Executive Directors are encouraged to participate in the Board meetings in the development of the Company's strategic plans and directions and in the review of Management's performance against the targets.

To facilitate a more effective check on the Management, the Non-Executive Directors shall meet at least annually without the presence of Management.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

In the Code, the roles and responsibilities of the Chairman and Chief Executive Officer ("CEO") are separate, serving to institute an appropriate balance of power and authority.

The Company has not yet taken a firm decision on the appointment of a new Chairman.

The Chairman is responsible for the following:

- providing effective leadership to the Board in relation to all Board matters;
- guiding the agenda and conducting all Board meetings;

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- in conjunction with the Company Secretaries, arranging regular Board meetings throughout the year, confirming that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Directors;
- overseeing Board succession;
- acting as a conduit between Management and the Board, and being the primary point of communication between the Board and the Management;
- setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board; and
- representing the views of the Board to the public.

The CEO is responsible for the day-to-day operations and management of the Group, as well as the overall strategic policies and directions of the Company. The CEO and Management of the Company are accountable to the Board for the conduct and performance of the operations of the Group. The responsibilities of the CEO and the Chairman are clearly separated and delineated to ensure an appropriate balance and separation of power.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC of the Company currently comprises two (2) Independent Non-Executive Directors, namely Mr Zahidi Bin Abdul Rahman and Mr Edward Loy Chee Kim and one (1) Executive Director, namely Mr Peter Koh Heng Kang. Mr Zahidi Bin Abdul Rahman is the Chairman of NC. Following to the re-designation of Mr Eugen Chua as NINED on 5 April 2021, he had also relinquished to act as a member of the NC.

The roles and functions of the NC are as follows:

- to make recommendations to the Board on all board appointments and re-nominations having regard to the Director's contribution and performance;
- to make recommendations to the Board on the review of board succession plans for Directors, Chairman and CEO;
- to make recommendation to the Board on the development on board evaluation performance;
- to make recommendations to the Board on the review of training and professional development program for the Board;
- to make recommendations to the Board on the appointment and re-appointment of Directors;
- to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
- to determine annually whether a Director is independent, taking into account the definition of an independent director in the Code;

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- to decide whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular, where the Director concerned has multiple board representations;
- to assess the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board; and
- to carry out such other duties as may be agreed to by the NC and the Board.

The NC will ensure that there is a formal and transparent process for all appointments to the Board. It has adopted a written terms of reference defining its membership, administration and duties. A meeting has been held to review the independent status of each Independent Director.

The Constitution requires one-third (1/3) of the Directors (except the Chief Executive Officer) to retire from office at least once every three years at an AGM and the retiring Directors are eligible to offer themselves for re-election. In addition, all Directors are required to submit themselves for re-nomination and re-appointment at least once every three (3) years. This is in line with the Rule 720(5) of the SGX-ST Listing Manual (Mainboard) which came into effect from 1 January 2019.

The re-election of each Director is voted on separately at the AGM. To assist shareholders in their decision, information such as personal profile and meetings attendance of each Director standing for election are furnished in the various sections of this Annual Report. The NC had recommended to the Board that Mr Edward Loy Chee Kim would retire at the forthcoming AGM pursuant to Regulation 111 of the Company's Constitution and eligible for re-election. Mr Zahidi Bin Abdul Rahman and Dr. Yaacob Bin Ibrahim would retire at the forthcoming AGM pursuant to Regulation 121 of the Company's Constitution and eligible for re-election. Mr Peter Koh Heng Kang would retire at the forthcoming AGM pursuant to Rule 720(5) of the SGX-ST Listing Manual (Mainboard) and eligible for re-election. Detailed information of Mr Edward Loy Chee Kim, Mr Zahidi Bin Abdul Rahman, Dr. Yaacob Bin Ibrahim and Mr Peter Koh Heng Kang can be found under the section "Additional Information on New Director and Directors Seeking Re-election".

Mr Zahidi Bin Abdul Rahman and Dr. Yaacob Bin Ibrahim were appointed as the Independent and Non-Executive Director for the financial year under review. In accordance with Regulation 121 of the Company's Constitution, the Directors shall have power at any time and from time to time to appoint any other qualified person as a Director to fill a casual vacancy or as an addition to the Board. The Chairman of the NC or any member of the NC was usually tasked to conduct an interview with the new candidate before the appointment was tabled for the NC and Board's further discussion. The Board, through the recommendation by the NC, will access and consider the new appointment in the aspect of Board diversity, including diversity of skills, experiences, gender, age, ethnicity and other relevant factors. The new appointed Director will be required to stand for re-election at the next AGM of the Company pursuant to the Company's Constitution.

The Code requires listed companies to disclose in its annual report the other listed company directorship and principle commitments of each Director. In determining whether each Director is able to devote sufficient time to discharge his duties, the Board has taken cognizance of the Code requirement. Holistically, the contributions by our Directors to and during meetings of the Board and the Board Committees as well as their attendance at such meetings should also be taken into account.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs and is satisfied that these Directors have been able to devote adequate time and attention to fulfil their duties as Directors of the Company, notwithstanding their multiple board representations and other principal commitments. As such, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective. There is no alternate director appointed to the Board.

The dates of appointment, last re-election and directorships of the Directors in other listed companies and other principal commitment are set out below: -

CORPORATE governance report

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Peter Koh Heng Kang	11 October 2013	-	-	<u>Singapore</u> • Biolidics Limited	<u>Singapore</u> Director of: • Oceanus Aquaculture Group Pte. Ltd. • Oceanus Food Group Pte. Ltd. • Oceanus (Singapore) Restaurant Management Pte. Ltd. • Oceanus Tech Pte. Ltd. • Oceanus Investments Holdings Pte. Ltd. • Capy Comm (S) Pte. Ltd. • Pete's Creation International Pte. Ltd. • SMM Group Pte. Ltd. • SMM International Investments Pte. Ltd. • Asia Fisheries Pte. Ltd. • Season Global Trading Pte. Ltd. • Sino Food Group Pte. Ltd.
Edward Loy Chee Kim	3 May 2018	31 July 2019	-	-	<u>Overseas</u> Managing Director of: • Kone Elevator (M) Sdn Bhd
Eugen Chua	2 October 2019	29 June 2020	-	-	<u>Singapore</u> Chief Investment Officer of : • CFAM Pte. Ltd Director of: • EMEC Holdings Pte. Ltd
Zahidi Bin Abd Rahman	29 June 2020	-	-	-	<u>Singapore</u> Director of: • Budhi Pte. Ltd. Principal Architect of: • Zahidi A. R Arkitek Board Member of: • Mendaki Foundation

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Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Dr. Yaacob Bin Ibrahim	1 September 2020	-	<u>Singapore</u> • Chip Eng Seng Corporation Ltd.	-	<u>Singapore</u> Director of: • Surbana Jurong Private Limited Board of Trustees of: • Building Construction and Timber Industries Employees' Union (BATU) Professor and Advisor to the President of: • Singapore Institute of Technology Professor-in-Practice (Part-time Lecturer) of: • Lee Kuan Yew School of Public Policy, NUS Chairman and Board of Governors of: • Earth Observatory of Singapore (EOS) Board of Governors of: • SGTech Advisor of: • AI.SG

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC reviews the criteria for evaluating the Board's performance and effectiveness as a whole and the performance of individual Directors, based on performance criteria set by the Board. Based on the recommendations of the NC, the Board has established formal assessment process to assess the effectiveness of the Board as a whole where a performance evaluation questionnaire will be circulated and completed by each Director. The review of the performance of the Board is undertaken collectively by the Board annually and informally on a continuous basis by the NC with input from the other Board members. The Board has not engaged any external facilitator to conduct the assessment of the performance of the Board and each individual Director.

The individual performance criteria include qualitative and quantitative factors such as attendance and participation in and outside the meetings, performance of principal functions and fiduciary duties, intervention and industry and business

CORPORATE

governance report

knowledge.

During the financial year under review, all Directors completed a board evaluation questionnaire designed to seek their view on various aspects of the Board and Board Committees' performance as described above. All Directors also completed a Directors' Peer Evaluation and Self-Assessment Questionnaire in relation to the assessment of individual Director's contribution. The NC is satisfied that each Director has contributed effectively and demonstrated commitment to their respective role and the Board as a whole has also met the performance evaluation criteria and objectives.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC of the Company currently comprises two (2) Independent Non-Executive Directors, namely Dr. Yaacob Bin Ibrahim and Mr Edward Loy Chee Kim and one (1) Non-Independent Non-Executive Director, namely Mr Eugen Chua. Dr. Yaacob Bin Ibrahim is the Chairman of the RC. The RC has written terms and reference that describe the responsibilities of its members.

Following to the re-designation of Mr Eugen Chua as NINED on 5 April 2021, he had also relinquished to act as a Chairman of the RC but to remain himself as a member of the committee.

The roles and functions of the RC are as follows:

- to recommend to the Board a framework of remuneration for the directors and key management personnel;
- to determine specific remuneration packages for each director as well as for the key management personnel;
- in the case of service contracts of directors, to review and to recommend to the Board the terms of renewal of the service contracts;
- to consider the various disclosure requirements for directors' and key management personnel's remuneration, particularly those required by regulatory bodies such as the SGX-ST, and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;
- to review the Company's obligation arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clause which are not overly generous; and
- to carry out such other duties as may be agreed to by the RC and the Board.

The RC had been established for the purposes of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual Directors. All aspects of the remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind will be reviewed by the RC. The overriding principle is that no Director should be involved in deciding his own remuneration. In addition, the RC reviews the performance of the Group's key management personnel and employees who are immediate family members of a director or CEO taking into consideration the CEO's assessment of and recommendation for remuneration package.

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The RC members are familiar with executive compensation matters as they manage their own businesses and/or are holding directorships in other listed companies. The RC has access to advice regarding executive compensation matters, if required.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

In setting remuneration packages for Directors, the RC will review that the remuneration is adequately but not excessively remunerated as compared to the industry and comparable companies. The Company understand an appropriate remuneration could attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The remuneration packages for Executive Director and the key management personnel take into account the performance of the Group and the individual. Performance-related remuneration is aligned with the interest of shareholders and other stakeholders and promotes the long-term success of the Company. The Director's remuneration for Non-Executive Directors shall be appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities of the Non-executive Directors, subject to approval of the shareholders of the Company at AGM.

Having reviewed and considered the variable components of remuneration of the Executive Director and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is fair and competitive, keeping with industry practices yet sufficient to attract, retain and motivate key management personnel to run the Company successfully in order to maximize shareholders' value. The recommendations of the RC on the remuneration of Directors and key management personnel will be submitted for endorsement by the Board. The members of the RC do not participate in any decisions concerning their own remuneration.

Generally, the nature of the role performed and market practice are taken into consideration in determining the composition of the remuneration package for each of its staff. For key executive officers, the Company adopts a performance-driven approach to compensation with rewards linked to individual, team and corporate performance.

The breakdown, showing the level and mix of each individual Director's remuneration in percentage term for the financial year ended 31 December 2020 paid by the Group, is stated as follows:

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Remuneration Band and Name of Director / CEO	Base/Fixed salary	Fees	Variable or performance benefits related income/Bonus	Other Benefits
S\$250,000 to below S\$500,000				
Peter Koh Heng Kang	87%	-	8%	5%
Below S\$250,000				
Stephen Lee ⁽¹⁾	-	100%	-	-
Kee Poir Mok ⁽²⁾	-	100%	-	-
Edward Loy Chee Kim ⁽³⁾	-	100%	-	-
Eugen Chua ⁽⁴⁾	-	100%	-	-
Zahidi Bin Abd Rahman ⁽⁵⁾	-	100%	-	-
Dr. Yaacob Bin Ibrahim ⁽⁶⁾	-	100%	-	-

Notes:

- (1) Mr Stephen Lee was resigned as a Non-Independent Non-Executive Director, a member of each of the NC, the AC and the RC of the Company on 8 July 2020.
- (2) Mr Kee Poir Mok was retired as an Independent Non-Executive Director at the conclusion of the Company's Annual General Meeting held on 29 June 2020. He also ceased to act as the Chairman of NC and a member of each of the AC and the RC of the Company.
- (3) Mr Edward Loy Chee Kim was appointed as a member of the NC on 5 April 2021.
- (4) Mr Eugen Chua was appointed as a member of AC of the Company on 1 September 2020. Subsequently, Mr Eugen Chua was re-designated as Non-Independent Non-Executive Director on 5 April 2021. He also relinquished to act as the Chairman of the RC and a member of the NC on 5 April 2021.
- (5) Mr Zahidi Bin Abd Rahman was appointed as an Independent Non-Executive Director, Chairman of the NC and a member of each of the AC and the RC of the Company on 29 June 2020. Subsequently, he relinquished to act as a member of the RC on 5 April 2021.
- (6) Dr. Yaacob Bin Ibrahim was appointed as an Independent Non-Executive Director of the Company on 1 September 2020. He was appointed as a member of the RC, subsequently, be appointed as the Chairman of the RC on 5 April 2021.

N.A. = Not applicable

The top key management personnel (who were not Director or CEO) of the Group during the financial year ended 31 December 2020:

- Ho Jun How Duane - Chief Financial Officer ("CFO")

The remuneration paid to the CFO for the financial year ended 31 December 2020 was fell within the bands of S\$250,000.

The remuneration of the Directors, the CEO and the key management personnel is not disclosed to the nearest thousand dollars in this Annual Report as the Company and Management have concerns that disclosing the detailed breakdown of their remuneration may compromise sensitive information to the Company's competitors. As the Group operates mainly in

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the highly competitive food-moving consumer goods industry, disclosure of such sensitive and confidential information may result in the risk of the staff being poached by competitors, which would adversely affect the Company's business and operations. Having regard to the highly competitive industry conditions and the sensitivity and confidentiality of remuneration matters.

The Directors' fees paid to Independent Directors are also reviewed by the RC to ensure that the remuneration commensurate with the contributions, responsibilities of the Directors and the need to pay competitive fees to attract and retain the Directors. The Directors' fees recommended to the Board for payment are subject to the shareholders' approval at each AGM. The remuneration for the Executive Directors and the key management personnel comprises salary and bonus that is linked to the performance of the Company and individual. The above actions enable the Company to align the remuneration of Directors and key management personnel with long-term interest and risk policies of the Group, which serves to attract and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company.

Currently, the Group does not have any employee share option scheme in place.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Group's internal control system is designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of assets. Procedures are in place to identify major business risks and evaluate potential financial effects, as well as for the authorisation of capital expenditure and investments.

During the financial year under review, the AC was assisted by Management (the Executive Director and the CFO), Head of Compliance, Ms Jenny Koh and considered the work performed by the external auditors, carry out, an annual review of the adequacy and effectiveness of the Group's key internal controls, including financial, operational and compliance and information technology controls as well as risk management to the extent of their scope as laid out in their audit plan. In addition, annual review to ensure that safeguards, checks and balances are put in place to prevent any conflicts of interest or any weakening of internal controls. Any material weaknesses in internal controls, together with recommendation for improvement, are reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the external auditors in this respect.

The AC has reviewed arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action.

To ensure that the Company's internal audit function is adequate and effective, the AC is assisted by various independent professional service providers and the Company's Compliance Department. The reviews performed by the Compliance Department. Based on this assessment, the AC is satisfied that the internal audit function of the Company is effective and adequately resourced.

The AC is also satisfied that the internal audit function is independent, as the Head of Compliance reports directly to the AC, the majority of whom are independent directors. In addition, annual review to ensure that safeguards, checks and balances are put in place to prevent any conflicts of interest or any weakening of internal controls.

The relevant experience and qualifications of the Compliance Department team are as set out below:

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Head of Compliance	The Head of Compliance has 20 years of extensive experience in the field of internal controls implementation, IT compliance advisory, risk management, operational process transformation and business re-engineering. Prior to joining the Company, she was a head of IT department (data centre) at HSBC Bank where she was involved in various aspects of operations, including information and data management in Singapore and China.
Compliance department team	<p>The Head of Compliance is primarily assisted by a manager who holds Finance and Advanced Accounting diploma qualifications. He has over 10 years of experience in the fields of accounting, internal and external audit and operational process improvement projects.</p> <p>Prior to joining the Company, he was an accounts and finance manager at PT Mega Permata Abadi, where he was involved in accounting, cash management and warehousing operations. He was also previous an audit supervisor at Christopher Heng & Co., where he was in charge of various audits for small to medium enterprise clients.</p>

Risk Management

As the Group does not have a risk management committee, the Board, AC, Management assumes the responsibility of the risk management function. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlight all significant matters to the Board and the AC.

The Group had implemented a manual at its abalone farms, i.e. the "Farm Safety and Risk Management Plans for Oceanus Farms". The Farm Safety and Risk Management Plans deal extensively with (i) standard operating procedures ("SOP") for the Group's farm safety, in terms of animal health, farm bio-security and farm worker's health and safety; and (ii) risk management plans for all of the Group's farms in China, primarily comprising the identification of all risks and hazards affecting abalone farms, risk characterization, elements of risk analysis and risk management processes and protocol for all Oceanus farms.

Internal Controls

The Board recognizes the importance of maintaining a sound system of internal controls and risk management to safeguard the interests of the shareholders and the Group's assets. The Board has received assurance from the CEO and CFO that the financial records have been properly maintained and financial statements for the financial year under review give a true and fair view of the Company's operations and finances, and that an effective risk management and internal control system has been put in place.

The CFO is responsible for the Company's financial and management accounting, treasury, taxation and any other corporate compliance matters. Prior to his appointment, together with CEO, the CFO was also responsible the Company's internal controls and risk management of the Company.

The Board, with the concurrence of the AC, is therefore of the opinion that the Group's internal controls including financial, operational, compliance, information technology controls and risk management systems were adequate and effective in its current business environment.

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Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

The AC of the Company currently comprises two (2) Independent Non-Executive Directors, namely Mr Edward Loy Chee Kim and Mr Zahidi Bin Abd Rahman and one (1) Non-Independent Non-Executive Director, namely Mr Eugen Chua. Mr Edward Loy Chee Kim is the Chairman of the AC.

The roles and functions of the AC are as follows:

- commissioning of the external auditors or a suitable accounting firm to conduct a full review of the internal controls of the Group, which includes reviewing the audit plans of the external auditors, the results of the external and internal auditors' examination and their evaluation of internal accounting controls systems, and the external auditors' report, letter to management and the management's response thereto;
- reviewing the internal control and procedures and ensuring the co-ordination between the auditors and Management, reviewing the co-operation and assistance given by the management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- ensuring that the internal audit function is adequate and that a clear reporting structure is in place between the AC and the internal auditors, and reviewing the scope and results of the internal audit procedures including the effectiveness of the internal audit function. In particular, ensuring that all internal control weaknesses are satisfactorily and properly rectified and that the SGX-ST is updated on any findings of the external auditors or accounting firm and any action taken by the AC to rectify such weaknesses pursuant thereto;
- ensuring that a review of the effectiveness of the Company's material internal controls, including financial, operational, compliance, information technology controls and risk management system, is conducted at least annually by the internal auditor;
- reviewing and ensuring the integrity of the financial statements of the Group before submission to the Board for approval, focusing in particular, on significant financial reporting issues, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other statutory/regulatory requirements;
- reviewing and discussing with the relevant professional parties, and commissioning and reviewing the findings of internal investigations into, any suspected fraud or irregularity, or suspected failure of internal controls, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the management's response;
- reviewing the risk profile of the Company, its internal control and risk management procedures and the appropriate steps annually to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Company, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- reviewing the independence of the external auditor annually, and considering for recommendation to the Board the appointment, remuneration, terms of engagement or re-appointment of the external auditor and matters relating to the

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resignation or dismissal of the external auditor;

- reviewing and approving any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- reviewing any potential conflicts of interests that may arise in respect of any Director of the Company for the time being;
- reviewing arrangements by which staff of the Company may, in confidence, raise concerns about possible impropriety in matters of financial reporting and other matters and the adequacy of procedures for independent investigation and appropriate follow-up action in response to such complaints;
- undertaking such other reviews and projects as may be requested by the Board and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- generally undertaking such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments made thereto from time to time;
- assessing the performance of the CFO, for the relevant period, on an annual basis to determine his suitability for the position;
- at quarterly (if applicable), half-yearly^{Note A} intervals, or any other period that the AC deems fit, ensuring that trade receivables are stated at fair value, accurately recorded in the financial statements;
- conducting such tests and examinations of financial statements including, but not limited to, securing independent confirmations of balances from major debtors, checking on frequencies of payments from major debtors and evaluating the adequacy of credit policies;
- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, information technology controls and risk management systems (such review can be carried out internally or with the assistance of any competent third parties); and
- reviewing the assurance from the CEO and the CFO on the financial records and financial statements.

The AC has adopted written terms of reference defining its membership, administration and duties. The Board is of the view that all the members of the AC have accounting and/or financial management expertise and experience to discharge their responsibilities as members of the AC.

The AC will meet with the external auditors without the presence of Management at least once in every financial year.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Executive Director and Management to discharge its functions properly. The Company's Compliance Department will reconcile both compliance and internal audit function of the Company/Group. For the avoidance of doubt, the Compliance Department will report to the Company's CEO; and on the other hand, report the internal audit function to the AC. Taking into consideration of the Company's current size, the combination of compliance and internal audit function was appropriate. The Internal Audit has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The AC meets to review the half yearly^{Note A} and the audited annual financial statements and all related documents in relation thereof before submission to the Board for approval.

The AC has ultimate responsibility for the systems of internal control maintained and set in place by the Company. The systems are intended to provide reasonable assurance, but not an absolute guarantee, against material financial

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misstatement of loss, and regarding the safeguarding of investments and assets, reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification of business risks.

To ensure that internal controls processes are adequate and effective, the AC is assisted by various independent professional service providers and Compliance Department. The reviews performed by Management enabled the AC to carry out assessments of the effectiveness of key internal controls during the year.

Any material non-compliance or weaknesses in internal controls or recommendations from Compliance Department to further improve the internal controls were reported to the AC. The AC will follow up with Management on the recommendations made by the Compliance Department. Based on the reports submitted by the Compliance Department to the AC and the Board, areas of improvements have been identified and management is in the process of tightening its internal control and risk management processes.

For the financial year ended 31 December 2020, the respectively amount of the agreed audit and non-audit fees to be paid to the external auditor were S\$179,000 and S\$8,000. The AC has conducted an annual review of all non-audit services provided by the independent auditors and is satisfied that the nature and extent of such services do not affect the independence of the external auditor.

The Company confirms that it is in compliance with Rule 712 and Rule 715 (when read with Rule 716) and Rule 717 of the SGX-ST Listing Manual in relation to its auditing firms for financial year ended 31 December 2020.

The AC is satisfied with the independence and objectivity of RSM Chio Lim LLP, the external auditor, and recommends to the Board the nomination of the external auditor for re-appointment.

No former partner or director of the Company's existing external auditor is a member of the AC.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. Other than the routine announcements made in accordance with the requirements of the SGX-ST Listing Manual, the Company has issued additional announcements and press releases to update shareholders on the activities of the Company and the Group.

This section describes the Company's usual practice for the conduct of general meetings prior to the onset of the COVID-19 pandemic in early 2020.

The Company does not practice selective disclosure. The Company ensures true and fair information is delivered adequately to all shareholders and to ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Financial results and annual reports are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulations and rules).

The Board and the Board Committees and CEO as well as the external auditors will be present and on hand to address all issue raised at the AGM. While the AGM of the Company is a principal forum for dialogue and interaction with all Shareholders, the Company will consider use of other forums such as analyst briefings as and when applicable. All Directors have attended the 2020 AGM.

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Currently, the Constitution of the Company allows a member of the Company to appoint up to two (2) proxies to attend and vote at general meetings. A shareholder who is a relevant intermediary (as defined in the Act) may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

Separate resolutions are proposed at general meetings for each distinct issue. All resolutions are put to vote by poll in the presence of independent scrutineer. Votes cast, for or against, and the respective percentages on each resolution are announced via SGXNET on the same day of the general meeting.

The external auditor may review the internal accounting controls that are relevant to the statutory audit and provide recommendations to improve such internal accounting controls.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion and other factors that the Board may deem appropriate. The Board had not declared or recommend dividend payment for FY2020 as the Company was not profitable for FY2020.

Conduct of AGM in 2020 amidst current COVID-19 pandemic

In view of the COVID-19 pandemic situation, the Singapore government issued an order on 24 March 2020 requiring all events and mass gatherings to be deferred. As Singapore law then did not allow companies to hold general meetings by purely virtual means, we were required to adjourn our 2020 AGM. We held our adjourned 2020 AGM by electronic means on 29 June 2020, pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order") which was gazetted on 13 April 2020. Shareholders were invited to participate in the virtual 2020 AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2020 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2020 AGM. We have disclosed, on our website and SGXNET, the names of the Directors and key managements who attended the 2020 AGM held by way of electronic means as well as detailed records of the proceeding. The Company did receive eleven (11) questions from members in advance by the submission deadline on Friday, 26 June 2020 at 11.00 a.m. Five (5) out of eleven (11) questions were considered as substantial and relevant questions from shareholders and the answers/explanations provided by the Company during the AGM.

Conduct of 2021 AGM

Due to prevailing Covid-19 restrictions, shareholders will not be able to attend our 2021 AGM in person. Instead, we will be holding our 2021 AGM by electronic means on 29 April 2021 and shareholders are invited to participate at our virtual 2021 AGM by (a) observing and/or listening to the 2021 AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2021 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2021 AGM. Details of the steps for pre-registration, submission of questions and voting at the 2021 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNET on 14 April 2021. In view of the uncertain Covid-19 situation, we may be required to change our arrangements for the AGM at short notice and shareholders should check SGXNET or the Company's website at URL: <https://oceanus.com.sg/our-investors/> for the latest updates on the status of the 2021 AGM.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogue to allow shareholders to communicate their views on various matters affecting the Company.

The Board is mindful of its obligations to provide timely disclosure of material information to shareholders of the Company, to understand the views of the shareholders and does so through:

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- annual reports issued to all shareholders. Non-shareholders may access the SGX website for static copies of the Company's annual reports;
- quarterly (if applicable), half year^{Note A} and full year announcements of its financial statements on the SGXNET;
- other announcements on the SGXNET;
- press releases on major developments regarding the Company; and
- the Company's website at www.oceanus.com.sg through which shareholders can access information on the Company.

By supplying shareholders with reliable and timely information, the Company has appointed Citigate Dewe Rogerson Singapore Pte Ltd who focuses on facilitating the communications with all stakeholders – shareholders, analysts and media.

The Company endeavours to communicate regularly and effectively with the Shareholders. Currently, the Company does not have an investor relations policy. However, Shareholders are encouraged to visit the Company's website at www.oceanus.com.sg for information of the Company. There is a dedicated investor contact in the Company's website where the Shareholders are encouraged to call or write to the Company if they have questions. The investor relations representatives will response to the queries and emails requesting information promptly.

Managing Stakeholders Relationships

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company is committed to regular and proactive communication with its shareholders in line with continuous disclosure obligations of the Company under the SGX-ST Listing Manual and to establishing a corporate governance culture that promotes fair and equitable treatment of all shareholders. All shareholders are treated fairly and equitably, and enjoy specific rights under the Act and the Constitution. Pertinent information will be disclosed to shareholders in a timely, fair and equitable manner. The Company does not practice selective disclosure. Material developments, press releases, quarterly (if applicable) half year^{Note A} and full year results, analysts briefing materials and other changes in the Company or its business which would be likely materially affect the price or value of the Company are always released through SGXNET pursuant to the rules of the SGX-ST Listing Manual. When analysts' briefings are held to discuss on major events and financial results, Management will only meet the analysts after the announcement is released on SGXNET.

Pertinent information is communicated to shareholders through:

1. quarterly (if applicable), half year^{Note A} and full year results announcements which are published on the SGXNET and in press releases;
2. the Company's annual reports that are prepared and issued to all shareholders;
3. notices of and explanatory memoranda, for AGM's and extraordinary general meetings;
4. press releases on major developments of the Company; and
5. the Company's website at www.oceanus.com.sg through which shareholders can access information on the Company.

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This section describes the Company's usual practice for the conduct of general meetings prior to the onset of the COVID-19 pandemic in early 2020.

All shareholders of the Company are encouraged to participate at general meetings. Information on shareholders' meeting disseminated through notices published in newspapers, as well as through reports or circulars sent to all shareholders, to allow shareholders to be informed of the rules, including voting procedures that govern general meetings of shareholders. Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions.

AGMs are the main forum for dialogue with shareholders and allow the Board and Management to address shareholders' questions and concerns. These meetings provide a forum for Management to explain the Group's strategy and financial performance. Management also uses meetings with investors and analysts to solicit their perceptions of the Group. Annual reports and notices of the AGMs are sent to all shareholders by way of post or by electronic transmission in accordance with the Act, the SGX-ST Listing Manual and the Company's Constitution. The members of the AC, NC and RC will be present at AGMs to answer questions relating to the work of these committees. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders. The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis.

To promote greater transparency and effective participation, the Company has conducted the voting of its resolutions by poll at all the general meetings and make announcement on the SGXNET of the detailed results showing the number of votes cast for and against each resolution and the respective percentages after the conclusion of the general meetings.

The Company prepares minutes of the general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management. These minutes will be published on the Company's corporate website as soon as practicable.

As the authentication of shareholders' identity information and other related integrity issues remain a concern, the Company will not implement voting in absentia by mail or electronic means.

Due to Covid-19 pandemic situation, the Company had made references and act in accordance with the relevant legislation/regulations in relation to the conduct of its AGM such as the Covid-19 (Temporary Measures) Act 2020, Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holdings) Order 2020 and/ or the prevailing statements/ joint, statements issued by the Accounting and Corporate Regulatory Authority, SGX and Monetary Authority of Singapore from time to time. The forthcoming AGM of the Company to be held on 29 April 2021 will be held via electronic means. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at the AGM, voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the forthcoming AGM. The minutes of the AGM will be made available to the Shareholders and the public by way of announcement via SGXNET. The Company will also publish the minutes of the AGM to the Company's website within 1 month after the conclusion of the AGM.

DEALINGS IN SECURITIES

The Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares of the Company. The policies have been made known to directors, executive officers and any other persons as determined by Management who may possess unpublished material price-sensitive information of the Group.

The Group has advised Directors and all key executives not to deal in the Company's shares during the period commencing one month prior to the announcement of the Company's half year ^{Note A} and full year results and ending on the date of the announcement of the results.

The Group has reminded its Directors and officers that it is an offence under the Securities and Futures Act, Chapter 289, for a listed issuer or its officers to deal in the listed issuer's securities as well as securities of other listed issuers when the officers are in possession of unpublished material price-sensitive information in relation to those securities. Directors and

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executives are expected and reminded to observe insider-trading laws at all times even when dealing in securities within permitted trading periods. The Group has further reminded its Directors and officers not to deal in the Company's securities on short-term considerations.

Note A: On 7 February 2020, SGX RegCo introduced a new risk-based approach to quarterly reporting of financial statements with only companies in the list of issuers published by SGX RegCo are required to perform quarterly reporting (QR). As at the date of this Annual Report, OGL is not among the companies selected by SGX RegCo to continue to perform QR. After due deliberation and taking into consideration the compliance cost, time and efforts required in connection with QR, the Company has decided to cease the QR in respect of financial year ended 31 December 2021. A separate announcement in relation to the cessation of QR has been released on 14 January 2021 to the SGXNET.

INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transactions with interested persons and established procedures for the review and approval of such transactions.

All interested person transactions will be properly documented and submitted to the AC for quarterly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

There are no interested person transactions during the year under review. The Company has not adopted any interested person transaction mandate which requires approvals from its shareholders.

MATERIAL CONTRACTS

There are no material contracts of the Company and its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year ended 31 December 2019.

SUSTAINABILITY REPORTING

The Company has published its sustainability report ("SR") since the financial year ended 31 December 2017 and such reports are made available to shareholders on the SGXNET and the Company's website.

A detailed SR has been prepared with reference to the Global Reporting Initiative ("GRI") Standards which represent the global best practices for reporting on economic, environmental and social topics. The financial year of reporting for the SR falls within the financial year ended 31 December 2020 and would include data and information from 1 January 2020 to 31 December 2020. Further information on our overall sustainability performance will be released and be available at the Company's website and on the SGXNET at a timeline as stipulated by the SGX-ST.

USE OF PROCEEDS

On 26 December 2017, the Company had raised S\$6.0 million from the issuance of 1,518,987,341 new ordinary shares at S\$0.00395 each in the issued and paid-up share capital of the Company from the debt restructuring exercise. As at 30 September 2020, the Company has utilized the proceeds for the following purposes:

CORPORATE governance report

Intended Used	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Balance Amount (S\$'000)
Working Capital Requirements	4,950	4,950	-
Repayment of Existing Debt	1,050	1,050	-
Total	6,000	6,000	-

The Company had fully utilized the nets proceeds of S\$6,000,000 in accordance with the intended use and percentage allocation of the proceed raised from the issuance of the new shares from the debt restructuring exercise.

ADDITIONAL INFORMATION on new director and directors seeking re-election

Pursuant to Rule 720(6) of the Listing Manual: Main Board Rules of the SGX-ST ("**Main Board Rules**"), the information relating to Mr Edward Loy Chee Kim, Mr Peter Koh Heng Kang, Mr Zahidi Bin Abd Rahman and Dr. Yaacob Bin Ibrahim as set out in Appendix 7.4.1 of the Main Board Rules is set out below:

	MR EDWARD LOY CHEE KIM	MR PETER KOH HENG KANG	MR ZAHIDI BIN ABD RAHMAN	DR YAACOB BIN IBRAHIM
Date of Appointment	3 May 2018	11 October 2013	29 June 2020	1 September 2020
Date of last re-appointment	31 July 2019	N.A.	N.A.	N.A.
Age	52	56	59	65
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Edward Loy Chee Kim as the Independent Non-Executive Director be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Edward Loy's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Peter Koh Heng Kang as the Executive Director and Chief Executive Officer be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Peter Koh's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Zahidi Bin Abd Rahman as the Independent Non-Executive Director be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Zahidi's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Dr Yaacob Bin Ibrahim as the Independent Non-Executive Director be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Dr Yaacob's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. As an Executive Director and Chief Executive Officer of the Company, Mr Peter Koh is responsible for the overall day-to-day management of the Group's operations. This includes oversight of departments such as finance, HR and business development.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Remuneration Committee and the Nominating Committee	Executive Director, Chief Executive Officer and a member of the Nominating Committee	Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit Committee	Independent Non-Executive Director and Chairman of the Remuneration Committee

ADDITIONAL INFORMATION

on new director and directors seeking re-election

Professional qualifications	1) Australian Certified Public Accountant 2) Bachelor of Commerce (Economics and Accounting), The Australian National University	1) Diploma in Marketing from The London Chamber of Commerce	1) Bachelor of Arts (Arch. Studies), National University of Singapore 2) Bachelor of Arts (Hons), National University of Singapore	1) Bachelor of Civil Engineering (Honours), National University of Singapore (NUS), Singapore 2) Master of Science in Civil Engineering, NUS, Singapore 3) Doctor of Philosophy in Civil Engineering, Stanford University, United States of America
Working experience and occupation(s) during the past 10 years	4 May 2008 to 31 December 2015 Managing Director, Saint-Gobain – Malaysia, Singapore and Indonesia 4 January 2016 to present Managing Director, KONE Elevator (M) Sdn Bhd, Malaysia	January 2011 to present Director of SMM Group Pte. Ltd. January 2011 to present Director of SMM International Investments Pte. Ltd. December 2014 to present CEO of Oceanus Group Limited April 2015 to present Director of Oceanus Food Group Pte. Ltd. April 2015 to present Director of Oceanus Aquaculture Group Pte. Ltd. July 2017 to present Director of Oceanus Tech Pte. Ltd.	1992 to present Principal Architect, Zahidi A. R Arkitek	January 2019 to present Director of Surbana Jurong Private Limited October 2018 to present Board of Trustees of Building Construction and Timber Industries Employees' Union ("BATU") July 2018 to August 2020 Advisor of Infocomm Media Development Authority ("IMDA") in relation to the Kampong Glam Digitalisation Project August 2018 to present Professor of Engineering, Singapore Institute of Technology ("SIT"), Singapore August 2018 to present Advisor to the President of SIT, Singapore January 2020 to present Professor in Practice, Lee Kuan Yew School of Public Policy, NUS September 2015 to June 2020 A Member of Parliament ("MP") of Jalan Besar Group Representation

ADDITIONAL INFORMATION

on new director and directors seeking re-election

Shareholding interest in the listed issuer and its subsidiaries	Yes (Direct interest: 10,526,315 ordinary shares in the Company)	Yes (Direct Interest: 2,498,688,837 ordinary shares in the Company)	Yes (Direct interest: 10,526,315 ordinary shares in the Company)	Yes (Direct interest: 10,526,315 ordinary shares in the Company)	Constituency ("Jalan Besar GRC") May 2006 to May 2011 Minister, Ministry of Environment and Water Resources May 2011 to August 2015 MP of Moulemein-Kallang Group Representation Constituency May 2003 to April 2018 Minister-in-charge of Muslim Affairs May 2011 to April 2018 Minister of Ministry of Communications and Information May 2006 to April 2011 MP of Jalan Besar GRC
Any relationship (including immediate family relationships) with any existing director, executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Yes (Brother of Jenny Koh Guat Kiau, the Head of Compliance of the Company)	No	No	
Conflict of interest (including any competing business)	No	No	No	No	
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	

ADDITIONAL INFORMATION

on new director and directors seeking re-election

Other Principal Commitments ¹ Including Directorships			
Past (for the last 5 years)	Nil	Nil	1. The Ministry of Communications and Information – Minister of Muslim Affairs 2. Jalan Besar Group Representation Constituency – Member of Parliament 3. PAP Community Foundation – Director 4. Yayasan Mendaki – Director 5. IMDA – Advisor for Kampong Glam Digitalisation Project
Present	1. Kone Elevator (M) Sdn Bhd	1. Oceanus Food Group Pte. Ltd. – Director 2. Oceanus Aquaculture Group Pte. Ltd. – Director 3. Oceanus (Singapore) Restaurant Management Pte. Ltd. – Director 4. Oceanus Tech Pte. Ltd. – Director 5. Oceanus Investment Holdings Pte. Ltd. – Director 6. Cappy Comm (S) Pte. Ltd. – Director 7. Pete's Creation International Pte. Ltd. – Director 8. SMM Group Pte. Ltd. – Director 9. SMM International Investments Pte. Ltd. – Director 10. Asia Fisheries Pte. Ltd. 11. Season Global Trading Pte. Ltd. 12. Sino Food Group Pte. Ltd.	1. CPF Board member 2. IMDA Board member 3. National Heritage Board
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any	No	No	No

¹ "Principal Commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

ADDITIONAL INFORMATION

on new director and directors seeking re-election

jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any	No	No	No	No

ADDITIONAL INFORMATION on new director and directors seeking re-election

criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offences in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No

ADDITIONAL INFORMATION on new director and directors seeking re-election

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of the followings in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?:- (i) any corporation which has been investigated for a	No	No	No	No

ADDITIONAL INFORMATION on new director and directors seeking re-election

breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere;	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded	No	Yes	No
		1. In and around 2015/2016, a disciplinary matter has raised by the owner of 118 Race Course	

ADDITIONAL INFORMATION on new director and directors seeking re-election

or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?			Road to the Board of Architects (Singapore) with regards to my professional conduct as a Qualified Person, responsible for the development at 118 Race Course Road. 2. The primary complaint was that I was not able/refuse to apply and obtain Certificate of Statutory Completion ("CSC") for the development. 3. The Board of Architect, after a formal interview, formally discharge and do not find any merit in the complaint as: i) Contract is between owner and contractor. ii) I was appointed by contractor iii) The contractor has not proceed to complete work for CSC as they have not been paid and has refuse to comply to authority requirements, even though after being reminded by us. iv) The matter is a commercial dispute between contractor and owner.
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.	N.A.
If YES, please provide details of prior experience	N.A.	N.A.	N.A.
If NO, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as	N.A.	N.A.	N.A.

STATEMENT by Directors

The directors of Oceanus Group Limited (the "Company") and its subsidiaries (the "Group") are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 December 2020.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Peter Koh Heng Kang
 Edward Loy Chee Kim
 Eugen Chua
 Yaacob Bin Ibrahim (Appointed on 1 September 2020)
 Zahidi Bin Abd Rahman (Appointed on 29 June 2020)

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year were not interested in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of the reporting year or date of appointment if later	At end of the reporting year	At beginning of the reporting year or date of appointment if later	At end of the reporting year
<u>The Company</u>	<u>Number of shares of no par value</u>			
Peter Koh Heng Kang	2,486,188,837	2,486,188,837	–	–
Edward Loy Chee Kim	–	10,526,315	–	–
Eugen Chua	3,000,000	3,000,000	258,292,452	258,292,452
Yaacob Bin Ibrahim	–	10,526,315	–	–
Zahidi Bin Abd Rahman	–	10,526,315	–	–

The directors' interests as at 21 January 2021 were the same as those at the end of the reporting year.

STATEMENT by Directors

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Report of audit committee

The members of the audit committee at the date of this report are as follow:

Edward Loy Chee Kim (Chairman of audit committee)
Eugen Chua (Non-independent and non-executive director)
Zahidi Bin Abd Rahman (Independent and non-executive director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- (i) reviewed overall scope of external audits and the assistance given by the Company's officers to the auditors. It met with the Company's external auditor to discuss the results of examinations and evaluation of the Company's system of internal accounting controls;
- (ii) reviewed the audit plan of the Company's external auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (iii) reviewed quarterly, half-yearly and annual announcements, the statement of financial position of the Company and the consolidated financial statements of the Group for the reporting year ended 31 December 2020 as well as the auditor's report thereon;
- (iv) assessed the effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management systems via reviews carried out by the internal auditors;
- (v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the audit committee;
- (vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

STATEMENT by Directors

6. Report of audit committee (cont'd)

- (vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- (viii) reviewed the nature and extent of non-audit services provided by the external auditor;
- (ix) recommended to the board of directors the notification of external auditor, approved the compensation of the external auditor, and reviewed the scope and results of the statutory audit;
- (x) reported actions and minutes of the audit committee to the board of directors with such recommendations as the audit committee considered appropriate; and
- (xi) reviewed interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

The audit committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The audit committee also reviews the level of audit and non-audit fees.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to the board of directors that, RSM Chio Lim LLP be nominated for re-appointment as external auditor at the forthcoming annual general meeting of the Company.

Full details regarding the audit committee are provided in the corporate governance report.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Listing Manual of Singapore Exchange Securities Trading Limited.

7. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls and risk management system, addressing financial, operational, compliance and information technology risk, are adequate as at and for the reporting year ended 31 December 2020.

STATEMENT by Directors

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 26 February 2021, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors



Peter Koh Heng Kang
Director

12 April 2021



Eugen Chua
Director

INDEPENDENT AUDITOR'S REPORT to the Members of Oceanus Group Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Oceanus Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including accounting policies, as set out on pages 91 to 175.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS (I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

to the Members of Oceanus Group Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment assessment of investment properties

Refer to Note 2A – Accounting policy for investment properties, Note 2C – Critical judgements, assumptions and estimation uncertainties, and Note 13 – Investment properties.

As at 31 December 2020, the carrying value of the Group's investment properties of \$18,075,000 accounted for 26% of the Group's total assets. The investment properties consist of buildings and farm structures, plant and machineries and pre-paid leases that were previously used in its abalone farming business. Investment properties are stated at cost less accumulated depreciation and impairment if any. Any shortfall of the recoverable amounts against the carrying value of the investment properties would be recognised as impairment losses in the profit or loss.

In assessing the recoverable amounts of investment properties, management applied the fair value less cost of disposal method and engaged an independent valuer to assist in determining the fair value. Management has exercised high degree of judgement and determined that replacement cost approach is the most appropriate technique in determining the fair value of the investment properties due to the nature of the assets. The replacement cost approach aims to reflect the amount that would be currently required to replace the investment properties adjusted for obsolescence (e.g. physical deterioration, functional or economic obsolescence). The determination of fair value included use of unobservable inputs and significant estimates.

How we addressed the matter in our audit

Our procedures included the review of the independent valuer's report and assessed adequacy of judgements and assumptions adopted by the valuer. We assessed the competency, capabilities and objectivity of the valuer engaged by management.

We involved our internal valuation specialist to evaluate the appropriateness of the valuation technique used by the valuer, and compared the key assumptions used by the valuer with our understanding of the current market environment.

We reviewed the adequacy of disclosures in the notes to the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Oceanus Group Limited

Key Audit Matters (cont'd)

(b) Assessment of ability to exercise control over subsidiary

As disclosed in Note 15 to the financial statements, the Group has subscribed for 50.1% of equity interest in a newly incorporated company, Season Global Trading Pte. Ltd. ("SGT"), during the reporting year. The remaining 49.9% equity interest in SGT is held by a third party.

Management exercised judgement in determining whether the Group has control over SGT and is exposed, or has right to variable returns from its involvement in SGT. In exercising its judgement, management determined that the Group has ownership interest and voting rights and that it has the ability to control SGT's board composition and governance. Management noted that SGT's board has the practical authority and responsibility to set business strategy and direct the business operations of SGT, including the forms of business arrangements and SGT's relationship with customers, suppliers and other stakeholders. Management made its determination having due regard to the Group's rights under the shareholders' agreement and SGT's constitution, as well as the current reporting structure and their knowledge of SGT's current business arrangement and practices.

Based on facts and circumstances, management assessed that the Group has satisfied the requirements in SFRS(I) 10, Consolidated Financial Statements (SFRS(I) 10) in accounting for SGT as a subsidiary as the Group is considered as presently having control over SGT and is exposed to, or has right to variable return. Accordingly, the financial statements of SGT have been included on the Group's consolidated financial statements for the reporting year ended 31 December 2020 in accordance with SFRS(I) 10.

The classification of SGT as a subsidiary is significant to the Group and we have identified this as a key audit matter.

How we addressed the matter in our audit

As part of our audit procedures, we reviewed the management's basis of assessment, and made enquires with management and the board to ascertain our understanding of the Group's rights and obligations under the shareholder's agreement and SGT's constitution. We have also taken into consideration the internal reporting structure during the year and management's evaluation of SGT's current business arrangements and practices, and the nature of SGT's relationships with its customers, suppliers and other relevant stakeholders.

We also evaluated the adequacy of the disclosures included in Note 15 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Oceanus Group Limited

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

to the Members of Oceanus Group Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT to the Members of Oceanus Group Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Thiam Soon.

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

12 April 2021

Engagement partner - effective from year ended 31 December 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS and Other Comprehensive Income

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$'000	Group 2019 \$'000 Restated#
Revenue	5	92,068	9,305
Other operating income	6	6,752	2,446
Cost of inventories		(82,738)	(7,654)
Gain arising from changes in fair value less costs to sell biological assets	19	–	609
Employee benefits expense	7	(2,447)	(2,908)
Depreciation and amortisation expense		(2,401)	(2,458)
Other operating expenses	6	(1,761)	(3,930)
Finance costs	8	(384)	(10)
Profit/(loss) before tax from continuing operation		9,089	(4,600)
Income tax (expense)/income	10	(473)	10
Profit/(loss) from continuing operation for the year	9	8,616	(4,590)
Discontinued operations			
Profit for the year from discontinued operations	30	–	15
Profit/(loss) for the year		8,616	(4,575)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Fair value changes on debt instruments at fair value through other comprehensive income, net of tax		26	(26)
Exchange differences on translating foreign operations, net of tax		(4,160)	(16)
Other comprehensive loss for the year, net of tax		(4,134)	(42)
Total comprehensive income/(loss) for the year, net of tax		4,482	(4,617)
Profit/(loss) attributable to owners of the parent, net of tax		7,270	(4,750)
Profit attributable to non-controlling interests, net of tax		1,346	175
Profit/(loss) net of tax		8,616	(4,575)
Total comprehensive income/(loss) attributable to owners of the parent		3,294	(4,792)
Total comprehensive income attributable to non-controlling interests		1,188	175
Total comprehensive income/(loss)		4,482	(4,617)

Restated due to change in presentation currency (refer to Note 38).

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS and Other Comprehensive Income

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 Cents	Group 2019 Cents Restated#
Earnings/(loss) per share			
Continuing operation			
- Basic	31	0.03	(0.02)
- Diluted	31	0.03	(0.02)
Discontinued operation			
- Basic	31	-	0.00*
- Diluted	31	-	0.00*
Total			
- Basic	31	0.03	(0.02)
- Diluted	31	0.03	(0.02)

* Amount less than 0.01 cents.

Restated due to change in presentation currency (refer to Note 38).

The accompanying notes form an integral part of these financial statements

STATEMENTS OF Financial Position

AS AT 31 DECEMBER 2020

	Notes	31 December 2020 \$'000	Group 31 December 2019 \$'000 Restated#	1 January 2019 \$'000 Restated#
ASSETS				
Non-current assets				
Property, plant and equipment	11	132	19,325	21,548
Right-of-use assets	12	121	207	301
Investment properties	13	18,075	-	-
Goodwill	14	471	386	674
Investment in joint arrangement	16	-	-	-
Other financial assets	17	368	153	1,000
Other non-financial assets	18	-	220	392
Total non-current assets		19,167	20,291	23,915
Current assets				
Biological assets	19	-	-	360
Inventories	20	14,691	569	657
Trade and other receivables	21	16,568	1,739	517
Other financial assets, current	17	7,002	1,000	-
Other non-financial assets	22	1,326	36	261
Cash and cash equivalents	23	11,484	16,954	19,110
Total current assets		51,071	20,298	20,905
Total assets		70,238	40,589	44,820
EQUITY AND LIABILITIES				
Equity				
Share capital	24	653,757	653,757	653,757
Reserves	25	(628,523)	(631,817)	(627,025)
Equity attributable to owners of the Company		25,234	21,940	26,732
Non-controlling interests		3,239	575	549
Total equity		28,473	22,515	27,281
Non-current liabilities				
Deferred tax liabilities	10	-	11	-
Lease liabilities	27	35	47	-
Other financial liabilities	28	11,727	-	-
Total non-current liabilities		11,762	58	-

Restated due to change in presentation currency (refer to Note 38).

The accompanying notes form an integral part of these financial statements

STATEMENTS OF Financial Position

AS AT 31 DECEMBER 2020

	Notes	31 December 2020 \$'000	Group 31 December 2019 \$'000 Restated#	1 January 2019 \$'000 Restated#
Current liabilities				
Income tax payable		5,307	4,627	4,749
Trade and other payables	26	14,447	11,955	11,168
Lease liabilities	27	93	161	301
Other financial liabilities	28	9,554	817	673
Other non-financial liabilities	29	602	456	648
Total current liabilities		30,003	18,016	17,539
Total liabilities		41,765	18,074	17,539
Total equity and liabilities		70,238	40,589	44,820

Restated due to change in presentation currency (refer to Note 38).

STATEMENTS OF Financial Position

AS AT 31 DECEMBER 2020

	Notes	31 December 2020 \$'000	Company 31 December 2019 \$'000 Restated#	1 January 2019 \$'000 Restated#
ASSETS				
Non-current assets				
Property, plant and equipment	11	35	50	57
Investment in subsidiaries	15	3	12,622	12,621
Other financial assets	17	7,560	–	1,000
Total non-current assets		7,598	12,672	13,678
Current assets				
Other receivables	21	3,744	1,882	1,072
Other financial assets	17	7,002	1,000	–
Cash and cash equivalents	23	3,491	7,499	3,249
Total current assets		14,237	10,381	4,321
Total assets		21,835	23,053	17,999
EQUITY AND LIABILITIES				
Equity				
Share capital	24	653,757	653,757	653,757
Reserves	25	(659,712)	(653,508)	(658,968)
Total (deficit)/equity		(5,955)	249	(5,211)
Non-current liabilities				
Other financial liabilities	28	4,167	–	–
Total non-current liabilities		4,167	–	–
Current liabilities				
Other payables	26	22,117	22,131	22,537
Other financial liabilities	28	1,506	673	673
Total current liabilities		23,623	22,804	23,210
Total liabilities		27,790	22,804	23,210
Total equity and liabilities		21,835	23,053	17,999

Restated due to change in presentation currency (refer to Note 38).

The accompanying notes form an integral part of these financial statements

The accompanying notes form an integral part of these financial statements

STATEMENTS OF Changes in Equity

YEAR ENDED 31 DECEMBER 2020

	Share capital \$'000	Capital reserve \$'000	Currency translation reserve \$'000	Fair value reserve \$'000	Statutory reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Group									
Current year:									
Opening balance at 1 January 2020, as restated (Note 38)	653,757	(217,842)	3,779	(26)	8,067	(425,795)	21,940	575	22,515
Changes in equity:									
Acquisition of subsidiary (Note 34A)	-	-	-	-	-	-	-	45	45
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	1,743	1,743
Disposal of subsidiary with a change in control (15B)	-	-	(4,002)	26	-	7,270	3,294	(312)	(312)
Total comprehensive income for the year	-	-	(223)	-	8,067	(418,525)	25,234	1,188	4,482
Closing balance at 31 December 2020	653,757	(217,842)	(223)	-	8,067	(418,525)	25,234	3,239	28,473
Previous year:									
Opening balance at 1 January 2019, as restated (Note 38)	653,757	(217,842)	3,795	-	8,067	(421,045)	26,732	549	27,281
Changes in equity:									
Acquisition of subsidiary (Note 34B)	-	-	-	-	-	-	-	14	14
Disposal of subsidiary with a change in control (Note 15)	-	-	(16)	(26)	-	(4,750)	(4,792)	(163)	(163)
Total comprehensive loss for the year	-	-	(16)	(26)	-	(4,750)	(4,792)	175	(4,617)
Closing balance at 31 December 2019, as restated (Note 38)	653,757	(217,842)	3,779	(26)	8,067	(425,795)	21,940	575	22,515

The accompanying notes form an integral part of these financial statements

STATEMENTS OF Changes in Equity

YEAR ENDED 31 DECEMBER 2020

	Share capital \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Company				
Current year:				
Opening balance at 1 January 2020, as restated (Note 38)	653,757	2,254	(655,762)	249
Changes in equity:				
Total comprehensive loss for the year	-	-	(6,204)	(6,204)
Closing balance at 31 December 2020	653,757	2,254	(661,966)	(5,955)
Previous year:				
Opening balance at 1 January 2019, as restated (Note 38)	653,757	2,254	(661,222)	(5,211)
Changes in equity:				
Total comprehensive income for the year	-	-	5,460	5,460
Closing balance at 31 December 2019, as restated (Note 38)	653,757	2,254	(655,762)	249

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF Cash Flows

YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> \$'000	<u>2019</u> \$'000 Restated#
<u>Cash flows from operating activities</u>		
Profit/(loss) before tax		
Continuing operations	9,089	(4,600)
Discontinued operations	–	15
	<u>9,089</u>	<u>(4,585)</u>
Adjustments for:		
Amortisation of prepaid leases	–	12
Covid-19 related rent concessions from lessor	(9)	–
Depreciation of property, plant and equipment	58	2,294
Depreciation of investment properties	2,214	–
Depreciation of right-of-use assets	132	152
Fair value gain on financial instruments	(2)	–
Gain on disposal of subsidiary	(832)	–
Impairment allowance on goodwill	–	674
Interest expense	384	10
Interest income	(311)	(261)
Loss on disposal of prepaid leases	–	234
Reversal of impairment loss on prepaid leases	–	(46)
Reversal of impairment loss on property, plant and equipment	–	(505)
Unrealised foreign exchange (gains)/losses, net	(3,808)	54
Operating cash flows before changes in working capital	6,915	(1,967)
Inventories	(15,014)	88
Trade and other receivables	(15,128)	(501)
Other non-financial assets	(1,743)	197
Biological assets	–	360
Trade and other payables	4,317	(214)
Other non-financial liabilities	145	(192)
Net cash flows used in operations	(20,508)	(2,229)
Income taxes refunded	–	10
Net cash flows used in operating activities	<u>(20,508)</u>	<u>(2,219)</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(74)	(93)
Purchase of investment property	(4)	–
Acquisitions of subsidiaries (Note 34)	52	(44)
Increase in other financial assets	(6,215)	(153)
Disposal of property, plant and equipment	4	73
Disposal of a subsidiary (Note 15)	(135)	(163)
Interest received	311	261
Net cash flows used in investing activities	<u>(6,061)</u>	<u>(119)</u>

Restated due to change in presentation currency (refer to Note 38).

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF Cash Flows

YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> \$'000	<u>2019</u> \$'000 Restated#
<u>Cash flows from financing activities</u>		
Capital contribution from non-controlling interests in subsidiary	1,743	–
Lease liabilities – principal portion paid	(140)	(161)
Proceed from loans and borrowings	20,960	144
Repayments of loan and borrowings	(144)	–
Net movements in amounts due to director	(1,160)	120
Interest paid	(378)	–
Net cash flows from financing activities	<u>20,881</u>	<u>103</u>
<u>Net decrease in cash and cash equivalents</u>		
Effect of cash and cash equivalent denominated in foreign currencies	218	79
Cash and cash equivalents, statement of cash flows, beginning balance	16,954	19,110
Cash and cash equivalents, statement of cash flows, ending balance (Note 23)	<u>11,484</u>	<u>16,954</u>

Restated due to change in presentation currency (refer to Note 38).

The accompanying notes form an integral part of these financial statements

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. General

Oceanus Group Limited (the "Company") is incorporated in Singapore with limited liability. The financial statements are presented in Singapore Dollar ("S\$"), the amounts are rounded to the nearest thousands, unless otherwise stated and they cover the Company and its subsidiaries (the "Group").

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The Company is an investment holding company and listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries are set out in the Note 15 to the financial statements.

The registered office is: 31 Harrison Road, #11-03/04 Food Empire Building, Singapore 369649. The Company is situated in Singapore.

Watch-List of SGX-ST

On 14 December 2015, the Company announced that it was placed on the Watch-List by the SGX-ST under the financial entry criteria. On 3 March 2016, the Company announced that it was also placed on the Watch-List with effect from 3 March 2016 due to the minimum trading price ("MTP") entry criteria. MTP states that a mainboard-listed company must maintain a six-month volume-weighted average share price of 20 cents and a six-month average daily market capitalisation of at least S\$40 million. With respect to its placement on the Watch-List based on the financial entry criteria, the Company had to fulfil the financial exit criteria ("Financial Exit Criteria") under Rule 1314(1) of the Listing Manual of the SGX-ST ("Listing Manual") for its removal from the Watch-List within 24 months from 14 December 2015 (i.e. 14 December 2017). Subsequently, the Company had obtained from SGX-ST several extensions to meet the Financial Exit Criteria and the MTP entry criteria. The MTP entry criteria was removed by SGX-ST on 1 January 2020.

As announced by the Company on 26 February 2021, the Company has made an application to SGX-ST for a further extension of time until 15 April 2021 to satisfy the Financial Criteria. Subsequently, the SGX-ST has on 11 March 2021 informed the Company that SGX-ST has no objection to the Company's application for a further extension of time to 15 April 2021 to meet the Financial Exit Criteria and it will not consider any further extension of time. If the Company is unable to fulfil Financial Exit Criteria by 15 April 2021, the Company is to provide an exit offer and will subsequently be delisted from the SGX-ST.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. General (cont'd)

Uncertainties relating to Covid-19 pandemic

The Covid-19 pandemic and the aftermath of the pandemic has caused and continues to cause disruptions resulting in uncertainties surrounding the Group's business, including its relationships with its existing and future customers, suppliers and employees. The pandemic had and will continue to have an adverse effect on the Group's financial position, financial performance, cash flows and prospects for the foreseeable future. There are still significant uncertainty around the medium to long term impact of the Covid-19 pandemic. The extent to which the Group will be impacted is presently difficult to ascertain. Management will continue to closely monitor the further economic development and its impact.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS (I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 (the "Act") and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. General (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and consolidation is ceased when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company's separate statement of profit or loss and other comprehensive income is not presented.

Change in presentation currency

During the reporting year ended 31 December 2020, the Company changed its presentation currency from Chinese Renminbi ("RMB") to Singapore Dollar ("S\$"). The change in presentation currency has been applied retrospectively in accordance with SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors. The comparative figures of the Group and of the Company in these financial statements have been restated in S\$ in order to provide meaningful comparable information.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services

Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

For distinct services in a series such as routine or recurring service contracts where the promise under the contract is for a specified services that meets the over time criteria or is a stand-ready or single continuous service and if the nature of service is distinct, substantially the same and has the same pattern of transfer or each time increment is distinct, then revenue is recognised at the amount that the entity has the right to bill a fixed amount for service provided.

Rental income

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Other income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is deducted in calculating the carrying amount of the asset and therefore the grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have each participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Foreign currency transactions

The Company's functional currency is Singapore Dollar ("S\$") as it reflects the primary economic environment in which the Company operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income and if applicable deferred in equity such as qualifying cash flow hedges. These financial statements are presented in the Company's functional currency.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. For the gain on bargain purchase, a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Goodwill (cont'd)

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Buildings and farm structures	3%	-	10%	
Leasehold improvements	7%	-	33%	(over the lease term)
Plant and machinery	10%	-	33%	
Office equipment	12.5%	-	33%	
Vehicles	12.5%	-	25%	

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Right-of-use assets

A right-of-use asset ("ROU asset") is recognised at the commencement date of a lease. The ROU asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

ROU assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. ROU assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a ROU asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Investment property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee as a right-of-use asset under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes only, the fair values are measured periodically on a systematic basis at least once yearly by external independent professional valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The annual rates of depreciation are as follows:

Properties	3%	-	33%
Land use rights	2%	-	2.6%

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

For a lessor each lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Another systematic basis is applied if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Prepaid leases and land use rights

Prepaid leases and land use rights represent upfront payments to acquire long-term interest in the usage of land. Prepaid leases and land use rights are initially measured at cost. Following initial recognition, these assets are measured at cost less accumulated amortisation and accumulated impairment losses. The prepaid lease are amortised over the remaining lease terms. The annual rate of amortisation is as follows:

Land use rights	-	2.5%
Prepaid leases	-	2.0% - 2.6%

Within the People's Republic of China ("PRC"), it is the practice for the State to issue land use rights to individuals or entities. Such rights are evidenced through the granting of a land use rights certificate, which gives the holder the right to use the land (including the construction of buildings thereon) for a given length of time. An upfront payment is made for this right. As such a prepayment is recognised in the consolidated statement of financial position, analysed between current and non-current assets which represent amounts to be utilised within and after 12 months of the end of each reporting period respectively. The prepayment is amortised to spread the lease cost over the duration of the term of the land use rights, as specified in the land use rights certificate.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Group and the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the Company's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement.

The reporting interests in joint ventures are recognised using the equity method in accordance with the financial reporting standard on investments in associates and joint ventures. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of a joint venture in excess of the reporting entity's interest in the relevant joint venture are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and a joint venture are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint venture are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Joint arrangements – joint venture (cont'd)

In the Company's separate financial statements, an investment in a joint venture is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a joint venture is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange.

Inventories

Inventories are measured at the lower of cost (first-in-first-out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Biological assets

Biological assets are measured at their fair value less costs to sell or at cost for abalones with different sizes, depending on the availability of market prices and the commencement of revenue-generating process.

The fair value assessed using the market approach is based on contracted selling prices. Where contracted selling prices are not available, recent market prices for similar assets with adjustments made thereto to reflect the condition and utility of the appraised assets relative to the market comparative are used.

The cost approach is used where market prices or other reliable indicators of prices for biological assets are not available.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

- #1 Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- #2 Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): A debt asset instrument is measured at fair value through other comprehensive income ("FVTOCI") only if it meets both of the following conditions and is not designated as at FVTPL, that is (a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are not reclassified subsequent to their initial recognition, except when, and only when, the reporting entity changes its business model for managing financial assets (expected to be rare and infrequent events). The previously recognised gains, losses, or interest cannot be restated. When these financial assets are derecognised, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets (cont'd):

- #3 Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"): On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.

There were no financial assets classified in this category at reporting year end date.

- #4. Financial asset classified as measured at fair value through profit or loss ("FVTPL"): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss ("FVTPL") in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Corporate guarantee

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, it is reasonably possible that the actual figures within the next reporting year could be different from the assumptions and estimates.

Impairment assessment of investment properties

The Group's investment properties consist of buildings and farm structures, plant and machineries and pre-paid leases that were previously used in its abalone farming business. Investment properties are stated at cost less accumulated depreciation and impairment, if any. Any shortfall of the recoverable amounts against the carrying values of the investment properties would be recognised as impairment losses in the profit or loss.

In assessing the recoverable amounts of the investment properties, management applied the fair value less cost of disposal method and engaged an independent valuer to assist in determining the fair value. The independent valuer possesses recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Impairment assessment of investment properties (cont'd)

Management has exercised high degree of judgement and determined that replacement cost approach is the most appropriate technique in determining the fair value of the investment properties due to the nature of the assets. The replacement cost approach aims to reflect the amount that would be currently required to replace the investment properties adjusted for obsolescence (e.g. physical deterioration, functional or economic obsolescence). The determination of fair value included use of unobservable inputs and significant estimation. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying value of investment properties at the end of the reporting year is disclosed in Note 13.

Useful lives of investment properties

The estimates for the useful lives and related depreciation charges for investment properties are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are shorter than previously estimated, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. The carrying amount of investment properties at the end of the reporting year is \$18,075,000.

Assessment of ability to exercise control over subsidiary

During the reporting year, the Group subscribed for 50.1% of equity interest in Season Global Trading Pte. Ltd. ("SGT"), a newly incorporated company in Singapore. The remaining of 49.9% equity interest in SGT is held by a third party.

Management exercised judgement in determining whether the Group has control over SGT. Management reviewed the relevant terms of the shareholder's agreement, SGT's constitution and considered the facts and circumstances of SGT's business and operational arrangements. Specifically, management considered among others, matters relating to ownership structure, board composition and governance, business and operational control, appointment of key personnel in SGT, business arrangements and nature of relationships with customers, suppliers and other stakeholders.

Management has determined that the Group has majority ownership interest and voting rights, and that it has the ability to control SGT's board which has the practical authority and responsibility to set business strategy and direct the business operations of SGT, including the forms of business arrangements and SGT's relationships with customers, suppliers and other stakeholders. Management weighted its assessment having due regard to the Group's rights and obligations and other relevant terms as set out in the shareholder's agreement and SGT's constitution, as well as the current internal reporting structure and their knowledge of SGT's present business arrangements and practices.

Based on facts and circumstances, management assessed that the Group has satisfied the requirements in SFRS(I) 10, Consolidated Financial Statements (SFRS(I) 10) in accounting for SGT as a subsidiary as the Group is considered as presently having control over SGT. Accordingly, the financial statements of SGT have been included on the Group's consolidated financial statements for the reporting year ended 31 December 2020 in accordance with SFRS(I) 10. The summarised financial information of SGT for the reporting year ended 31 December 2020 is disclosed in Note 15A.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Impairment assessment of cost of investments in subsidiaries - Company

Where an investee is in net equity deficit and or has suffered recurring losses, a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. Management has assessed the recoverable value amount of investee based on independent valuation of its principal assets. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied. The carrying value of investments in subsidiaries is disclosed in Note 15.

Fair value of financial instruments

If a financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. This measurement requires significant judgement. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discount rates. The assumptions and the fair values are disclosed in the Note 17.

Expected credit loss allowance on trade receivables

The allowance for expected credit losses (ECL) assessment requires a high degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amount of trade and other receivables is disclosed in Note 21.

Income tax amounts

The Group has exposure to income taxes in the PRC. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The current tax payable of the Group at the reporting date amounted to \$5,307,000 (2019: \$4,627,000).

Going concern assumption

As at the end of the reporting year, the Company's total liabilities exceeded its total assets by \$5,955,000. The Company's other financial assets and cash and cash equivalents totalled \$10,493,000 are more than its external liabilities of \$5,026,000. In addition, management is satisfied that the Company is able to control the timing of repayment of payables to its subsidiaries and the Company has adequate resources to meet its liabilities as and when they fall due for at least a year from the end of the reporting year. Consequently, management believes that the use of going concern assumption in the preparation of the Company's financial statements is appropriate.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group

Related companies in these financial statements include the members of the Group of companies.

3B. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed.

The other related party transactions are not significant.

3C. Key management compensation

	Group	
	2020 \$'000	2019 \$'000
Short-term benefits	851	611
Post-employment benefits	38	68
	<u>889</u>	<u>679</u>

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	Group	
	2020 \$'000	2019 \$'000
Remuneration of directors and senior management	811	556
Fees to directors	40	55

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Related party relationships and transactions (cont'd)

3D. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Group	
	2020 \$'000	2019 \$'000
<u>Other payable to directors</u>		
Balance at beginning of the year	1,200	1,116
Director remuneration and fees	–	84
Amounts paid out for director fees	(65)	–
Transfer out on disposal of subsidiary	(1,095)	–
Balance at end of the year (Note 26)	<u>40</u>	<u>1,200</u>

	Company	
	2020 \$'000	2019 \$'000
<u>Other receivables from subsidiaries</u>		
Balance at beginning of the year	233,367	237,877
Loan and advance to subsidiaries	1,862	–
Amounts received	(7,024)	(4,510)
Balance at end of the year (Note 21)	<u>228,205</u>	<u>233,367</u>

<u>Movement in allowance</u>		
Balance at beginning of the year	(231,485)	(236,820)
Charge for other receivables to profit or loss included in other expenses	–	(1,714)
Reversal for other receivables to profit or loss included in other operating income	7,024	7,049
Balance at end of the year (Note 21)	<u>(224,461)</u>	<u>(231,485)</u>

	Company	
	2020 \$'000	2019 \$'000
<u>Other payables to subsidiaries</u>		
Balance at beginning of the year	20,764	21,062
Amounts paid out	–	(298)
Balance at end of the year (Note 26)	<u>20,764</u>	<u>20,764</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (i) live marine products, (ii) trading, (iii) consultancy and (iv) others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows

- (i) Live marine products segment is those cultivation and sale of abalone and others. The Group has suspended this segment's operation during the reporting year.
- (ii) Trading segment is those sales of processed marine products, alcoholic beverage, cosmetics and coffee.
- (iii) Consultancy segment is those consultancy services related to fish farming and acquiring technologies for aquaculture and fishery business.
- (iv) Other segment is those of corporate office function and investment holdings.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The discontinued operations relate to the ceased operation segment of food and beverage and processed marine products, as disclosed in Note 30 to the financial statements.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results is earnings from operations before depreciation, amortization, interests and income taxes (called "Segment results").

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Total \$'000
2020					
Revenue by segments	—	85,192	2,879	3,997	92,068
Results:					
Segment results	—	2,103	224	5,664	7,991
Finance costs	—	(294)	—	(90)	(384)
Foreign exchange gain	—	(169)	(4)	4,056	3,883
Depreciation and amortisation charges	—	(119)	(60)	(2,222)	(2,401)
Profit before income tax	—	1,521	160	7,408	9,089
Income tax expense	—	(470)	(3)	—	(473)
Profit for the year	—	1,051	157	7,408	8,616

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Financial information by operating segments (cont'd)					
4B. Profit or loss from continuing operations and reconciliations (cont'd)					
	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Total \$'000
2020					
Other information					
Acquisition of property, plant and equipment	-	40	23	11	74
Acquisition of investment properties	-	-	-	4	4
Allowance for impairment on trade receivables	-	(166)	-	-	(166)
Gain on disposal of subsidiary	-	-	-	832	832
Reversal of impairment loss on other receivables	-	-	-	844	844
Interest income	-	-	-	311	311

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Financial information by operating segments (cont'd)							
4B. Profit or loss from continuing operations and reconciliations (cont'd)							
	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Total continuing operations \$'000	Discontinued operations \$'000	Total \$'000
2019							
Revenue by segments	826	6,382	2,097	-	9,305	-	9,305
Total revenue							
Results							
Segment results	(6,632)	(2,503)	511	6,273	(2,351)	-	(2,351)
Finance costs	-	(10)	-	-	(10)	-	(10)
Foreign exchange gain	(2,741)	111	(3)	2,852	219	15	234
Depreciation and amortisation expense	(2,221)	(155)	(68)	(14)	(2,458)	-	(2,458)
Profit/(loss) before income tax	(11,594)	(2,557)	440	9,111	(4,600)	15	(4,585)
Income tax income	-	-	10	-	10	-	10
Profit/(loss) for the year	(11,594)	(2,557)	450	9,111	(4,590)	15	(4,575)

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Financial information by operating segments (cont'd) 4B. Profit or loss from continuing operations and reconciliations (cont'd)

	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Total continuing operations \$'000	Discontinued operations \$'000	Total \$'000
2019							
Other information							
Acquisition of property, plant and equipment	60	46	78	6	190	-	190
Allowance for impairment on goodwill	-	(674)	-	-	(674)	-	(674)
Gain arising from changes in fair value less costs to sell biological assets	609	-	-	-	609	-	609
Reversal of impairment loss on property, plant and equipment	505	-	-	-	505	-	505
Reversal of impairment loss on prepaid leases	46	-	-	-	46	-	46
Reversal of impairment loss on other receivables	790	-	-	-	790	-	790
Loss on disposal of prepaid leases	(234)	-	-	-	(234)	-	(234)
Rental income	203	-	-	-	203	-	203
Interest income	159	-	-	102	261	-	261

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Financial information by operating segments (cont'd) 4C. Assets and liabilities

	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Discontinued operations \$'000	Inter- segment eliminations \$'000	Total \$'000
2020							
Assets							
Segment assets	-	34,752	1,761	58,706	10	(24,991)	70,238
Liabilities							
Segment liabilities	-	60,907	1,077	326,739	18,415	(365,373)	41,765
2019							
Assets							
Segment assets	32,618	3,707	894	43,504	703	(40,837)	40,589
Liabilities							
Segment liabilities	104,074	34,946	468	222,200	22,197	(365,811)	18,074

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Financial information by operating segments (cont'd)

4D. Geographical information

The following table provides an analysis of the Group revenue by geographical market irrespective of the origin of the goods and services and non-current assets by geographical market:-

	Revenue		Non-current assets	
			Group	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
PRC	3,996	990	18,841	19,398
Hong Kong	83,967	–	6	–
Singapore	4,105	8,315	320	893
	<u>92,068</u>	<u>9,305</u>	<u>19,167</u>	<u>20,291</u>

4E. Information about major customers

The following table provides information on revenue from external customers or Group of customers who accounted for 10% or more of the Group's revenue:-

	Group	
	2020	2019
	\$'000	\$'000
Customer 1 in trading segment	39,707	1,502
Customer 2 in trading segment	14,682	–
	<u>54,389</u>	<u>1,502</u>

5. Revenue

	Group	
	2020	2019
	\$'000	\$'000
Revenue from contracts with customers		
- Sale of live marine products	–	826
- Sale of goods	85,192	6,382
- Consultancy services	2,879	2,097
- Rental income	3,997	–
	<u>92,068</u>	<u>9,305</u>

The customers for sale of goods are retailers wholesales. A large portion of the goods is exported. All the contracts are less than 12 months.

The customers for consulting services are commercial consumers and government agencies. The contracts vary from a few days to 12 months.

Rental income is from the Group's investment properties disclosed in Note 13.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. Other operating income and expenses

6A. Other operating income

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rental income	–	203	–	–	–	203
Interest income	311	261	–	–	311	261
Fair value gain on financial instrument	2	–	–	–	2	–
Government grants	310	238	–	–	310	238
Gain on disposal of investment in subsidiary	832	–	–	–	832	–
Reversal of impairment loss on prepaid leases	–	46	–	–	–	46
Foreign exchange adjustments gain	3,883	219	–	15	3,883	234
Reversal of impairment loss on property, plant and equipment	–	505	–	–	–	505
Reversal of impairment loss on other receivables	844	790	–	–	844	790
Sundry income	570	184	–	–	570	184
Net	<u>6,752</u>	<u>2,446</u>	<u>–</u>	<u>15</u>	<u>6,752</u>	<u>2,461</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. Other operating income and expenses (cont'd)

6B. Other operating expenses

	Group Continuing operations	
	2020 \$'000	2019 \$'000
Allowance for impairment on goodwill	–	674
Annual listing fees	52	53
Allowance for impairment on trade receivable	166	–
Bad debt written-off other receivable	364	80
Computer expenses	14	–
Electricity, fuel and water	1	201
Insurance expenses	13	15
Loss on disposal of prepaid lease	–	234
Marketing and promotion	146	135
Operating lease expenses	32	204
Professional fees	475	1,337
Repair and maintenance	17	19
Storage and distribution	–	200
Subscription fees	26	–
Travelling expenses	59	209
Others	396	569
	<u>1,761</u>	<u>3,930</u>

7. Employee benefits expense

	Group Continuing operations	
	2020 \$'000	2019 \$'000
Directors' fees	40	55
Directors' salary of the Company	759	360
Salary of employees other than directors	1,413	1,989
Defined contribution plans included in staff costs	188	231
Other staff welfare	47	273
	<u>2,447</u>	<u>2,908</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. Finance costs

	Group Continuing operations	
	2020 \$'000	2019 \$'000
Interest on bank loan	203	–
Interest on lease liabilities	5	10
Interest on loan from shareholders	172	–
Others	4	–
	<u>384</u>	<u>10</u>

9. Items in the profit or loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group Continuing operations	
	2020 \$'000	2019 \$'000
Audit fee to auditors of the Company	179	130
Audit fee to other auditors	4	–
Non-audit fees paid to the auditors of the Company	8	8
	<u>191</u>	<u>138</u>

10. Income tax

10A. Components of tax expense/(income) recognised in profit or loss:

	Group	
	2020 \$'000	2019 \$'000
<u>Current tax expenses/(income):</u>		
Current tax expenses	473	–
Overprovision in respect of prior years	–	(10)
Total income tax expenses/(income)	<u>473</u>	<u>(10)</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. Income tax (cont'd)

10A. Components of tax expense/(income) recognised in profit or loss: (cont'd)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2019: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2020	2019
	\$'000	\$'000
Profit/(loss) before tax		
- Continuing operation	9,089	(4,600)
- Discontinued operations	-	15
	<u>9,089</u>	<u>(4,585)</u>
Income tax expense/(income) at the above rate	1,545	(780)
Expenses not deductible for tax purposes	1,983	4,752
Income not subject to tax	(2,715)	(2,856)
Effect of different tax rate in different jurisdictions	480	348
Movement of deferred tax assets not recognised	(820)	(1,464)
Overprovision in respect of prior years	-	(10)
Total income tax expense/(income)	<u>473</u>	<u>(10)</u>

There are no income tax consequences of dividends to owners of the Company.

10B. Deferred tax assets/liabilities in statements of financial position

	Group	
	2020	2019
	\$'000	\$'000
<u>Deferred tax liabilities recognised</u>		
Excess of carrying value of plant and equipment over tax values	<u>-</u>	<u>11</u>

The Group has unutilised tax losses as follows:

	Group	
	2020	2019
	\$'000	\$'000
Unutilised tax losses:		
- Singapore operations	10,266	8,250
- People's Republic of China ("PRC")	18,744	24,378
	<u>29,010</u>	<u>32,628</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. Income tax (cont'd)

10B. Deferred tax assets/liabilities in statements of financial position: (cont'd)

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

For companies in the PRC, the realisation of the future income tax benefits from tax loss carryforwards is available for a period of 5 years subject to the conditions imposed by law. The expiry dates of tax losses carryforward are as follows:

	Group	
	2020	2019
	\$'000	\$'000
2020	-	2,751
2021	4,884	7,767
2022	8,471	8,471
2024	5,389	5,389
	<u>18,744</u>	<u>24,378</u>

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the remaining for the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Property, plant and equipment

	Buildings and farm structures \$'000	Leasehold improvement \$'000	Plant and machinery \$'000	Office equipment \$'000	Vehicles \$'000	Assets under construction \$'000	Total \$'000
Group Cost:							
At 1 January 2019	60,084	327	8,866	445	48	6,421	76,191
Additions	38	10	15	30	-	-	93
Arising from acquisition of subsidiary	-	-	-	97	-	-	97
Disposals	-	-	-	(118)	-	-	(118)
Foreign exchange adjustments	(1,547)	(3)	(228)	(9)	(1)	(165)	(1,953)
At 31 December 2019	58,575	334	8,653	445	47	6,256	74,310
Transfer to investment property	(58,575)	-	(8,653)	-	-	(6,256)	(73,484)
Additions	-	28	-	41	5	-	74
Disposals	-	-	-	(7)	-	-	(7)
Foreign exchange adjustments	-	-	-	-	(2)	-	(2)
At 31 December 2020	-	362	-	479	50	-	891
Accumulated depreciation:							
At 1 January 2019	29,118	205	6,786	194	25	-	36,328
Depreciation for the year	2,164	26	55	49	-	-	2,294
Arising from acquisition of subsidiary	-	-	-	36	-	-	36
Disposals	-	-	-	(38)	-	-	(38)
Foreign exchange adjustments	(797)	(1)	(175)	(5)	(1)	-	(979)
At 31 December 2019	30,485	230	6,666	236	24	-	37,641
Transfer to investment property	(30,485)	-	(6,666)	-	-	-	(37,151)
Depreciation for the year	-	10	-	48	-	-	58
Disposals	-	-	-	(3)	-	-	(3)
Foreign exchange adjustments	-	-	-	-	(2)	-	(2)
At 31 December 2020	-	240	-	281	22	-	543

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Property, plant and equipment (cont'd)

	Buildings and farm structures \$'000	Leasehold improvement \$'000	Plant and machinery \$'000	Office equipment \$'000	Vehicles \$'000	Assets under construction \$'000	Total \$'000
Group							
At 1 January 2019	9,931	88	1,732	120	23	6,421	18,315
Reversal of impairment loss for the year	(811)	-	306	-	-	-	(505)
Disposals	-	-	-	(8)	-	-	(8)
Foreign exchange adjustments	(237)	(2)	(51)	(3)	-	(165)	(458)
At 31 December 2019	8,883	86	1,987	109	23	6,256	17,344
Transfer to investment property	(8,883)	-	(1,987)	-	-	(6,256)	(17,126)
Foreign exchange adjustments	-	-	-	-	(2)	-	(2)
At 31 December 2020	-	86	-	109	21	-	216
Carrying value:							
At 1 January 2019	21,035	34	348	131	-	-	21,548
At 31 December 2019	19,207	18	-	100	-	-	19,325
At 31 December 2020	-	36	-	89	7	-	132

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Property, plant and equipment (cont'd)

<u>Company</u>	<u>Office equipment</u> \$'000
<u>Cost:</u>	
At 1 January 2019	62
Additions	7
At 31 December 2019 and 2020	<u>69</u>
<u>Accumulated depreciation:</u>	
At 1 January 2019	5
Depreciation for the year	14
At 31 December 2019	19
Depreciation for the year	15
At 31 December 2020	<u>34</u>
<u>Carrying value:</u>	
At 1 January 2019	57
At 31 December 2019	<u>50</u>
At 31 December 2020	<u>35</u>

12. Right-of-use assets

<u>Group</u>	<u>Office premises</u> \$'000
<u>Cost</u>	
At 1 January 2019	301
Addition	58
At 31 December 2019	359
Additions	91
Termination	(121)
At 31 December 2020	<u>329</u>
<u>Accumulated depreciation</u>	
At 1 January 2019	-
Depreciation for the year	152
At 31 December 2019	152
Depreciation for the year	132
Termination	(76)
At 31 December 2020	<u>208</u>
<u>Carrying value</u>	
At 1 January 2019	301
At 31 December 2019	<u>207</u>
At 31 December 2020	<u>121</u>

Other information relating to the right-of-use assets are as follows:

Number of right-to-use assets	2
Remaining term	<u>5 to 21 months</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. Investment properties

<u>Group</u>	<u>Properties</u> \$'000	<u>Land use rights</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>			
At 1 January 2020	-	-	-
Transfer from property, plant and equipment	73,484	-	73,484
Transfer from prepaid lease	-	469	469
Addition	4	-	4
Foreign exchange adjustments	3,538	10	3,548
At 31 December 2020	<u>77,026</u>	<u>479</u>	<u>77,505</u>
<u>Accumulated depreciation:</u>			
At 1 January 2020	-	-	-
Transfer from property, plant and equipment	37,151	-	37,151
Transfer from prepaid lease	-	113	113
Depreciation for the year	2,202	12	2,214
Foreign exchange adjustments	1,875	-	1,875
At 31 December 2020	<u>41,228</u>	<u>125</u>	<u>41,353</u>
<u>Accumulated impairment:</u>			
At 1 January 2020	-	-	-
Transfer from property, plant and equipment	17,126	-	17,126
Transfer from prepaid lease	-	130	130
Foreign exchange adjustments	821	-	821
At 31 December 2020	<u>17,947</u>	<u>130</u>	<u>18,077</u>
<u>Carrying value:</u>			
At 1 January 2020	-	-	-
At 31 December 2020	<u>17,851</u>	<u>224</u>	<u>18,075</u>
Fair value for disclosure only:			
At 1 January 2020			-
At 31 December 2020			<u>26,325</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. Investment properties (cont'd)

The Group's investment properties consist buildings and farm structures, plant and machineries and pre-paid leases that were previously used in its abalone farming business.

Detail of the Group's land use rights:

<u>Address</u>	<u>Land Area (Sq m)</u>	<u>Lease Commencement Date</u>	<u>Lease Expiry Date</u>
Zanei Village, Fotan Town, Zhangpu County, Longhai City	2,387	15 January 2007	14 January 2047
Zanei Village, Fotan Town, Zhangpu County, Longhai City	325,496	1 July 2008	30 September 2046
Houxu Village, Fotan Town, Zhangpu County, Longhai City	32,016	1 July 2008	30 August 2047
Shahuang Village, Fotan Town, Zhangpu County, Longhai City	21,344	1 May 2000	30 April 2050
Fotan Town, Zhangpu County, Longhai City	16,008	27 March 2010	28 August 2050
Shannan Village, Chencheng Town, Dongshan County, Zhangzhou City	5,336	2 September 2007	23 April 2034

Impairment testing

The recoverable amount of the investment properties was based on each property's fair value less costs to sell, as determined by an independent professional valuer with recognised and relevant professional qualifications and experience within the local market and the category of assets to be valued. The determination of fair values include use of unobservable inputs.

The fair value less cost to sell of investment properties (Level 3 fair value hierarchy) was determined based on the replacement cost approach. The replacement cost approach is based on the cost to reproduce or replace under new condition with current market prices for similar assets, with allowance for accrued depreciation arising from the conditions, utility, age, wear and tear, or obsolescence present (physical, functional or economic). A hypothetical 10% change in the variation from estimate would have an effect on fair value change by \$2,632,500.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. Investment properties (cont'd)

During the reporting year ended 31 December 2020, no impairment allowance was recognised because the carrying value of the investment properties was lower than its estimated fair value less cost of sell.

	<u>2020</u> \$'000
Rental income from investment properties	3,997
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	2,207

14. Goodwill

	<u>31 December 2020</u> \$'000	<u>Group</u> <u>31 December 2019</u> \$'000	<u>1 January 2019</u> \$'000
<u>Cost:</u>			
At beginning of year	1,060	674	-
Arising from acquiring of a subsidiary (Note 34)	85	386	674
Disposal	(674)	-	-
At end of year	471	1,060	674
<u>Accumulated impairment:</u>			
At beginning of year	674	-	-
Impairment loss recognised in the year included in other operating expenses	-	674	-
Disposal	(674)	-	-
At end of year	-	674	-
<u>Carrying value:</u>			
At beginning of the year	386	674	-
At end of the year	471	386	674

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the group's investment by each subsidiary follows:

	<u>31 December 2020</u> \$'000	<u>Group</u> <u>31 December 2019</u> \$'000	<u>1 January 2019</u> \$'000
<u>Name of subsidiary:</u>			
Alps Group Pte Ltd	-	674	674
AP Media Pte. Ltd.	386	386	-
Resolute Communication Pte. Ltd.	85	-	-
	471	1,060	674

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. Goodwill (cont'd)

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal or its value in use.

The recoverable amounts of goodwill have been determined based on value-in-use calculations by management. The value in use was determined by management. The key assumptions for value in use calculations are those regarding the discount rate, growth rate and expected changes to selling prices and direct costs during the year. Management estimates the discount rate using pre-tax rate that reflects current market assessments of the time value of money and risks specific to the CGU. The growth rate is based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The impairment test has been carried out using a discounted cash flows model covering a five year period. Cash flow projections are made based on current year's results with 1% growth rate (2019: 1%). The pre-tax discount rate that reflects current market assessments at the risks specific to the CGU is 11% (2019: 11%).

Actual outcomes could vary from these estimates. If the revised estimated revenue had been 10% less favourable than management's estimates, the goodwill would have to be fully impaired. If the revised estimated gross margin had been 10% less favourable than management's estimates, there would be a need to reduce the carrying value of goodwill to the recoverable amount. If the revised pre-tax discount rate applied to the discounted cash flows had been 10% higher than management's estimates, there would be a need to reduce the carrying value of goodwill to the recoverable amount. If the actual gross margin and pre-tax discount rate had been lower than management's estimates, management would not be able to reverse any impairment losses that arose on goodwill because SFRS(I) 1-36 does not permit reversing an impairment loss for goodwill.

The value in use is a recurring fair value measurement (Level 3) determined by management. The quantitative information on value in use measurement using significant unobservable inputs for the CGU are consistent with those used for the measurement last performed.

No impairment allowance was recognised because the carrying amount of all cash-generating units was lower than their recoverable amount.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. Investments in subsidiaries

	<u>Company</u>		
	<u>31 December 2020</u>	<u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
Unquoted equity shares at cost	273,003	273,003	273,002
Allowance for impairment	(273,000)	(260,381)	(260,381)
Carrying value	<u>3</u>	<u>12,622</u>	<u>12,621</u>
Movements in cost:			
At the beginning of the year	273,003	273,002	273,001
Acquisitions	–	1	1
At the end of the year	<u>273,003</u>	<u>273,003</u>	<u>273,002</u>
Movements in allowance for impairment:			
At the beginning of the year	260,381	260,381	260,381
Amount recognised during the year	12,619	–	–
At the end of the year	<u>273,000</u>	<u>260,381</u>	<u>260,381</u>

The subsidiaries in the Group are listed below:

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	<u>Cost of investment</u>			<u>Effective percentage of equity held</u>		
	<u>31 December 2020</u>	<u>31 December 2019</u>	<u>1 January 2019</u>	<u>31 December 2020</u>	<u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000	%	%	%
Held by the Company						
Oceanus Aquaculture Group Pte. Ltd. ^(a) Singapore Investment holding	270,000	270,000	270,000	100	100	100
Oceanus Food Group Pte. Ltd. ^(a) Singapore Investment holding and trading of canned abalone	3,000	3,000	3,000	100	100	100
Oceanus Food Group Limited ^(c) Hong Kong Investment holding	*	*	*	100	100	100

* Amount less than \$1,000.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. Investment in subsidiaries (cont'd)

The subsidiaries in the Group are listed below: (cont'd)

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Cost of investment			Effective percentage of equity held		
	31 December	31 December	1 January	31 December	31 December	1 January
	2020 \$'000	2019 \$'000	2019 \$'000	2020 %	2019 %	2019 %
Oceanus Tech Pte Ltd ^(a) Singapore Operation of fish hatcheries, fish farms and fishery research services	1	1	1	100	100	100
Oceanus Investment Holdings Pte. Ltd. ^(a) Singapore Investment holding	1	1	1	100	100	100
Asia Fisheries Pte Ltd ^(a) Singapore Trading of animal feeds (Incorporated on 11 April 2019)	1	1	–	100	100	–
	<u>273,003</u>	<u>273,003</u>	<u>273,002</u>			
Subsidiary held through Oceanus Aquaculture Group Pte. Ltd. Oceanus (China) Aquaculture Co., Ltd ^(b) 欧胜 (中国) 养殖有限公司 People's Republic of China Aquaculture production and abalone farming and sale of products				100	100	100

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15. Investment in subsidiaries (cont'd)

The subsidiaries in the Group are listed below: (cont'd)

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held		
	31 December	31 December	1 January
	2020 %	2019 %	2019 %
Subsidiaries held through Oceanus Food Group Limited Zhangzhou Oceanus Food Co., Ltd ^(c) 漳州欧圣食品有限公司 People's Republic of China Inactive	100	100	100
Subsidiaries held through Oceanus Food Group Pte. Ltd. Oceanus Australia Abalone World (S) Pte Ltd ^(e) Singapore Trading abalone products (Disposed on 7 March 2019)	–	–	60
Oceanus (Shanghai) Restaurant Management Co., Ltd ^(c) 欧圣(上海)餐饮管理有限公司 People's Republic of China Inactive	100	100	100

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. Investment in subsidiaries (cont'd)

The subsidiaries in the Group are listed below: (cont'd)

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held		
	31 December 2020	31 December 2019	1 January 2019
	%	%	%
Subsidiaries held through Oceanus Food Group Pte. Ltd. (cont'd)			
Oceanus (Singapore) Restaurant Management Pte. Ltd. ^(a) Singapore Inactive	100	100	100
Oceanus (Taiwan) Restaurant Limited Company ^(c) Taiwan Inactive	100	100	100
Subsidiary held through Oceanus (China) Aquaculture Co., Ltd.			
Xiamen Oceanus Import and Export Ltd ^(b) 厦门欧圣进出口有限公司 People's Republic of China Trading and distribution	75	75	75

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15. Investment in subsidiaries (cont'd)

The subsidiaries in the Group are listed below: (cont'd)

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held		
	31 December 2020	31 December 2019	1 January 2019
	%	%	%
Subsidiary held through Oceanus (Shanghai) Restaurant Management Co., Ltd			
Shanghai Oceanus Wujiang Road Restaurant Co., Ltd ^(c) 上海欧圣吴江路餐饮有限公司 People's Republic of China Inactive	100	100	100
Subsidiary held through Oceanus Investment Holdings Pte. Ltd.			
Alps Group Pte. Ltd. ^(a) Singapore Wholesales of paper products Disposed on 1 March 2020	–	51	51
AP Media Pte. Ltd. ^(a) Singapore Media, marketing and consultancy	51	51	–
Singapore China Oceanus Property Investment Co., Ltd ^(c) People's Republic of China Inactive	100	100	–

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. Investment in subsidiaries (cont'd)

The subsidiaries in the Group are listed below: (cont'd)

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held		
	31 December 2020	31 December 2019	1 January 2019
	%	%	%
Subsidiary held through Oceanus Investment Holdings Pte. Ltd.			
Season Global Trading Pte. Ltd. (a) (f) Singapore Wholesales of variety of goods Incorporated on 2 January 2020	50.1	–	–
Subsidiary held through Alps Group Pte. Ltd.			
Alps Commercial (Shanghai) Co Ltd (c) People's Republic of China Wholesales of paper products Disposed on 1 March 2020	–	51	–
Subsidiary held through AP Media Pte. Ltd.			
Cap Comm Pte. Ltd. (a) Singapore Advertising	51	51	–
AP 360 Marketing Sdn Bhd (d) Malaysia Motion picture/video production	51	51	–

NOTES TO the financial statements

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15. Investment in subsidiaries (cont'd)

The subsidiaries in the Group are listed below: (cont'd)

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held		
	31 December 2020	31 December 2019	1 January 2019
	%	%	%
Subsidiary held through AP Media Pte. Ltd.			
Resolute Communications Pte. Ltd. (a) Singapore Advertising and conventioning / conference organisers. Acquired on 2 October 2020	28	–	–

(a) Audited by RSM Chio Lim LLP, Singapore.

(b) Audited by SBA Stone Forest CPA Co., Ltd, an alliance firm of RSM Chio Lim LLP and a member of Allinial Global, for consolidation purposes.

(c) Not audited as it is immaterial. The subsidiary has ceased operation and is in the process of liquidation and deregistration.

(d) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(e) Oceanus Australia Abalone World (S) Pte Ltd was disposal off during the reporting year ended 31 December 2019. The carrying amounts of the assets and liabilities of Oceanus Australia Abalone World (S) Pte Ltd are not presented as they are not material to the Group's financial statements.

(f) Under the shareholders' agreement, the non-controlling interest has been granted an option to acquire a further 8.1% equity shares in Season Global Trading Pte. Ltd. ("SGT") in the event of an IPO or trade sale. The purchase consideration of equity shares would be based on certain discount of SGT's equity valuation at the point of pre-IPO or trade sale. The value of the options has not been accounted for in the consolidation financial statement as it is not considered to be significant.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. Investment in subsidiaries (cont'd)

15A. Interest in subsidiaries with material non-controlling interest

The subsidiary that have non-controlling interests ("NCI") that is material to the Group is as follows:

Name	Proportion of effective ownership interest held by NCI		Profit/(loss) allocated to NCI	
	2020	2019	2020	2019
	%	%	\$'000	\$'000
Season Global Trading Pte. Ltd.	49.9	-	1,252	-

Summarised financial information before intercompany eliminations of subsidiary with material NCI are as follows:

	Season Global Trading Pte. Ltd. 2020 \$'000
<u>Summarised statement of financial position</u>	
<u>Current</u>	
Assets	33,100
Liabilities	(11,792)
Net current assets	21,308
<u>Non-current</u>	
Assets	6
Liabilities	(15,120)
Net non-current assets	(15,114)
Net assets	6,194
<u>Summarised statement of profit or loss and other comprehensive income</u>	
Revenue	83,967
Profit before income tax	2,980
Income tax expense	(470)
Profit from continuing operations, net of tax and total comprehensive income	2,510
<u>Summarised statements of cash flows</u>	
Net cash outflow from operating activities	(25,247)
Net cash outflow from investing activities	(6)
Net cash inflow from financing activities	26,973
Net cash inflow	1,720

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. Investment in subsidiaries (cont'd)

15B. Disposal of a subsidiary

Alps Group Pte Ltd was disposal off on 1 March 2020.

The following table summarises the carrying amounts of the assets and liabilities of Alps Group Pte Ltd at date of disposal:

	At date of disposal in 2020 \$'000	At end of last year 2019 \$'000
Inventories	254	306
Plant and equipment	12	33
Right-of-use assets	56	36
Trade and other receivables	328	384
Other non-financial assets	445	139
Cash and cash equivalents	1,285	1,100
Trade payables	(1,713)	(1,330)
Other financial liabilities	(37)	(36)
Other non-financial liabilities	-	(2)
Non-controlling interests at disposal date	(312)	-
Net assets disposed of	318	-
Gain on disposal	832	-
Total consideration	1,150	-
Satisfied by:		
Cash proceeds	1,150	-
Net cash inflow on disposal:		
Cash consideration	1,150	-
Cash balance disposed of	(1,285)	-
Net cash outflow	(135)	-

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16. Investment in joint arrangement

On 1 March 2019, the Company announced that a subsidiary of the group, Oceanus Investment Holdings Pte. Ltd. ("OIH") incorporated an entity Oceanus Opal (S) Pte Ltd ("OOPL") with an equity interest of 49%, amounting to S\$230,300. The purpose of OOPL was for the joint tendering of an aquaculture farm plot in Singapore.

The acquisition of the farm plot did not materialise and OOPL has been struck off during the reporting year. The cost of investment was refunded and pre-operating expenses relating to OOPL, amounting to S\$80,215, was written off to the statement of profit or loss for the reporting year 2019.

17. Other financial assets

	<u>31 December 2020</u>	<u>Group</u> <u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
Non-current			
Investment in unquoted equity shares at FVTPL (Note 17A)	368	153	–
Investment in debt instruments at FVTOCI (Note 17D)	–	–	1,000
	<u>368</u>	<u>153</u>	<u>1,000</u>
Current			
Investment in debt instrument at FVTPL (Note 17B)	5,000	–	–
Investment in quoted fund at FVTPL (Note 17C)	2,002	–	–
Investment in debt instruments at FVTOCI (Note 17D)	–	1,000	–
	<u>7,002</u>	<u>1,000</u>	<u>–</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. Other financial assets (cont'd)

	<u>31 December 2020</u>	<u>Company</u> <u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
Non-current			
Investment in debt instruments at FVTOCI (Note 17D)	–	–	1,000
Loan receivable from subsidiary (Note 17E)	7,560	–	–
	<u>7,560</u>	<u>–</u>	<u>1,000</u>
Current			
Investment in debt instrument at FVTPL (Note 17B)	5,000	–	–
Investment in quoted fund at FVTPL (Note 17C)	2,002	–	–
Investment in debt instruments at FVTOCI (Note 17D)	–	1,000	–
	<u>7,002</u>	<u>1,000</u>	<u>–</u>

17A. Investment in unquoted equity shares at FVTPL

	<u>31 December 2020</u>	<u>Group</u> <u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
Movements during the year:			
Fair value at beginning of the year	153	–	–
Additions	215	153	–
Fair value at end of the year	<u>368</u>	<u>153</u>	<u>–</u>

The information gives a summary of the significant sector concentrations within the investment portfolio:

	<u>Level</u>	<u>31 December 2020</u>		<u>31 December 2019</u>		<u>1 January 2019</u>	
		\$'000	%	\$'000	%	\$'000	%
Unquoted equity shares I	3	153	42	153	100	–	–
Unquoted equity shares II	3	215	58	–	–	–	–
		<u>368</u>	<u>100</u>	<u>153</u>	<u>100</u>	<u>–</u>	<u>–</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. Other financial assets (cont'd)

17A. Investment in equity shares at FVTPL (cont'd)

Fair value measurements (Level 3) recognised in the statement of financial position

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and information in the fair value measurement are as follows:

	Unquoted equity shares I	Unquoted equity shares II
Industry	Aquaculture	Aquaculture
Location	Australia	Singapore
Fair value	\$153,000 (2019: \$153,000).	\$215,000 (2019: Nil)
Fair value hierarchy	Level 3	Level 3
Valuation technique	Market comparable approach	Cost approach

Unquoted equity shares are generally Level 3 because the other inputs (e.g., entity specific profit amounts, comparability adjustments, etc.) are not observable.

Sensitivity analysis for price risk of equity shares at FVTPL

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. Sensitivity analysis:

	2020 \$'000	2019 \$'000
A hypothetical 10% increase in the market index that relates to unquoted equity shares at FVTPL would have an effect on fair value of	37	15

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

17B. Investment in debt assets instruments at FVTPL

	Group and Company		
	31 December 2020 \$'000	31 December 2019 \$'000	1 January 2019 \$'000
Fair value at beginning of the year	-	-	-
Additions	5,000	-	-
Fair value at end of the year	5,000	-	-

During the reporting year ended 31 December 2020, the Company entered into a subscription agreement, where the Company agreed to subscribe for Principal Protected Note ("Note") with a principal amount of \$5 million.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. Other financial assets (cont'd)

17B. Investment in debt assets instruments at FVTPL (cont'd)

The fair value of the investments are determined by management. The fair value measurement that categorised as Level 3 of the fair value hierarchy. Management performed the assessment based on the discounted cash flow method by assuming the Note will be redeemed by the end of the first redemption period.

The key information for fair value assessment are as follow:

Issue date	7 September 2020
Valuation date	31 December 2020
Number of months till first redemption	11
First redemption price	109%
Years from valuation date	0.6
Discount rate	15.51%

Sensitivity analysis

Such investments are exposed to market price risk arising from uncertainties about future values of the investment securities. Sensitivity analysis:

	2020 \$'000	2019 \$'000
A hypothetical 10% increase in the fair value would have an effect on fair value of	500	-

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

17C. Investment in quoted fund at FVTPL

	Group and Company		
	31 December 2020 \$'000	31 December 2019 \$'000	1 January 2019 \$'000
Movements during the year:			
Fair value at beginning of the year	-	-	-
Additions	2,000	-	-
Fair value gain	2	-	-
Fair value at end of the year	2,002	-	-

Sensitivity analysis

Such investments are exposed to market price risk arising from uncertainties about future values of the investment securities. Sensitivity analysis:

	2020 \$'000	2019 \$'000
A hypothetical 10% increase in the fair value would have an effect on fair value of	200	-

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. Other financial assets (cont'd)

17C. Investment in quoted fund at FVTPL (cont'd)

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

17D. Investment in debt assets instruments at FVTOCI

	<u>Group and Company</u>		
	<u>31 December 2020</u>	<u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
Movements during the year:			
Fair value at beginning of the year	1,000	1,000	1,000
Redemption	(1,000)	-	-
Fair value at end of the year	<u>-</u>	<u>1,000</u>	<u>1,000</u>

Disclosures relating to investments in debt assets instruments at FVTOCI:

	Level	<u>Group and Company</u>		
		<u>31 December 2020</u>	<u>31 December 2019</u>	<u>1 January 2019</u>
		\$'000	\$'000	\$'000
Unquoted bond with fixed interest of 10% and maturing on 29 May 2020, Singapore	2	<u>-</u>	<u>1,000</u>	<u>1,000</u>

A summary of the maturity dates as at the end of reporting year is as follows:

Within 1 year	-	1,000	-
Within 1 to 2 years	<u>-</u>	<u>-</u>	<u>1,000</u>
	<u>-</u>	<u>1,000</u>	<u>1,000</u>

For the reporting year ended 31 December 2019, the fair value of the investment was determined by management. A description of the valuation techniques and information about significant unobservable inputs used in the fair value measurements are as follows:

The unquoted bond expired on 29 May 2020 and the amount receivable on maturity was \$1,000,000. The rate of interest is 10% receivable quarterly. The fair value (Level 2) of the unquoted bond was estimated by discounting the future cash flows repayable under the terms of the bond receivables in 5 months using the reporting year end market interest rate of 0.83%. If the input (market interest rate) to the valuation model was higher, the fair value would be lower.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. Other financial assets (cont'd)

17D. Investment in debt assets instruments at FVTOCI (cont'd)

The debt investments carried at FVTOCI was subject to the expected credit loss model under the standard on financial instruments. The debt investments at FVTOCI were considered to have low credit risk, and the loss allowance recognised during the reporting year was limited to 12 months expected losses. The methodology applied for impairment loss depends on whether there had been a significant increase in credit risk. No loss allowance was necessary.

The unquoted bond was redeemed during the reporting year ended 31 December 2020.

17E. Loan receivable from subsidiary

	<u>Company</u>	
	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Movements during the year:		
At beginning of the year	-	-
Additions	7,560	-
At end of the year	<u>7,560</u>	<u>-</u>

The agreement for the loan receivable provides that it is with fixed interest of 4% per annum and is repayable in May 2023. The loan is carried at amortised cost using the effective interest method over 3 years.

18. Other non-financial assets, non-current

	<u>Land</u>	<u>Group</u>	<u>Total</u>
	<u>use rights</u>	<u>Prepaid</u>	
	\$'000	leases - land	\$'000
At 1 January 2019	22	404	426
Amortisation for the year	(1)	(11)	(12)
Reversal of impairment loss for the year	-	46	46
Disposal	-	(234)	(234)
At 31 December 2019	21	205	226
Transfer to investment property (Note 13)	(21)	(205)	(226)
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
Represented by:			
Cost of acquisition	31	438	469
Amortisation allowance	(10)	(103)	(113)
Accumulated impairment loss	-	(130)	(130)
Transfer to investment property	(21)	(205)	(226)
	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. Other non-financial assets, non-current (cont'd)

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Non-current portion	-	220	392
Current portion (Note 22)	-	6	34
Total	-	226	426

During the reporting year ended 31 December 2019, the Group recognised a reversal of impairment loss of \$46,000 on prepaid leases mainly due to asset reconditioning via repair and maintenance.

19. Biological assets

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Abalone	-	-	360
Movement in fair value			
At beginning of year	-	360	640
Additions	-	30	101
Disposal	-	(999)	(3,233)
Increase in fair value less costs to sell	-	609	2,852
At end of year	-	-	360

The fair value of biological assets related to adult and juvenile abalones was determined by an independent firm of professional. The fair value was based on the market value, being the estimated amount for which an asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation was based on the market approach and cost approach for abalones with different sizes, depending on marketability and availability of market prices.

20. Inventories

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Inventories, at cost	42	569	657
Goods in transit	14,649	-	-
	14,691	569	657

There are no inventories pledged as security for liabilities.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. Trade and other receivables

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Trade receivables:			
Outside parties	29,685	13,716	13,453
Less: Allowance for impairment	(13,462)	(12,675)	(13,019)
Net trade receivables – subtotal	16,223	1,041	434

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Other receivables:			
Outside parties	325	1,522	1,681
Less: Allowance for impairment	-	(844)	(1,676)
Deposits	20	20	78
Net other receivables – subtotal	345	698	83
Total trade and other receivables	16,568	1,739	517

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Movements in above allowance on trade receivables:			
At beginning of the year	(12,675)	(13,019)	(13,490)
Charge for trade receivables to profit or loss included in other operating expenses	(166)	-	-
Foreign exchange adjustments	(621)	344	471
At end of the year	(13,462)	(12,675)	(13,019)

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Movements in above allowance on other receivables:			
At beginning of the year	(844)	(1,676)	-
Reversal/(charge) for other receivables to profit or loss included in other operating income	844	790	(1,676)
Foreign exchange adjustments	-	42	-
At end of the year	-	(844)	(1,676)

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. Trade and other receivables (cont'd)

	<u>31 December 2020</u>	<u>Company</u> <u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
<u>Other receivables:</u>			
Outside parties	–	–	15
Subsidiaries (Note 3)	228,205	233,367	237,877
Less: Allowance for impairment (Note 3)	(224,461)	(231,485)	(236,820)
Total other receivables	<u>3,744</u>	<u>1,882</u>	<u>1,072</u>
	<u>31 December 2020</u>	<u>Company</u> <u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
Movements in above allowance on other receivables:			
At beginning of the year	(231,485)	(236,820)	(232,805)
Reversal for other receivables to profit or loss included in other operating income	7,024	7,049	–
Charge for other receivables to profit or loss included in other operating expenses	–	(1,714)	(4,015)
At end of the year	<u>(224,461)</u>	<u>(231,485)</u>	<u>(236,820)</u>

Trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. A loss allowance balance of \$13,462,000 (2019: \$12,675,000) is recognised for the Group.

NOTES TO the financial statements

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21. Trade and other receivables (cont'd)

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Concentration of trade receivable customers as at the end of reporting year:

	<u>31 December 2020</u>	<u>Group</u> <u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
Top 1 customer	8,155	156	95
Top 2 customers	14,941	238	175
Top 3 customers	<u>15,108</u>	<u>306</u>	<u>223</u>

Other receivables at amortised cost are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period, a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of nil (2019: \$844,000) and \$224,461,000 (2019: \$231,485,000) for the Group and the Company respectively is recognised.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

22. Other non-financial assets, current

	<u>31 December 2020</u>	<u>Group</u> <u>31 December 2019</u>	<u>1 January 2019</u>
	\$'000	\$'000	\$'000
Prepaid lease – current portion (Note 18)	–	6	34
Prepayments	110	30	227
Advance payments on purchase of goods for resale	1,216	–	–
	<u>1,326</u>	<u>36</u>	<u>261</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23. Cash and cash equivalents

	<u>Group</u>		
	<u>31 December 2020</u> \$'000	<u>31 December 2019</u> \$'000	<u>1 January 2019</u> \$'000
Not restricted in use	11,484	16,954	19,110
	<u>Company</u>		
	<u>31 December 2020</u> \$'000	<u>31 December 2019</u> \$'000	<u>1 January 2019</u> \$'000
Not restricted in use	3,491	7,499	3,249

As at 31 December 2020, the Group had cash and bank balances of RMB20,521,000 (2019:RMB35,071,000) placed with banks in the People's Republic of China ("PRC"). Conversion of RMB into foreign currencies is subject to the foreign exchange control regulations in the PRC.

23A. Reconciliation of liabilities arising from financing activities

	<u>Beginning</u> <u>of the year</u>	<u>Cash flows</u>	<u>Non-cash</u> <u>changes</u>	<u>End of the</u> <u>year</u>
	\$'000	\$'000	\$'000	\$'000
<u>2020</u>				
Lease liabilities (Note 27)	208	(140)	60 (a) (b) (c)	128
Other financial liabilities (Note 28)	817	20,816	(352) (d)	21,281
Amount due to director	1,200	(1,160)	-	40
Total liabilities from financing activities	<u>2,225</u>	<u>19,516</u>	<u>(292)</u>	<u>21,449</u>
	<u>Beginning</u> <u>of the year</u>	<u>Cash flows</u>	<u>Non-cash</u> <u>changes</u>	<u>End of the</u> <u>year</u>
	\$'000	\$'000	\$'000	\$'000
<u>2019</u>				
Lease liabilities (Note 27)	301	(161)	68 (a) (b) (c)	208
Other financial liabilities (Note 28)	673	144	-	817
Amount due to director	1,116	120	(36)	1,200
Total liabilities from financing activities	<u>2,090</u>	<u>103</u>	<u>32</u>	<u>2,225</u>

- (a) Acquisition
(b) Accretion of interest
(c) Rent concession from lessor re-Covid-19 and remeasurement
(d) Foreign exchange movements

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. Share capital

	<u>Company</u>	
	<u>Number</u> <u>of shares issued</u>	<u>Share capital</u> \$'000
Ordinary shares of no par value:		
Balance at 1 January 2019, 31 December 2019 and 31 December 2020	<u>24,296,921,463</u>	<u>653,757</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital. Net debt is calculated as total borrowings less cash and cash equivalents.

	<u>Group</u> <u>31 December 2020</u> \$'000
Net debt:	
All current and non-current borrowings including leases	21,409
Less cash and cash equivalents	(11,484)
Net debt	<u>9,925</u>
Adjusted capital:	
Total equity	<u>28,473</u>
Debt-to-adjusted capital ratio	<u>35%</u>

For reporting year ended 31 December 2019, there was no significant external borrowings. The debt-to-adjusted capital ratio would not provide a meaningful indicator of the risk of borrowings.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. Reserves

	Group		
	31 December 2020 \$'000	31 December 2019 \$'000	1 January 2019 \$'000
Capital reserve	(217,842)	(217,842)	(217,842)
Currency translation reserve	(223)	3,779	3,795
Fair value reserve	–	(26)	–
Statutory reserve	8,067	8,067	8,067
Accumulated losses	(418,525)	(425,795)	(421,045)
	<u>(628,523)</u>	<u>(631,817)</u>	<u>(627,025)</u>

	Company		
	31 December 2020 \$'000	31 December 2019 \$'000	1 January 2019 \$'000
Capital reserve	2,254	2,254	2,254
Accumulated losses	(661,966)	(655,762)	(661,222)
	<u>(659,712)</u>	<u>(653,508)</u>	<u>(658,968)</u>

Movement of reserves are disclosed in the statements of changes in equity.

Capital reserve – non-distributable

The Company's capital reserve comprises the excess of the purchase considerations over the fair value of the shares issued for the purpose of the acquisitions of the non-controlling interests in 2 subsidiaries and capitalisation of the loan from the non-controlling interest during the reporting year ended 31 December 2012.

The Group's capital reserve relates to the excess of purchase consideration over the fair value of the net assets of Oceanus Aquaculture Group Pte. Ltd. acquired under a reverse takeover in 2008.

Currency translation reserve – non-distributable

Currency translation reserve records exchange differences arising from the translation of the financial statements of Group entities whose functional currencies are different from that of the Group's presentation currency.

Statutory reserve – non-distributable

Pursuant to the relevant laws and regulations in the PRC applicable to foreign investment enterprise and the Articles of Association of subsidiaries of the Group, the subsidiaries are required to maintain statutory surplus reserve fund which is non-distributable. Appropriations to such reserve are made out of net profit after tax of the statutory financial statements of the subsidiaries. The subsidiaries are required to transfer at least 10% of its profit after tax as reported in its PRC statutory financial statements to the statutory surplus reserve fund until the balance reaches 50% of the registered capital of the respective subsidiary. The statutory surplus reserve fund may be used to make up prior year losses incurred and, with approval from relevant government authority, to increase capital.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Trade and other payables

	Group		
	31 December 2020 \$'000	31 December 2019 \$'000	1 January 2019 \$'000
Trade payables:			
Outside parties and accrued liabilities	4,229	1,230	4,515
Trade payables – subtotal	<u>4,229</u>	<u>1,230</u>	<u>4,515</u>
Other payables:			
Outside parties	6,072	5,201	209
Accrued expenses	4,106	4,324	5,328
Director (Note 3)	40	1,200	1,116
Other payables – subtotal	<u>10,218</u>	<u>10,725</u>	<u>6,653</u>
Total trade and other payables	<u>14,447</u>	<u>11,955</u>	<u>11,168</u>

	Company		
	31 December 2020 \$'000	31 December 2019 \$'000	1 January 2019 \$'000
Other payables:			
Outside parties	11	10	85
Subsidiaries (Note 3)	20,764	20,764	21,062
Accrued expenses	1,342	1,357	1,390
Total other payables	<u>22,117</u>	<u>22,131</u>	<u>22,537</u>

27. Lease liabilities

	Group		
	31 December 2020 \$'000	31 December 2019 \$'000	1 January 2019 \$'000
Lease liabilities, non-current	35	47	–
Lease liabilities, current	93	161	301
	<u>128</u>	<u>208</u>	<u>301</u>

Movements in lease liabilities are as follows:

	Group	
	2020 \$'000	2019 \$'000
At beginning of year	208	301
Additions	90	58
Accretion of interest	6	10
Remeasurement	9	–
Repayments	(140)	(158)
Rent concession from lessor re-Covid-19 – income #a	(9)	–
Termination	(36)	(3)
At end of year	<u>128</u>	<u>208</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. Lease liabilities (cont'd)

#a. The practical expedient was applied for reflecting the adjustment in profit or loss rather than as a lease modification as permitted by the amendment to financial reporting standard on leases relating to Covid19 related rent concessions.

The lease liabilities above do not include short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-to-use assets. The right-to-use assets are disclosed in Note 12.

Only variable lease payments that depend on an index or a rate, or payments that vary to reflect changes in market rental rates, are included in the measurement of the lease liabilities. Such variable amounts that are unpaid at commencement date are included in the measurement of lease liabilities. Variable lease payments would also include extension options and termination options, residual value guarantees, and leases not yet commenced to which the lessee is committed. Variable lease payments that are based on revenue are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
2020			
Not later than 1 year	100	(7)	93
Between 1 and 3 years	36	(1)	35
	<u>136</u>	<u>(8)</u>	<u>128</u>
	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
2019			
Not later than 1 year	168	(7)	161
Between 1 and 3 years	51	(4)	47
	<u>219</u>	<u>(11)</u>	<u>208</u>

Subsequent to initial measurement, the liabilities will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liabilities are re-measured, the corresponding adjustments are reflected in right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. Lease liabilities (cont'd)

At reporting year date there were no commitments on leases which had not yet commenced.

Apart from the disclosures made in other notes to financial statements, amounts relating to leases include the following:

	Group	
	2020 \$'000	2019 \$'000
Expenses relating to leases of low-value assets included in administrative expense	14	19

28. Other financial liabilities

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Non-current			
Bank loan (unsecured) (Note 28A)	4,167	-	-
Loans payable to non-controlling interests in subsidiaries (Note 28C)	7,560	-	-
Total non-current portion	<u>11,727</u>	<u>-</u>	<u>-</u>
Current			
Outside parties (unsecured)	673	673	673
Bank loan (unsecured) (Note 28A)	833	-	-
Trust receipts (Note 28B)	8,048	144	-
Total current portion	<u>9,554</u>	<u>817</u>	<u>673</u>
Total non-current and current	<u>21,281</u>	<u>817</u>	<u>673</u>
	31 December 2020 \$'000	Company 31 December 2019 \$'000	1 January 2019 \$'000
Non-current			
Bank loan (unsecured) (Note 28A)	4,167	-	-
Total non-current portion	<u>4,167</u>	<u>-</u>	<u>-</u>
Current			
Outside parties (unsecured)	673	673	673
Bank loan (unsecured) (Note 28A)	833	-	-
Total current portion	<u>1,506</u>	<u>673</u>	<u>673</u>
Total non-current and current	<u>5,673</u>	<u>673</u>	<u>673</u>

Loans from outside parties are interest free, unsecured and repayable on demand.

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28. Other financial liabilities (cont'd)

28A. Bank loan (unsecured)

This is a bridging loan of \$5,000,000 under the Enterprises Financing Schedule of Enterprise Singapore. The loan bears interest at 3.00% per annum and repayable by 60 monthly instalment commencing from May 2021.

28B. Trust receipts

Trust receipts of the group are secured by a corporate guarantee provided by the Company and bears floating interest rate ranging from 1.68% to 1.75% (2019: 4.34% to 4.58% per annum)

28C. Loans payable to non-controlling interests in subsidiaries

	Group	
	2020 \$'000	2019 \$'000
Movements during the year:		
At beginning of the year	–	–
Additions	7,560	–
At end of the year	<u>7,560</u>	<u>–</u>

The loan is unsecured, bears interest at 4% per annum and is repayable in May 2023.

29. Other non-financial liabilities

	Group		
	31 December 2020 \$'000	31 December 2019 \$'000	1 January 2019 \$'000
Advances from customers	578	296	470
Rental deposits	–	160	178
Government grant income	24	–	–
	<u>602</u>	<u>456</u>	<u>648</u>

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30. Discontinued operations

Since the financial year ended 31 December 2011, the Group ceased the operations of the food and beverage segment. Since the financial year ended 31 December 2012, the Group ceased production of the Processed Marine Products operating segment in connection with a change in business strategy. The results of these discontinued operations are as follows:

	Group	
	2020 \$'000	2019 \$'000
Other operating income	–	15
Profit before income tax	–	15
Income tax	–	–
Profit for the year	<u>–</u>	<u>15</u>

31. Earnings/(loss) per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2020 \$'000	2019 \$'000
A. Numerators: Earnings/(loss) attributable to equity holders		
– Continuing operations	8,616	(4,590)
– Discontinued operation	–	15
	<u>8,616</u>	<u>(4,575)</u>
B. Denominators: weighted average number of equity shares		
Basic and diluted	<u>24,296,921,463</u>	<u>24,296,921,463</u>
Continuing operation		
Earnings/(loss) per share (cents)		
– Basic	0.03	(0.02)
– Diluted	<u>0.03</u>	<u>(0.02)</u>
Discontinued operation		
Earnings per share (cents)		
– Basic	–	0.00*
– Diluted	<u>–</u>	<u>0.00*</u>
Earnings/(Loss) for the year		
Earnings/(loss) per share (cents)		
– Basic	0.03	(0.02)
– Diluted	<u>0.03</u>	<u>(0.02)</u>

* Amount less than 0.01 cents.

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32. Operating lease income commitments – as lessor

A maturity analysis of the undiscounted lease amounts to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years is as follows:

	31 December 2020	Group 31 December 2019	1 January 2019
	\$'000	\$'000	\$'000
Not later than one year	593	426	189
Between 1 and 3 years	243	401	256
Total	<u>836</u>	<u>827</u>	<u>445</u>
Rental income for the year	<u>3,997</u>	<u>203</u>	<u>125</u>

Operating lease income commitments are for certain farms. The lease rental income terms are negotiated for an average term of three years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

33. Contingent liabilities

	31 December 2020	Group 31 December 2019	1 January 2019
	\$'000	\$'000	\$'000
Corporate guarantee in favour of bank to secure credit facilities for subsidiary	<u>11,250</u>	<u>–</u>	<u>–</u>

34. Acquisition of subsidiaries

34A. Acquisition of Resolute Communications Pte. Ltd.

On 2 October 2020, the Group acquired 55% of the share capital of Resolute Communications Pte. Ltd. (incorporated in Singapore) through its subsidiary AP Media Pte. Ltd. From that date, the Group gained control and Resolute Communications Pte. Ltd. became a subsidiary (see Note 15 for principal activities). The transaction was accounted for using the acquisition method of accounting.

Pursuant to an agreement between the sellers and the Company dated 1 October 2020, the purchase consideration was \$30,000.

NOTES TO the financial statements

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34. Acquisition of subsidiaries (cont'd)

34A. Acquisition of Resolute Communications Pte. Ltd. (cont'd)

The fair values of identifiable assets acquired and liabilities assumed shown below for Resolute Communications Pte. Ltd. are provisional as the hindsight period (of not more than twelve months) allowed by the financial reporting standard on business combinations has not yet expired. A detailed report from an independent professional valuer on the fair values is expected to be available before the end of the next reporting year.

	Pre-acquisition book value under SFRS(I) \$'000	Provisional fair value \$'000
<u>At 2 October 2020</u>		
Plant and equipment	3	3
Trade and other receivables	701	701
Cash and cash equivalents	82	82
Trade and other payables	(886)	(886)
Net identifiable liabilities	<u>(100)</u>	<u>(100)</u>
Less: Non-controlling interest		(45)
Net identifiable liabilities acquired		<u>(55)</u>
Goodwill arising from acquisition (Note 14)		85
Cash consideration paid		<u>30</u>

Net cash outflow on acquisition is as follows:

Cash consideration paid	30
Less: Cash and cash equivalents in subsidiary acquired	<u>(82)</u>
Net cash inflow on acquisition	<u>(52)</u>

The contributions from the acquired subsidiary for the period between the date of acquisition and the end of the reporting year were as follows:

	From date of acquisition in 2020 \$'000	Group For the reporting year 2020 \$'000
Revenue	–	841
Profit before income tax	<u>(130)</u>	<u>59</u>

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34. Acquisition of subsidiaries (cont'd)

34B. Acquisition of AP Media Pte. Ltd.

On 18 March 2019, the Group's wholly owned subsidiary, OIH, entered into a sale and purchase agreement ("SPA") with Tan Guan Cheong ("Vendor") for the acquisition of 20,425 ordinary shares ("Target Shares") in the issued and paid up share capital of AP Media Pte. Ltd. ("Target") representing approximately 51% of the entire issued and paid up share capital of the Target (the "Acquisition") for a consideration of \$400,000. The Acquisition had been completed on 18 March 2019 ("Completion Date"), the same day on which the SPA was executed. The Target is now a subsidiary of OIH as OIH owns shares representing approximately 51% of the entire issued and paid up share capital of the Target.

This acquisition is for the expansion of the Group's existing marketing, media and brand consultancy services. AP Media Pte Ltd has customers in China, Malaysia and Cambodia, hence the acquisition will allow the Group to quickly expand its services reach within the region.

The fair values of identifiable assets acquired and liabilities assumed shown below for AP Media Pte. Ltd. are provisional as the hindsight period (of not more than twelve months) allowed by the financial reporting standard on business combinations has not yet expired. A detailed report from an independent professional valuer on the fair values is expected to be available before the end of the next reporting year.

	Pre-acquisition book value under SFRS(I) \$'000	Provisional fair value \$'000
Property, plant and equipment	61	61
Trade and other receivables	723	723
Cash and cash equivalents	356	356
Trade and other payables	(1,102)	(1,102)
Deferred tax liabilities	(10)	(10)
Net identifiable assets	<u>28</u>	<u>28</u>
Less: Non-controlling interest		(14)
Net identifiable assets acquired		<u>14</u>
Goodwill arising from acquisition (Note 14)		<u>386</u>
Cash consideration paid		<u>400</u>

Net cash outflow on acquisition is as follows:

	2019 \$'000
Cash consideration paid	400
Less: Cash and cash equivalents in subsidiary acquired	(356)
Net cash outflow on acquisition	<u>44</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

34. Acquisition of subsidiaries (cont'd)

34B. Acquisition of AP Media Pte. Ltd. (cont'd)

The contributions from the acquired subsidiary for the period between the date of acquisition and the end of the reporting year were as follows:

	From date of acquisition in 2019 \$'000	Group For the reporting year 2019 \$'000
Revenue	2,094	2,094
Profit before income tax	<u>419</u>	<u>363</u>

Management has since finalised the purchase price allocation exercise and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition. No changes in the goodwill arising from acquisition from previously reported.

Goodwill arising on acquisition:

The goodwill arising on acquisition is as follows

	2019 \$'000
Cash consideration paid	400
Non-controlling interests at fair value	14
Fair value of identifiable net assets acquired	(28)
Goodwill arising on acquisition	<u>386</u>

35. Financial instruments: information on financial risks

35A. Categories of financial assets and liabilities

The following table categorises the carrying amounts of financial assets and liabilities recorded at the end of the reporting year:

	31 December 2020 \$'000	Group 31 December 2019 \$'000	1 January 2019 \$'000
Financial assets:			
Financial assets at amortised cost	28,052	18,693	19,627
Financial assets at FVTPL	7,370	153	-
Financial assets that is a debt asset instrument FVTOCI	-	1,000	1,000
At end of the year	<u>35,422</u>	<u>19,846</u>	<u>20,627</u>
Financial liabilities:			
Financial liabilities at amortised cost	35,856	12,980	12,142
At end of the year	<u>35,856</u>	<u>12,980</u>	<u>12,142</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. Financial instruments: information on financial risks (cont'd)

35A. Categories of financial assets and liabilities (cont'd)

	31 December 2020 \$'000	Company 31 December 2019 \$'000	1 January 2019 \$'000
Financial assets:			
Financial assets at amortised cost	14,795	9,381	4,321
Financial assets at FVTPL	7,002	–	–
Financial assets that is a debt asset instrument FVTOCI	–	1,000	1,000
At end of the year	<u>21,797</u>	<u>10,381</u>	<u>5,321</u>
Financial liabilities:			
Financial liabilities at amortised cost	27,790	22,804	23,210
At end of the year	<u>27,790</u>	<u>22,804</u>	<u>23,210</u>

Further quantitative disclosures are included throughout these financial statements.

35B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

35C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

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35. Financial instruments: information on financial risks (cont'd)

35D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 23 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

35E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	Less than 1 year \$'000	Group 2 – 5 years \$'000	Total \$'000
2020:			
Trade and other payables	14,447	–	14,447
Gross borrowings commitments	9,033	12,670	21,703
Gross finance lease obligations	100	36	136
At end of year	<u>23,580</u>	<u>12,706</u>	<u>36,286</u>
2019:			
Trade and other payables	11,955	–	11,955
Gross borrowings commitments	828	–	828
Gross finance lease obligations	168	51	219
At end of year	<u>12,951</u>	<u>51</u>	<u>13,002</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. Financial instruments: information on financial risks (cont'd)

35E. Liquidity risk – financial liabilities maturity analysis (cont'd)

	<u>Less than</u> <u>1 year</u> \$'000	<u>Company</u> <u>2 – 5 years</u> \$'000	<u>Total</u> \$'000
<u>2020:</u>			
Trade and other payables	22,117	–	22,117
Gross borrowings commitments	1,649	4,380	6,029
At end of year	<u>23,766</u>	<u>4,380</u>	<u>28,146</u>
<u>2019:</u>			
Trade and other payables	22,131	–	22,131
Gross borrowings commitments	673	–	673
At end of year	<u>22,804</u>	<u>–</u>	<u>22,804</u>

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

The average credit period taken to settle trade payables is about 60 days (2019: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

Financial guarantee contracts - For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	<u>Less than 1</u> <u>year</u> \$'000
<u>Company</u>	
<u>2020</u>	
Financial guarantee contracts - bank guarantee in favour of a subsidiary	<u>8,048</u>
Bank facilities:	
	\$'000
<u>2020</u>	
Unused bank guarantees	<u>3,202</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. Financial instruments: information on financial risks (cont'd)

35F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<u>Group</u>		<u>Company</u>	
	<u>2020</u> \$'000	<u>2019</u> \$'000	<u>2020</u> \$'000	<u>2019</u> \$'000
Financial liabilities with interest:				
Fixed rates	13,485	817	5,673	673
Floating rates	8,048	–	–	–
Total at end of the year	<u>21,553</u>	<u>817</u>	<u>5,673</u>	<u>673</u>

Sensitivity analysis: The effect on pre-tax profit is not significant.

35G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currencies is as follows:

	<u>Group</u> <u>US dollars</u>	
	<u>2020</u> \$'000	<u>2019</u> \$'000
<u>Financial assets:</u>		
Cash and cash equivalents	240	102
Loans and other receivables	–	83
Total financial assets	<u>240</u>	<u>185</u>
<u>Financial liabilities:</u>		
Trade and other payables	–	(84)
Other financial liabilities	–	(145)
Total financial liabilities	<u>–</u>	<u>(229)</u>
Net financial assets/(liabilities) at end of year	<u>240</u>	<u>(44)</u>

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. Financial instruments: information on financial risks (cont'd)

35G. Foreign currency risks (cont'd)

	Group AUD dollars	
	2020 \$'000	2019 \$'000
Financial liabilities:		
Other financial liabilities	(8,048)	–
Total financial liabilities	<u>(8,048)</u>	<u>–</u>
Net financial liabilities at end of year	<u>(8,048)</u>	<u>–</u>

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis is as follows: The effect on pre-tax profit is not significant.

35H. Equity price risks

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the equity shares. The fair values of these equity shares and sensitivity analysis are disclosed in Notes 17.

36. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Adoption of the applicable new or revised standards has resulted in some changes in the detailed application of the accounting policies and some modifications to financial statements presentation and measurement as disclosed below.

SFRS (I) No.	Title
SFRS (I) 3	Definition of a Business – Amendments
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to SFRS (I) 1 and SFRS (I) 8
SFRS (I) 16	Covid-19-Related Rent Concessions – Amendments to SFRS (I) 16 (effective from 1 June 2020)
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting

NOTES TO the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 3	Definition of a Business - Reference to the Conceptual Framework – Amendments to	1 Jan 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 Jan 2022

38. Comparative figures

The management of the Company have reviewed its business and the operating environment of the Company and Group, the Company has decided to change the presentation currency of the Company from RMB to S\$ with effect from 1 January 2020. The comparative statement of financial position (including opening balances from the beginning of earliest prior period presented) were translated at the closing rate (31.12.2019: RMB1: S\$0.1932; 1.1.2019: RMB1: S\$0.1983) of respective year end. The comparative statement of profit or loss and other comprehensive income were translated at average rate of RMB1: S\$0.1976 for the year ended 31 December 2019.

STATISTICS OF shareholdings

AS AT 31 MARCH 2021

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	69	0.66	2,902	0.00
100 – 1,000	273	2.60	193,817	0.00
1,001 – 10,000	1,542	14.71	12,089,339	0.05
10,001 – 1,000,000	7,891	75.29	1,362,534,407	5.61
1,000,001 AND ABOVE	706	6.74	22,922,100,998	94.34
TOTAL	10,481	100.00	24,296,921,463	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	4,154,438,755	17.10
2	UOB KAY HIAN PRIVATE LIMITED	4,136,117,523	17.02
3	DBSN SERVICES PTE. LTD.	1,130,931,510	4.65
4	KHI INVEST LTD	1,035,248,771	4.26
5	MUCHOVIE INVESTMENT LTD	963,390,909	3.97
6	PHILLIP SECURITIES PTE LTD	893,927,022	3.68
7	ESSENTRADE LIMITED	864,912,256	3.56
8	DBS NOMINEES (PRIVATE) LIMITED	854,995,546	3.52
9	NEO BEE HONG	543,830,639	2.24
10	SIGMA SHARES LIMITED	509,231,363	2.10
11	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	467,443,700	1.92
12	PENTANA INVESTMENT LTD	388,202,511	1.60
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	384,145,673	1.58
14	WOON KOCK KUAN PATRICK	293,361,112	1.21
15	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	280,943,954	1.16
16	GOH LAY HUA (WU LIHUA)	275,505,320	1.13
17	KOH KENG GUAN	274,575,320	1.13
18	EMEC HOLDINGS PTE LTD	258,292,452	1.06
19	LIM THENG SIAN	252,997,618	1.04
20	RAFFLES NOMINEES (PTE.) LIMITED	187,185,717	0.77
	TOTAL	18,149,677,671	74.70

STATISTICS OF shareholdings

AS AT 31 MARCH 2021

SUBSTANTIAL SHAREHOLDERS (as recorded in the Company's Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	% ¹	No. of Shares	% ¹
Peter Koh Heng Kang	2,498,688,837	10.28	–	–
Alacrity Investment Group Limited	3,545,729,444	14.59	–	–
Cleveland Cuaca	–	–	3,545,729,444	14.59 ²
Bryan Tan Jie	–	–	3,545,729,444	14.59 ²

Notes:

¹ Computed based on 24,296,921,463 shares, being the total number of issued voting shares of the Company as at 31 March 2021.

² Cleveland Cuaca and Bryan Tan Jie are the only substantial shareholders of Alacrity Investment Group Limited ("Alacrity"). Accordingly, Cleveland Cuaca and Bryan Tan Jie are deemed to be interested in the shares held by Alacrity in Oceanus Group Limited.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company as of 31 March 2021, approximately 72.76% of the total number of issued voting shares of the Company were held in the hands of the public and therefore, the Rule 723 of the Listing Manual of the SGX-ST is complied with.

NOTICE OF annual general meeting



OCEANUS GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199805793D)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Oceanus Group Limited (the “Company”) will be convened and held by way of electronic means on Thursday, 29 April 2021 at 11.00 a.m., for the following purposes:

As Ordinary Business

- To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors’ Statement and the Independent Auditor’s Report. **(Resolution 1)**
- To re-elect Mr Edward Loy Chee Kim, being a Director of the Company retiring pursuant to Regulation 111 of the Constitution of the Company and Rule 720(5) of the Listing Rule of the Singapore Exchange Securities Trading Limited (“SGX-ST”), and being eligible, has offered himself for re-election. [see Explanatory Note I] **(Resolution 2)**
- To re-elect Mr Peter Koh Heng Kang, being a Director of the Company retiring pursuant to Rule 720(5) of the Listing Rule of the SGX-ST, and being eligible, has offered himself for re-election. [see Explanatory Note II] **(Resolution 3)**
- To re-elect the following Directors of the Company retiring pursuant to Regulation 121 of the Constitution of the Company and Rule 720(5) of the Listing Rule of the SGX-ST, and being eligible, have offered themselves for re-election:
 - Mr Zahidi Bin Abd Rahman [see Explanatory Note III] **(Resolution 4)**
 - Dr Yaacob Bin Ibrahim [see Explanatory Note IV] **(Resolution 5)**
- To approve the payment of Directors’ fees of S\$60,000 for the financial year ending 31 December 2021, to be paid quarterly in arrears. [2020:S\$60,000] **(Resolution 6)**
- To re-appoint Messrs RSM Chio Lim LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

As Special Business

To consider and if deemed fit, to pass, with or without modifications, the following Ordinary Resolution:

7. AUTHORITY TO ALLOT AND ISSUE SHARES

“That pursuant to Section 161 of the Companies Act, (Cap. 50) of Singapore and the Rule 806 of the Listing Rule of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

- issue and allot shares in the capital of the Company (“Shares”) (whether by way of rights, bonus or otherwise); and/or
 - make or grant offers, agreements or options (collectively, “Instruments”) that may or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF annual general meeting

- (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:—
 - the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (b) below);
 - (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the share capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - new Shares arising from the conversion or exercise of any convertible securities;
 - new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Rule of the SGX-ST; and
 - any subsequent bonus issue, consolidation or subdivision of Shares;
 - in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, (Cap. 50) of Singapore and Listing Rule of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held whichever is the earlier.
[see Explanatory Note V] **(Resolution 8)**

By Order of the Board

Peter Koh Heng Kang
Executive Director and Chief Executive Officer

Singapore, 14 April 2021

NOTICE OF annual general meeting

Explanatory Notes:

- (i) Ordinary Resolution 2 – Mr Edward Loy Chee Kim will, upon re-election, remain as an Independent Non-Executive Director, the Chairman of Audit Committee and a member of the Remuneration Committee and the Nominating Committee of the Company. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. The detailed information on Mr Edward Loy Chee Kim as recommended under the 2018 Code of Corporate Governance and as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found under the sections "Board of Directors" and "Additional Information on New Director and Directors Seeking Re-election" in the Annual Report for the financial year ended 31 December 2020 ("**Annual Report FY2020**").
- (ii) Ordinary Resolution 3 – Mr Peter Koh Heng Kang will, upon re-election, remain as an Executive Director and Chief Executive Officer and a member of the Nominating Committee of the Company. The detailed information on Mr Peter Koh Heng Kang as recommended under the 2018 Code of Corporate Governance and as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found under the sections "Board of Directors" and "Additional Information on New Director and Directors Seeking Re-election" in the Annual Report FY2020.
- (iii) Ordinary Resolution 4 – Mr Zahidi Bin Abd Rahman will, upon re-election, remain as an Independent Non-Executive Director, the Chairman of the Nominating Committee and a member of the Audit Committee of the Company. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. The detailed information on Mr Zahidi Bin Abd Rahman as recommended under the 2018 Code of Corporate Governance and as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found under the sections "Board of Directors" and "Additional Information on New Director and Directors Seeking Re-election" in the Annual Report FY2020.
- (iv) Ordinary Resolution 5 – Dr Yaacob Bin Ibrahim will, upon re-election, remain as an Independent Non-Executive Director and the Chairman of the Remuneration Committee of the Company. The detailed information on Dr. Yaacob Bin Ibrahim as recommended under the 2018 Code of Corporate Governance and as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found under the sections "Board of Directors" and "Additional Information on New Director and Directors Seeking Re-election" in the Annual Report FY2020.
- (v) Ordinary Resolution 8 – if passed, will empower the Directors of the Company, effective until (i) the conclusion of the next AGM of the Company, or (ii) the date by which the next AGM of the Company is required by law to be held or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:–

- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice, proxy form and Annual Report FY2020 (collectively, the "**Documents**") will **NOT** be sent to members. Instead, these Documents will be sent to members by electronic means via publication on SGXNet and the Company's Investor Relations ("IR") website at the URL <https://oceanus.com.sg/our-investors/> and also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Important Notice to Shareholders dated 14 April 2021 in relation to the Conduct and Proceedings of the Company's AGM on Thursday, 29 April 2021 at 11.00 a.m. ("**Important Notice to Shareholders**"). This Important Notice to Shareholders may be accessed at the Company's IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
3. To minimise physical interactions and COVID-19 transmission risks, a member will **NOT** be able to attend the AGM in person. A member (whether individual or corporate) **MUST** appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.

NOTICE OF annual general meeting

Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as a proxy for that Resolution will be treated as invalid.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, (Cap. 50) of Singapore) should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 April 2021.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (i) if submitted by post, be deposited at the office of the Company's Share Registrar office at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
 - (ii) if submitted via email, please send to the Company's email address at agm@oceanus.com.sg, in either case, not less than 72 hours before the time appointed for the AGM.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

To minimise physical interactions and COVID-19 transmission risks, Members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

6. The Annual Report FY2020 may be accessed at the Company's IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements> and/ or <https://www.sgx.com/securities/annual-reports-related-documents>.
7. Due to the current COVID situation, further measures and/or changes to the AGM arrangements may be made on short notice. Members are advised to check our corporate website at the URL <https://oceanus.com.sg/our-investors/> for the latest updates on the status of the AGM.
8. The Company would like to thank all Members for their understanding and cooperation to hold the AGM by way of electronic means.
9. **Personal data privacy:**

By pre-registering for the live audio-visual webcast or live audio-only stream, submitting a proxy form appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as a proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live audio-visual webcast or live audio-only stream to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions;
- (iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name and his/her presence at the Meeting) may be recorded by the Company for such purpose.

OCEANUS GROUP LIMITED(Incorporated in the Republic of Singapore)
(Company Registration No. 199805793D)**PROXY FORM****IMPORTANT**

1. The Annual General Meeting of Oceanus Group Limited ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of the AGM, proxy form and Annual Report for the financial year ended 31 December 2020 ("Annual Report FY2020") (collectively, the "Documents") will NOT be sent to members. Instead, these Documents will be sent to members by electronic means via publication on SGXNet and the Company's Investor Relations ("IR") website at the URL <https://oceanus.com.sg/our-investors/> and also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Important Notice to Shareholders dated 14 April 2021 in relation to the Conduct and Proceedings of the Company's AGM on Thursday, 29 April 2021 at 11.00 a.m. ("Important Notice to Shareholders"). This Important Notice to Shareholders may be accessed at the Company's IR website at the <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
3. To minimise physical interactions and COVID-19 transmission risks, a member will NOT be able to attend the AGM in person. A member (whether individual or corporate) MUST appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
4. This Proxy Form is not valid for use by such CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 April 2021.
5. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2021.
6. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

*I/We _____ (Name) *NRIC/Passport/Co. Reg. No. _____ (Address)
of _____ (Address)

being a *member/members of OCEANUS GROUP LIMITED (the "Company") hereby appoint the **Chairman of the Annual General Meeting ("AGM")** as *my/our proxy to attend, speak and vote or abstain for *me/us on *my/our behalf at the AGM of the Company to be convened and held by way of electronic means on Thursday, 29 April 2021 at 11.00 a.m. and at any adjournment thereof. *I/We direct *my/our proxy to vote for or against, or abstain from voting on the Ordinary Resolutions to be proposed at the Meeting as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as *my/our proxy will be treated as invalid.

No.	Ordinary Resolutions	For**	Against**	Abstain**
	Ordinary Business			
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 together with the Independent Auditor's Report			
2.	Re-election of Mr Edward Loy Chee Kim as a Director			
3.	Re-election of Mr Peter Koh Heng Kang as a Director			
4.	Re-election of Mr Zahidi Bin Abd Rahman as a Director			
5.	Re-election of Dr. Yaacob Bin Ibrahim as a Director			
6.	Approval of payment of Directors' fees of S\$60,000 for the financial year ending 31 December 2021, to be paid quarterly in arrears.			
7.	Re-appointment of Messrs RSM Chio Lim LLP as Auditors			
	Special Business			
8.	Authority to issue new shares			

* Delete where inapplicable

** If you wish to exercise all your votes "For" or "Against", please tick (✓) in the "For" or "Against" box. Alternatively, please indicate the number of votes "For" or "Against" as appropriate in each resolution. If you wish to "Abstain" from voting on a resolution, please tick (✓) in the "Abstain" box. Alternatively, please indicate the number of shares which you wish to abstain from voting.

Dated this _____ day of _____ 2021.

	Total number of Shares in:
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder



OCEANUS GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199805793D)

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. To minimise physical interactions and COVID-19 transmission risks, a member will **NOT** be able to attend the AGM in person. A member (whether individual or corporate) **MUST** appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as a proxy for that Resolution will be treated as invalid.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m on 19 April 2021.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (i) if submitted by post, be deposited at the office of the Company's Share Registrar office at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
 - (ii) if submitted via email, please send to the Company's email address at agm@oceanus.com.sg, in either case, not less than 72 hours before the time appointed for the AGM.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

To minimise physical interactions and COVID-19 transmission risks, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2021.

