







**PETER H.K. KOH, PBM**

Executive Director & Group CEO  
Oceanus Group

“As game changers, the innovation that drives our plan today will kickstart a ripple of change that disrupts the food industry of tomorrow.”

“  
We’re setting off a series of  
industry-changing waves”

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Radial  
Impact through  
Sustainability

## A Heartfelt Message from our CEO



### Dear Shareholders,

2022 was a groundbreaking year for us as Oceanus sailed forth in the execution of our growth plans. The Oceanus team continued their hard work and took big strides, successfully achieving yet another record turnover.

As part of the growth strategy in our Tech Up phase, the Group rechanneled its profits into value-adding opportunities through well-placed investments in 2022. This will stand us in good stead for the continuous, exponential growth that Oceanus has consistently delivered over the past few years.

Oceanus is and has always been a game changer. This means that shareholders can look forward to Oceanus setting off a series of industry-changing waves. The innovation-driven plans that we implement today will see Oceanus significantly disrupting the food industry of tomorrow.

### FINANCIAL HIGHLIGHTS

In FY2022, our total revenue soared 67% year-on-year, hitting an all-time high of

This also marks the second consecutive year where the Group exceeded the

## S\$100 million milestone,

attributed to the Group's successful implementation of its global distribution market share strategy.

S\$234.5 million. This also marks the second consecutive year where the Group exceeded the S\$100 million milestone, attributed to the Group's successful implementation of its global distribution market share strategy.

In tandem with the boost in revenue, gross profit for the period increased 79% to S\$18.4 million from FY2021. Other operating expenses rose sharply by 435% to S\$16.6 million in FY2022 from S\$3.1 million in FY2021, a reflection of what we previously shared with shareholders last year – that Oceanus shall begin significant investments to drive growth.

This includes, firstly, the building up of human capital across all departments globally, from procurement, sales, innovation to IT. Secondly, we relocated our global headquarters to a larger premise to accommodate our rapidly growing workforce.

Moving ahead, the Group will continue to ramp up on our Tech Up plans and build up our Innovation segment, both of which are vital for the future of Oceanus as a cutting-edge FoodTech company.

As of 31 December 2022, our balance sheet shows a healthy positive net asset position of S\$58.7 million, which is a significant increase of 76% from the previous year's S\$33.3 million. Our net working capital position has also improved by a significant 127% from S\$27.9 million as of 31 December 2021 to S\$63.3 million as of 31 December 2022.

### OPERATIONAL HIGHLIGHTS

#### Anchoring our Four Pillars of Growth

Aquaculture and seafood continue to be a cornerstone of Oceanus. Even as we successfully evolve our **Food Production** business from abalone hatchery to FoodTech, we continue to leverage on our experience and strength in seafood production, processing, and trading.

Since 2021, we have expanded our seafood portfolio to include prawn, sea cucumber, crab and fish (tuna, pangasius, etc). In 2022, we traded about S\$1.5 million worth of seafood in Singapore, China, Southeast Asia, Australia, the United States and Europe. Over the next few years, Oceanus plans to grow our seafood production and set up global operations.

Under our **Distribution** business, Oceanus' product portfolio has grown significantly over the past year. Today it ranges from FMCG products such as beverages, snacks, cereals, to chilled and frozen meat (beef, chicken, pork), sugar, grains and many more under our key platforms and brands. In 2022, we crossed a significant milestone, moving an average of about 100 containers monthly of food products across ASEAN countries.

This year, we have also added fruits to our portfolio. By working closely with banana producers from Philippines and durian producers in Malaysia and Thailand via our newly established subsidiary King M

International Pte Ltd, we aim to capture the growing demand for tropical fruits in China and Southeast Asia.

Oceanus recognises that commodity and food prices can be affected by geopolitical trade disputes and unpredictable weather patterns. To support its food security mission, the company established ISC SG Pte Ltd in 2022. This subsidiary focuses on distributing food commodities, including grains, sugar, and rice, among others. The company plans to capitalise on its global trading network and strengthened value chain to ensure a seamless distribution of products from first to final mile.

In 2021, under the Group's **Services** segment, Oceanus established Oceanus Tradelog (OTL) to support the warehousing and logistics services needed for our Food Production and Distribution Pillars. We also provide 3PL services for eCommerce platforms and local distribution needs. OTL is currently serving customers and business partners from Singapore, Southeast Asia, Central Asia, Middle East and China.

On the digital marketing side, we made a strategic move to consolidate our award-winning multimedia capabilities – AP Media, Resolute Communications, Anomalyst Studio and Scion Technik – under one brand, Oceanus Media Global ("OMG"). OMG has been integral in the Group's digital transformation. We have made another breakthrough, launching our very own S\$5 million futuristic studio in May 2022, which will help businesses create customised immersive media content.

The first-of-its-kind in SEA, the one-stop shop studio uses high-end virtual production technology to develop next-generation storytelling experiences in a range of markets that include concerts, corporate events, as well as film and TV production.

As part of Oceanus' long-term strategy to grow our **Innovation** business segment, we looked for strong business partners who share our vision and passion. In August 2022, Kingsman Exim was set up to strengthen Oceanus' eCommerce presence in Singapore, China and Southeast Asia. SGFarmer will focus on abalone, farm produce and other products, while Kingsman specialises in beverages.

#### **SUPERCHARGING GROWTH WITH INNOVATION**

In our next phase of growth, Oceanus sets its sights on becoming the global FoodTech Company empowered by technology, to create and capture greater value in the global food value chain. To achieve this goal, the Group will be introducing the Oceanus Digital Network ("ODIN"), which synergises the capabilities of our subsidiaries onto one single platform.

ODIN is a managed marketplace solution that helps sellers alleviate their struggles, by eliminating cross-border trading friction and risk to make more profit. Supported by ODIN Pay, a digital cross-border payment software, users can enjoy competitive exchange rates to secure foreign currencies on favourable terms. Soon, ODIN Pay will also offer supply chain financing capabilities so users can gain access to funds needed to finance trades. The Group targets ODIN to access a global market outreach in the next 3 years.

Other than ODIN, our innovation arm has also developed ShopFront.Club. It is an innovative eCommerce platform that provides suppliers with a new way to tap into their reseller network and drive revenue growth.

The platform provides resellers with an easy-to-use eCommerce website builder, allowing them to create a seamless shopping experience for their customers without the upfront capital costs of owning inventory or logistical challenges in delivering products.

ShopFront.Club streamlines the sales process for both suppliers and resellers. By leveraging the power of the platform, suppliers can optimise their sales channels, increase their reach, and ultimately drive growth.

#### **A WORD OF THANKS**

I would like to congratulate Mr Sammul Lin, who has been appointed as the new Group Chief Operating Officer in September 2022. As the Group COO, he will oversee and manage day-to-day operational functions of the Group. His deep expertise in international trade and wealth of experience will be invaluable to the Group's overall operations and expansion plans.

Finally, without the support of the Oceanus family, as well as our external stakeholders, the Group would not be where it is today. I am truly grateful. I would also like to express appreciation on the Board's behalf to the Oceanus team, for their tenacity, diligence, and confidence in guiding the Group to new heights. Last but not least, I would like to express my profound gratitude to our shareholders, business partners and associates for their unwavering support.



Yours Sincerely,  
**Peter H.K. Koh, PBM**  
Chief Executive Officer

In our next phase of growth,  
**Oceanus sets its sights on becoming the global FoodTech Company empowered by technology,**  
to create and capture greater value in the global food value chain.

# Board of Directors



**MR PETER H.K. KOH, PBM**  
Executive Director & Group CEO

Mr Peter H.K. Koh 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, and 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 September 2021, under Mr Koh's strong leadership, Oceanus Group successfully exited from the SGX Watch-list, celebrating a major corporate milestone for the Group, and marking another turning point since taking the helm. This also represents the first time in the history of SGX-ST's Watch-List, whereby a company successfully achieves a complete turnaround through concerted restructuring efforts after having faced such a situation for an extended period.

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.

In 2021, Mr Koh is also a member of the Future Economy Council Reserve and Environment Sustainability, a committee set up by the Ministry for Sustainability and the Environment, which oversees the implementation of the recommendations of the Committee of Future Economy. He is also a member of the Standing Committee of North West Community Development Council.

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



**MR EDWARD LOY CHEE KIM**  
Independent, Non-Executive Director

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 Southeast Asia, 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 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 Yogyakarta, 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.



**MR ZAHIDI BIN ABD RAHMAN**  
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 his 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 and from parliament in 2020 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 National University of Singapore.





**MR CLEVELAND CUACA**  
Non-independent, Non-Executive Director

Mr Cuaca was appointed to the Board as a Non-Independent, Non-Executive Director on 15 December 2021. Mr Cuaca adds diversity to Oceanus' Board of Directors with his varied investment and business development and branding experience, including a special focus on the 'teching up' of Oceanus business pillars and FMCG distribution.

Mr Cuaca holds key business development, finance, and investment positions at Richard Mille Asia Pte. Ltd., CFAM Pte. Ltd., Alacrity Investment Group Limited Singapore and En Venture Pte. Ltd. As the Executive Director of luxury brand retailer, Richard Mille, Mr Cuaca is actively involved with business development, branding strategy, inventory planning and customer relations. At CFAM, he is responsible for planning the strategy and structure of the company and evaluates potential investment projects. Mr Cuaca is also the Executive Director and key shareholder of Alacrity Investment Group, Oceanus' largest shareholder.

Through his various investment companies, Mr Cuaca has also been involved, or invested in several ESG related businesses, including Wasted Collective, a sustainable apparel company and Eat, Just Inc. an alternative food product company.

Mr Cuaca obtained his Master of Arts in Management, at Regent's University London and holds a Bachelor of Science Accounting and Management, from the Queen Mary University of London.

# Meet the Captains

*Trust is something that is earned day by day.*

Not through our words, but by the actions of our management, who has navigated the organisation to consistently deliver on what we promise. We owe it to our partners, clients and stakeholders who have entrusted us, to steer Oceanus forward in the coming years as a leading FoodTech game changer.



Rounding up the Year

# MAKING WAVES

*with*

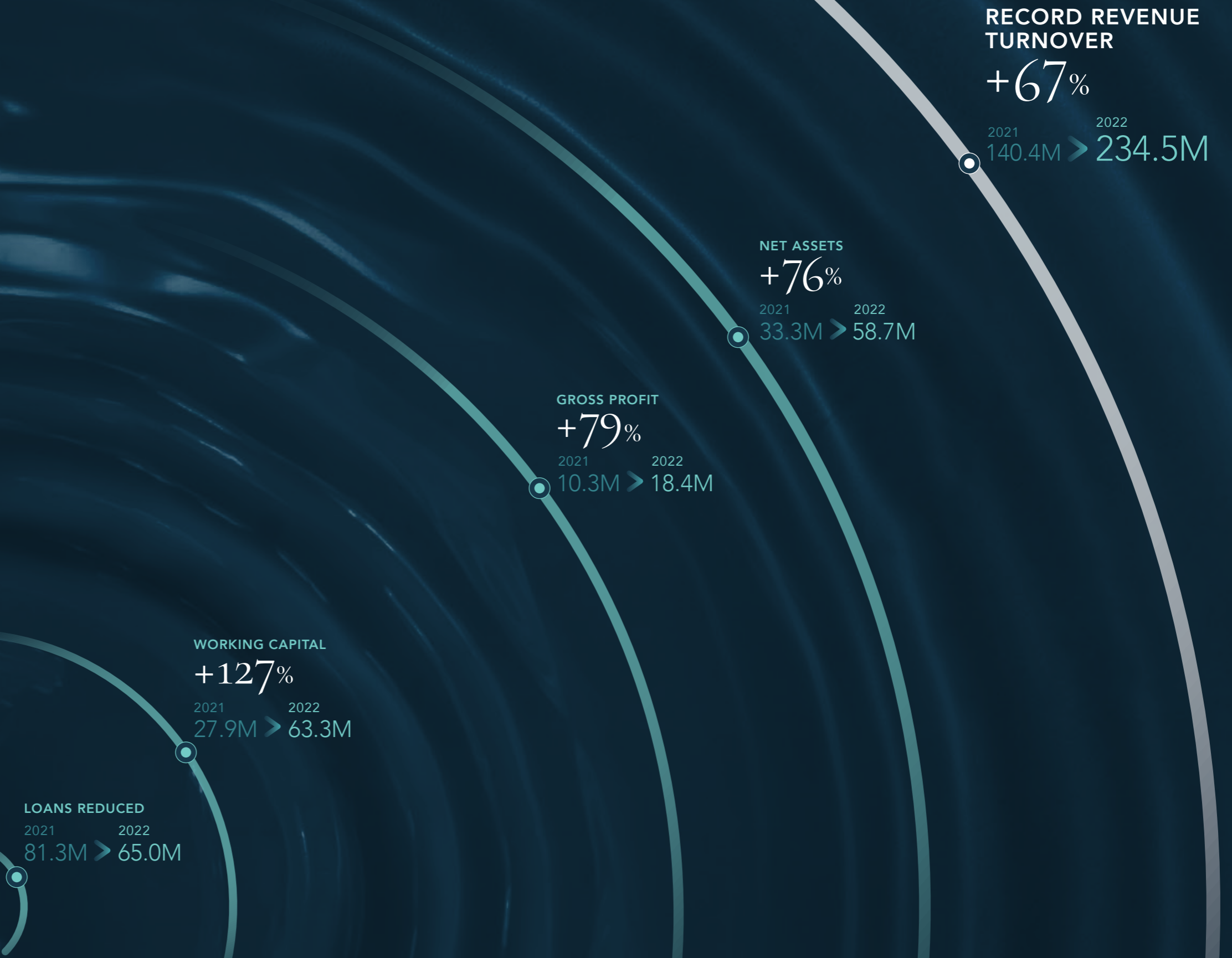
2022'S EFFORTS

We will not rest on our laurels despite our historic successes of turning the tides to rise above and beyond.

2022 Financial Highlights

# Riding the Swells of Growth

Our highest on-record revenue turnover bears testament to our transformation in the right strategic direction — from abalone hatchery to a FoodTech organisation well-placed for exponential success.



Anchoring our Strengths

CONSOLIDATING

# OUR 4 VESSELS

of

GROWTH

Our focus is on harnessing cross-pillar synergy for exponential growth that is sustainably anchored in our omnichannel strategy.

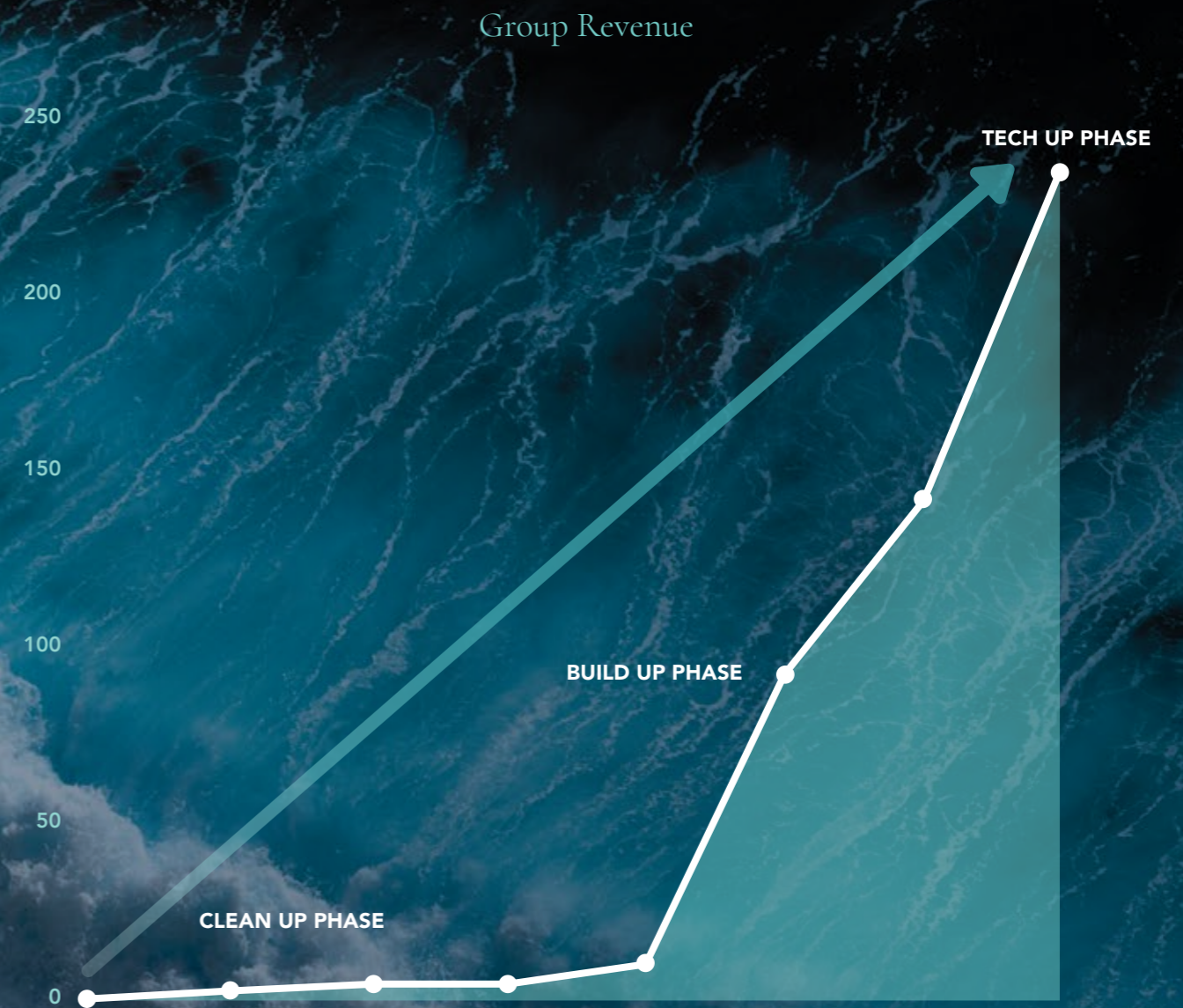
Sailing Beyond the Horizons:

# Our 4 Growth Pillars

By building a synergistic ecosystem through our 4 Pillars of Growth, we aim to empower our partners through collaborative innovation to make an exponential impact as a group.

During our Clean Up phase, Oceanus' sole revenue driver was abalone sales. Since our successful diversification through our four pillars of growth in 2018, we have seen exponential growth in our financial performance. Today, the abalone business makes up less than 3% of our total revenue.

Moving forward, our focus is on consolidating and harnessing cross-pillar synergy that will drive ripples of change in the FoodTech industry.



# FOOD PRODUCTION

Aquaculture is the cornerstone pillar of Oceanus' business. Even as we evolve our business, we continue to leverage on our wealth of experience and core strengths in seafood production, processing and trading.



Since 2021, we have expanded our seafood portfolio to include prawn, sea cucumber, crab and fish.

Glocalisation will be our focus over the next few years as we grow our network globally with representative offices in our key focus markets.

# DISTRIBUTION



Leveraging on our established corporate presence and global trading network, we strengthened our position throughout the value chain by overseeing product distribution from first to final mile.

Driven by consumer trends and demand, our current distribution portfolio has expanded from raw materials to an ever-growing portfolio of consumer goods such as beverages, snacks, chilled & frozen meat, sugar, grain and more.

In the 3<sup>rd</sup> quarter of 2022, Oceanus incorporated King M International Pte Ltd to expand our current portfolio offering to include fruits. As of today, King M works closely with banana producers from Philippines and durian producers in Malaysia and Thailand to meet the increasing demand for tropical fruits in China and Southeast Asia.

Commodity and food prices are increasingly being influenced by geopolitical trade disputes and volatile weather patterns. As part of Oceanus' food security mission, ISC SG Pte Ltd was incorporated in 2022 to distribute essential food commodities such as grain, sugar and rice.

Traded **~SGD1.5m** worth of seafood in Singapore, China & Southeast Asia in 2022

Transported average of **~100 containers** of food products monthly across the globe

## SERVICES

In line with our vision to be the leading integrated FoodTech solutions provider, Oceanus expands beyond product distribution to offer services ranging from consultation, business strategy, media solutions to corporate branding.

### DIGITAL MARKETING

#### Creating Futurealistic Experiences

In May 2022, Oceanus launched Southeast Asia's first SGD5m futurealistic studio.

The "one-stop shop" studio uses high-end virtual production technology to develop immersive media content across a range of markets, including concerts, corporate events, as well as film and TV production.

- 01 | **Louis Vuitton "Phygital" Fashion Show**  
Women's Spring-Summer 2021 Show
- 02 | **Singapore National Day Parade**  
AR Effect Live Broadcast 2021/2022

### WAREHOUSE & LOGISTICS

#### Coordinating between Countries' Food Security Needs

In 2021, Oceanus established Oceanus Tradelog (OTL) to provide support on warehousing and logistics services for our group of companies.

Apart from cross-border trade logistics and warehousing support, OTL also provides eCommerce platform and local delivery services for both internal and external customers.

OTL currently serves customers and business partners from Singapore, Southeast Asia, Central Asia, Middle East and China.



## INNOVATION

Our digitalisation plans will see Oceanus focus on developing deep tech solutions that will deliver greater value, transparency, accountability and trust to our partners through visibility across the entire food supply chain.

### DIGITALISATION

#### Building Our Proprietary Tech Platforms

ShopFront.Club is an innovative eCommerce platform that provides suppliers with a new way to tap into their reseller network and drive revenue growth.

The platform provides resellers with an easy-to-use eCommerce website builder, allowing them to create a seamless shopping experience for their customers without the upfront capital costs of owning inventory or logistical challenges in delivering products.

ShopFront.Club streamlines the sales process for both suppliers and resellers. By leveraging the power of the platform, suppliers can optimise their sales channels, increase their reach, and ultimately drive growth.

#### Strengthening Our eCommerce Foothold Through Partnership

As part of Oceanus' long-term strategy to grow our innovation portfolio, we partner strong industry players who share our vision in broadening our global footprint.

In August 2022, Kingsman Exim was set up to strengthen Oceanus' eCommerce presence in Singapore, China and Southeast Asia.

Kingsman specialises on beverages, while Oceanus' eCommerce platform SGFarmer will focus on abalone, farm produce and other products.

Changing up the Industry

SPARKING

*a*

# RIPPLE OF CHANGE

Reinventing the future of food security is no mean feat—it requires deep technology and an inventive approach.



# Taking the Helm as The Global Leading FoodTech Enterprise

## Onboard Our Tech Up Voyage

During our previous Build-Up phase, Oceanus successfully established sustainable profit centres and a strong foundation to support long-term growth.

Today, driven by our synergistic strength across our four business pillars, Oceanus is well-placed to advance our Tech Up vision of securing Singapore's food security, and future-proofing our business as the leading industry game changer.



Oceanus Digital Network

## Omnichannel Synergy Meets Innovation

Empowered by technology and cross-channel synergy, the ODIN ecosystem we create today will set off a ripple of change that will supercharge how the industry operates tomorrow, capturing greater value across the global food value chain.



# The FoodTech Game Changer

The ODIN global digital exchange is driven by deep technology to deliver greater value, transparency, accountability and trust to our partners through visibility across the entire food supply chain.

Trading across borders can be a painful, costly process.

Through ODIN, our managed marketplace solution featuring a network of trusted buyers, sellers can eliminate cross-border trading friction and risk to make more profit without incurring high costs.

Customers will be able to remotely conduct trades, securely perform financing activities, and track shipments in real time.

Supported by ODIN Pay, users can enjoy competitive exchange rates on favourable terms, and even leverage on supply chain financing capabilities to grow their business exponentially in the near future.



## Omni-channel Advantage Through Cross-pillar Synergy



Breaking through Barriers  
in eCommerce:

## ShopFront.Club – D2C Integrated Platform

Traditionally, setting up an eCommerce presence requires huge upfront capital for inventory procurement and operational expenses.



### The Transformation of eCommerce through ShopFront.Club

Through the launch of ShopFront.Club, an innovative all-in-one direct-to-consumer (D2C) platform, resellers are empowered to create a seamless shopping experience for their customers without the upfront capital costs of owning inventory or logistical challenges in delivering products.

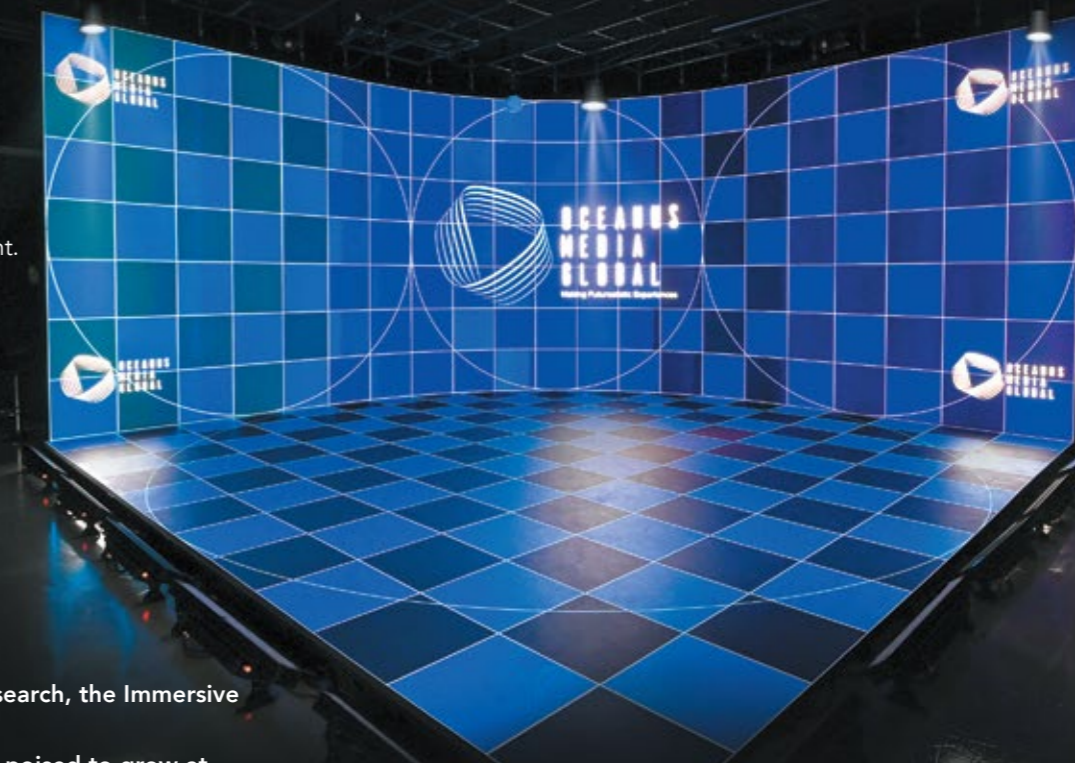
ShopFront.Club will not only revolutionise the way businesses operate online, but also represent a significant opportunity for Oceanus to diversify our business portfolios, increase revenue and drive profitability.

An integrated network  
of traders with over  
**SGD100  
million**  
combined revenue annually

Cruising into New Frontiers:

## Pioneering Singapore’s First & Only Futurealistic Studio

As the world transits to a digital-first platform amidst a hybrid work model, virtual immersive content and experiences are rapidly becoming increasingly relevant.



According to Precedence Research, the Immersive Technologies Market is

estimated to be  
valued at over  
**SGD180  
billion**  
by 2030

poised to grow at  
a compound annual  
growth rate of  
**22.46%**  
from 2022 to 2030

State-of-the-art curved wall and floor LED stage, capable of running real-time 3D virtual environment at OMG's futurealistic XR studio

Oceanus Media Group (OMG) has created waves in the media industry through our gamechanging investment in Singapore’s first and only SGD5mil futurealistic studio.

# Oceanus' Suite of Immersive Media Solutions

## Fulfilling our Vision to be Asia's leading Immersive Technology Provider

By combining interactive Extended Reality (XR) functions such as data visualisation and Augmented Reality (AR) visual elements, multiple applications such as immersive exhibitions, films, hybrid events and simulated training can be integrated across various industries.



Multi-camera broadcast control room, overlooking the XR Stage during an eSports tournament. The satellite studio is fully equipped for global livestream broadcast



Behind-the-scenes showing multi-cam virtual set for a global eGaming livestream broadcast



Live demo of motion capture technology augmenting a virtual avatar displayed on the XR stage



LED screen colour calibration for film production with physical set build, to reproduce a scene atop a helipad



Behind-the-scenes: green screen studio production for a live stream virtual event



Peter Koh, CEO of Oceanus Group, presenting with Extended Reality (XR) LED technology at OMG's futuristic studio during the FY2021 AGM



Motion Capture via sensor-embedded suit technology for precise real-time movement control that maps onto a virtual avatar

## Leading Radial Impact through Sustainability

Due to climate change and global population growth, food access will become more challenging amidst rising costs.

Oceanus' mission sets us on a path of responsibility to consider the impact of climate change on our business operations, assets and stakeholders.

### Oceanus' Mission:

To build sustainability today, for the security of tomorrow

### Accolades:



### BUILDING CLIMATE CHANGE RESILIENCE

We integrate climate-related risks and opportunities into our business strategy, in accordance with Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.



### CONTRIBUTING TO FOOD SECURITY

We are dedicated to playing a critical role in improving global food security, through offering high-quality food distribution services, fostering continuous innovation, and promoting sustainable farm management practices.



### CARING FOR THE ENVIRONMENT

From investing in energy-efficient technologies, monitoring Scope 3 emissions to partnering with local conservation organisations, we're dedicated to promoting sustainability in all aspects of our business.



Oceanus has identified 6 focus areas for **OUR HOLISTIC SUSTAINABILITY APPROACH**



### UPHOLDING GOOD GOVERNANCE AND ETHICS

Effective corporate governance practices empower us to attend to stakeholder concerns and integrate ESG considerations into our decision-making processes.

### NURTURING HUMAN CAPITAL

Our commitment to operational continuity includes prioritising the safety and wellbeing of our employees. Oceanus also invests in the professional growth of our employees through staff training programmes and upskilling opportunities for their continuous career development.



### FOSTERING COMMUNITY ENGAGEMENT

Oceanus endeavours to create a positive impact on local communities by partnering them to drive beneficial outcomes for the economy, environment, and broader society.

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# SUSTAINABILITY AND CLIMATE REPORT

## **OCEANUS GROUP LIMITED SUSTAINABILITY REPORT 2022**

# SUSTAINABILITY AND CLIMATE REPORT

## Reporting Practice

### Reporting Principles & Statement of Use

This Report is produced in accordance with the Global Reporting Initiative (“GRI”) 2021 Standards covering our Group’s performance from 1 January 2022 to 31 December 2022. The GRI standards were selected as it represents the global best practices for reporting on economic, environmental and social topics.

The following GRI reporting principles were applied to guide the Group in ensuring the quality and proper presentation of the information in this Report: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. For more information on GRI disclosures, please refer to the GRI Content Index.

This report incorporates recommendations from the Climate-Related Financial Disclosures (TCFD) to give stakeholders an overview of the potential financial effects of climate change on the Group’s business model, including assets, revenue, operations, capital, and financing. It evaluates how climate-related risks, such as physical and transition risks, may impact the Group and outlines strategies and actions for managing and mitigating these impacts, as well as potential opportunities. The United Nations Sustainable Development Goals (“UN SDGs”) have also been incorporated into the Report to highlight the Group’s contributions to sustainable development. This Report is compliant with Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B.

The Board of Directors has reviewed and approved the reported information, including the material topics.

### Reporting Scope

This Report covers the entirety of the Group’s operations in Food Distribution, Services and Innovation.

### Restatements

There are two disclosures with restatements made from previous reporting periods, namely (1) energy consumption, (2) energy intensity and (3) emissions intensity, please refer to section “[Caring for the Environment](#)” for details.

### Assurance

The Group has established internal controls and verification mechanisms to ensure the accuracy and reliability of the narratives and data disclosed within this Report. We have also considered the recommendations of an external Environmental, Social and Governance (“ESG”) consultant for the selection of material topics as well as compliance with GRI Standards, SGX-ST Listing Rules and alignment to TCFD recommendations.

To further enhance the credibility of the Group’s sustainability reporting, the Group has subjected our sustainability reporting process to internal review by our internal audit function, as required by SGX-ST Listing Rules 711B (3).

The Board of Directors has therefore assessed that independent external assurance is not required at this juncture.

### Availability & Feedback

This Report supplements the Group’s 2022 Annual Report, which is available online at <https://oceanus.com.sg/> and on SGXNet. Detailed section reference with GRI Standards is found at the GRI Standards Content Index section of this report.



# SUSTAINABILITY AND CLIMATE REPORT

## Organisation Profile

Founded in 1988 and headquartered in Singapore, Oceanus Group Limited was listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Beginning as a one of the region's largest land-based aquaculture company producing juvenile abalones, the Group is now diversified across the four key operating segments are as follows:

## Food Production

The Group has seafood farming assets in China, which it leases to farmers in China. It exports products such as wild-caught and farmed seafood to global customers across Singapore, China, South-East Asia, Australia, USA and Europe.

**Aquaculture facilities**

Oceanus Group (China) Aquaculture Ltd ("OCA"), a fully owned China subsidiary of the Group, owns the abalone hatchery farms in designated aquaculture zones in China. Located along the sea in Fo Tan town of Fujian, China, it has a total of 6669 tanks spread across its 39.18 hectare land.

**Partnerships and investments**

The Group has also invested in local shrimp indoor farming facility Universal Aquaculture to improve food security in Singapore. Associate company Universal Aquaculture initiated collaboration with Grobest Group to develop the World's First Next-gen Functional Performance Shrimp Feed for their Hybrid Biological Recirculation System™.

## Distribution

Oceanus has a diverse distribution portfolio that covers a wide range of products, including fast-moving consumer goods such as snacks, instant drinks, and beverages (both alcoholic and non-alcoholic), as well as chilled and frozen meat (beef, chicken, pork), sugar, grains, and fruits. Subsidiaries Shenzhen Jiade Yifeng Supply Chain were set up during FY2021 to further expand on the Food Commodities and Gourmet Goods market in Asia.

## Services

The Group has added more in-house logistics, consultancy and marketing capabilities and expertise to its already comprehensive suite of services. This marks another step in the Group becoming a leading FoodTech company bolstering food security and the global food supply chain.

<p style="text-align: center;"><b>Logistics</b></p> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 10px; margin: 10px 0;"> <p>Subsidiary Oceanus Tradelog was established to support the warehousing and logistics services needs of the Group's food production and distribution pillars. It secured a warehousing and logistics contract with international food industry player and SATS subsidiary Country Foods.</p> </div>	<p style="text-align: center;"><b>Media solutions and marketing</b></p> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 10px; margin: 10px 0;"> <p>The Group has award-winning multimedia capabilities which have been consolidated under Oceanus Media Global ("OMG") to provide 'futurealistic experiences' through a state-of-the-art Extended Reality Studio to create next-gen brand and consumer experiences.</p> </div>	<p style="text-align: center;"><b>Advisory</b></p> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 10px; margin: 10px 0;"> <p>Oceanus associates Aquarii provides advisory services facilitating the entry of Singapore and international companies into Cambodia. It seeks to establish collaborations and foster relationships between businesses and investors, with the goal of facilitating growth and promoting partnerships, investments, projects, and initiatives that embody the principles of trust, integrity, and transparency.</p> </div>
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# SUSTAINABILITY AND CLIMATE REPORT

## **Innovation**

To remain competitive, every enterprise must undergo digital transformation. At Oceanus, we achieve this by integrating the strengths of our subsidiaries onto a unified platform that utilizes advanced technologies such as blockchain, analytics, cloud computing, and enterprise resource planning systems. This digital transformation has enabled Oceanus to offer a wide range of trade services seamlessly to the worldwide market, bringing us closer to our goal of becoming a prominent global FoodTech Enterprise.

## **Digital Business platforms**

SG.eMart was set up to spearhead the development of Oceanus' e-commerce and digital trading capabilities, enhancing its presence in the region. With the push into e-commerce, the Group has managed to double its product offerings to customers and increased in sales volume, including its own SGFarmer platform.

Oceanus Digital Network (ODIN) is a solution for managed marketplaces that assists sellers in overcoming obstacles, such as cross-border trade friction and risks, resulting in increased profits. ODIN Pay, a digital cross-border payment software, offers competitive exchange rates for users to obtain foreign currencies on favorable terms. In the near future, ODIN Pay will also provide supply chain financing to assist users in obtaining the necessary funds to finance trades.

ShopFront.Club is an innovative e-commerce platform that enables suppliers to reach their reseller network and drive revenue growth. Resellers can use an easy-to-use e-commerce website builder to provide customers with a seamless shopping experience without the upfront capital costs or logistical challenges of owning inventory. ShopFront.Club simplifies the sales process for both suppliers and resellers, allowing suppliers to optimize their sales channels, increase their reach, and drive growth.

# SUSTAINABILITY AND CLIMATE REPORT

## Our Sustainability Story

### Our Vision & Values

To be a FoodTech leader throughout the seafood value chain with an integrated supply chain that spans from upstream farming to downstream distribution and FMCG. We believe that in order to lead an industry dealing in global food security, the Group needs to establish a strong path towards sustainability.

### Our Mission

To produce and supply quality, nutritional and affordable seafood products and raw materials, by engaging in sustainable land- and sea-based farming practices created through innovation in R&D as well as to preserve the environment so that our next generation can enjoy a bountiful supply of safe and sustainable seafood.

### Our Sustainability Philosophy

The Group's impact on sustainability can be organised into 6 key focus areas. Good corporate governance guides the Group in considering the interests and concerns of key stakeholders on sustainability when making business decisions. Economic performance is integral to the Group as it provides the financial support for the Group to implement sustainable practices and initiatives.

To reflect our continued commitment to global sustainability efforts, the Group has identified the following six focus areas to guide our sustainability strategy:

#### Upholding Good Governance and Ethics

- Effective corporate governance practices and oversight empower us to attend to stakeholder concerns and integrate ESG considerations into our decision-making and transactions.

#### Building Climate Change Resilience

- The Group has commenced its climate reporting process by incorporating the TCFD Recommendations into this Report and integrating climate-related risks and opportunities into our business strategy.

#### Contributing to Food Security

- The Group is dedicated to playing a critical role in improving global food security. To achieve this, we are focused on offering high-quality food distribution services, fostering continuous innovation, and promoting sustainable farm management practices.

#### Nurturing Human Capital

- As we transition towards post-COVID-19 endemic living, our commitment to operational continuity includes prioritizing the safety and wellbeing of our employees. In addition, we emphasize the professional growth of our employees by providing them with ample opportunities for career development. Through staff training programs and upskilling opportunities, we ensure that our employees remain competent and capable. We also recognize the importance of diversity among our employees and offer competitive employment benefits alongside adequate training.

#### Caring for the Environment

- The Group actively encourage and incorporate environmentally-friendly practices into our operations, with a particular focus on complying with all relevant laws and regulations regarding environmental protection in the jurisdictions where we conduct our business.





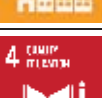





#### Fostering Community Engagement

- The Group endeavours to create a positive impact on local communities by partnering with them to drive beneficial outcomes for the economy, environment, and broader society.

# SUSTAINABILITY AND CLIMATE REPORT

## Contribution to the Sustainable Development Goals

The Group's business focuses are aligned with the UN SDGs. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The Group's contributions to this global agenda are highlighted below.

UN SDGs	The Group's contribution	Read more in the following sections
	Promote good corporate governance and adhere to laws and regulations.	Focus 1: Upholding Governance and Ethics
	The Group is monitoring climate-related risks and opportunities based on the TCFD recommendations to identify potential areas to enhance climate change resilience starting from this year.	Focus 2: Building Climate Change Resilience
	Improve food security in countries where we operate and develop food trading platforms to facilitate access to food.	Focus 3: Contributing to Food Security
	Bring positive impact through infrastructure investments.	
	Provide training programmes and performance appraisals to ensure equal development opportunities for all employees.	Focus 4: Nurturing Human Capital
	Provide equal opportunities in employment, remuneration and career development irrespective of gender.	
	Utilise sustainable farming and ensure that food production practices do not contribute to environmental waste or threaten surrounding sea life.	Focus 5: Caring for the Environment
	Reduce energy consumption whenever possible.	
	Conserve energy and minimise consumption whenever possible.	
	Monitor resource consumption and reduce waste.	
	Protect ecosystems and manage any adverse impacts caused by human activities.	

# SUSTAINABILITY AND CLIMATE REPORT

UN SDGs	The Group's contribution	Read more in the following sections
	Strengthen development in farming communities through knowledge sharing and linking them to international food markets.	Focus 6: Fostering Community Engagement

# SUSTAINABILITY AND CLIMATE REPORT

## Key Highlights for the Year

### Food Production

Aquaculture has always been the cornerstone pillar of Oceanus' business. Today, we continue to leverage on cutting-edge farming technologies to keep us at the forefront of addressing global food security challenges.

- Achieved SGD \$1.5 million in seafood trade revenue**

By expanding their presence further down the supply chain, the Group has achieved a seafood trade worth SGD \$1.5 million during the year.
- Expanded revenue stream**

Subsidiary Asia Fisheries has broadened its range of services to encompass food processing and quality control activities. With this addition to its service portfolio, Asia Fisheries can cater to the needs of a wider range of customers and markets, further enhancing its market competitiveness and profitability.

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### Distribution

Having built upon the Group's established corporate presence and global trading network worldwide, effort is being placed in further strengthening position and accelerating expansion through a digital platform and own brand of FMCG products.

- Exported 100 containers a month in food commodities and growing**

An average of 100 containers a month was exported for food commodity products such as sugar, grains, and frozen meat to meet the growing global demand.
- Further expansion of product offerings**

A platform for distributing and exporting a wide range of fruits sourced from Southeast Asia to other parts of the world such as China, has been set up via subsidiary King M International Pte Ltd. This move signifies the Group's commitment to expanding its reach and diversifying its portfolio by tapping into the rapidly growing fruit export industry in the region.

Building upon the Group's strength in distribution and leveraging on its global trading network, The Group has also set up subsidiary ISC SG Pte Ltd for distribution of food commodities such as grains, rice and sugar.

# SUSTAINABILITY AND CLIMATE REPORT

## Services

The Group has added more in-house logistics, consultancy and marketing capabilities and expertise to its already comprehensive suite of services. This marks another step in the Group becoming a leading FoodTech company bolstering food security and the global food supply chain.

- **Expanded business offering of Oceanus Tradelog**

Subsidiary Oceanus Tradelog was established to support the warehousing and logistics services needs of the Group's food production and distribution pillars.

In FY2022, it expanded its business offerings to provide shipping coordination and last mile delivery services. This allows the company to manage the entire supply chain process more effectively and efficiently, and differentiate itself from its competitors.
- **Launched state-of-the-art Extended Reality Studio**

OMG has inaugurated a state-of-the-art production studio in Ubi Road that boasts technology similar to the one utilized in creating virtual sets for The Mandalorian, a popular Star Wars TV series.

The \$5 million studio utilizes a unique approach, where physical cameras' movements are synchronized with virtual cameras, creating an immersive experience that makes it seem like someone standing in front of the LED wall is inside a virtual environment. This innovative technology has made production processes more efficient and cost-effective.

## Innovation

Innovation is at the heart of our business, and will continue to be our engine of change. Connecting with our vision to accelerate our 'tech-up' operations for the next lap, we will continue to innovate not just in cutting-edge food production technologies, but also rethink our supply chain approach to build a truly seamless, omnichannel experience for customers.

### Launch of Digital Business Platforms

- **Oceanus Digital Network (ODIN)**

  - A Business-to-business solution that provides managed marketplaces to assist sellers in overcoming cross-border trade challenges and risks, leading to increased profitability.
  - One of the primary features is ODIN Pay, a digital cross-border payment software that offers competitive exchange rates, enabling users to acquire foreign currencies on favorable terms.
  - ODIN Pay will extend its services to include supply chain financing, which will provide users with the necessary funds to finance trades.
- **ShopFront.Club**

  - A digital business platform that helps suppliers reach their reseller network and drive revenue growth.
  - Resellers can use an easy-to-use e-commerce website builder that provides customers with a seamless shopping experience without the upfront capital costs or logistical challenges of owning inventory.
  - It simplifies the sales process for both suppliers and resellers, allowing suppliers to optimize their sales channels, increase their reach, and drive growth.

# SUSTAINABILITY AND CLIMATE REPORT

## Stakeholder Engagement and Materiality Assessment

### Stakeholder Engagement

The Group understands sustainable growth is dependent upon meeting and exceeding the reasonable expectations of our key stakeholders. We determine the material topics based on the principle of materiality to stakeholders. We have engaged in meaningful and productive dialogues with them and participated in various industry and government forums to keep abreast of any material stakeholder issues.

The following table summarises our key stakeholders, engagement platforms and their key concerns.

Stakeholders	Engagement Platforms	Issues of Concerns	Our Responses	Section Reference
<b>Employees</b>	<ul style="list-style-type: none"> <li>Performance appraisal system</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration</li> <li>Staff benefits</li> <li>Occupational health and safety</li> <li>Compliance with local labour laws</li> <li>COVID-19 safety measures</li> </ul>	<ul style="list-style-type: none"> <li>Employees are remunerated based on merit and performance</li> <li>Provide frequent updates to employees on the latest COVID-19 safety rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Focus 4: Nurturing Human Capital</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supplier socioeconomic and environmental assessment</li> </ul>	<ul style="list-style-type: none"> <li>Environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>Engage suppliers on compliance matters during on boarding or negotiations</li> </ul>	<ul style="list-style-type: none"> <li>Focus 3: Contributing to Food Security</li> <li>Focus 5: Caring for the Environment</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Annual Reports</li> <li>Product quality feedback</li> </ul>	<ul style="list-style-type: none"> <li>Quality and safety of products</li> <li>Food safety certifications</li> <li>Compliance with local health and safety regulations</li> <li>Marketing and labelling</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that food products comply with safety standards</li> <li>Maintain high product and food quality and monitor customer feedback</li> <li>Comply with food labelling requirements</li> </ul>	<ul style="list-style-type: none"> <li>Focus 4: Nurturing Human Capital</li> </ul>
<b>Governments and regulators</b>	<ul style="list-style-type: none"> <li>Quarterly announcements on SGX</li> <li>Annual Reports</li> <li>Sustainability Reports</li> <li>Ongoing dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and industrial requirements</li> <li>Environmental compliance with local regulations</li> </ul>	<ul style="list-style-type: none"> <li>Meet local and international standards on food security and safety</li> </ul>	<ul style="list-style-type: none"> <li>Focus 1: Upholding Governance and Ethics</li> <li>Focus 5: Caring for the Environment</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Engagement in community services</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impact</li> <li>Social development</li> </ul>	<ul style="list-style-type: none"> <li>Conduct events to serve the community</li> </ul>	<ul style="list-style-type: none"> <li>Focus 6: Fostering Community Engagement</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Annual Reports</li> <li>Investor relations management</li> <li>Annual General Meetings</li> <li>Sustainability reports</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Anti-corruption</li> <li>Compliance with Government regulations</li> <li>Sustainability</li> <li>Climate change resiliency</li> </ul>	<ul style="list-style-type: none"> <li>Keep shareholders and investors well informed through informative quarterly reports, annual reports and annual general meetings</li> <li>Incorporate good investor</li> </ul>	<ul style="list-style-type: none"> <li>Focus 1: Upholding Good Governance and Ethics</li> <li>Focus 2: Building Climate Change Resilience</li> </ul>

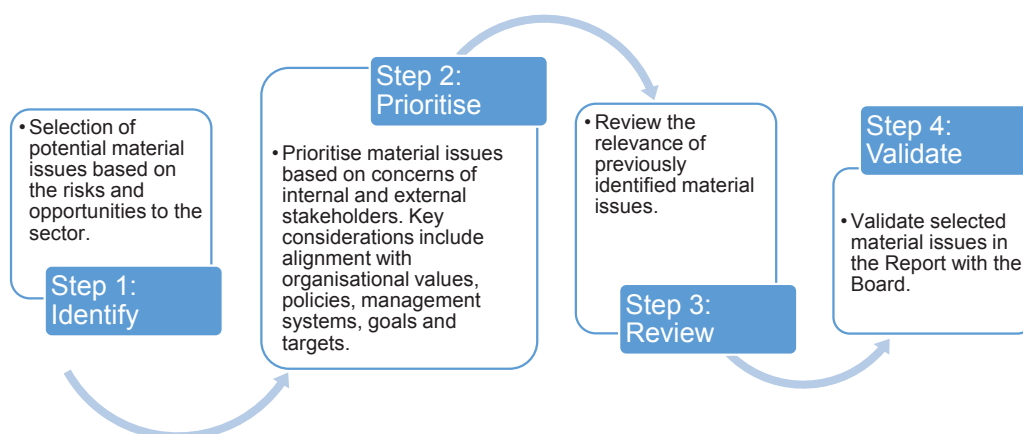


# SUSTAINABILITY AND CLIMATE REPORT

## Materiality Assessment

As part of our ongoing monitoring of ESG factors, we worked with an external consultant to conduct a materiality assessment workshop in FY2022. The purpose of the workshop was to identify new ESG factors that may have emerged as a result of recent global events, and to validate the ongoing relevance of existing material ESG factors. The workshop involved our senior management, and we have determined our material topics based on the significance of their impact in relation to the key issues of concerns raised by our internal and external stakeholders. Our selected material topics has also taken into consideration areas of concern in the industry.

With the assistance of our ESG consultant, we have taken the following steps to identify and present the relevant material topics in this Report:



Our materiality assessment informs us on the list of material ESG issues to include in this Report. Based on the results of our materiality assessment, we have prioritised and categorised the material issues which are crucial to the Group’s business.

There are some changes made to the GRI topic disclosures in this year’s report, following input from various stakeholders since the Group is now focusing on distribution operations which forms the majority of its revenue. These changes are:

- Removal of “GRI 303: Water and Effluents 2018” and “GRI 306: Waste 2016” from the material topic “Caring for the Environment”. These disclosures are no longer relevant to the Group in FY2022 following a change in the Group’s business model from abalone farming to farm leasing, when the Group no longer has operational control of its abalone farm, including its water use and waste management.
- Removal of GRI 304: Biodiversity 2016 under material topic “Caring for the Environment” as the Group’s farms that are leased out are situated in designated aquaculture zones in China where impact to wildlife is deemed be limited to any biodiversity by the China government, and is deemed as irrelevant to its current operations.
- Adding GRI 204: Procurement Practices 2016 under material topic “Contributing to food security” due to its relevance to the Group’s distribution focused operations. This will address how the Group’s sourcing practices contribute to the local economy in the jurisdictions it operates in.

The table below presents an overview of the Group’s material ESG issues:

Material Topics	GRI Topics Standards
Focus 1: Upholding Governance and Ethics	GRI 205: Anti-corruption GRI 207: Tax 2019 GRI 417: Marketing and Labelling

# SUSTAINABILITY AND CLIMATE REPORT

Material Topics	GRI Topics Standards
	GRI 418: Customer Privacy
Focus 2: Building Climate Resilience	GRI 201: Economic Performance
Focus 3: Contributing to Food Security	GRI 203: Indirect Economic Impacts GRI 204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment GRI 416: Customer Health and Safety
Focus 4: Nurturing Human Capital	GRI 202: Market Presence 2016 GRI 401: Employment GRI 403: Occupational Health and Safety GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 408: Child Labour GRI 409: Forced or Compulsory Labour
Focus 5: Caring for the Environment	GRI 302: Energy GRI 305: Emissions
Focus 6: Fostering Community Engagement	GRI 413: Local Communities

# SUSTAINABILITY AND CLIMATE REPORT

Supporting SDG:



## Focus 1: Upholding Good Governance and Ethics

### Corporate Compliance

The laws and regulations that are applicable to the Group include the Code of Corporate Governance 2018, Listing Rules of the SGX-ST and the Securities and Futures Act, amongst others.

Review of new regulations and updates to existing regulations are regularly conducted by our employees, our secretarial firm and our auditors. Updates are disseminated to relevant staff and processes are in place to monitor the activities and associated performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are typically provided to the Board of Directors by email, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority (“ACRA”) which are relevant to the Directors.

In FY2022, there were no instances of significant fines or non-monetary sanctions incurred. There were also no incidents of non-compliance with social and economic laws and regulations.

### ESG Governance

The Group prioritises sustainability at the Board level. The Board has incorporated sustainability issues into the formulation of the Group’s strategies, and ESG management and risk assessments form part of the Group’s risk management framework. The Board has determined that the environmental, social and economic factors identified are material to the Group and ensures they are managed and monitored.

We have established a Sustainability Task Force (“STF”) which comprises heads of different departments and is chaired by the Group Chief Financial Officer. The STF reports to the Board on sustainability matters and executes decisions made by the Board.



# SUSTAINABILITY AND CLIMATE REPORT

To allow all members of the Board to better understand sustainability, SGX has mandated sustainability training for all board directors of equity issuers listed on SGX. As at 31 December 2022, all of the Group's Directors have attended the mandatory sustainability training conducted by approved service providers.

Please refer to the Corporate Governance section in our Annual Report 2022 for more information on corporate governance practices and risk management structure.

## Anti-corruption

The Group takes a strong stance against corruption and malpractice. All employees are educated on the Group's zero tolerance for corruption practices.

In the event of reported corruption incidents, independent investigations will be carried out in an appropriate and timely manner as and when required. Mitigating and preventive measures will be implemented to improve on the existing internal controls and policies to prevent recurrence.

There were no incidents of corruption reported in FY2022.

## Whistle-blowing Policy

The Company had implemented a whistleblowing policy where suspected unethical, illegal, corrupt, fraudulent or undesirable conduct involving Company's business can be reported without fear of reprisal. The policy applies to all employees, officers, directors, consultants, auditors and associates of the company. Employees and officers are strongly encouraged to disclose any reportable conduct in accordance with the guidelines and procedures set in the whistleblowing policy to the Whistle-blower Protection Officer whose contact details are provided in the policy. All investigation will be conducted in a fair, independent, and timely manner and all reasonable efforts will be made to preserve confidentiality during the investigation. Measures in protecting the identity of the whistle-blowers include preservation of confidentiality, availability of protection from legal action, protection against harassment and retaliation were provided in the whistleblowing policy, supported by the oversight by the Audit Committee. A copy of the whistleblowing policy can be found on the company website at <https://oceanus.com.sg/whistle-blowing-policy>.

## 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 Audit Committee 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 were no interested person transactions in FY2022. The Company has not adopted any interested person transaction mandate which requires approvals from our shareholders.

## Dealing 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 interim, half-yearly and full-year results and ending on the date of the announcement of the results.

# SUSTAINABILITY AND CLIMATE REPORT

The Group has reminded our 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 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 our Directors and officers not to deal in the Company's securities on short-term considerations.

## Risk Management

ESG risk assessments and management form part of the Group's Risk Management Framework. We have integrated the process for identifying, assessing and managing material ESG related risks into our organization's overall risk management framework. Please refer to the Corporate Governance section in our Annual Report 2022 for more information on the Group's risk management practices.

## Tax Compliance

The Group's strategy and approach to tax is to fully comply with relevant tax laws and regulations in all jurisdictions we operate in, which indirectly support the local governments and authorities in their economic, environmental and social development and objectives. The Group has zero tolerance for any intentional breach of tax laws and regulations.

The Group identifies tax related risks as part of its enterprise risk management framework which is reported regularly to the Company's Audit Committee. Implementation of tax compliance related policies and procedures are delegated to the respective business units and are monitored by the Group's Chief Financial Officer.

Relevant staff attend tax related trainings to keep updated on key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transaction levels as well as fulfilling required tax filings. The Audit Committee has engaged an external consultant to conduct an enterprise risk review, to identify the key risks faced within Oceanus' businesses. The Audit Committee will thereafter work with this consultant to derive a two-year internal audit plan commencing in FY24. Any instances of non-compliance are reported to the Audit Committee and resolved promptly.

## Customer Privacy

The Group takes utmost care in protecting our customers' privacy and data. The Group adheres to the provisions of the Personal Data Protection Act 2012 ("PDPA"), which comprises various requirements governing the collection, use, disclosure and care of personal data. We strive to maintain strict confidentiality of customers personal information gathered in the course of conducting our operations. No data collected will be used outside the scope of its agreed and intended purpose without prior consent.

We have also allocated resources to ensure data is well-protected by appointing a data protection officer ("DPO") as required under the statutes. In addition to overseeing data protection responsibilities and ensuring compliance with the PDPA, the DPO's role is to ensure that our Group's procedures are up to date with the latest regulations with regard to data privacy.

Reminders to employees about the importance of customer data protection are also mentioned in staff newsletters, and we conduct PDPA training for new hires and refresher training course for employees. This ensures that the customer data protection policy is properly implemented across the Group.

There were no substantiated complaints concerning breaches of customer privacy and loss of customer data in FY2022.

## Marketing and Labelling

We comply with local regulations regarding marketing and labelling for all our products, which has established the Group as a reputable FMCG supplier with consumers.

# SUSTAINABILITY AND CLIMATE REPORT

Where our products are intended for Halal consumption, they will be labelled with appropriate Halal certifications. All ingredients are clearly labelled on our products.

The Group's marketing strategy strives to maintain and develop our brand visibility which ensures our business sustainability. Currently, our abalone products are advertised and listed in online platforms such as Redmart, Qoo10 and Amazon with factual product descriptions on the website page.

There were no incidents of non-compliance with marketing and labelling regulations in FY2022.

## Governance and Ethics Targets

Performance in FY2022		
FY2022 Target	Status	Performance Update
Zero incidents of non-compliance with all relevant laws & regulations	●	Achieved zero incidences of non-compliance with all relevant laws & regulations.
Zero complaints concerning breaches of customer privacy and losses of customer data	●	Achieved zero substantiated complaints concerning breaches of customer privacy and loss of customer data in FY2022.
No reported incidents of significant tax related non-compliance	●	Achieved zero incidents of significant tax related non-compliance.
No incidents of non-compliance with marketing and labelling regulations of food products	●	Achieved zero incidences of non-compliance with marketing and labelling regulations of food products.

Status: ● Met ● Partially met ● Not met

FY2023 Targets
Zero incidents of non-compliance with all relevant laws & regulations.
Zero complaints concerning breaches of customer privacy and losses of customer data.
No reported incidents of significant tax related non-compliance.
No incidents of non-compliance with marketing and labelling regulations of food products.

# SUSTAINABILITY AND CLIMATE REPORT

Supporting SDG:



## Focus 2: Building Climate Change Resilience

Climate change is a long-term global risks that may have material financial impacts the Group's business model, including assets, revenue, operations, capital and financing. The Group is also aware that aside from climate-related physical risks, the Group may also be affected by climate-related transition risks such as policy & legal, technology, market and reputation.

The Group is committed to building resilience against climate change. To provide greater accountability and transparency in our efforts to manage the potential impacts of climate change on the Group, we will be including our inaugural TCFD report which highlights the Group's climate-related risks and opportunities as well as our management of the potential impact of climate-related issues on our business strategy.

### Taskforce on Climate-related Financial Disclosures Recommendations

Climate risks and opportunities would inevitably translate into financial impacts on our business operations. Beyond the impact of the Group's operations on the environment and society at large, we need to consider the impact of climate change on our business operations, assets and stakeholders such as our employees, club members, and shareholders. The Group has begun our climate reporting journey and will progressively enhance our climate-related disclosures using a phased approach. In accordance with the TCFD recommendations, we have assessed the impact of climate-related risks and opportunities, and proposed mitigating responses to cushion against the impact of climate change on our operations.

The four core elements of the TCFD Recommendations provide an appropriate structure to identify, disclose and manage climate-related risks and opportunities. The following table summarises our considerations of each element in our disclosures.



Met









Commenced, in Progress

TCFD Recommended Disclosures		FY2022 Status	Summary and Next Steps
Governance	Describe the Board's oversight of climate-related risks and opportunities		<p>Climate risks and opportunities were discussed and identified by the senior management based on the TCFD framework. Alongside the risks and opportunities, the management have also articulated their strategies and mitigation on these risks and opportunities. The consolidated risks and opportunities as well as mitigation strategies were presented to the Board.</p> <p>The Board has collectively reviewed and approved the climate risks and opportunities identified by the management. In mitigating the impact of climate change, the Board will endeavour to implement and continuously fine tune its sustainability governance structure by engaging the assistance of our management and operational leadership teams to oversee our climate mitigation strategies.</p> <p>Moving forward, the Board will be updated on the progress of the Group's mitigation and strategy against</p>

# SUSTAINABILITY AND CLIMATE REPORT







TCFD Recommended Disclosures		FY2022 Status	Summary and Next Steps
			the identified climate risks and opportunities at least once a year or whenever necessary.
	Describe management's role in assessing and managing climate-related risks and opportunities		<p>The identification of climate related risks and opportunities was undertaken by the management team. The management will be supporting the Board to implement the identified climate-related strategies from ground up together with the support of the operational leadership teams across various jurisdictions.</p> <p>The operational leaders and the Group's management will regularly review the progress and strategies within their operational sites to ensure that the strategies are implemented accordingly.</p> <p>For critical decisions pertaining to sustainability, the management and operational leaders will agree and make critical decisions pertaining to sustainability that might present risks or opportunities to the Group's operations.</p>
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term		Please refer to the Climate Risks and Opportunities section for more information.
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning		
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		In line with SGX's phased implementation approach for TCFD adoption, the Group will incorporate scenario analysis in our subsequent sustainability reports.
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks		<p>The Group has identified the relevant climate-related risks and opportunities as outlined in the Climate Risks and Opportunities section.</p> <p>Having been identified, each risk is then assessed based on 1) the likelihood of occurrence and 2) the severity of potential impacts arising from the risk.</p>
	Describe the organisation's processes for managing climate-related risks		The climate risk assessment process detailed above provides input for the Group to determine our risk management strategy. In addition to the likelihood and impact of the risk, we have also taken into consideration other relevant factors such as cost and time period involved.



# SUSTAINABILITY AND CLIMATE REPORT

 Met  Commenced, in Progress

TCFD Recommended Disclosures		FY2022 Status	Summary and Next Steps
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management		The Board and management team will undertake periodic review of the identified climate-related risks and the risk management approach.
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process		For our energy consumption and emissions performance, please refer to section <b>Energy and Emissions</b> under Focus 5. We shall continue to monitor our emissions footprint before setting any quantitative emissions reduction targets.
	Disclose Scope 1 <sup>1</sup> , Scope 2 <sup>2</sup> , and if appropriate, Scope 3 <sup>3</sup> greenhouse gas (GHG) emissions, and the related risks		The Group is evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks. In line with SGX's phased implementation approach for TCFD adoption, the Group shall evaluate the need to quantify and monitor Scope 3 emissions in the subsequent sustainability report.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		

## Climate-related Risks and Opportunities

### Climate-related Risks

In line with our commitment to align with the Recommendations, our identification and assessment of climate risks considers:

- Transition risks: include changes to policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholder expectations.
- Physical risks: risks relating to the physical impacts of climate change (both acute and chronic).
  - Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.
  - Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

The table below reflects our understanding of our most significant climate-related risks relevant to our business. The Group recognises and is aware that the list is not exhaustive, and we will continue to enhance our understanding and responses to these risks.

*Time period applied in table includes: (1) Short: Less than 5 years, (2) Medium: 5-10 years, (3) Long: More than 10 years  
Likelihood applied in table includes three levels, namely Certain, Likely, Possible*

<sup>1</sup> Scope 1 GHG emissions are emissions resulting from the sources owned or controlled by the Group.

<sup>2</sup> Scope 2 GHG emissions are resulted from the generation of purchased electricity consumed by the Group

<sup>3</sup> Scope 3 emissions are emissions from sources not owned or controlled by the Group such as the Group's value chain

# SUSTAINABILITY AND CLIMATE REPORT

Transition Risks	Description	Risk Mitigation
<b>Policy and Legal</b>	<b>Increase of carbon tax in Singapore</b> <ul style="list-style-type: none"> <li>In Singapore, the existing carbon tax rate of S\$5/tCO<sub>2e</sub> is expected to increase from 2023. By 2030, the rate of carbon tax is expected to raise to \$50-\$80/tCO<sub>2e</sub>. This increase in carbon tax will indirectly affect the Group's operational costs via our utility bills.</li> </ul>	The Group has in place resource saving measures such as using energy efficient LED lightings for all its buildings to minimize emissions.
	Time Period: Short, Medium, Long	
	Likelihood: Certain	
	Financial impact: Higher operational costs	
<b>Market</b>	<b>Customers pivoting towards more environmentally friendly food products such as plant based meat</b> <ul style="list-style-type: none"> <li>The increase in awareness in climate change has resulted in a shift in consumer preferences towards environmentally friendly food products such as plant based meat and sustainable food</li> </ul>	While the Group does not directly sell or distribute plant based meat, it is exploring the possibility of selling frozen food products that comply with sustainability standards.
	Time Period: Short, Medium, Long	
	Likelihood: Likely	
	Financial impact: Lower revenue	
<b>Reputational</b>	<b>Environmental risk in supply chain</b> <ul style="list-style-type: none"> <li>Organizations may have certain requirements in terms of sustainability as part of their supplier evaluation</li> </ul>	The Group can expand its pool of suppliers and conduct supplier evaluation based on environmental friendly metrics such as ISO: 14001 standards.
	Time Period: Short, Medium, Long	
	Likelihood: Likely	
	Financial impact: Lower revenue, supply chain disruption	
<b>Reputational</b>	<b>Inability to meet requirements/expectation of key stakeholders such as investors and financial institutions on managing carbon footprint</b> <ul style="list-style-type: none"> <li>Financial institutions have announced emissions requirements for banking facilities</li> </ul>	The Group will continue to monitor emissions intensity to anticipate potential requirements set by financial institutions.
	Time Period: Short, Medium, Long	
	Likelihood: Possible	
	Financial impact: Higher cost of capital	

Time period applied in table includes: (1) Short: Less than 5 years, (2) Medium: 5-10 years, (3) Long: More than 10 years  
Likelihood applied in table includes three levels, namely Certain, Likely, Possible

# SUSTAINABILITY AND CLIMATE REPORT

Physical Risks	Description	Risk Mitigation
Physical (Acute and Chronic)	<b>Heavier bouts of rainfall and flash floods are more likely as the climate becomes more unpredictable.</b> <ul style="list-style-type: none"> <li>Supply chain and distribution network disruption for operations in the trading segment.</li> </ul>	The Group will explore expanding our operations to areas with lower climate risk by reducing dependence on regions
	Time Period: Short, Medium, Long	
	Likelihood: Likely	
	Financial impact: Damage to property and business disruptions, possible higher insurance premium, disruption of transportation networks.	
	<b>Rising temperatures from climate change</b> <ul style="list-style-type: none"> <li>Rising temperatures is a concern for highly perishable foods such as frozen foods and seafood. Storage of frozen foods require low temperatures in the facility.</li> </ul>	The Group is currently using energy efficient temperature control equipment but will also consider installing environmentally friendly architecture at warehouses reduce demand for cooling.
	Time Period: Short, Medium, Long	
	Likelihood: Likely	
	Financial impact: Higher energy demand from temperature control and monitoring equipment leading to increase in utilities expenses.	

## Climate-related Opportunities

While changes in the economy and the environment brought about by climate change represents certain risks to the Group, there are also opportunities that arises. The Group is well positioned to captures such opportunities and create long-term value for our stakeholders.

*Time period applied in table includes: (1) Short: Less than 5 years, (2) Medium: 5-10 years, (3) Long: More than 10 years  
Likelihood applied in table includes three levels, namely Certain, Likely, Possible*

Opportunities	Description	Management's Response
Products/services	<b>Opportunity to offer products from more sustainable sources</b> <ul style="list-style-type: none"> <li>Opportunity to offer sustainable or plant based meats to capitalize on shifting preferences.</li> </ul>	We can explore increasing our product range to include more sustainable meat and meat alternatives to cater to this change in preference.
	Time Period: Short, Medium, Long	
	Likelihood: Certain	
	Financial impact: Increase in revenue	
Markets	<b>Opportunity to contribute to the 30 by 30 goal set by the Singapore Government.</b> <ul style="list-style-type: none"> <li>The "30 by 30" goal is defined as meeting 30% of Singapore's nutritional needs locally by 2030, up from less than 10% today</li> </ul>	The Group is already part of the 30 by 30 goal set by the Singapore government as mentioned in our Annual General Meeting. We have been working with various stakeholders and organizations with regard to meeting this goal.
	Time Period: Short, Medium, Long	
	Likelihood: Certain	
	Financial impact: Increase in revenue	

# SUSTAINABILITY AND CLIMATE REPORT

Supporting SDG:



## Focus 3: Contributing to Food Security

As the global economy faces challenging conditions and geopolitical tensions continue to mount, food prices are on the rise and global supply chains are being disrupted. In response, both governments and businesses are becoming more attuned to the importance of food security. The Group is committed to playing a pivotal role in enhancing food security on a global scale. We are striving to accomplish this goal by providing quality food distribution services, driving continual innovation, and promoting sustainable farm management.

### Food Production, Sourcing and Distribution

Leveraging a broad network of partners in China and expanding connections throughout Southeast Asia, the United States, the United Kingdom, and Australia, the Group has been highly effective in distributing a diverse array of seafood products to various platforms, connecting suppliers with customers and enabling successful business-to-business ("B2B") sales. Our food distribution network extends beyond seafood to include a wide variety of fast-moving consumer goods (FMCG), with a distribution presence spanning China, the Middle East, and the Asia Pacific region.

To better support both external customers and the Group's own distribution business, we have expanded our business capabilities to include warehousing and logistics solutions. As part of this effort, we have secured a contract to provide warehousing and logistics services for frozen meat products. Looking ahead, we plan to further enhance our logistics and warehousing capabilities and aim to manage warehousing facilities within the next two to three years. In addition to our warehousing capabilities, we will also be exploring the distribution of frozen food products. We have already secured distribution deals totalling 875 tonnes for exporting frozen meat to neighbouring countries in Southeast Asia. These positive developments underscore our firm commitment to playing a bigger role in advancing global food security.

### Investments in Food Production Facilities

Geopolitical tensions and the coronavirus situation has underscored the importance of local food production as part of Singapore's strategies to ensure food security and self-sufficiency.

In line with the Group's strategies to drive business growth by further strengthening its aquaculture pillar, Oceanus has invested in local indoor farming facilities. The indoor farming facility operated by Universal Aquaculture employs a hybrid biological recirculation system that combines mechanical and biological filtration methods to achieve optimal water quality.

In contrast to a pure biological system that relies mainly on biological filtration with minimal mechanical filtration, a traditional recirculation aquaculture system utilizes more mechanical filtration which consumes more power.

Universal Aquaculture's hybrid system is a reinvention that combines essential components from both systems, resulting in a substantial decrease in energy consumption, zero water change, and a significant reduction in the feed conversion ratio.

# SUSTAINABILITY AND CLIMATE REPORT



Figure 1: We invest in indoor farming facilities with a hybrid biological recirculation system

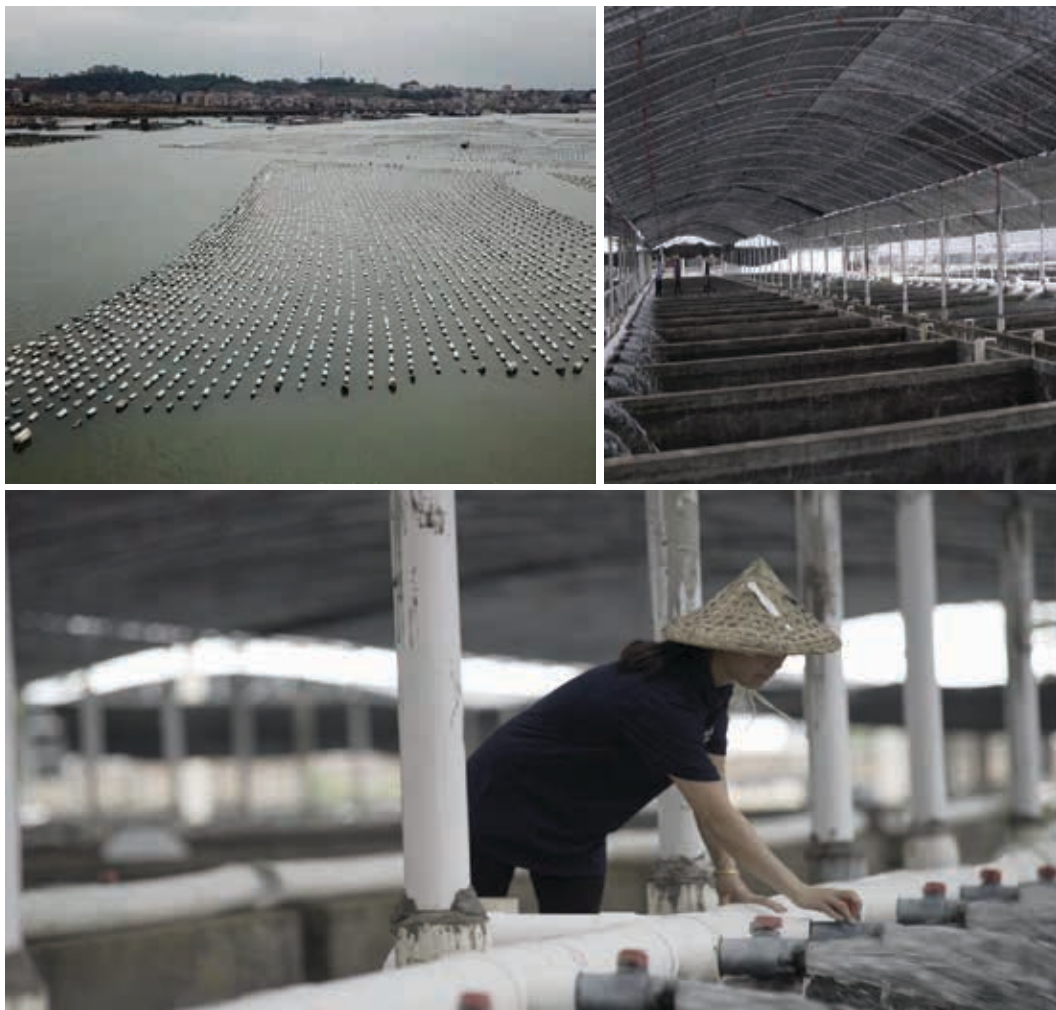
## Efficient Farm Management

Over the past few years, the Group has transitioned from full-scale abalone farming to an abalone farm leasing business model where we focus on providing advanced aquaculture facilities and knowhow for organizations and farmers.

As a result of this transition, the Group has eliminated our exposure to mortality risks and yield inefficiencies associated with full-sized abalone farming. At the same time, the Group provides the local farmers with expertise and know-how in waste management and sustainable feeding practices to minimise waste generated. We also propagate our aquaculture know-how by working closely with our farm plot lessees and contract-farming partners, guiding them on the best aquaculture practices. This creates a synergistic working relationship within the growing aquaculture industry in China.

The Group re-enters the value chain by buying the adult abalones back from local farms for further processing before distributing them into the market. This inevitably provides local farmers with more business opportunities as well.

# SUSTAINABILITY AND CLIMATE REPORT



*Figure 2: Juvenile abalones are hatched in tanks equipped with smart sensors to monitor water quality before being grown to maturity*

## Sustainable Sourcing Practices

We take great pride in the quality of our food products and the sourcing practices we employ to bring them to our customers. To ensure that our products meet the highest standards of quality, sustainability, and ethical production, we source our food products from countries that have strict laws and quotas on fishing.

Moreover, we believe in periodic assessment of our suppliers' competency to ensure their adherence to environmental compliance and impacts. The assessment process we undertake involves an evaluation of our suppliers' sustainability practices and policies, including their environmental impact assessments, waste management practices, and adherence to social and ethical responsibility standards.

To further uphold our commitment to responsible sourcing, we also perform on-site checks on all new processing plants before engaging in business with them. This involves an evaluation of the processing plant's environmental performance.

# SUSTAINABILITY AND CLIMATE REPORT

We also conduct checks on the business registry details of our distributors and conduct reference checks on their credibility and reputation to ensure that they are ethical and responsible business partners.

In addition to the above measures, we ensure that all our products are sourced from countries with the necessary certifications, such as HAACCP and ISO certifications where relevant. These certifications assure our customers that our products meet the highest standards of food safety and quality.

We source our products from a wide range of countries, including China, Southeast Asian countries such as Indonesia, and South American countries such as Brazil. Our sourcing practices prioritize diversity to enable us to offer a broad range of products that cater to the diverse preferences and tastes of our customers while maintaining our commitment to responsible sourcing practices.

## Distribution Capabilities

Oceanus boasts a diverse distribution portfolio covering a broad range of products, including snacks, instant drinks, alcoholic and non-alcoholic beverages, chilled and frozen meat (beef, chicken, pork), sugar, grains, and fruits. To further expand its reach, the Group established subsidiaries such as Shenzhen Jiade Yifeng Supply Chain in FY2021, focusing on the Food Commodities and Gourmet Goods market in Asia. In FY2022, the Group's food commodities, including sugar, grains, and frozen meat, have been exported with an average of 100 containers being exported monthly to meet the growing global demand.

To facilitate the distribution and exportation of Southeast Asian fruits to various regions in Asia, including China, the Group established King M International Pte Ltd in FY2022. This subsidiary serves as the platform for distributing and exporting a broad range of fruits sourced from Southeast Asia to different parts of the world, which demonstrates the Group's commitment to expanding its reach and diversifying its portfolio. By leveraging its existing distribution strength and global trading network, the Group can ensure the timely and efficient delivery of high-quality fruits.

The Group has also established ISC SG Pte Ltd to distribute food commodities like grains, rice, and sugar. By building upon its distribution expertise and global trading network, the Group can efficiently distribute these products to consumers in various parts of the world. The Group's ability to offer a reliable and cost-effective supply chain for these food commodities enhances its ability to enhance food security throughout the region.

The Group set up subsidiary Oceanus Tradelog to cater to the warehousing and logistics requirements of its food production and distribution sectors. In FY2022, the company broadened its services to include shipping coordination and last mile delivery to enhance its capability in managing the complete supply chain process. This strategic step is aimed at delivering greater value to customers, improving operational efficiency, and expanding the distribution capabilities of the Group.

## Leveraging Technology to Facilitate Goods Movement

In alignment with our vision to become a leading food security provider, we have been working to establish a digital exchange platform to enhance our distribution network and enable us to tap into consumer markets globally. Through our platform, businesses would be able to access our portfolio of more than 2,000 FMCG products. In a bid to encourage truly sustainable farming practices and enhance food safety across our product offerings, we are developing the ability to oversee product delivery and quality with the use of cutting-edge technologies such as the use of blockchain, which will be instrumental in supporting our growing distribution network.

The use of technology to facilitate food security and goods movement has become increasingly important in recent times. In this context, companies like Oceanus have leveraged e-commerce and digital trading capabilities to enhance their presence in the region and increase sales volume.

# SUSTAINABILITY AND CLIMATE REPORT

SG.eMart, set up by Oceanus, has doubled its product offerings to customers and increased its sales volume by pushing into e-commerce. The SGFarmer platform, which is part of SG.eMart, enables farmers to sell their products online and reach a wider audience, thereby increasing their revenue.

Oceanus Digital Network (ODIN) is a managed marketplace solution that helps sellers overcome cross-border trade friction and risks. This results in increased profits for sellers, which in turn facilitates the movement of goods across borders. ODIN Pay, a digital cross-border payment software, offers competitive exchange rates and will soon provide supply chain financing to assist users in obtaining the necessary funds to finance trades.

ShopFront.Club is another innovative e-commerce platform that enables suppliers to reach their reseller network and drive revenue growth. The platform provides an easy-to-use website builder that simplifies the sales process for both suppliers and resellers, allowing suppliers to optimize their sales channels, increase their reach, and drive growth.

Overall, the use of technology in e-commerce and digital trading is instrumental in facilitating food security and goods movement. With solutions like SG.eMart, ODIN, and ShopFront.Club, companies can leverage technology to overcome the obstacles and challenges of cross-border trade, increase revenue, and enhance their presence in the market.

## Supplier Management

The Group is committed to developing a sustainable supply chain that distributes eco-friendly products sourced and manufactured in a sustainable manner.

## Frozen, Chilled, Processed Food Products

We verify that our food products are sourced from countries that follow strict laws and quotas on fishing. On top of that, we periodically assess the competency of our suppliers based on their environmental compliance and environmental impacts. The Group performs on-site checks on new processing plants to ensure that the plants have the necessary equipment for its processing capabilities and capacities. For our distributors, the Group performed reference checks on their credibility and reputation before awarding them distributorship. In addition, the Group looks out for necessary certifications such as HAACCP and ISO certifications where relevant.

## Other Food and FMCG Products

Our subsidiaries ensure that the following procedures are implemented for every batch of products shipped from its suppliers:

- Products originate from suppliers that are registered and supervised by regulatory authorities, such as Ministry of Marine Affairs and Fisheries, Indonesia, USDA Food Safety and Inspection Service, Brazil, etc;
- Products are tested to certify that they are free from ruminant ingredients;
- No other material of animal origin (other than required or authorised product) is being used at the supplier's processing plant; and
- End products are packaged with new, clean, sealed, impermeable, moisture-resistant and durable materials.

Relevant authorities will verify the procedures to further ensure the quality and safety of our products.

Additionally, the Group only sources from suppliers with proper reputation and certifications for sustainable farming. Due to the need for a diverse product offering in our business, we deal with suppliers incorporated in multiple jurisdictions, resulting in only 1% of our procurement budget being spent on suppliers incorporated in Singapore.

In FY2022, 60% of new suppliers were screened using environmental and social criteria. No significant actual and potential negative environmental or social impacts were recorded in our periodic supplier assessments.



# SUSTAINABILITY AND CLIMATE REPORT

## Customer Health and Safety

For products that we distribute, we evaluate our suppliers to ensure that they meet regulatory standards in product manufacturing, food safety and labelling.

## Frozen/Chilled/Processed Food Products

The group is committed to becoming a leading global seafood producer, providing seafood that is distinguished by its superior quality and taste. Above all, food safety is our top priority. To ensure that our consumers face no health risks from our products, we evaluate the processing factories we engage for the manufacture and distribution of our food products. At every step of our value chain, from procuring seafood to packing and distributing our products, we exercise extreme caution in evaluating the quality of our suppliers' products to ensure food safety. We work closely with our suppliers to ensure that our high standards are met and that we maintain a smooth and efficient delivery of products.

We conduct site inspections at processing factories prior to commencing production, and only engage those that have relevant government certifications for food processing and food safety. This ensures strict compliance with safety regulations, and adherence to the highest food safety standards. In addition, we actively source suppliers to ensure they provide quality products and services at competitive prices.

Existing suppliers are assessed periodically based on specified criteria, and feedback is also provided by the operation teams to suppliers to ensure standards of products or services delivered by suppliers.

The Group only works with factories that are Hazard Analysis and Critical Control Point ("HACCP") and Health Sanitary certified to ensure food safety. Each batch of canned abalone is required to go through health audits and issued with the Country's Health Certificate and Country of Origin labels.

## Other Seafood and FMCG Products

Before each order is exported to customers via the Group's respective distribution subsidiaries, tests and checks are conducted to help ensure the freshness and integrity of packaging prior to shipment. Microbiological tests are also conducted for traces of harmful microbes such as E. Coli, Salmonella and Shigella. Such tests are conducted to not only ensure that the product specifications required by each customer is met, but also prevent selling products may pose a food safety risk to consumers.

There were no incidents of non-compliance with regulations concerning the health and safety of products resulting in either a fine or penalty in the reporting period.

## Food Security Targets and Performance

Performance in FY2022		
FY2022 Target	Status	Performance Update
Zero product safety incidents	●	There were zero incidents in respect of product safety.
Zero customer complaints related to product safety	●	There were zero customer complaints related to product safety.
Zero non-compliance with product safety regulations	●	There were zero incidents of non-compliance with product safety regulation.

Status: ● Met ● Partially met ● Not met

FY2023 Targets
Zero product safety incidents.
Zero customer complaints related to product safety.
Zero non-compliance with product safety regulations.

# SUSTAINABILITY AND CLIMATE REPORT

Supporting SDG:



## Focus 4: Nurturing Human Capital

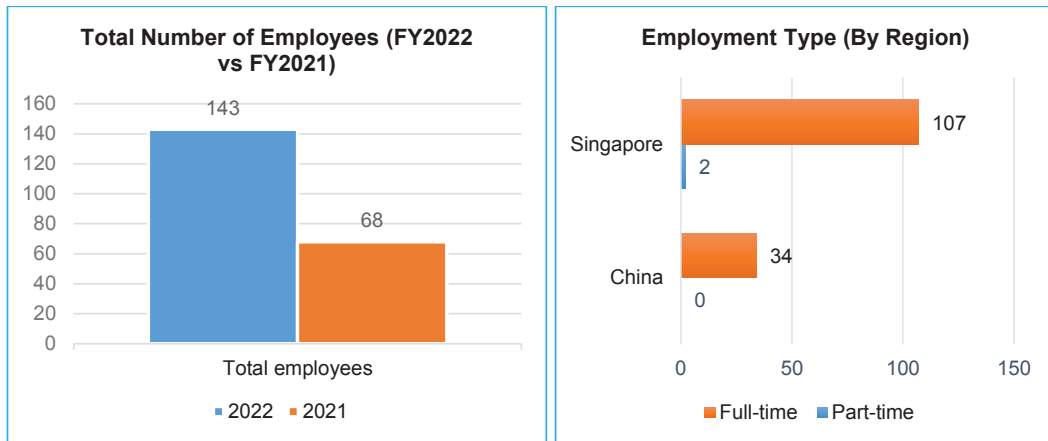
The Group is committed to promoting sustainable development both in the community and among our staff. We appreciate the efforts of all employees and treat everyone with equality and respect.

We have implemented safety measures to achieve a workplace free of fatal accidents, and we strive to create a fair and inclusive work environment that values diversity in gender and age and recognizes social and cultural differences.

### Workforce Diversity

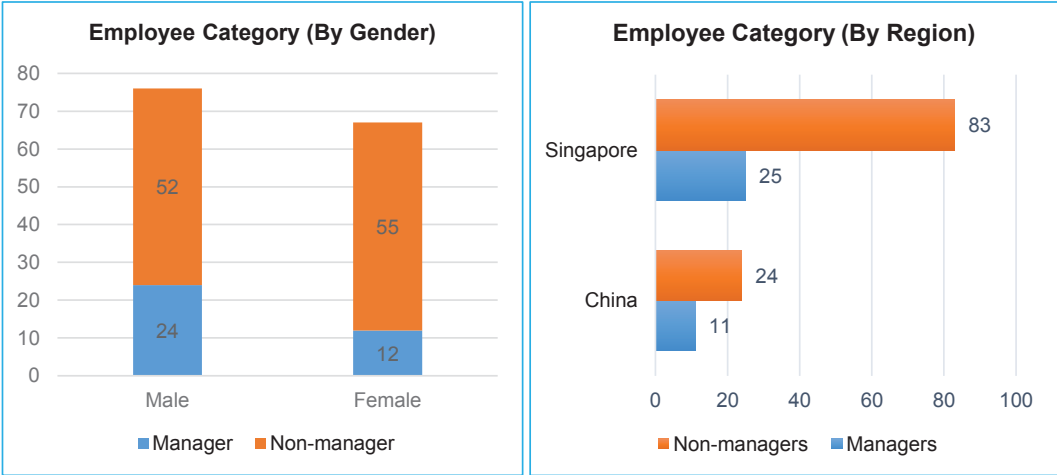
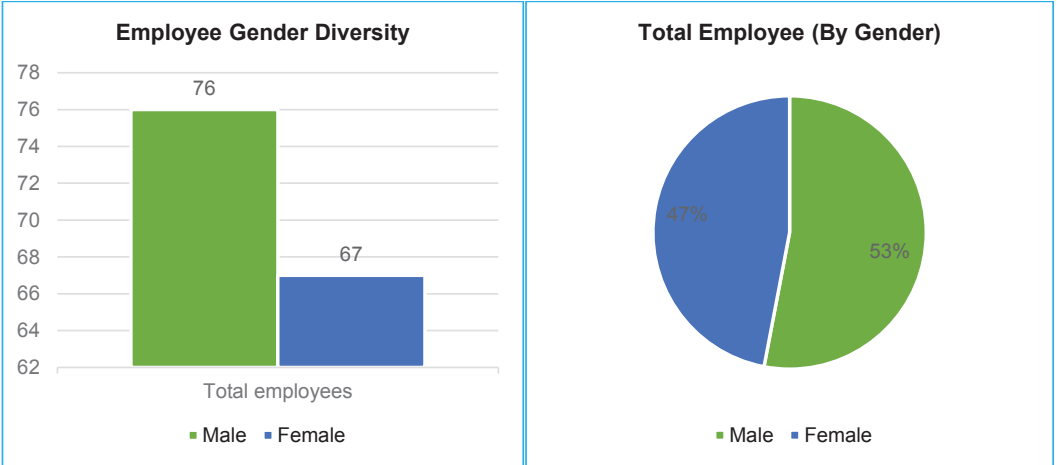
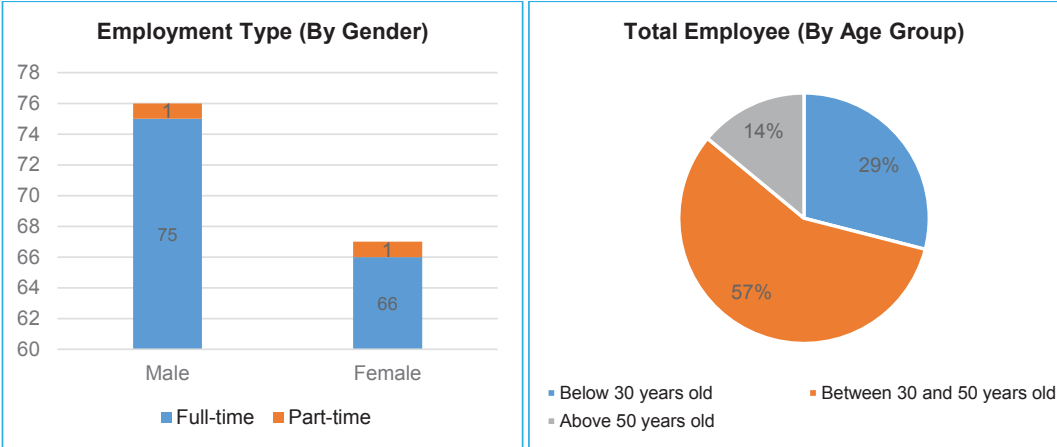
The Group believes that workforce diversity promotes creativity and integration of different perspectives. We embrace workforce diversity and do not discriminate against gender in staff employment. All employees with the same qualifications and experience are equally remunerated regardless of gender.

We had a total strength of 143 employees in 2022, compared to 68<sup>4</sup> employees in 2021.

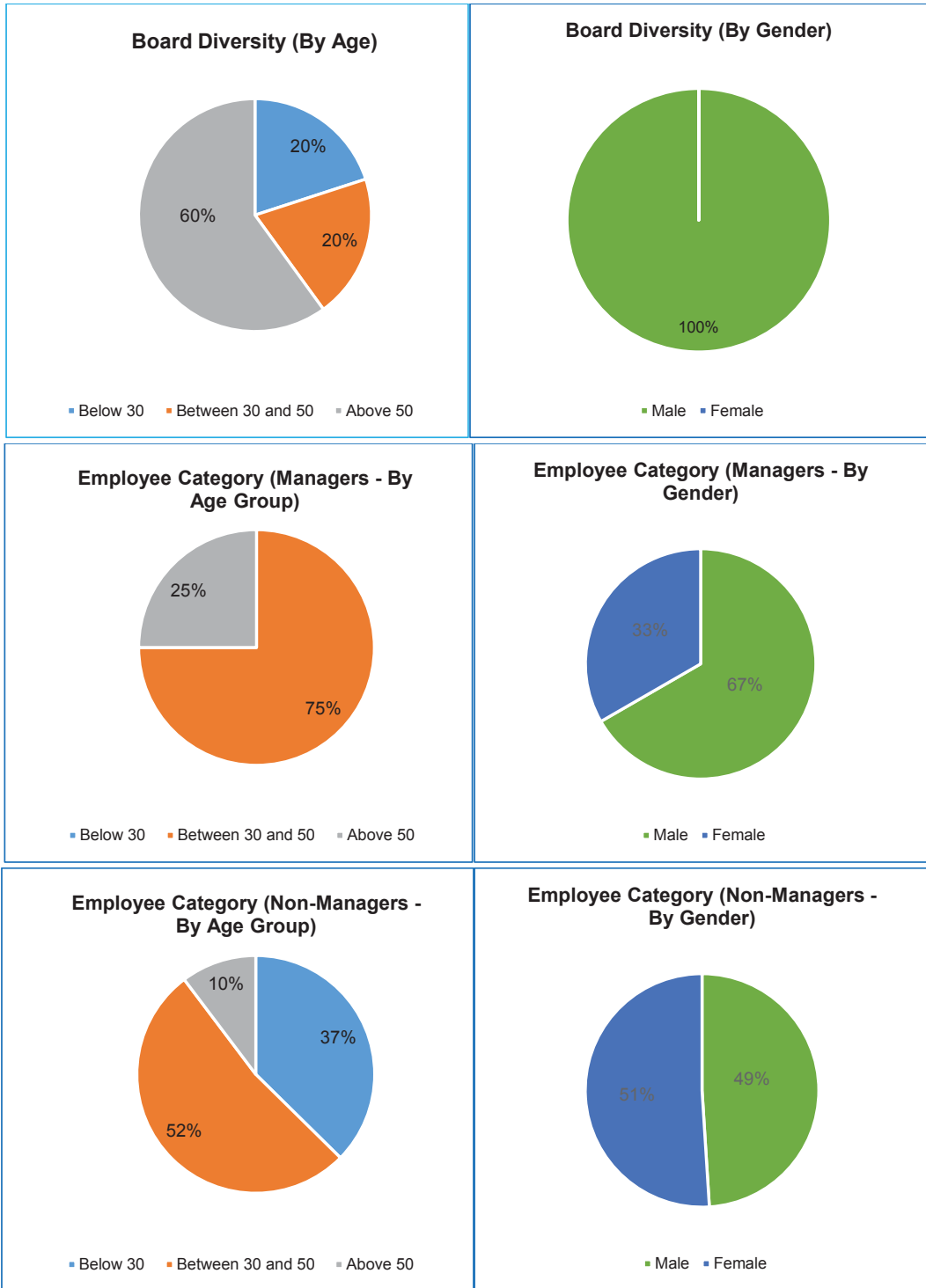


<sup>4</sup> The total number of employees stated is based on employees hired from January 2021 to December 2021. The number also takes into account employees who have left before 01 January 2022.

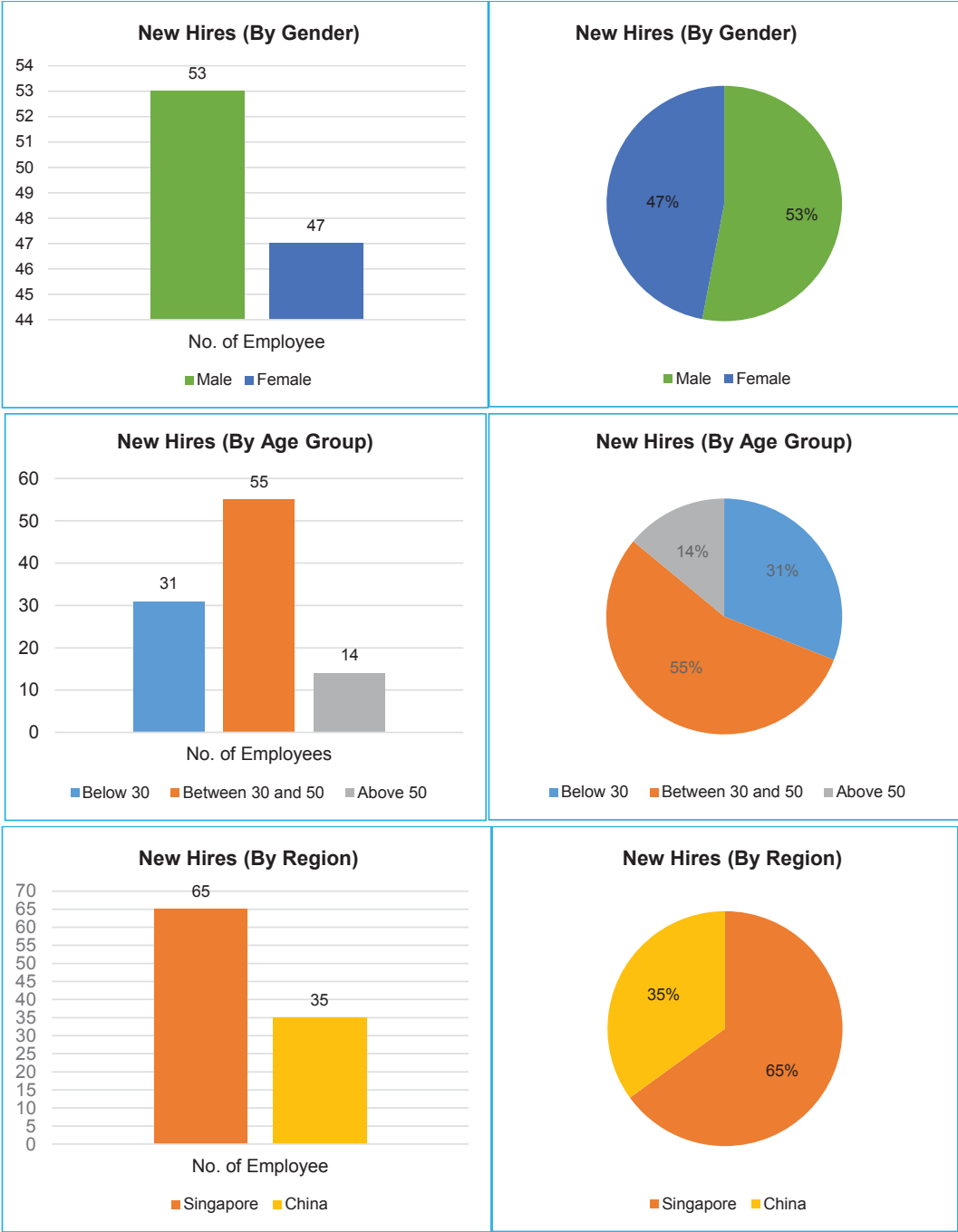
# SUSTAINABILITY AND CLIMATE REPORT



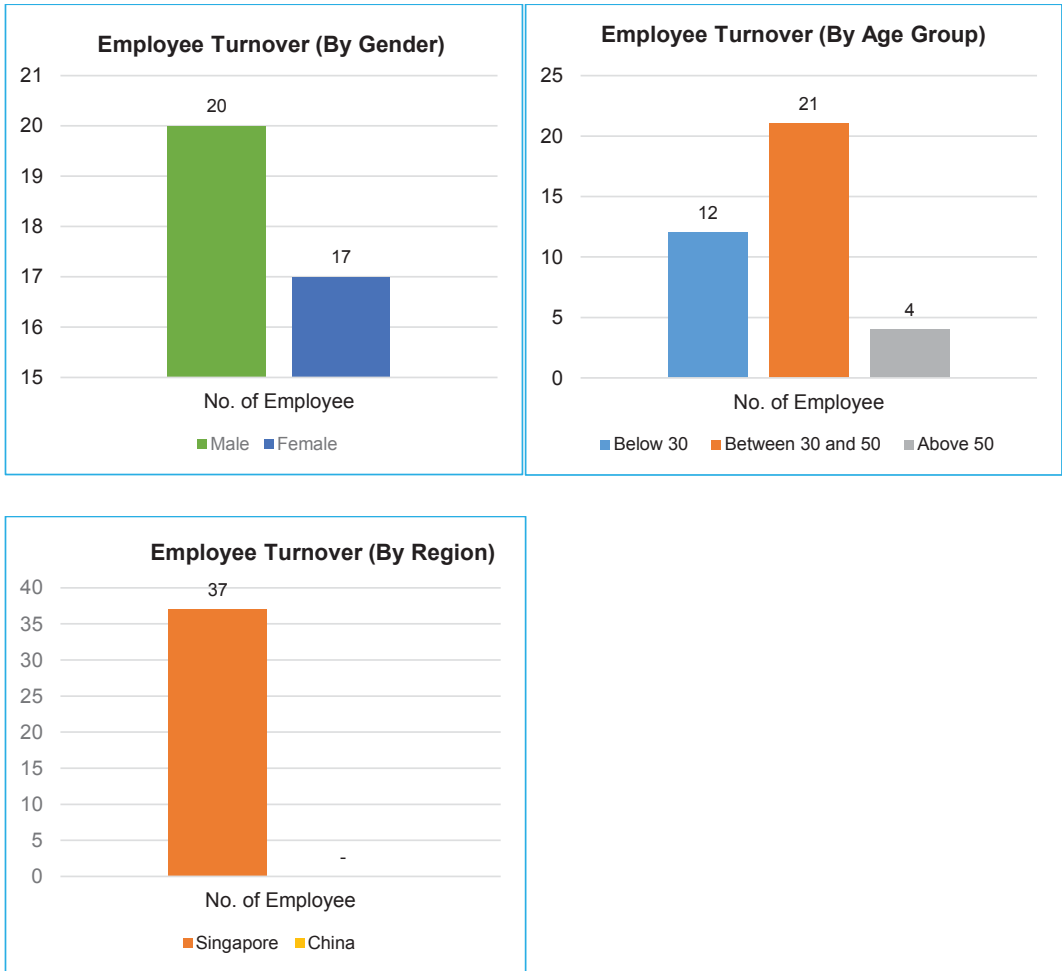
# SUSTAINABILITY AND CLIMATE REPORT



# SUSTAINABILITY AND CLIMATE REPORT



# SUSTAINABILITY AND CLIMATE REPORT



As at the end of FY2022, our new hire rate was 70% compared to 42.6% in FY2021 while our turnover rate was 35% in FY2022 compared to 16.2% in FY2021. The increase in new hire rate was because of the expansion of the Group business via setting up new subsidiaries. The higher employee turnover rate was because contract terms ended for staff on contract basis, as well as the transfer of our farmhand workers to the tenants who lease our farms in China.

We endeavour to provide employment opportunities for the local communities we operate in. For our regional operations in Singapore, 87% of the management are locals. In FY2022, 100% of the management of our operations in China were hired from the local community.

### Employee Wellbeing and Development

The Group is committed to promoting the well-being and productivity of its employees to support the growth of the business. All employees are offered competitive benefits that align with industry standards, including healthcare, insurance, and parental leave. In FY2022, 11 employees were eligible for parental leave and, out of which, 5 are male and 6 are female. 10 employees took parental leave in FY22, out of which, 4 are male and the rest are female. All employees who went on parental leave returned to work. Our return to work rate and retention rate are both at 100%

# SUSTAINABILITY AND CLIMATE REPORT

The Group has a workforce structure that includes both full-time and part-time employees. As of FY2022, there are 143 employees in total, with 2 of them working part-time. To attract and retain talent, full-time employees are entitled to annual leave, insurance, medical and dental benefits, use of in-house gym facilities, marriage leave as well as birthday leave. Part-time employees have pro-rated benefits compared to full time employees but are not entitled to marriage leave and birthday leave.

We provide all employees with opportunities to realize their full potential. We invest in their development by providing access to current technical knowledge to enhance productivity. Additionally, we conduct yearly performance evaluations to fairly compensate employees based on their experience, performance, and contributions. In FY2022, 100% of employees received performance appraisals.

The Group makes an effort to keep all staff members motivated and engaged in their work. Some of the staff retention strategies include team bonding events, refreshing the pantry space to foster relaxation, and offering competitive wage reviews in China.

The Group strives to be socially responsible in employment practices. There were no incidents of child labour or forced labour during the Group's operations in FY2022.

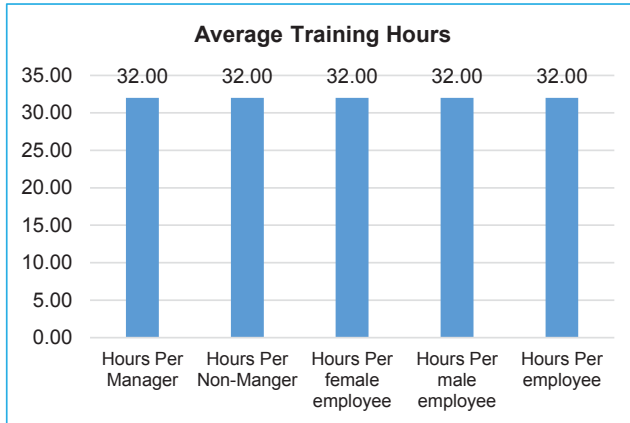
The Group also implements a non-discrimination policy to ensure ethical labour practices on a group level. Any employee who feels that he/she is unfairly discriminated will have ample avenues to inform our Human Resource Department, and all correspondences will be kept in strict confidence. There were no incidents of discrimination in FY2022.

## Training and Education

The Group acknowledges that our emphasis on training and development has granted us a competitive advantage. This equips our employees with the necessary expertise to navigate the industry's regulations and guidelines. We value the growth of our employees and offer them learning and development prospects. To meet the learning requirements of our staff, we have established an all-inclusive training programme. The following are some of the trainings that our employees have undergone in FY2022:

Training/Refresher Course(s)	Description
Operations and Workplace safety	Operations and workplace safety training that is compulsory for all staff
Oceanus Group ethics and corporate training	Compulsory ethics and corporate training for all employees.
Planning for Golden Years with CPF & Critical illness & health insurance	Financial planning and retirement course for non-management staff
Trademark and IP Strategy	Intellectual Property and Trademark Strategy conducted for key management and relevant staff by the President of the Intellectual Property Office of Singapore (IPOS)

# SUSTAINABILITY AND CLIMATE REPORT



We are confident that these training sessions have equipped our employees with the skills and knowledge necessary to remain up-to-date and adapt to the evolving expectations of the industry. The Group understands that the individual growth of each employee is critical to the overall performance of the organization, enabling us to achieve sustainable business growth. Details of employees' training hours are shown in the chart at the left.

## Occupational Health and Safety

Providing a safe working environment ensures that our staff can work without fear of injury, which builds morale and supports the sustainability of the Group. Therefore, the health and safety of all employees in our daily operations are given priority by the Group.

All employees are protected under insurance policies that cover accidents and hospitalization.

In addition, we provide all staff and workers with adequate health and safety trainings that are relevant their respective roles, such as safety training for forklift drivers before they are allowed to operate forklifts.

We comply with health all relevant health and safety laws and regulations in the jurisdictions that we operate in. In addition, we have policies and procedures in place for health and safety practices. The group also follows safety procedure requirements and the respective safety protocol in our operations such as identifying work hazards and for workers to report safety hazards in the workplace. Employees can identify work hazards and report them to their superiors. In addition, as part of the Group's whistleblowing policy, employees can report work hazards and can remove themselves from dangerous work situations without fear of reprisal.

The Group has a safety committee to oversee all safety-related issues. This committee comprises of employees from various departments at least annually that is accountable for formulating safety policies and communicating safety-related matters to employees.

In FY2022, we achieved positive indicators of workplace health and safety, and we will continue to uphold this accomplishment as a commitment to our employees.

Work related Injuries	Number of occurrences		Rate (Per 200,000 hours worked)		Total Hours Worked	Total Hours Worked
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Fatalities as a result of work-related injury	-	-	-	-	297,440	141,440
High-consequence work-related injuries (excluding fatalities)	-	-	-	-		



# SUSTAINABILITY AND CLIMATE REPORT

Work related Injuries	Number of occurrences		Rate (Per 200,000 hours worked)		Total Hours Worked	Total Hours Worked
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Recordable work-related injuries (including high-consequence work-related injuries)	-	-	-	-		

## COVID-19 Safety Measures

In FY2022, the COVID-19 global pandemic continues to pose challenges to businesses. Safety measures remain implemented by the Singapore Government including safe distancing and movement restrictions. During these unsettling times, we stay committed to prioritising the safety of our employees. We ensure that all employees are briefed on COVID-19 safety measures and policies with the expectation of full adherence. Some of the safety measures include putting in place SafeEntry visitor management and temperature taking for employees and visitors. We also increased the frequency of cleaning and disinfection of our premises, especially areas with high contact points.

We have implemented robust safety measures in our sites overseas. All employees at their respective premises are required to monitor their health and temperature daily, and social distancing is mandated among all employees.

Staff who are working in our farms and whose hometowns have been affected by COVID-19 outbreaks are instructed to continue living in the farm staff quarters and not return to their homes to mitigate the risk of infection. Any staff returning from affected areas were required to be isolated in their rooms for 14 days. Management has also advised staff to be vaccinated where possible. In FY2022, 100% of staff in China have received their vaccinations.

In FY2022, there were no occupational health and safety related incidents and no incidents of COVID-19 transmission among employees. In addition, there were no reported incidents of non-compliance with local COVID-19 laws and regulations.

## Human Capital Targets and Performance

Performance in FY2022		
FY2022 Targets	Status	Performance Update
Zero incidents of workplace health and safety	●	There were zero incidents in respect of workplace health and safety.
Zero incidents of non-compliance with local COVID-19 rules and regulations	●	There were zero incidents of non-compliance with local COVID-19 rules and regulations.

Status: ● Met ● Partially met ● Not met

FY2023 Targets
Zero incidents of workplace health and safety
Achieve 15 training Hours on average per employee

# SUSTAINABILITY AND CLIMATE REPORT

Supporting SDGs:



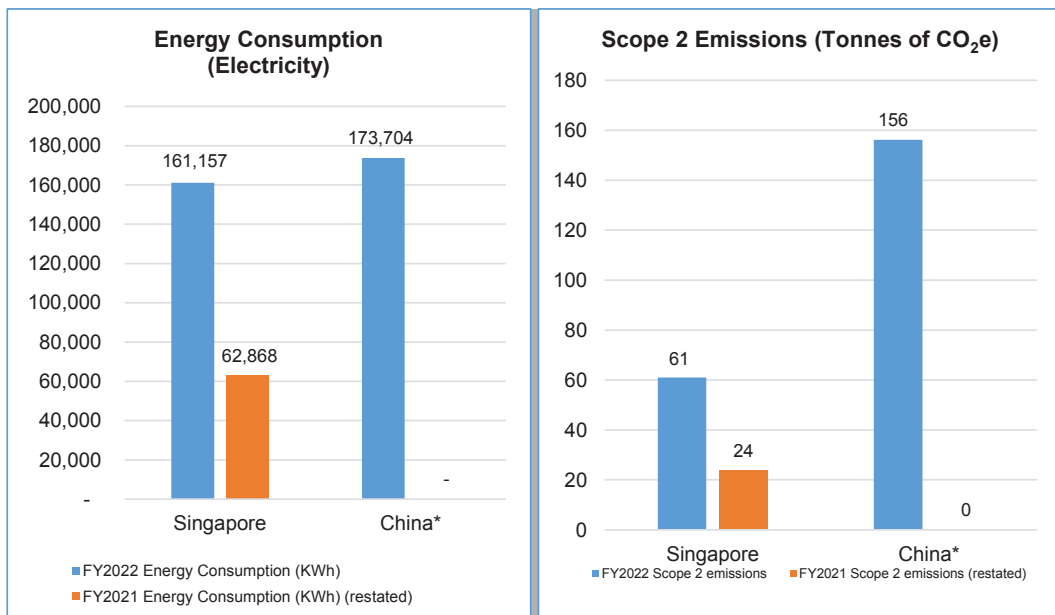
## Focus 5: Caring for the Environment

### Energy and Emissions Management

The Group encourages energy-saving practices among employees to reduce our carbon footprint. Numerous initiatives in line with our environmental policy have been implemented to reduce energy consumption and increase energy efficiency in our daily operations. This includes an optimal activation of seawater pumps and strict implementation of environmental policies amongst all staff and workers, such as shutting down equipment and appliances when not in use. In addition, all the lighting in our office premises in Singapore are energy-saving LED lights. We have also chosen our Singapore office premises to be situated within a certified green building that has been awarded the BCA Green Mark Gold Plus.

To determine the Group’s carbon footprint, we collect energy usage data from each facilities to calculate our annual greenhouse gas (“GHG”) emissions from our energy consumption. GHG emissions are derived in accordance with the requirements of the “*GHG Protocol Corporate Accounting and Reporting Standard*” by the World Resources Institute (“WRI”) and World Business Council for Sustainable Development (“WBCSD”). The Group has continued to track our GHG emissions in tonne of carbon dioxide equivalent (“tCO<sub>2</sub>e”) to obtain a clearer idea of our environmental impact. The Group is working to quantify and monitor Scope 3 emissions in our subsequent sustainability reports.

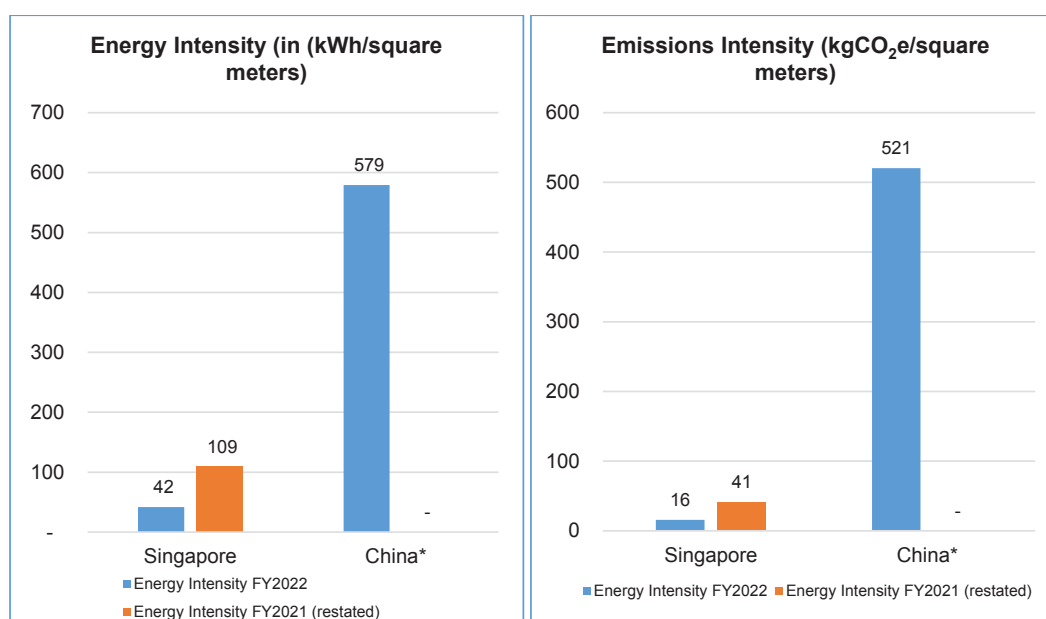
We believe that increasing energy efficiency at all stages of our operations will effectively reduce energy usage. Such measures also in turn help effectively reduce our carbon footprint in our daily operations.



\*There was no energy consumption data for China in FY2021 as the operations commenced from FY2022

# SUSTAINABILITY AND CLIMATE REPORT

In FY2022, the total energy consumption and total CO<sub>2</sub> emissions<sup>5</sup> increased. The increase was mainly because of the expansion of the Group's business and increased activities.



\*There was no energy consumption data for China in FY2021 as the operations commenced from FY2022

Energy intensity was derived using the gross floor area<sup>6</sup> (square meters) as the denominator. In Singapore, our energy intensity decreased from 109 kWh/square meters in FY2021 to 41 kWh/square meters in FY2022. Our emissions intensity for Singapore operations decreased from 41 KgCO<sub>2</sub> e/square meters in FY2021 to 16 KgCO<sub>2</sub> e/square meters in FY2022. We endeavour to continuously improve our energy conservation efforts in the future.

The Group has also ensures that no ozone depleting substances (ODS), Nitrogen Oxides and other significant air emissions are emitted.

## Restatement

In FY2021, we used energy consumed by abalone farms for the reporting. The reported energy intensity and emissions intensity were derived using the total volume of hatcheries in cubic meters (m<sup>3</sup>).

With the change of the business model in FY2022, we report energy consumed by the Group's premises in FY2022. For comparison purpose, we obtained the total energy consumed in FY2022 for the premises we have occupied and re-calculated the energy intensity and emissions intensity, as presented below:

Disclosure	Published in FY2021	FY2021 (Re-stated)
Total Annual Energy Consumption	162,689 kWh	62,868 kWh
Energy Intensity	0.2 kWh/m <sup>3</sup>	109.0 kWh/square meter
Emissions Intensity	0.2 kWh/m <sup>3</sup>	41 kgCO <sub>2</sub> e/square meter

<sup>5</sup>The United Nations Framework Convention on Climate Change (UNFCC) International Financial Institution (IFI) Framework 2021 Operating Margin Grid Emission Factor was used for energy emissions factors.

<sup>6</sup> The gross floor area is calculated using the sum of gross floor area for both the Group's Singapore and China premises. Due to an increase in the premises that the Group is occupying, the gross floor area was 577.95 square meters in FY2021 and 4,183.03 square meters in FY2022.

# SUSTAINABILITY AND CLIMATE REPORT

## Environmental Compliance

The Group takes extra precaution in ensuring compliance with local environmental regulations including biosecurity protocols and codes during daily operations. As our farms are located in designated aquaculture zones in China, our farms are required to comply with environmental regulations set by the Chinese government. We have stationed our employees as farm property managers to ensure that our tenants comply with necessary environmental regulatory requirements.

## Environmental Targets and Performance

Performance in FY2022		
FY2022 Target	Status	Performance Update
Analyse and monitor energy and water usage	Due to the change of business model from farming to farm leasing, this target is removed to be in line with the removal of the GRI disclosure GRI 303: Water and effluents 2018.	
Environmental compliance	●	Zero incidents of Environmental non-compliance.

Status: ● Met    ● Partially met    ● Not met

FY2023 Targets
Reduce energy consumption and emissions <sup>7</sup>
Zero incidents of environmental non-compliance

<sup>7</sup> The Group is in the process of implementing measures to manage and monitor their energy intensity and consumption levels. Baseline and specific target metric to measure the performance in FY2023 will be decided after this Report is published.

# SUSTAINABILITY AND CLIMATE REPORT

Supporting SDG:



## Focus 6: Fostering Community Engagement

As a company committed to promoting social well-being, we strive to contribute to the community and enhance the quality of life of its members through various channels, beyond simply providing high-quality products.

GRI 413-1, 413-2

### Giving Back to Society

The Group aims to bring about positive social and environmental effects within the local community.



Figure 3: Giving back to the community through spring cleaning for the elderly and goodie bag distribution

The Group believes in the concept of "Paying Forward" and has been participating in community outreach activities such as cleaning homes for the elderly and distributing Christmas goodie bags to families in need since 2021.

We will continue to maintain our community engagement efforts and do our part as a responsible corporate citizen.

# SUSTAINABILITY AND CLIMATE REPORT

## SGX Six Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"> <li>Stakeholder Engagement and Materiality Assessment</li> </ul>
2	Climate-related disclosures consistent with the TCFD recommendations	<ul style="list-style-type: none"> <li>Focus 2: Building Climate Change Resilience</li> </ul>
3	Policies, Practices and Performance	<ul style="list-style-type: none"> <li>CEO's Message</li> <li>Focus 1 to 6</li> </ul>
4	Board Statement	<ul style="list-style-type: none"> <li>ESG Governance</li> </ul>
5	Targets	<ul style="list-style-type: none"> <li>Governance and Ethics Targets</li> <li>Food Security Targets</li> <li>Human Capital Targets</li> <li>Environmental Targets</li> </ul>
6	Framework	<ul style="list-style-type: none"> <li>Reporting Practice</li> </ul>

## TCFD Index

TCFD Disclosure	Section reference
<b>Governance</b>	
a) Board's oversight of climate related risks	Focus 2: Building Climate Change Resilience
b) Management's role in assessing and managing climate-related risks	
<b>Strategy</b>	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Focus 2: Building Climate Change Resilience
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario	The Group is taking a phased approach to TCFD adoption. The Group will incorporate scenario analysis and planning into our subsequent sustainability reports when more information and tools are available for greater accuracy and relevant analysis
<b>Risk Management</b>	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Focus 2: Building Climate Change Resilience
b) Describe the organisation's processes for managing climate-related risks.	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	

# SUSTAINABILITY AND CLIMATE REPORT

TCFD Disclosure	Section reference
<b>Metrics and Targets</b>	
a) Disclose the metrics used by organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Focus 2: Building Climate Change Resilience
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Focus 2: Building Climate Change Resilience Focus 5: Caring for the Environment
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Focus 2: Building Climate Change Resilience

# SUSTAINABILITY AND CLIMATE REPORT

## GRI Standards Content Index

<b>Statement of use</b>	Oceanus Group Limited has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022					
<b>GRI 1 used</b>	GRI 1: Foundation 2021					
GRI Standards	Disclosure Content	Location	Omission			Explanation
			Requirement(s) Omitted	Reason		
GRI 2: General Disclosures	2-1 Organizational details	Annual Report				
	2-2 Entities included in the organization's sustainability reporting	Reporting Scope				
	2-3 Reporting period, frequency and contact point	Reporting Principles & Statement of Use				
	2-4 Restatements of information	Restatements, Caring for the Environment - Energy and Emissions Management				
	2-5 External Assurance	Assurance				
	2-6 Activities, value chain and other business relationships	Annual Report				
	2-7 Employees	Nurturing Human Capital				
	2-8 Workers who are not employees	Nurturing Human Capital				
	2-9 Governance structure and composition	Annual Report				
	2-10 Nomination and selection of the highest governance body	Annual Report				
	2-11 Chair of the highest governance body	Annual Report				



# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance and Statement of the Board			
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance and Statement of the Board			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance and Statement of the Board			
	2-15 Conflicts of interest	Upholding Good Governance and Ethics			
	2-16 Communication of critical concerns	Upholding Good Governance and Ethics			
	2-17 Collective knowledge of the highest governance body	Annual Report			
	2-18 Evaluation of the performance of the highest governance body	Annual Report			
	2-19 Remuneration policies	Annual Report			
	2-20 Process to determine remuneration	Annual Report			
	2-21 Annual total compensation ratio	-		Confidentiality Constraints	Intense competition within the industry
	2-22 Statement on sustainable development strategy	Annual Report (Chief Executive Officer's message)			
	2-23 Policy commitments	Focus 1 to 6			
	2-24 Embedding policy commitments	Focus 1 to 6			

# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	2-25 Processes to remediate negative impacts	Focus 1 to 6			
	2-26 Mechanisms for seeking advice and raising concerns	Focus 1 to 6			
	2-27 Compliance with laws and regulations	Focus 1 to 6			
	2-28 Membership associations	-		Not Applicable	We do not have participation or activities exceeding ordinary capacity as a member.
	2-29 Approach to stakeholder engagement	Stakeholder engagement and materiality assessment			
	2-30 Collective bargaining agreements	-		Not applicable	We do not have any collective bargaining agreements in the jurisdictions it operates in.
<b>Material Topics</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment			
	3-2 List of material topics	Stakeholder Engagement and Materiality Assessment			

# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>Upholding Good Governance and Ethics</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Upholding Good Governance and Ethics - Anti-corruption			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Upholding Good Governance and Ethics - Anti-corruption			
	205-2 Communication and training on anti-corruption policies and procedures	Upholding Good Governance and Ethics - Anti-corruption			
	205-3 Confirmed incidents of corruption and actions taken	Upholding Good Governance and Ethics - Anti-corruption			
GRI 207: Tax 2019	207-1 Approach to tax	Upholding Good Governance and Ethics - Tax Compliance			
	207-2 Tax governance, control, and risk management	Upholding Good Governance and Ethics - Tax Compliance			
	207-3 Stakeholder engagement and management of concerns related to tax	Upholding Good Governance and Ethics - Tax Compliance			
	207-4 Country-by-country reporting	-	Information unavailable	We will disclose from FY24 onwards	
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Upholding Good Governance and Ethics - Marketing and Labelling			
	417-2 Incidents of non-compliance concerning product and service information and labelling	Upholding Good Governance and Ethics - Marketing and Labelling			
	417-3 Incidents of non-compliance concerning marketing communications	Upholding Good Governance and Ethics - Marketing and Labelling			

# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Upholding Good Governance and Ethics - Customer Privacy			
<b>Building Climate Change Resilience</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 2: Building Climate Change Resilience			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report			
	201-2 Financial implications and other risks and opportunities due to climate change	TCFD Report			
	201-4 Financial assistance received from government	Annual Report			
<b>Contributing to Food Security</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contributing to Food Security			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Contributing to Food Security			
	203-2 Significant indirect economic impacts	Contributing to Food Security			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Community - Local Sourcing and Food Security			

# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Contributing to Food Security - Supplier management			
	308-2 Negative environmental impacts in the supply chain and actions taken	Contributing to Food Security - Supplier management			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Contributing to Food Security - Supplier management			
	414-2 Negative social impacts in the supply chain and actions taken	Contributing to Food Security - Supplier management			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Contributing to Food Security - Customer Health and Safety			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Contributing to Food Security - Customer Health and Safety			
<b>Nurturing Human Capital</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Nurturing Human Capital - Employee Benefits and Development			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Nurturing Human Capital - Workforce Diversity			
	202-2 Proportion of senior management hired from the local community	Nurturing Human Capital - Workforce Diversity			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Nurturing Human Capital - Employee Benefits and Development			

# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Nurturing Human Capital - Employee Benefits and Development			
	401-3 Parental leave	Nurturing Human Capital - Employee Benefits and Development			
	403-1 Occupational health and safety management system	Nurturing Human Capital - Occupational Health and Safety			
	403-2 Hazard identification, risk assessment, and incident investigation	Nurturing Human Capital - Occupational Health and Safety			
	403-3 Occupational health services	Nurturing Human Capital - Occupational Health and Safety			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Nurturing Human Capital - Occupational Health and Safety			
	403-5 Worker training on occupational health and safety	Nurturing Human Capital - Occupational Health and Safety			
	403-6 Promotion of worker health	Nurturing Human Capital - Occupational Health and Safety			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Nurturing Human Capital - Occupational Health and Safety			
403-8 Workers covered by an occupational health and safety management system	Nurturing Human Capital - Occupational Health and Safety				
403-9 Work-related injuries	Nurturing Human Capital - Occupational Health and Safety				

# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	403-10 Work-related ill health	Nurturing Human Capital - Occupational Health and Safety			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Nurturing Human Capital - Employee Benefits and Development			
	404-2 Programs for upgrading employee skills and transition assistance programs	Nurturing Human Capital - Employee Benefits and Development			
	404-3 Percentage of employees receiving regular performance and career development reviews	Nurturing Human Capital - Employee Benefits and Development			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Nurturing Human Capital - Workforce Diversity			
	405-2 Ratio of basic salary and remuneration of women to men	Nurturing Human Capital - Workforce Diversity			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Nurturing Human Capital - Workforce Diversity			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Nurturing Human Capital - Workforce Diversity			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Nurturing Human Capital - Workforce Diversity			

# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>Caring for the Environment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Caring for the Environment - Energy and Emissions Management			
	GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Caring for the Environment - Energy and Emissions Management		
	302-2 Energy consumption outside of the organization	-		Information unavailable	We have not started tracking the metric, will disclose in subsequent years
	302-3 Energy intensity	Caring for the Environment - Energy and Emissions Management			
	302-4 Reduction of energy consumption	Caring for the Environment - Energy and Emissions Management			
GRI 305: Emissions 2016	302-5 Reductions in energy requirements of products and services	-		Not applicable	We do not manufacture products
	305-1 Direct (Scope 1) GHG emissions	Caring for the Environment - Energy and Emissions Management			
	305-2 Energy indirect (Scope 2) GHG emissions	Caring for the Environment - Energy and Emissions Management			
	305-3 Other indirect (Scope 3) GHG emissions	-		Information unavailable	We have not started tracking



# SUSTAINABILITY AND CLIMATE REPORT

GRI Standards	Disclosure Content	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
					the metric, will disclose in subsequent years
	305-4 GHG emissions intensity	Caring for the Environment - Energy and Emissions Management			
	305-5 Reduction of GHG emissions	Caring for the Environment - Energy and Emissions Management			
	305-6 Emissions of ozone-depleting substances (ODS)	Caring for the Environment - Energy and Emissions Management			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Caring for the Environment - Energy and Emissions Management			
<b>Fostering Community Engagement</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Fostering Community Engagement- Giving Back to Society			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Fostering Community Engagement- Giving Back to Society			
	413-2 Operations with significant actual and potential negative impacts on local communities	Fostering Community Engagement- Giving Back to Society			

# CORPORATE INFORMATION

## **DIRECTORS**

### **EXECUTIVE DIRECTOR AND CEO**

Peter Koh Heng Kang

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Edward Loy Chee Kim  
Zahidi Bin Abd Rahman  
Yaacob Bin Ibrahim

### **NON-INDEPENDENT NON-EXECUTIVE DIRECTOR**

Cleveland Cuaca

### **AUDIT COMMITTEE**

Edward Loy Chee Kim (Chairman)  
Zahidi Bin Abd Rahman  
Cleveland Cuaca

### **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  
Cleveland Cuaca

### **COMPANY SECRETARIES**

Chen Chuanjian, Jason  
Tan Ching Ching

### **REGISTERED OFFICE**

25 Ubi Road 4  
#03-05 UBIX  
Singapore 408621  
Tel: (65) 6285 0500  
Fax: (65) 6280 0822  
[www.oceanus.com.sg](http://www.oceanus.com.sg)

## **REGISTRAR**

Boardroom Corporate & Advisory Services Pte Ltd  
1 Harbourfront Avenue  
Keppel Bay Tower #14-03/07  
Singapore 098632

## **BANKERS**

United Overseas Bank  
DBS Bank Ltd  
HSBC Bank  
OCBC Bank  
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 conduct while 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 benchmarks 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 organisational structure.

This 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 1967 of Singapore (“**Act**”) where applicable, except where there are deviations 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 supervision of the investment and business activities of the Group.

Despite the Company’s 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. Between Board meetings, other important matters will be put to the Board’s approval by circulating resolutions in writing. The Company’s Constitution provides 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 include the following:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nomination of Board members for appointment to the Board and appointment of key personnel;
- quarterly (if applicable), half yearly<sup>Note A</sup> and full year results announcements, the annual report and accounts;
- identifying 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 and decisions are closely 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 refrain 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 2022 ("FY2022") are, as follows:

	Board	AC	NC	RC
<b>Number of meetings held</b>	4	4	1	1
	<b>Number of meetings attended while being a member</b>			
Peter Koh Heng Kang	4	N.A.	1	N.A.
Edward Loy Chee Kim	4	4	1	1
Zahidi Bin Abd Rahman	3	3	1	N.A.
Dr Yaacob Bin Ibrahim	4	N.A.	N.A.	1
Cleveland Cuaca	4	4	N.A.	1

*N.A. = Not applicable*

Directors are also informed and encouraged to attend seminars and receive relevant training so that they are in a position to discharge 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 the Group's business operations and governance practices, where necessary.

During the year, the Directors did not attend any conferences, workshops and training programmes other than the mandatory training on sustainability reporting (environment, social and governance essentials) organised by the Singapore Institute of Directors. 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 via emails and Board papers 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. The directors are allowed under the Company's constitution to conduct Board meetings using tele-conferencing facilities.

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.

# CORPORATE GOVERNANCE REPORT

The Company Secretaries attend Board and Board Committee meetings. Together with Management, the Company Secretaries are responsible for advising that appropriate Board procedures are practised and that the requirements of the Act, the provisions in the SGX-ST Listing Manual and the Code are complied with. The company secretarial team provides regulatory updates to the Management, Board and Board Committees via emails and during the meetings for their consideration, and assisted the Company in complying with newly prescribed requirements by (i) including new agenda items relevant to the new requirements at the meetings; (ii) collate matters of arising from the meetings; and (iii) highlight corporate governance topics/ concerns raised by SGX or the Accounting and Corporate Regulatory Authority (“ACRA”), for the Company’s Management consideration from time to time, and for Management’s recommendation to the Board/ Board Committees on action to be taken. During FY2022, the updates that the company secretarial team had shared with the Company included the following:

- (a) ACRA – Raising competency of audit committee and finance team crucial to high quality financial reporting;
- (b) ACRA - Areas of review focus for FY2022 Financial Statements under the Financial Reporting Surveillance Programme;
- (c) SGX - ESGenome Disclosure Portal in relation to climate reporting;
- (d) SGX – Live engagement and live voting requirements;
- (e) SGX – Cyber Incident Response Guide;
- (f) SGX RegCo mandates climate and board diversity disclosures; and
- (g) SGX RegCo caps independent directors’ tenure, enhancements to remuneration disclosures.

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.

The appointment or removal of the Company Secretaries is a matter for the Board as a whole.

## 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 Cleveland Cuaca	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 Cleveland Cuaca.

The Company has yet to decide 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 Independent Directors represent a 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.

# CORPORATE GOVERNANCE REPORT

In accordance with the Code, the NC and Board should consider the following circumstances in which a director should be deemed to be non-independent:-

- (a) a director, or a director whose immediate family members had in the current or immediate past financial year (i) provided to or received payments from the Company or any of its subsidiaries aggregated over any financial year in excess of S\$50,000 for services (which may include auditing, banking, consulting and legal services) ("**Services**") other than compensation for board service; or (ii) is or was a substantial shareholder, partner (with 5% or more stake), executive officer or a director of any organisation which provided to or received payments from the Company aggregated over any financial year in excess of S\$200,000 for Services rendered.
- (b) a director who is or has been directly associated with a substantial shareholder of the company, in the current or immediate past financial year.

During the year 2022, the associate of Mr Zahidi Bin Abd Rahman, Zahidi A. R Arkitek had accepted a one-off payment of S\$76,820 from the Company for architectural and interior design services provided to the Company for its new office at UBIX. Other than the aforementioned, Mr Zahidi and his associate, Zahidi A. R Arkitek did not receive any other payment from the Company for any Services rendered to the Company. Mr Zahidi is the Principal Architect and also the owner of Zahidi A. R Arkitek, a sole proprietorship in Singapore. Additional information provided by Mr Zahidi Bin Abd Rahman are as below:-

Information provided by Mr Zahidi Bin Abd Rahman		
(a)	Nature of payment or material services provided to/ received from the Company or any of its subsidiaries:	Payment received by Zahidi A. R Arkitek for architectural and interior design services provided to the Company during the year 2022
(b)	The amount and nature of the service:	<ul style="list-style-type: none"> <li>The amount received from the Company by Zahidi A. R Arkitek was S\$76,820.</li> <li>The nature of service was architectural and design consultancy for the Company's new office at UBIX</li> </ul>
(c)	Whether the provision of the service is a one-off or on recurring basis:	One-off
(d)	Whether there is any related person as described under item (b) of the Practice Guidance of Principle 2 of the CG 2018	None
(e)	Any other information relevant to be disclosed for NC's and Board's review/ consideration on assessing director's independence:	None
(f)	During the FY2022, did Zahidi A. R. Arkitek receive any other payments from the Company or any of its subsidiaries other than the S\$76,820 for the architectural and interior design services provided to the Company's new office at UBIX?	No
(g)	Is Mr Zahidi Bin Abd Rahman the owner of Zahidi A R. Arkitek (i.e. sole proprietorship in Singapore)?	Yes
(h)	Any other information relevant to be disclosed for NC's and Board's review/ consideration on assessing director's independence:	None

# CORPORATE GOVERNANCE REPORT

Assessment provided by the NC and the Board	
(i)	<p>Reasons for the assessment on (a) – (h) above on the independence of Mr Zahidi Bin Abd Rahman</p> <p>The NC and the Board had reviewed and concurred that Mr Zahidi remains independent notwithstanding the above as the amounts of S\$76,820 received by his associate was a one-off payment. The NC and the Board felt that the independence of directors must be based on the substance of their professionalism, integrity, and objectivity in addition to the compliance with the guidelines of the Code. The NC and the Board satisfied that Mr Zahidi is able to continue to exercise independent judgement and act in the best interests of the Company and its shareholders</p>

Mr Zahidi had recused himself from the deliberation and abstained from voting on the resolution regarding the assessment of his independence by the NC and the Board. The NC and the Board had reviewed the nature of the transaction based on the information provided in the above table and concurred that Mr Zahidi remains independent, taking into consideration of the substance of Mr Zahidi's professionalism, integrity, and objectivity. The NC and the Board were satisfied that Mr Zahidi is able to continue to exercise independent judgement and act in the best interests of the Company and its shareholders. As a director of the Company, Mr Zahidi had also abstained from making any decisions in relation to the design and fitting out of the new corporate office of the Company which involved the architectural and interior design services provided by his associate, Zahidi A. R Arkitek to the Company.

Save for the director's shareholding as stated in the Directors' Statement and the above relationship between Mr Zahidi and the Company, 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 is satisfied that there is no other relationship which would affect their independence.

With effect from 11 January 2023, SGX RegCo has removed the two-tier vote mechanism for companies to retain long-serving independent directors who have served for more than nine (9) years. Previously, long-serving independent directors could continue to be deemed independent so long their appointment was approved by (i) all Shareholders; and (ii) all Shareholders, excluding Shareholders who are Directors and the CEO of the Company (and their associates). There is no Independent Director on Board who has served for more than nine (9) years at the conclusion of the forthcoming annual general meeting ("**2023 AGM**").

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 individuals 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".

At the recommendation of the NC, the Board adopted a formal Board Diversity Policy during FY2022, which provides that the NC shall consider all aspects of diversity, including diversity of skills, experiences, gender, age, ethnicity, and other relevant factors in reviewing the Board composition. The Company has been placing Board Diversity as a key consideration in achieving its strategic objectives and ensuring sustainable development. In addition to having directors with diverse competencies and experience on board, the current Board is multiracial, multicultural and possesses a good mix of directors across different age groups.

# CORPORATE GOVERNANCE REPORT

The NC recognises that gender is another important aspect of diversity and the NC will strive to ensure that:

- (a) when external search consultants are used to search for suitable candidates for Board appointments, the brief will include a requirement to also present female candidates;
- (b) when seeking to identify a new Director for appointment to the Board, the NC will request for female candidates to be fielded for consideration; and
- (c) female representation on the Board to be continually improved over time and based on the key objectives and parameters set by the Board.

The final decision in respect to appointments to the Board will be based on merit, following consideration of the requisite skills set, knowledge, experience, familiarity with the Company's growth pillars, and independence each candidate brings to form an optimal Board composition that synergise with and complements the Company's vision of continued, sustainable growth and development.

The Board currently comprises business leaders and professionals with media, branding, manufacturing, environment sustainability, financial (including financial restructuring, mergers & acquisitions, risk management, operational and general management), architectural and interior design, government (including Environment and Water Resources and Communications and Information) and investment and business development and branding. Currently, the Board does not have female representation.

The NC had concurred that the Company will look into appointing an additional Director who is a female with disciplines in information technology or legal to continue enhancing the board diversity in terms of gender, ethnicity and core competencies.

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 and/or a new Lead Independent Director. The Board is of the view of that the current composition and size of the Board is appropriate for the Group's present scope of operations to facilitate decision making. Although the Company does not have an independent and non-executive Chairman and a Lead Independent Director, there is a strong independent element retained in the Board as the Independent Directors and Non-Executive Directors represent a majority of the Board. Further, no individuals or small group of individuals has unfettered powers of decision-making on the Board's matters. The current three (3) independent and non-executive directors of the Company are available to shareholders where they have concerns and for which contact through the normal channels of communication with Management are not appropriate or inadequate.



# CORPORATE GOVERNANCE REPORT

Through the establishment of various Committees with power and authority to perform key functions without the undue influence from the CEO and Management, and the putting in place of internal controls for proper accountability and to allow for effective oversight by the Board of the Company's business, the Board is satisfied and will continue to ensure that there is an appropriate balance of power which allows the Board to exercise objective judgement and decision-making in the best interests of the Company and its shareholders.

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:
- 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 plans and efforts;
- 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 Abd Rahman and Mr Edward Loy Chee Kim, and one (1) Executive Director, namely Mr Peter Koh Heng Kang. Mr Zahidi Bin Abd Rahman is the Chairman of 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 recommendations to the Board on the development of 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;

# CORPORATE GOVERNANCE REPORT

- 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;
- 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 independence 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 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 the 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 Dr Yaacob Bin Ibrahim would retire at the forthcoming AGM pursuant to Regulation 111 of the Company's Constitution and eligible for re-election. Detailed information relating to Dr Yaacob Bin Ibrahim can be found under the section "Additional Information on New Director and Directors Seeking Re-election" of this Annual Report 2022.

The Code requires listed companies to disclose in its annual report the other listed company directorships and principal 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's requirements. 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 and travelling commitments are also 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 the 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 and did not impose any threshold on the number of directorships that the Directors may hold as at current. These Directors would broaden the experience and provide a wider perspective to the Board. 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	29 April 2021	-	<u>Singapore</u> Biolidics Limited	<u>Singapore</u> Director of: 1. Oceanus Aquaculture Group Pte. Ltd. 2. Oceanus Food Group Pte. Ltd. 3. Oceanus Tech Pte. Ltd. 4. Oceanus Investment Holdings Pte. Ltd. 5. Grayback Pte. Ltd. 6. Pete's Creation International (S) Pte. Ltd. 7. SMM Group Pte. Ltd. 8. SMM International Investments Pte. Ltd. 9. Asia Fisheries Pte. Ltd. 10. Season Global Trading Pte. Ltd. 11. Sino Food Group Pte. Ltd. 12. Aquarii SG Pte. Ltd. 13. Oceanus Innoventure Pte. Ltd. 14. Oceanus Media Global Pte. Ltd. 15. Oceanus Tradelog Pte. Ltd. 16. ISC SG Pte. Ltd.
Edward Loy Chee Kim	3 May 2018	29 April 2021	-	-	<u>Overseas</u> Managing Director, KONE Southeast Asia
Zahidi Bin Abd Rahman	29 June 2020	29 April 2022	-	-	<u>Singapore</u> Director and Member of Budhi Pte. Ltd. ( <i>Advisory</i> )  Principal Architect of Zahidi A. R Arkitek
Dr Yaacob Bin Ibrahim	1 September 2020	29 April 2021	<u>Singapore</u> Chip Eng Seng Corporation Ltd.	-	<u>Singapore</u> 1. Independent Director of Singapore Power Limited ( <i>Advisory</i> ) 2. Director of Surbana Jurong Private Limited ( <i>Advisory</i> ) 3. Professor and Advisor to the President of Singapore Institute of Technology (SIT) ( <i>Center Director and Advisor</i> )

# 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	
					<ol style="list-style-type: none"> <li>4. Council of Advisors of Building Construction and Timber Industries Employees' Union (BATU) (<i>Advisory</i>)</li> <li>5. Professor-in-Practice of Lee Kuan Yew School of Public Policy, NUS (<i>Part-time Lecturer</i>)</li> <li>6. Chairman and Board of Governors of Earth Observatory of Singapore (EOS) (<i>Advisory</i>)</li> <li>7. Board of Governors of SGTech (<i>Advisory</i>)</li> <li>8. Advisor of AI.SG (<i>Advisory</i>)</li> <li>9. Chairman and Board of Governors of St John's Island National Marine Lab (<i>Advisory</i>)</li> <li>10. Director of The National Kidney Foundation (<i>Advisory</i>)</li> <li>11. Non-Executive Chairman of Rekanext Capital Partners Pte. Ltd. (<i>Advisory</i>)</li> <li>12. Director of Community Leadership and Social Innovation of SIT, Singapore (<i>Executive</i>)</li> <li>13. Distinguished Fellow of Rajaratnam School of International Studies, NTU (<i>Advisory</i>)</li> </ol>
Cleveland Cuaca	15 December 2021	29 April 2022	-	-	<p><u>Singapore</u></p> <p>Director of:</p> <ol style="list-style-type: none"> <li>1. CFAM Pte. Ltd.</li> <li>2. CFI Pte. Ltd.</li> <li>3. NG2COS Pte. Ltd.</li> <li>4. CFAM Advisory Pte. Ltd.</li> <li>5. CFPI Pte. Ltd.</li> <li>6. CFAM Foundation Limited (<i>Advisory</i>)</li> <li>7. En Venture Pte. Ltd.</li> <li>8. Alacrity Investment Group Limited</li> </ol> <p>Officer of:</p> <ol style="list-style-type: none"> <li>9. Richard Mille Asia Pte. Ltd.</li> </ol>

# CORPORATE GOVERNANCE REPORT

## 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 knowledge.

During the financial year under review, all Directors completed a board evaluation questionnaire designed to seek 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 results of the questionnaire are collated, and the detailed scorings leading to the summaries of the scores of the assessment criteria together with the comments by the Directors (if any) are tabled and provided to the NC Chairman for his review and further comment. Areas which need significant improvements and areas which are outstanding are highlighted to the NC Chairman as well to facilitate discussion of the Directors' and Board's performance during the NC meeting. 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 Cleveland Cuaca. Dr Yaacob Bin Ibrahim is the Chairman of the RC. The RC has written terms and reference that describe the responsibilities of its members.

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 are adequate disclosures in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;

# CORPORATE GOVERNANCE REPORT

- 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 purpose 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.

The RC members are familiar with executive compensation matters as they are holding managerial or executive roles in other companies and/or are holding directorships in other listed companies. The RC has access to advice regarding executive compensation matters, if required. There was no external remuneration consultant engaged by the Company for FY2022.

## 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 understands that 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 clawback incentive components of their paid remuneration in exceptional circumstances such as misstatements of financial results, or misconduct resulting in financial loss to the Company.

## 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 maximise 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.

# CORPORATE GOVERNANCE REPORT

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 2022 paid by the Group, is stated as follows:

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	74%	-	23%	3%
Below S\$250,000				
Edward Loy Chee Kim	-	100%	-	-
Zahidi Bin Abd Rahman	-	100%	-	-
Dr Yaacob Bin Ibrahim	-	100%	-	-
Cleveland Cuaca	-	100%	-	-

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 2022:

- Ho Jun How Duane - Chief Financial Officer (“CFO”)
- Sammul Lin Gangfeng - Chief Operating Officer (“COO”)

The remuneration paid to the CFO and COO for the financial year ended 31 December 2022 falls within the band of S\$250,000 and below.

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 the highly competitive fast-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 current business and operations. As such, having regard to the highly competitive industry conditions and the sensitivity and confidentiality of remuneration matters, the RC has decided not to disclose the exact remuneration of the Directors, the CEO and the key management personnel at this time.

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.

# CORPORATE GOVERNANCE REPORT

Ms Jenny Koh Guat Kiau, the Group Director of Food Production of the Company is the sister of the CEO and substantial shareholder of the Company, Mr Peter Koh Heng Kang. The remuneration paid to Ms Jenny Koh Guat Kiau during the financial year ended 31 December 2022 falls within the band of S\$100,000. Save for this, there is no other employee who is a substantial shareholder of the company or an immediate family member of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during FY2022.

Currently, the Group does not have any Employee Share Plan (“ESP”) in place. However, during FY2022, the Company had engaged AON Singapore Pte. Ltd. for the purpose of conducting a review and obtaining a proposal on the viability of implementing a suitable ESP for key management members with a view to completion in Q2 2023. The Company would table the ESP at the forthcoming 2023 AGM for shareholders’ approval.

## 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, assisted by Management (the Executive Director and the CFO) who considered the work performed by the external auditors, carried 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 was conducted 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.

### 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 regularly reviews 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.

During FY2022, the Company had appointed Mazars LLP (“Mazars”) to conduct an enterprise risk assessment to identify 10 key risks faced by the Company. This will be followed by the development of a 2-year risk based internal audit plan (see also Principle 10 below).



# CORPORATE GOVERNANCE REPORT

The Company had also established an Investment Committee (“IC”) led by Mr Eugen Chua, a former non-independent non-executive director of the Company and the investment manager of Alacrity Investment Group Limited (i.e. the substantial shareholder of the Company) to oversee the investment activities of the Group, and the IC reports to the Board. The IC’s Investment and M&A Policy Statement (“IPS”), duly reviewed and approved by the Board, sets out the investment objectives and standard operating procedures when reviewing investment opportunities, such as key terms of control over investee, due diligence checklist and post-deal integration plans. The IC also provide insights on reasonable and prudent level of risks associated with the investment options selected based on the criteria prescribed by the IPS for the Board’s strategic decision making and risk management. Information required by the IC on risk management of investment opportunities/ targeted investee include the following:

- (a) details of Health and Safety procedures, including safety statements and all policies, details of all accidents/incidents notifiable to the health and safety authorities accompanied with status, and details of any prohibition or improvement notice issued by the aforesaid authorities;
- (b) risk identification and mitigation reporting and incident reports for the past three (3) years;
- (c) list of insurance; and
- (d) list of litigations and claims.

The IC works with the Management to ensure continuing review of the IPS to align all stakeholders’ interests and in response to the rapidly changing risk environment.

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 recognises 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 Company had implemented a whistleblowing policy where suspected unethical, illegal, corrupt, fraudulent or undesirable conduct involving Company’s business can be reported without fear of victimisation or reprisal. The whistleblowing policy is part of the Company’s commitment to maintain the highest standards of fair dealing, honesty and integrity. Employees and officers are strongly encouraged to disclose any reportable conduct in accordance with the guidelines and procedures set in the whistleblowing policy to the Whistleblower Protection Officer whose contact details are provided in the policy. All investigation will be conducted in a fair, independent, and timely manner and all reasonable efforts will be made to preserve confidentiality during the investigation. Measures in protecting the identity of the whistleblowers include preservation of confidentiality, availability of protection from legal action, protection against harassment and retaliation were provided in the whistleblowing policy, supported by the oversight by the AC. During the year, there was no significant matter(s) raised through the whistle-blowing channel. A copy of the whistleblowing policy of the Company and its Group can be found at this URL: <https://oceanus.com.sg/corporate-governance/>

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 are adequate and effective in its current business environment.

# CORPORATE GOVERNANCE REPORT

## 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 Cleveland Cuaca. Mr Edward Loy Chee Kim is the Chairman of the AC and he is a qualified Certified Public Accountant who has extensive experience in regional audit, financial restructuring, mergers and acquisition, risk management, operational and general management in global companies. The other members of the AC have expertise and experience in financial management of their respective professions. Collectively, the AC members have strong accounting and financial background and are qualified to discharge their responsibilities.

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;

# CORPORATE GOVERNANCE REPORT

- 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 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<sup>Note A</sup> 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 members are kept abreast of the prevailing accounting standards and issues which may have significant impacts on the financial statements through regular updates from the external auditors during the year.

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

The AC meets to review the half yearly<sup>Note A</sup> 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 misstatement of loss, and regarding the safeguarding of investments and assets, reliability of financial information,

# CORPORATE GOVERNANCE REPORT

compliance with appropriate legislation, regulations and best practices, and the identification of business risks. During FY2022, the AC had advised Management to prepare quarterly budgets and forecasts for comparison with the actual quarterly results of the Group, so as to provide more accurate and meaningful information and a better scrutiny of the financial positions on quarterly basis, given the volatility of the current business environment. Besides, the AC also advised the Management to include “Year to Date” figures in the budget and forecasts for a clearer picture of the Company’s financial position.

For FY2022, the respective amount of the agreed audit and non-audit fees to be paid to the external auditors were S\$297,000 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 auditors.

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 2022.

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.

The internal audit function of the Company is outsourced to Mazars. Mazars is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications and experience.

The internal auditors report directly to the Chairman of the AC on internal audit matters. The AC approves the appointment, termination, evaluation and compensation of the internal auditors. The internal auditors are guided by the Standards for the Professional Practice of Internal Auditing and International Professional Practices Framework (IPPF) set by the Institute of Internal Auditors.

The internal auditors adopt a risk-based auditing approach in developing the annual internal audit plan, which focuses on material internal controls across the Group’s business, including financial, operational, compliance and information technology controls. The internal audit plan will be submitted to the AC for review and approval at the beginning of each financial year. The internal auditors would submit their periodic internal audit reports to the AC detailing their progress in executing the internal audit plan and any major findings and corrective actions taken by Management. The AC will review the activities of the internal auditors and meets with the internal auditors at least once a year to review and approve their internal audit plans and report for the current financial period. The AC will ensure that the internal auditors have the necessary resources to perform their function adequately and have unfettered access to all the Group’s documents, records, properties and personnel including access to the AC.

During FY2022, Mazars had completed (i) the desktop review to identify key risks based on Mazar’s risk model for the Company’s industry; (ii) developing risk likelihood and risk impact matrix; and (iii) structured risk interviews to discuss risks and risk mitigation strategies with senior management of the Company in relation to the Enterprise Risk Management.

# CORPORATE GOVERNANCE REPORT

## 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.

The Company does not practise 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 2022 AGM.

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 an 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 recommended any dividend payments for FY2022 as the Company was not profitable in FY2022.

### Conduct of AGM in 2022 amidst current COVID-19 pandemic

In view of the prolonged COVID-19 pandemic situation, shareholders had participated in the virtual 2022 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 2022 AGM and submitting questions via live chat function during the 2022 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2022 AGM. We had disclosed, on our website and SGXNET, the names of the Directors and key managements who had attended the 2022 AGM held by way of electronic means as well as detailed records of the proceeding. Ten (10) of the questions received from members in advance by the submission deadline on Thursday, 21 April 2022 at 2.00 p.m were considered as substantial and relevant questions from shareholders and the answers/explanations provided by the Company on 22 April 2022. Shareholders were also allowed to submit questions via live chat function during the AGM 2022, and twelve (12) of the questions received from members during the AGM 2022 were considered as substantial and relevant questions and had been addressed by the Executive Director and Chief Executive Officer, Mr Peter Koh Heng Kang during the 2022 AGM.

# CORPORATE GOVERNANCE REPORT

## 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:

- 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 <sup>Note A</sup> 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](http://www.oceanus.com.sg) through which shareholders can access information on the Company.

To supply shareholders with reliable and timely information, the Company has appointed Citigate Dewe Rogerson Singapore Pte Ltd ("**Citigate**") which 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](http://www.oceanus.com.sg) for information of the Company and to call or write to the investor relations representatives, Citigate, if they have questions. The investor relations representatives will response to the queries and emails requesting information promptly.

The contact details of the investor relations representative of the Company, Citigate are as below:-

- (a) Ms Dolores Phua, Executive Director  
Email: [Dolores.Phua@citigatedewerogerson.com](mailto:Dolores.Phua@citigatedewerogerson.com)  
Tel: +65 6534-5122
- (b) Ms Jeanne Mah  
Email: [Jeanne.Mah@citigatedewerogerson.com](mailto:Jeanne.Mah@citigatedewerogerson.com)  
Tel: +65 6534-5122

## 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.**

# CORPORATE GOVERNANCE REPORT

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 <sup>Note A</sup> 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 <sup>Note A</sup> 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](http://www.oceanus.com.sg) through which shareholders can access information on the Company.

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 last AGM of the Company on 29 April 2022 was held by electronic means pursuant to 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

# CORPORATE GOVERNANCE REPORT

time to time.

A Virtual Information Session (“**VIS**”) was held on 20 April 2022 in relation to the (1) Share Placement and (2) Bond Issue (“**Proposed Transactions**”) (*Capitalized terms in this paragraph shall have the same meaning ascribed to them in the Circular dated 14 April 2022*). During the VIS, Mr Duane Ho, Group Chief Financial Officer of the Company had delivered a presentation, addressed substantial and relevant questions which members had submitted prior to the VIS before the deadline at 11.30 a.m. on 18 April 2022 and during the VIS via the live chat function in relation to the Proposed Transactions. Subsequently, the Proposed Transactions were tabled at the last AGM held on 29 April 2022 for shareholders’ approval.

We will be holding our 2023 AGM by electronic means on 27 April 2023 and shareholders are invited to participate at our virtual 2023 AGM by (a) observing and/or listening to the 2023 AGM proceedings via live audio-visual webcast or live audio-only stream (“**Live Webcast**”); (b) submitting questions in advance of the 2023 AGM and/ or during the Live Webcast of the AGM; (c) voting “live” via electronic means at the 2023 AGM or appointing proxy(ies) or the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the 2023 AGM. Details of the steps for pre-registration, submission of questions and voting at the 2023 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNET on 12 April 2023. The Company will endeavour to address the substantial and relevant questions received from shareholders prior to the 2023 AGM within the stipulated timeline and those questions received during the Live Webcast of the 2023 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. 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 2023 AGM.

The Company noted that the Ministry of Law (“**MinLaw**”) has on 15 December 2022 announced that the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings) Orders which allow the Company to conduct shareholder meetings through electronic means will cease to be in force from 1 July 2023. The Company will consider whether to resume physical meetings for all future general meetings after 1 July 2023 in observance with prevailing rules and regulations or such development which may be announced by MinLaw from time to time.

## 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 <sup>Note A</sup> 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 2001, 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 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.*



# CORPORATE GOVERNANCE REPORT

## 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.

The Company has not adopted any interested person transaction mandate which requires approvals from its shareholders. During FY2022, the Company had issued a circular dated 14 April 2022 ("**Circular**") in relation to the (1) Share Placement and (2) Bond Issue ("**Proposed Transactions**") (*Capitalized terms in this paragraph shall have the same meaning ascribed to them in the Circular*), and the Proposed Transactions were regarded as interested person transactions.

Particulars of interested person transactions required to be disclosed under Rule 907 of the SGX-ST Listing Manual are as below:-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<p><u>Alacrity Investment Group Limited (Alacrity), an associate of Mr Cleveland Cuaca (Non-Independent Non-Executive Director of the Company)</u></p> <ul style="list-style-type: none"> <li>• Issuance of 4% convertible digital bonds due 22 March 2026 for an aggregate principal amount of US\$6 million by the Company to Alacrity</li> <li>• Placement of 827,217,391 new ordinary shares in the capital of the Company at the issue price of S\$0.023 for each placement share by the Company to Alacrity</li> </ul>	<p>Alacrity is a substantial shareholder of the Company.</p>	<ul style="list-style-type: none"> <li>• US\$6,000,000</li> <li>• US\$14,000,000</li> </ul>	<ul style="list-style-type: none"> <li>• US\$6,000,000</li> <li>• US\$14,000,000</li> </ul>

# CORPORATE GOVERNANCE REPORT

## 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 2022 or entered into since the end of the previous financial year ended 31 December 2021.

## 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 2022 and would include data and information from 1 January 2022 to 31 December 2022.

The Board has assessed that external assurance will not be conducted for the Company’s SR for the financial year ended 31 December 2022.

In accordance with the SGX-ST Listing Rules 711A and 711B, the Board has reviewed the Company’s SR and approved its inclusion in the Annual Report. For further information on our overall sustainability performance, please refer to the full SR in this Annual Report.

## USE OF PROCEEDS

On 22 March 2022, the Company had raised S\$29.2 million from the placement of 1,270,369,565 new ordinary shares at S\$0.023 each in the issued and paid-up share capital of the Company.

On 22 March 2022, the Company had also raised S\$8.2 million from the issuance of 4% convertible digital bonds due 22 March 2026 for an aggregable principal amount of US\$6,000,000.

As at 31 December 2022, the Company has utilised the proceeds for the following purposes:

Intended Used	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Balance Amount (S\$'000)
General working capital	24,372	23,000	1,372
Capital Expenditure	3,000	3,000	0
New Business Opportunities	10,000	8,000	2,000
Total	37,372	34,000	3,372

# 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 Dr Yaacob Bin Ibrahim, the director of Oceanus Group Limited (the "**Company**") as set out in Appendix 7.4.1 of the Main Board Rules is set out below:

<b>DR YAACOB BIN IBRAHIM</b>	
Date of Appointment	1 September 2020
Date of last re-appointment	29 April 2021
Age	67
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Dr Yaacob Bin Ibrahim as the Independent Non-Executive Director below 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
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director and Chairman of the Remuneration Committee
Professional qualifications	<ol style="list-style-type: none"> <li>1) Bachelor of Civil Engineering (Honours), National University of Singapore (NUS), Singapore</li> <li>2) Master of Science in Civil Engineering, NUS, Singapore</li> <li>3) Doctor of Philosophy in Civil Engineering, Stanford University, United States of America</li> </ol>
Working experience and occupation(s) during the past 10 years	<p>September 2021 to present: Independent Director of Singapore Power Limited</p> <p>January 2019 to present: Director of Surbana Jurong Private Limited</p> <p>October 2022 to present: Council of Advisors of Building Construction and Timber Industries Employees' Union ("BATU")</p> <p>August 2018 to present: Professor of Engineering, Singapore Institute of Technology ("SIT"), Singapore</p>

# ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

	<p>August 2018 to present: Advisor to the President of SIT, Singapore</p> <p>January 2020 to present: Professor in Practice, Lee Kuan Yew School of Public Policy, NUS</p> <p>January 2020 to present: Distinguished Fellow, Rajaratnam School of International Studies, NTU</p> <p>October 2018 to November 2022 Advisor of Moovaz Innovation Pte. Ltd.</p> <p>October 2018 to September 2022: Board of Trustees of BATU</p> <p>July 2018 to August 2020: Advisor of Infocomm Media Development Authority ("IMDA") in relation to the Kampong Glam Digitalisation Project</p> <p>September 2015 to June 2020: A Member of Parliament ("MP") of Jalan Besar Group Representation Constituency ("GRC")</p> <p>November 2015 to April 2018: Minister-in-charge of Cyber Security</p> <p>March 2002 to April 2018: Minister-in-charge of Muslim Affairs</p> <p>May 2011 to April 2018: Minister of Ministry of Communications and Information</p> <p>May 2011 to August 2015: MP of Moulimin-Kallang GRC</p>
<p>Shareholding interest in the listed issuer and its subsidiaries</p>	<p>Yes (Direct interest: 10,526,315 ordinary shares in the Company)</p>
<p>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</p>	<p>No</p>

# ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

Conflict of interest (including any competing business)	No	Yes
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer		
Other Principal Commitments* including Directorships	<p>*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.</p>	
Past (for the last 5 years)	<ol style="list-style-type: none"> <li>1. Minister of the Ministry of Communications and Information</li> <li>2. Minister-in-charge of Muslim Affairs</li> <li>3. MP of Jalan Besar GRC</li> <li>4. Director of PAP Community Foundation</li> <li>5. Director of Yayasan Mendaki</li> <li>6. Advisor for IMDA – Kampong Glam Digitalisation Project</li> <li>7. Minister-in-charge of Cyber Security</li> <li>8. Advisor of Moovaz Innovation Pte. Ltd.</li> <li>9. Board of Trustees of BATU</li> </ol>	
Present	<ol style="list-style-type: none"> <li>1. Director of Chip Eng Seng Corporation Ltd.</li> <li>2. Director of Subhana Jurong Private Limited</li> <li>3. Independent Director of Singapore Power Limited</li> <li>4. Director of The National Kidney Foundation</li> <li>5. Non-Executive Chairman of Rekanext Capital Partners Pte. Ltd.</li> <li>6. Director of Community Leadership and Social Innovation Centre of SIT, Singapore</li> <li>7. (i) Professor of Engineering; and (ii) Advisor to the President of SIT</li> <li>8. Professor in Practice of Lee Kuan Yew School of Public Policy, NUS</li> <li>9. Chairman and Board of Governors of Earth Observatory of Singapore</li> <li>10. Chairman and Board of Governors of St John's Island National Marine Lab</li> <li>11. Board of Governors of SGTech</li> <li>12. Council of Advisors of BATU</li> <li>13. Advisor of AISG</li> <li>14. Distinguished Fellow of Rajaratnam School of International Studies, NTU</li> </ol>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any 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	

# ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>(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?</p>	<p>No</p>
<p>(c) Whether there is any unsatisfied judgment against him?</p>	<p>No</p>
<p>(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 criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</p>	<p>No</p>
<p>(e) Whether he has ever been convicted of any offence, 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?</p>	<p>No</p>
<p>(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?</p>	<p>No</p>

# ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

No	(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	(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	(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?
	(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?:-
No	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
No	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
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	(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.

# ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded 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?</p>	<p>No</p>
<p>Any prior experience as a director of an issuer listed on the Exchange?</p>	<p>N.A.</p>
<p>If yes, please provide details of prior experience</p>	<p>N.A.</p>
<p>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:</p>	<p>N.A.</p>
<p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	<p>N.A.</p>



# STATEMENT BY DIRECTORS

## 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 2022.

### 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  
Cleveland Cuaca  
Edward Loy Chee Kim  
Yaacob Bin Ibrahim  
Zahidi Bin Abd Rahman

### 3. Directors’ interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors’ interests in shares in or debentures kept by the company under section 164 of the Companies Act 1967 (“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	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
<u>The Company</u>				
		<u>Number of shares of no par value</u>		
Peter Koh Heng Kang	2,498,688,837	2,498,688,837	–	–
Edward Loy Chee Kim	10,526,315	10,526,315	–	–
Yaacob Bin Ibrahim	10,526,315	10,526,315	–	–
Zahidi Bin Abd Rahman	10,526,315	10,526,315	–	–
Cleveland Cuaca	–	–	3,545,729,444	4,372,946,835

The directors’ interests as at 21 January 2023 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)
Zahidi Bin Abd Rahman	(Independent and non-executive director)
Cleveland Cuaca	(Non-independent and non-executive director)

The audit committee performed 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 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 2022 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 2022.

# 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 1 March 2023 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 2023

.....  
Zahidi Bin Abd Rahman  
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 2022, 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 11 to 82.

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 1967 (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 2022 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 2022, the carrying value of the Group's investment properties was \$12,753,000. The investment properties consist of buildings and farm structures, plant and machineries and pre-paid lease rentals 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 values. Management has exercised high degree of judgement and determined that depreciated replacement cost approach is the most appropriate technique in determining the fair values of the investment properties due to the nature of the assets. The depreciated replacement cost approach aims to reflect the amounts 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 we assessed adequacy of judgements and assumptions adopted by the valuer. We also assessed the competency, capabilities and objectivity of the valuer engaged by management.

We were assisted by our internal valuation specialist team 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

Refer to Note 2A – Accounting policy for subsidiaries, Note 2C – Critical judgements, assumptions and estimation uncertainties and Note 15 – Investment in subsidiaries.

The Group holds 50.1% of equity interest in Season Global Trading Pte. Ltd. (“SGT”). The remaining 49.9% equity interest in SGT is held by a third party.

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

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. 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. 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.

Based on facts and circumstances, management assessed and re-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 because the Group is considered having control over SGT and is exposed to, or has right to variable return. Accordingly, the financial statements of SGT have continued to be included on the Group's consolidated financial statements for the reporting year ended 31 December 2022 in accordance with SFRS(I) 10.

### 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  
Public Accountants and  
Chartered Accountants  
Singapore

12 April 2023

Engagement partner - effective from year ended 31 December 2018

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2022

		<u>Group</u>	
	<u>Notes</u>	<u>2022</u> \$'000	<u>2021</u> \$'000
<b>Revenue</b>	5	234,501	140,370
Other operating income	6	1,525	10,334
Cost of inventories		(216,129)	(130,144)
Employee benefits expense	7	(6,011)	(3,576)
Depreciation and amortisation expense		(3,943)	(2,588)
Other operating expenses	6	(16,608)	(3,135)
Finance costs	8	(4,144)	(1,744)
Share of loss from equity-accounted associate	16	(5)	(14)
<b>(Loss)/Profit before tax</b>		<u>(10,814)</u>	<u>9,503</u>
Income tax expense	10	(917)	(749)
<b>(Loss)/Profit for the year</b>		<u>(11,731)</u>	<u>8,754</u>
<b><u>Other comprehensive income/(loss):</u></b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		<u>7,917</u>	<u>(4,743)</u>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<u>7,917</u>	<u>(4,743)</u>
<b>Total comprehensive (loss)/income for the year, net of tax</b>		<u>(3,814)</u>	<u>4,011</u>
(Loss)/Profit attributable to owners of the parent, net of tax		(13,160)	7,054
Profit attributable to non-controlling interests, net of tax		1,429	1,700
<b>(Loss)/Profit net of tax</b>		<u>(11,731)</u>	<u>8,754</u>
Total comprehensive (loss)/income attributable to owners of the parent		(5,905)	2,117
Total comprehensive income attributable to non-controlling interests		2,091	1,894
<b>Total comprehensive (loss)/income</b>		<u>(3,814)</u>	<u>4,011</u>

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 2022

	<u>Notes</u>	<u>2022</u> Cents	<u>Group</u> <u>2021</u> Cents
<b>Earnings per share (loss)</b>			
- Basic	28	(0.05)	0.03
- Diluted	28	<u>(0.05)</u>	<u>0.03</u>

The accompanying notes form an integral part of these financial statements

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	11	4,572	1,860	2,551	22
Right-of-use assets	12	3,937	490	2,899	–
Investment properties	13	12,753	16,593	–	–
Goodwill	14	579	897	–	–
Investment in subsidiaries	15	–	–	123	4
Investment in associate	16	151	156	–	–
Financial assets at FVTPL, non-current	17	773	821	–	–
Other financial assets, non-current	17	–	–	25,420	7,718
<b>Total non-current assets</b>		<b>22,765</b>	<b>20,817</b>	<b>30,993</b>	<b>7,744</b>
<b><u>Current assets</u></b>					
Inventories	18	36,563	37,403	–	–
Trade and other receivables	19	83,253	46,555	6,001	6,683
Financial assets at FVTPL, current	17	1,726	1,704	1,726	1,704
Other financial assets, current	17	–	–	25,419	26,986
Other non-financial assets	20	12,149	368	–	–
Cash and cash equivalents	21	10,300	37,213	1,117	18,202
<b>Total current assets</b>		<b>143,991</b>	<b>123,243</b>	<b>34,263</b>	<b>53,575</b>
<b>Total assets</b>		<b>166,756</b>	<b>144,060</b>	<b>65,256</b>	<b>61,319</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity</u></b>					
Share capital	22	682,975	653,757	682,975	653,757
Reserves	23	(632,311)	(626,406)	(639,890)	(657,094)
Equity attributable to owners of the Company		50,664	27,351	43,085	(3,337)
Non-controlling interests		8,016	5,925	–	–
<b>Total equity</b>		<b>58,680</b>	<b>33,276</b>	<b>43,085</b>	<b>(3,337)</b>
<b><u>Non-current liabilities</u></b>					
Lease liabilities	25	3,058	310	2,427	–
Other financial liabilities	26	24,375	15,105	3,123	3,093
<b>Total non-current liabilities</b>		<b>27,433</b>	<b>15,415</b>	<b>5,550</b>	<b>3,093</b>
<b><u>Current liabilities</u></b>					
Income tax payable		5,407	5,449	90	–
Trade and other payables	24	22,955	22,746	1,789	22,433
Lease liabilities	25	965	190	537	–
Other financial liabilities	26	40,616	66,197	14,205	39,130
Other non-financial liabilities	27	10,700	787	–	–
<b>Total current liabilities</b>		<b>80,643</b>	<b>95,369</b>	<b>16,621</b>	<b>61,563</b>
<b>Total liabilities</b>		<b>108,076</b>	<b>110,784</b>	<b>22,171</b>	<b>64,656</b>
<b>Total equity and liabilities</b>		<b>166,756</b>	<b>144,060</b>	<b>65,256</b>	<b>61,319</b>

The accompanying notes form an integral part of these financial statements

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	Share capital \$'000	Capital reserve \$'000	Currency translation reserve \$'000	Statutory reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>								
<b>Current year:</b>								
Opening balance at 1 January 2022	653,757	(217,842)	(5,160)	8,067	(411,471)	27,351	5,925	33,276
<b>Changes in equity:</b>								
Issue of share capital (Note 22)	29,218	—	—	—	—	29,218	—	29,218
Total comprehensive income / (loss) for the year	—	—	7,255	—	(13,160)	(5,905)	2,091	(3,814)
<b>Closing balance at 31 December 2022</b>	<b>682,975</b>	<b>(217,842)</b>	<b>2,095</b>	<b>8,067</b>	<b>(424,631)</b>	<b>50,664</b>	<b>8,016</b>	<b>58,680</b>
<b>Previous year:</b>								
Opening balance at 1 January 2021	653,757	(217,842)	(223)	8,067	(418,525)	25,234	3,239	28,473
<b>Changes in equity:</b>								
Acquisition of subsidiary (Note 31)	—	—	—	—	—	—	792	792
Total comprehensive income / (loss) for the year	—	—	(4,937)	—	7,054	2,117	1,894	4,011
<b>Closing balance at 31 December 2021</b>	<b>653,757</b>	<b>(217,842)</b>	<b>(5,160)</b>	<b>8,067</b>	<b>(411,471)</b>	<b>27,351</b>	<b>5,925</b>	<b>33,276</b>

The accompanying notes form an integral part of these financial statements

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

<u>Company</u>	<u>Share capital</u> \$'000	<u>Capital reserve</u> \$'000	<u>Accumulated losses</u> \$'000	<u>Total equity</u> \$'000
<b>Current year:</b>				
Opening balance at 1 January 2022	653,757	2,254	(659,348)	(3,337)
<b>Changes in equity:</b>				
Issue of share capital (Note 22)	29,218	–	–	29,218
Total comprehensive income for the year	–	–	17,204	17,204
<b>Closing balance at 31 December 2022</b>	<b>682,975</b>	<b>2,254</b>	<b>(642,144)</b>	<b>43,085</b>
<b>Previous year:</b>				
Opening balance at 1 January 2021	653,757	2,254	(661,966)	(5,955)
<b>Changes in equity:</b>				
Total comprehensive income for the year	–	–	2,618	2,618
<b>Closing balance at 31 December 2021</b>	<b>653,757</b>	<b>2,254</b>	<b>(659,348)</b>	<b>(3,337)</b>

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	<u>2022</u> \$'000	<u>2021</u> \$'000
<b><u>Cash flows from operating activities</u></b>		
(Loss)/Profit before tax	(10,814)	9,503
Adjustments for:		
Allowance for impairment on investments	10	19
Depreciation of property, plant and equipment	876	128
Depreciation of investment properties	2,583	2,307
Depreciation of right-of-use assets	520	153
Gain on disposal of plant and equipment	(43)	–
Interest expense	4,144	1,744
Interest income	(74)	(129)
Goodwill written off	318	85
Share of loss from equity-accounted associate	5	14
Net effect of foreign exchange rate in consolidating foreign operations	5,722	(5,802)
Operating cash flows before changes in working capital	3,247	8,022
Inventories	840	(22,308)
Trade and other receivables	(36,734)	(21,186)
Other non-financial assets	(11,781)	958
Trade and other payables	4,838	491
Other non-financial liabilities	7,913	185
Net cash flows used in operations	(31,677)	(33,838)
Income taxes paid	(959)	(361)
Net cash flows used in operating activities	<u>(32,636)</u>	<u>(34,199)</u>
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant and equipment	(3,701)	(2,105)
Purchase of investment property	–	(2)
Acquisitions of subsidiaries (Note 31)	–	(483)
Acquisitions of associate	–	(170)
Increase in other financial assets	26	4,845
Disposal of property, plant and equipment	150	(3)
Interest received	74	129
Net cash flows (used in)/from investing activities	<u>(3,451)</u>	<u>2,211</u>

The accompanying notes form an integral part of these financial statements



# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	<u>2022</u> \$'000	<u>2021</u> \$'000
<b><u>Cash flows from financing activities</u></b>		
Issue of shares	29,218	–
Lease liabilities – principal and interest portion paid	(591)	(153)
Increase in new loans and borrowings	32,670	49,243
(Decrease)/Increase in loans and borrowings	(48,981)	10,141
Net movements in amounts due to director	–	8
Interest paid	(4,144)	(1,732)
Net cash flows from financing activities	<u>8,172</u>	<u>57,507</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(27,915)</b>	<b>25,519</b>
Effect of cash and cash equivalent denominated in foreign currencies	1,002	210
Cash and cash equivalents, statement of cash flows, beginning balance	<u>37,213</u>	<u>11,484</u>
<b>Cash and cash equivalents, statement of cash flows, ending balance (Note 21)</b>	<b><u>10,300</u></b>	<b><u>37,213</u></b>

The accompanying notes form an integral part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 1. General

Oceanus Group Limited (the “Company”) (Registration No: 199805793D) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore Dollar (“\$”), 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: 25 Ubi Road 4, #03-05, UBIX, Singapore 408621. The Company is situated in Singapore.

### Uncertainties relating to the current economic conditions

Management has considered the current economic conditions caused by the Covid-19 pandemic, commodities inflation, as well as the war in Ukraine at the end of the reporting year and reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity’s ability to continue in operational existence for the near future.

### **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 1967 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. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 1. General (cont'd)

### **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.

### **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 Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 2. Significant accounting policies and other explanatory information

### 2A. Significant accounting policies

#### Revenue and income 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 unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

#### Interest 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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 borrowings. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred.

#### 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, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

### 2A. Significant accounting policies (cont'd)

#### 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. For 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, and associate 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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

### 2A. Significant accounting policies (cont'd)

#### Property, plant and equipment (cont'd)

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.

#### 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 properties

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

### 2A. Significant accounting policies (cont'd)

#### Investment properties (cont'd)

The annual rates of depreciation are as follows:

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

#### Prepaid leases and land use rights

Prepaid leases and land use rights are for upfront payments to acquire long-term interest in the usage of land. These assets are carried at cost on initial recognition and after initial recognition at cost less any accumulated amortisation and any accumulated impairment losses. These assets 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.

#### Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. 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 (or included 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 a finance cost. 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 a 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. Operating leases are for rental income. 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.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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 reporting entity and the reporting entity 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 reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity'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.

#### Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. 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 associate 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 an associate in excess of the reporting entity's interest in the relevant associate 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 an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates 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 an associate 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 associate is measured at fair value at the date that it ceases to be an associate.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

### 2A. Significant accounting policies (cont'd)

#### Associates (cont'd)

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate 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 associate 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 (weighted average 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.

#### Business combinations

There were no business combinations during the reporting year.

#### 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

31 DECEMBER 2022

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

### 2A. Significant accounting policies (cont'd)

#### Goodwill (cont'd)

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.

#### Carrying amounts 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.

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI); (3) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI); and (4) Financial asset classified as measured at fair value through profit or loss (FVTPL). At the end of the reporting year, the reporting entity had the following financial assets:

- 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.
- 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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 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

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other financial assets and financial liabilities at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

### 2A. Significant accounting policies (cont'd)

#### Fair value measurement (cont'd)

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. The recurring measurements are made at each reporting year end date.

In making the fair value measurement for a non-financial asset, management determines the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis.

### 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.

#### Convertible loan notes

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the entity, is included in capital reserves in equity. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds. The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible loan note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in owners' equity, net of income tax effects.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

### 2B. Other explanatory information (cont'd)

#### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

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

#### Assessment of ability to exercise control over subsidiary:

The Group subscribed for 50.1% of equity interest in Season Global Trading Pte. Ltd. ("SGT") in the reporting year 31 December 2020. 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 and re-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 continued to be included on the Group's consolidated financial statements for the reporting year ended 31 December 2022 in accordance with SFRS(I) 10. The summarised financial information of SGT for the reporting year ended 31 December 2022 is disclosed in Note 15A.

#### 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 investees has suffered any impairment loss. This measurement requires significant judgement. Management has assessed the recoverable value amount of investees 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 investment in subsidiaries is disclosed in Note 15.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

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

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.

Assessing expected credit loss allowance on trade receivables:

The assessment of the expected credit losses (ECL) requires a degree of estimation and judgement. 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. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note on trade and other receivables.

Estimating 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 income tax amounts are disclosed in Note 10.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

### 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. The transactions were not material.

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

#### 3C. Key management compensation

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
Short-term benefits	1,587	1,024
Post-employment benefits	46	40
	<u>1,633</u>	<u>1,064</u>

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

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
Remuneration of directors and senior management	1,427	976
Fees to directors	160	48
	<u>1,587</u>	<u>1,024</u>

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

31 DECEMBER 2022

### 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:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Other payable to directors</u>		
At beginning of the year	48	40
Amounts paid out for director fees	(48)	(40)
Accrual of director fees	160	48
At end of the year (Note 24)	<u>160</u>	<u>48</u>
	<u>Company</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Other receivables from subsidiaries</u>		
At beginning of the year	230,709	228,205
Loan and advance to subsidiaries	9,438	3,104
Amounts received	(6,726)	(600)
Amount set-off against payables to parent company	(20,764)	–
At end of the year (Note 19)	<u>212,657</u>	<u>230,709</u>
<u>Movement in allowance</u>		
At beginning of the year	(224,461)	(224,461)
Charge for other receivables to profit or loss included in other expenses	(3,606)	(600)
Reversal for other receivables to profit or loss included in other operating income	20,763	600
At end of the year (Note 19)	<u>(207,304)</u>	<u>(224,461)</u>
	<u>Company</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Other payables to subsidiaries</u>		
At beginning of the year	20,764	20,764
Amount set-off against receivables from parent company	(20,764)	–
At end of the year (Note 24)	<u>–</u>	<u>20,764</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## **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 since the reporting year ended 31 December 2020. The property, plant and equipment are leased out to outside parties.
- (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, investment holdings and inactive subsidiaries.

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 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

31 DECEMBER 2022

#### 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
2022:					
Revenue by segments	851	226,258	7,392	–	234,501
Results:					
Segment results	856	8,073	(1,139)	(1,719)	6,071
Finance costs	–	(2,748)	(68)	(1,328)	(4,144)
Foreign exchange (losses) / gains	(4,995)	942	7	(4,752)	(8,798)
Depreciation and amortisation charges	(2,584)	(55)	(678)	(626)	(3,943)
(Loss) / Profit before income tax	(6,723)	6,212	(1,878)	(8,425)	(10,814)
Income tax expense	–	(695)	(2)	(220)	(917)
(Loss) / Profit for the year	(6,723)	5,517	(1,880)	(8,645)	(11,731)
<b>Other information</b>					
Acquisition of property, plant and equipment	–	236	632	2,833	3,701
Allowance for impairment on trade receivables	–	–	10	–	10
Goodwill written off	–	318	–	–	318

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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
<u>2021:</u>					
Revenue by segments	766	134,399	4,347	858	140,370
<u>Results:</u>					
Segment results	389	4,189	529	2,067	7,174
Finance costs	–	(1,725)	(19)	–	(1,744)
Foreign exchange gains / (losses)	3,253	436	(7)	2,979	6,661
Depreciation and amortisation charges	(2,297)	(80)	(155)	(56)	(2,588)
Profit before income tax	1,345	2,820	348	4,990	9,503
Income tax expense	–	(654)	(3)	(92)	(749)
Profit for the year	1,345	2,166	345	4,898	8,754
<u>Other information</u>					
Acquisition of property, plant and equipment	–	157	2,044	–	2,201
Allowance for impairment on trade receivables	–	–	19	–	19
Goodwill written off	–	–	85	–	85
Interest income	–	–	–	129	129

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

### 4C. Assets and liabilities

	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Inter-segment eliminations \$'000	Total \$'000
<b>2022:</b>						
<b>Assets</b>						
Segment assets	—	132,643	5,595	100,375	(71,857)	<b>166,756</b>
<b>Liabilities</b>						
Segment liabilities	—	156,171	2,949	319,724	(370,768)	<b>108,076</b>
<b>2021:</b>						
<b>Assets</b>						
Segment assets	55,118	88,558	5,600	55,452	(60,668)	<b>144,060</b>
<b>Liabilities</b>						
Segment liabilities	202,624	112,825	2,668	193,688	(401,021)	<b>110,784</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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		Group Non-current assets	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
PRC	63,013	5,374	12,771	16,602
Hong Kong	107,326	104,849	-	-
Cambodia	-	74	-	-
Macau	32,083	11,052	-	-
Singapore	32,079	19,021	9,994	4,215
	<u>234,501</u>	<u>140,370</u>	<u>22,765</u>	<u>20,817</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	
	2022 \$'000	2021 \$'000
Customer 1 in trading segment	46,174	48,395
Customer 2 in trading segment	32,136	22,875
	<u>78,310</u>	<u>71,270</u>

## 5. Revenue

	Group	
	2022 \$'000	2021 \$'000
Revenue from contracts with customers		
- Sale of goods	226,258	135,257
- Consultancy services	7,392	4,347
- Rental income	851	766
	<u>234,501</u>	<u>140,370</u>

The customers for sale of goods are retailers and wholesalers. 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

31 DECEMBER 2022

**6. Other operating income and expenses****6A. Other operating income**

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
Fair value gain on financial instrument	22	3
Foreign exchange adjustments gains	–	6,661
Gain on disposal of plant and equipment	43	–
Gain on redemption of financial instrument	–	2,500
Government grants	311	612
Interest income	74	34
Other rental income	80	–
Sundry income	995	524
Net	<u>1,525</u>	<u>10,334</u>

**6B. Other operating expenses**

The material components and the other selected components include the following:

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
Foreign exchange adjustments losses	8,806	–
Freight and handling charges	1,962	752
Professional fees	658	864
Marketing and promotion	496	326
Loss on disposal of investments	426	–

**7. Employee benefits expense**

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
Directors' fees	160	48
Directors' salary of the Company	1,509	1,308
Salary of employees other than directors	3,663	1,825
Defined contribution plans included in staff costs	418	185
Other staff welfare	261	210
	<u>6,011</u>	<u>3,576</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 8. Finance costs

	<u>Group</u> Continuing operations	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Interest on bank loans	1,006	276
Interest on lease liabilities	147	12
Interest on loans from shareholders	315	309
Interest on loans from third parties	2,676	1,140
Others	–	7
	<u>4,144</u>	<u>1,744</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:

	<u>Group</u> Continuing operations	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Audit fee to auditors of the Company	240	228
Audit fee to other auditors – non-network firms	31	5
Non-audit fees paid to the auditors of the Company	22	8
	<u>293</u>	<u>241</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**10. Income tax****10A. Components of tax expense recognised in profit or loss:**

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
<u>Current tax expenses:</u>		
Current tax expenses	787	749
Under adjustments in respect of prior periods	130	–
Total income tax expenses	<u>917</u>	<u>749</u>

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% (2021: 17.0%) to profit or loss before income tax as a result of the following differences:

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
(Loss)/Profit before tax	<u>(10,814)</u>	<u>9,503</u>
Income tax (income)/expense at the above rate	(1,838)	1,616
Expenses not deductible for tax purposes	1,583	292
Income not subject to tax	–	(430)
Under adjustments to tax in respect of prior periods	130	–
Effect of different tax rate in different jurisdictions	(518)	25
Movement of deferred tax assets not recognised	1,560	(754)
Total income tax expense	<u>917</u>	<u>749</u>

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

**10B. Deferred tax assets in statements of financial position**

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
Unutilised tax losses:		
- Singapore operations	9,460	11,020
- People's Republic of China ("PRC")	21,098	23,016
	<u>30,558</u>	<u>34,036</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**10. Income tax (cont'd)****10B. Deferred tax assets 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 loss carryforwards are as follows:

	<u>2022</u>	<u>Group</u>	<u>2021</u>
	\$'000		\$'000
2023	15,845		17,282
2024	<u>5,253</u>		<u>5,734</u>
	<u>21,098</u>		<u>23,016</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

31 DECEMBER 2022

## 11. Property, plant and equipment

<u>Group</u>	<u>Leasehold improvement</u> \$'000	<u>Office equipment</u> \$'000	<u>Vehicles</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>				
At 1 January 2021	362	479	50	891
Additions	78	1,934	189	2,201
Disposals	–	(5)	–	(5)
Foreign exchange adjustments	12	(81)	6	(63)
At 31 December 2021	452	2,327	245	3,024
Additions	2,812	889	–	3,701
Disposals	(44)	(100)	–	(144)
Foreign exchange adjustments	–	(6)	(6)	(12)
At 31 December 2022	3,220	3,110	239	6,569
<u>Accumulated depreciation:</u>				
At 1 January 2021	240	281	22	543
Depreciation for the year	18	92	18	128
Disposals	(8)	–	–	(8)
Foreign exchange adjustments	62	178	1	241
At 31 December 2021	312	551	41	904
Depreciation for the year	306	544	26	876
Disposals	(28)	(9)	–	(37)
Foreign exchange adjustments	–	(1)	(3)	(4)
At 31 December 2022	590	1,085	64	1,739
<u>Accumulated impairment:</u>				
At 1 January 2021	86	109	21	216
Foreign exchange adjustments	9	31	4	44
At 31 December 2021	95	140	25	260
Foreign exchange adjustments	–	–	(2)	(2)
At 31 December 2022	95	140	23	258
<u>Carrying value:</u>				
At 1 January 2021	36	89	7	132
At 31 December 2021	45	1,636	179	1,860
At 31 December 2022	2,535	1,885	152	4,572

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

<u>Company</u>	<u>Leasehold Improvements</u> \$'000	<u>Office equipment</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>			
At 1 January 2021 and 31 December 2021	–	68	68
Additions	2,649	183	2,832
At 31 December 2022	<u>2,649</u>	<u>251</u>	<u>2,900</u>
<u>Accumulated depreciation:</u>			
At 1 January 2021	–	32	32
Depreciation for the year	–	14	14
At 31 December 2021	–	46	46
Depreciation for the year	272	31	303
At 31 December 2022	<u>272</u>	<u>77</u>	<u>349</u>
<u>Carrying value:</u>			
At 1 January 2021	–	36	36
At 31 December 2021	–	22	22
At 31 December 2022	<u>2,377</u>	<u>174</u>	<u>2,551</u>

## 12. Right-of-use assets

<u>Group</u>	<u>Office premises</u> \$'000
<u>Cost</u>	
At 1 January 2021	329
Additions	556
Termination	(329)
At 31 December 2021	<u>556</u>
Additions	3,967
At 31 December 2022	<u>4,523</u>
<u>Accumulated depreciation</u>	
At 1 January 2021	208
Depreciation for the year	153
Termination	(295)
At 31 December 2021	<u>66</u>
Depreciation for the year	520
At 31 December 2022	<u>586</u>
<u>Carrying value</u>	
At 1 January 2021	<u>121</u>
At 31 December 2021	<u>490</u>
At 31 December 2022	<u>3,937</u>

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

Number of right-to-use assets	4
Remaining term	<u>12 to 54 months</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 12. Right-of-use assets (cont'd)

<u>Company</u>	<u>Office premises</u> \$'000
<u>Cost</u>	
At 1 January 2021 and 31 December 2021	–
Additions	3,221
At 31 December 2022	<u>3,221</u>
<u>Accumulated depreciation</u>	
At 1 January 2021 and 31 December 2021	–
Depreciation for the year	322
At 31 December 2022	<u>322</u>
<u>Carrying value</u>	
At 1 January 2021 and 31 December 2021	–
At 31 December 2022	<u><u>2,899</u></u>
Other information relating to the right-of-use assets are as follows:	
Number of right-to-use assets	1
Remaining term	<u><u>54 months</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 13. Investment properties

<u>Group</u>	<u>Properties</u> \$'000	<u>Land use</u> <u>rights</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>			
At 1 January 2021	77,026	479	77,505
Addition	2	–	2
Disposals	(3)	–	(3)
Foreign exchange adjustments	3,701	23	3,724
At 31 December 2021	<u>80,726</u>	<u>502</u>	<u>81,228</u>
Addition	5	–	5
Foreign exchange adjustments	(7,883)	(42)	(7,925)
At 31 December 2022	<u>72,848</u>	<u>460</u>	<u>73,308</u>
<u>Accumulated depreciation:</u>			
At 1 January 2021	41,228	125	41,353
Disposals	(3)	–	(3)
Depreciation for the year	2,293	14	2,307
Foreign exchange adjustments	2,125	6	2,131
At 31 December 2021	<u>45,643</u>	<u>145</u>	<u>45,788</u>
Depreciation for the year	2,583	–	2,583
Foreign exchange adjustments	(5,812)	(12)	(5,824)
At 31 December 2022	<u>42,414</u>	<u>133</u>	<u>42,547</u>
<u>Accumulated impairment:</u>			
At 1 January 2021	17,947	130	18,077
Foreign exchange adjustments	755	15	770
At 31 December 2021	<u>18,702</u>	<u>145</u>	<u>18,847</u>
Foreign exchange adjustments	(819)	(20)	(839)
At 31 December 2022	<u>17,883</u>	<u>125</u>	<u>18,008</u>
<u>Carrying value:</u>			
At 1 January 2021	<u>17,851</u>	<u>224</u>	<u>18,075</u>
At 31 December 2021	<u>16,381</u>	<u>212</u>	<u>16,593</u>
At 31 December 2022	<u>12,551</u>	<u>202</u>	<u>12,753</u>
Fair value for disclosure only:			
At 1 January 2021			<u>26,325</u>
At 31 December 2021			<u>27,080</u>
At 31 December 2022			<u>23,716</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 13. Investment properties (cont'd)

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.

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 fair values of investment properties (Level 3 fair value hierarchy) were determined based on the depreciated replacement cost approach. The depreciated 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 \$2,372,000 (2021: \$2,708,000).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**13. Investment properties (cont'd)**

	<u>2022</u> \$'000	<u>2021</u> \$'000
Rental income from investment properties	<u>960</u>	<u>766</u>
Direct operating expenses (amortisation) during the year	<u>2,588</u>	<u>2,314</u>

**14. Goodwill**

	<u>2022</u> \$'000	<u>Group</u>	<u>2021</u> \$'000
<u>Cost:</u>			
At beginning of year	897		471
Arising from acquiring of a subsidiary (Note 31)	–		511
Written off	<u>(318)</u>		<u>(85)</u>
At end of year	<u>579</u>		<u>897</u>
<u>Carrying value:</u>			
At beginning of the year	897		471
At end of the year	<u>579</u>		<u>897</u>

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>2022</u> \$'000	<u>Group</u>	<u>2021</u> \$'000
<u>Name of subsidiary:</u>			
AP Media Pte. Ltd.	386		386
Anomalyst Studio Pte. Ltd.	193		193
Sharp-Link Supply Chain Co., Ltd	<u>–</u>		<u>318</u>
	<u>579</u>		<u>897</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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 (2021: 1%). The pre-tax discount rate that reflects current market assessments at the risks specific to the CGU is 10% (2021: 8%).

Actual outcomes could vary from these estimates. If the revised estimated revenue had been 2% less favourable than management's estimates, the goodwill would have to be fully impaired. If the revised estimated gross margin had been 2% less favourable than management's estimates, the recoverable amount would still be higher than the carrying value of goodwill. If the revised pre-tax discount rate applied to the discounted cash flows had been 2% higher than management's estimates, the recoverable amount would still be higher than the carrying value of goodwill. If the actual gross margin had been higher and the 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 15. Investment in subsidiaries

	<u>Company</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Unquoted equity shares at cost	273,123	273,004
Allowance for impairment	(273,000)	(273,000)
Carrying value	<u>123</u>	<u>4</u>
Movements in cost:		
At the beginning of the year	273,004	273,003
Addition	119	1
At the end of the year	<u>273,123</u>	<u>273,004</u>
Movements in allowance for impairment:		
At the beginning and end of the year	<u>273,000</u>	<u>273,000</u>

The subsidiaries in the Group are listed below:

<u>Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)</u>	<u>Cost of investment</u>		<u>Effective percentage of equity held</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> %	<u>2021</u> %
<b>Held by the Company</b>				
Oceanus Aquaculture Group Pte. Ltd. <sup>(a)</sup> Singapore Investment holding	270,000	270,000	100	100
Oceanus Food Group Pte. Ltd. <sup>(a)</sup> Singapore Investment holding and trading of canned abalone	3,000	3,000	100	100
Oceanus Food Group Limited <sup>(c)</sup> Hong Kong Investment holding	*	*	100	100

\* Amount less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**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	
	2022 \$'000	2021 \$'000	2022 %	2021 %
<b>Held by the Company (cont'd)</b>				
Oceanus Tech Pte. Ltd. <sup>(a)</sup> Singapore Operation of fish hatcheries, fish farms and fishery research services	1	1	100	100
Oceanus Investment Holdings Pte. Ltd. <sup>(a)</sup> Singapore Investment holding	1	1	100	100
Asia Fisheries Pte. Ltd. <sup>(a)</sup> Singapore Trading of animal feeds	1	1	100	100
Oceanus Tradelog Pte. Ltd. <sup>(a)</sup> Singapore Trading of animal feeds	120	1	80	80
	273,123	273,004		

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held	
	2022 %	2021 %
<b>Subsidiaries held through Oceanus Food Group Limited</b>		
Zhangzhou Oceanus Food Co., Ltd <sup>(c)</sup> 漳州欧圣食品有限公司 People's Republic of China Inactive	100	100
<b>Subsidiaries held through Oceanus Food Group Pte. Ltd.</b>		
Oceanus (Shanghai) Restaurant Management Co., Ltd <sup>(c) (f)</sup> 欧圣(上海)餐饮管理有限公司 People's Republic of China Inactive	100	100
Oceanus (Singapore) Restaurant Management Pte. Ltd. Singapore Struck-off in January 2023	100	100
Oceanus (Taiwan) Restaurant Limited Company <sup>(c)</sup> Taiwan Inactive	100	100

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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	
	<u>2022</u> %	<u>2021</u> %
<b>Subsidiary held through Oceanus Aquaculture Group Pte. Ltd.</b> Oceanus (China) Aquaculture Co., Ltd <sup>(b)</sup> 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
<b>Subsidiary held through Oceanus (China) Aquaculture Co., Ltd.</b> Xiamen Oceanus Import and Export Ltd <sup>(b)</sup> 厦门欧圣进出口有限公司 People's Republic of China Trading and distribution	75	75
<b>Subsidiary held through Oceanus (Shanghai) Restaurant Management Co., Ltd</b> Shanghai Oceanus Wujiang Road Restaurant Co., Ltd <sup>(c)</sup> 上海欧圣吴江路餐饮有限公司 People's Republic of China Inactive	100	100
<b>Subsidiary held through Oceanus Investment Holdings Pte. Ltd.</b> Fujian Shengli Seafood Co., Ltd <sup>(c) (f)</sup> 福建昇立海产有限公司 People's Republic of China Inactive	100	100
Season Global Trading Pte. Ltd. <sup>(a) (e)</sup> Singapore Wholesales of variety of goods	50.1	50.1
Oceanus Media Global Pte. Ltd. <sup>(a)</sup> Singapore Other holding companies	63.5	63.5
<b>Subsidiary held through Oceanus Media Global Pte. Ltd.</b> AP Media Pte. Ltd. <sup>(a)</sup> Singapore Media, marketing and consultancy	63.5	51
Scion Technik Pte. Ltd. <sup>(a)</sup> Singapore Event reality technology equipment and consultancy	38.1	38.1

# 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	
	<u>2022</u> %	<u>2021</u> %
<b>Subsidiary held through Oceanus Media Global Pte. Ltd. (cont'd)</b>		
Resolute Communications Pte. Ltd. <sup>(a)</sup> Singapore Advertising and convention / conference organisers.	50.8	26
Anomalist Studio Pte. Ltd. <sup>(a)</sup> Singapore Motion media art and graphic design services	32.4	26
<b>Subsidiaries held through AP Media Pte. Ltd.</b>		
Grayback Pte. Ltd. (formerly known as Capy Comm Pte. Ltd.) <sup>(a)</sup> Singapore Advertising	63.5	51
AP 360 Marketing Sdn Bhd <sup>(d)</sup> Malaysia Motion picture/video production	44.5	51
<b>Subsidiary held through Season Global Trading Pte. Ltd.</b>		
Sino Food Group Pte. Ltd. <sup>(a)</sup> Singapore Wholesale of food, beverages, and tobacco N.E.C. (including dried or canned)	50.1	50.1
SG.eMart Pte. Ltd. <sup>(a)</sup> Singapore E-Commerce platform for food products	36.1	44
Season Global (CN) Co., Ltd <sup>(d) (f)</sup> 深圳四季环球贸易有限公司 People's Republic of China Investment holding company	45.1	45
ONZ (S) Pte. Ltd. Singapore Struck-off in 2022	–	44
Season Global Trading (HK) Limited <sup>(c)</sup> Hong Kong Wholesale trading of food and beverages	50.1	50.1

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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	
	<u>2022</u> %	<u>2021</u> %
<b>Subsidiary held through Season Global Trading Pte. Ltd. (cont'd)</b>		
Recherche Living Pte. Ltd. <sup>(a)</sup> Singapore Online marketplaces for goods (including food) Incorporated in 27 April 2022	33.1	—
King M International Pte. Ltd. <sup>(g)</sup> Singapore Wholesale of food, beverages, and tobacco N.E.C. (including dried or canned) Incorporated in 17 August 2022	25.6	—
Kingsman Exim Wine & Spirits Pte. Ltd. <sup>(g)</sup> Singapore Wholesales of variety of goods Incorporated in 24 August 2022	30.1	—
ISC SG Pte. Ltd. <sup>(g)</sup> Singapore Wholesales of variety of goods Incorporated in 4 October 2022	40.1	—
<b>Subsidiaries held through Sino Food Group Pte. Ltd.</b>		
Shenzhen Lion City Global Trade Co, Ltd <sup>(d) (f)</sup> 深圳狮城贸易有限公司 People's Republic of China Wholesale trading of frozen meats, seafood and foodstuffs	50.1	50.1
<b>Subsidiaries held through Season Global (CN) Co., Ltd</b>		
Guangzhou International Industrial Development Co., Ltd <sup>(d) (f)</sup> 广州洲际通实业发展有限公司 People's Republic of China Bulk Trading of food products and working capital financing activities	45.1	45
Shenzhen Jiade Yifeng Supply Chain Co., Ltd <sup>(d)</sup> 深圳市嘉德益丰供应链有限公司 People's Republic of China Trading and distribution of food and snacks	23	23
Shenzhen Sijihang Wine Co., Ltd <sup>(d) (f)</sup> 深圳四季行酒业有限公司 People's Republic of China Trading and distribution of goods Incorporated in 18 January 2022	45.1	—



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 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	
	<u>2022</u> %	<u>2021</u> %
<b>Subsidiary held through Shenzhen Lion City Global Trade Pte Ltd</b>		
Sharp-Link Supply Chain Co., Ltd <sup>(b) (d)</sup>	30.1	30
深圳市锐霖供应链有限公司		
People's Republic of China		
Wholesale of various product		

- (a) Audited by RSM Chio Lim LLP, Singapore.
- (b) Audited by SBA Stone Forest CPA Co., Ltd, a member of Allinial Global, for consolidation purposes.
- (c) Not audited as it is immaterial as these subsidiaries have ceased operations.
- (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) 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.
- (f) The capital had not been paid up to the subsidiaries. (Note 32)
- (g) Not audited as the company is newly incorporated at the end of reporting year and are inactive.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 15. Investment in subsidiaries (cont'd)

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

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

Name	Proportion of effective ownership interest held by NCI		Profits allocated to NCI	
	2022	2021	2022	2021
	%	%	\$'000	\$'000
Season Global Trading Pte. Ltd.	49.9	49.9	1,644	1,675

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

Season Global Trading Pte. Ltd.	2022	2021
<u>Summarised statement of financial position</u>	\$'000	\$'000
<u>Current</u>		
Assets	103,695	87,483
Liabilities	(51,581)	(59,441)
Net current assets	52,114	28,042
<u>Non-current</u>		
Assets	5,135	133
Liabilities	(44,430)	(18,496)
Net non-current assets	(39,295)	(18,363)
Net assets	12,819	9,679
Net assets attributable to NCI	6,396	4,830
<u>Summarised statement of profit or loss and other comprehensive income</u>		
Revenue	164,550	133,520
Profit before income tax	3,976	4,014
Income tax expense	(682)	(658)
Profit from continuing operations, net of tax and total comprehensive income	3,294	3,356
<u>Summarised statements of cash flows</u>		
Net cash outflow from operating activities	(20,486)	(37,045)
Net cash outflow from investing activities	(4,251)	(8)
Net cash inflow from financing activities	14,704	46,762
Net cash (outflow)/inflow	(10,033)	9,709

# NOTES TO THE FINANCIAL STATEMENTS

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## 16. Investment in associate

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Movements in carrying value:		
At beginning of the year	156	–
Addition	–	170
Share of the loss for the year	(5)	(14)
Total at end of the year	<u>151</u>	<u>156</u>
Carrying value:		
Unquoted equity shares at cost	170	170
Share of post-acquisition losses	(19)	(14)
	<u>151</u>	<u>156</u>

The associate held by the group is listed below:

<u>Name of associate, country of incorporation, place of operations, and principal activities</u>	<u>Cost of investment</u>		<u>Percentage of equity held</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	%	%
<u>Held by the Oceanus Investment Holdings Pte. Ltd.</u>				
Aquarii SG Pte Ltd	170	170	33.30	33.30
Singapore				
Investment Holdings				

## 17. Other financial assets

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Non-current</u>				
Investment in unquoted equity shares at FVTPL (Note 17A)	773	821	–	–
Loan receivables from subsidiaries (Note 17C)	–	–	25,420	7,718
	<u>773</u>	<u>821</u>	<u>25,420</u>	<u>7,718</u>
<u>Current</u>				
Investment in quoted fund at FVTPL (Note 17B)	1,726	1,704	1,726	1,704
Loan receivables from subsidiaries (Note 17C)	–	–	25,419	26,986
	<u>1,726</u>	<u>1,704</u>	<u>27,145</u>	<u>28,690</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**17. Other financial assets (cont'd)****17A. Investment in unquoted equity shares at FVTPL**

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Movements during the year:		
Fair value at beginning of the year	821	368
Additions	100	453
Changes in fair value during the year	(148)	—
Fair value at end of the year	<u>773</u>	<u>821</u>

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

	<u>Level</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
		\$'000	%	\$'000	%
Unquoted equity shares I	3	214	27	153	19
Unquoted equity shares II	3	430	56	430	52
Unquoted equity shares III	3	29	4	238	29
Unquoted equity shares IV	3	100	13	—	—
		<u>773</u>	<u>100</u>	<u>821</u>	<u>100</u>

**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	Unquoted equity shares III	Unquoted equity shares IV
Industry	Aquaculture	Aquaculture	Web Portals	Automobile
Location	Australia	Singapore	Singapore	Singapore
Fair value	\$214,000 (2021: \$153,000).	\$430,000 (2021: \$430,000)	\$29,000 (2021: \$238,000)	\$100,000 (2021: \$Nil)
Fair value hierarchy	Level 3	Level 3	Level 3	Level 3
Valuation technique	Market comparable approach	Market comparable approach	Market comparable approach	Market comparable approach

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**17. Other financial assets (cont'd)****17A. Investment in unquoted equity shares at FVTPL (cont'd)**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:

	<u>2022</u> \$'000	<u>2021</u> \$'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	<u>77</u>	<u>82</u>

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 quoted money market fund at FVTPL**

	<u>Group and Company</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Movements during the year:		
Fair value at beginning of the year	1,704	2,002
Disposals	–	(301)
Fair value gain	<u>22</u>	<u>3</u>
Fair value at end of the year (Level 3)	<u>1,726</u>	<u>1,704</u>

Sensitivity analysis

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

	<u>2022</u> \$'000	<u>2021</u> \$'000
A hypothetical 10% increase in the fair value would have an effect on fair value of	<u>172</u>	<u>170</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**17. Other financial assets (cont'd)****17C. Loan receivables from subsidiaries**

	<u>Company</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Loans receivables from subsidiaries, non-current	25,420	7,718
Loans receivables from subsidiaries, current	25,419	26,986
Subtotal	<u>50,839</u>	<u>34,704</u>
Movements during the year:		
At beginning of the year	34,704	7,560
Additions	16,300	26,986
Foreign exchange adjustments	(165)	158
At the end of the year	<u>50,839</u>	<u>34,704</u>
Details of the loans are as follows:		
Loan A	7,758	7,718
Loan B	20,240	20,240
Loan C	6,746	6,746
Loan D	4,992	–
Loan E	1,889	–
Loan F	2,600	–
Loan G	1,000	–
Loan H	691	–
Loan I	4,074	–
Loan J	549	–
Loan K	300	–
At the end of the year	<u>50,839</u>	<u>34,704</u>

As at the end of the reporting year, there were no amounts that were impaired. The subsidiaries accounted for 98% of the loan receivables are making profit in the reporting year.

**Loan A**

The agreement for the loan receivable USD5,720,000 provides that it is with fixed interest of 7% (2021: 8%) per annum and is repayable in May 2023.

**Loan B**

The agreement for the loan receivable USD15,000,000 provides that it is with fixed interest of 8% (2021: 9%) per annum and is repayable in November 2026.

**Loan C**

The agreement for the loan receivable USD5,000,000 provides that it is with fixed interest of 7% (2021: 8%) per annum and is repayable in February 2023.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**17. Other financial assets (cont'd)**

**17C. Loan receivable from subsidiaries (cont'd)**

**Loan D**

The agreement for the loan receivable USD3,700,000 provides that it is with fixed interest of 7% (2021: Nil) per annum and is repayable in February 2023.

**Loan E**

The agreement for the loan receivable of USD1,400,000 provides that it is with fixed interest of 7% (2021: Nil) per annum and is repayable in March 2023.

**Loan F**

The agreement for the loan receivable of SGD2,600,000 provides that it is with fixed interest of 7% (2021: Nil) per annum and is repayable in December 2025.

**Loan G**

The agreement for the loan receivable of USD724,000 provides that it is with fixed interest of 7% (2021: Nil) per annum and is repayable in November 2025.

**Loan H**

The agreement for the loan receivable of USD500,000 provides that it is with fixed interest of 7% (2021: Nil) per annum and is repayable in November 2025.

**Loan I**

The agreement for the loan receivable of USD3,000,000 provides that it is with fixed interest of 7% (2021: Nil) per annum and is repayable in January 2023.

**Loan J**

The agreement for the loan receivable of USD400,000 provides that it is with fixed interest of 7% (2021: Nil) per annum and is repayable in December 2025.

**Loan K**

The agreement for the loan receivable of SGD300,000 provides that it is with fixed interest of 4% (2021: Nil) per annum and is repayable in October 2025.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**18. Inventories**

	<u>Group</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Inventories on hand	30,437	2,749
Inventories in transit	6,126	34,654
	<u>36,563</u>	<u>37,403</u>

There are no inventories pledged as security for liabilities.

**19. Trade and other receivables**

	<u>Group</u>		<u>Company</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<u>Trade receivables:</u>				
Outside parties	91,548	54,133	–	–
Less: Allowance for impairment	(13,462)	(13,462)	–	–
Net trade receivables – subtotal	<u>78,086</u>	<u>40,671</u>	<u>–</u>	<u>–</u>
<u>Other receivables:</u>				
Outside parties	4,730	5,863	211	63
Subsidiaries (Note 3)	–	–	212,657	230,709
Less: Allowance for impairment	–	–	(207,304)	(224,461)
Deposits	437	21	437	372
Net other receivables – subtotal	<u>5,167</u>	<u>5,884</u>	<u>6,001</u>	<u>6,683</u>
Total trade and other receivables	<u>83,253</u>	<u>46,555</u>	<u>6,001</u>	<u>6,683</u>
Movements in above allowance on trade receivables:				
At beginning of the year and at end of the year	<u>(13,462)</u>	<u>(13,462)</u>	<u>–</u>	<u>–</u>
Movements in above allowance on other receivables:				
At beginning of the year	–	–	(224,461)	(224,461)
Charge for other receivables to profit or loss included in other expenses	–	–	(3,606)	–
Reversal for other receivables to profit or loss included in other operating income	–	–	20,763	–
At end of the year	<u>–</u>	<u>–</u>	<u>(207,304)</u>	<u>(224,461)</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 19 Trade and other receivables (cont'd)

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 (2021: \$13,462,000) is recognised for the Group.

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>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Top 1 customer	22,929	13,512
Top 2 customers	37,927	24,094
Top 3 customers	<u>51,417</u>	<u>28,573</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 \$207,304,000 (2021: \$224,461,000) is recognised for the company.

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.

## 20. Other non-financial assets, current

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Prepayments	12,005	71
Advance payments to suppliers	144	297
	<u>12,149</u>	<u>368</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 21. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
Not restricted in use	10,300	37,213	1,117	18,202

As at 31 December 2022, the Group had cash and bank balances of \$2,475,000 (equivalent to RMB12,718,000 (2021: RMB20,521,000)) 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. The funds can be used in PRC.

## 21A. Reconciliation of liabilities arising from financing activities

	<u>Beginning of the year</u> \$'000	<u>Cash flows</u> \$'000	<u>Non-cash changes</u> \$'000		<u>End of the year</u> \$'000
<u>2022:</u>					
Lease liabilities (Note 25)	500	(591)	4,114	(a) (b)	4,023
Other financial liabilities (Note 26)	81,302	(16,311)	–		64,991
Amount due to director	48	112	–		160
Total liabilities from financing activities	81,850	(16,790)	4,114		69,174
	<u>Beginning of the year</u> \$'000	<u>Cash flows</u> \$'000	<u>Non-cash changes</u> \$'000		<u>End of the year</u> \$'000
<u>2021:</u>					
Lease liabilities (Note 25)	128	(153)	525	(a) (b)	500
Other financial liabilities (Note 26)	21,281	59,384	637	(d)	81,302
Amount due to director	40	8	–		48
Total liabilities from financing activities	21,449	59,239	1,162		81,850

- (a) Acquisition
- (b) Accretion of interest
- (c) Foreign exchange movements
- (d) Acquisition of subsidiaries

## 22. Share capital

	<u>Group and Company</u>	
	<u>Number of shares issued</u>	<u>Share capital</u> \$'000
Ordinary shares of no par value:		
Balance at 1 January 2021 and 31 December 2021	24,296,921,463	653,757
Issue of shares at \$0.023 each	1,270,369,565	29,218
Balance at 31 December 2022	25,567,291,028	682,975

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 22. Share capital (cont'd)

### 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>2022</u> \$'000	<u>2021</u> \$'000
Net debt:		
All current and non-current borrowings including leases	69,014	81,802
Less cash and cash equivalents	<u>(10,300)</u>	<u>(37,213)</u>
Net debt	<u>58,714</u>	<u>44,589</u>
Adjusted capital:		
Total equity	<u>58,680</u>	<u>33,276</u>
Debt-to-adjusted capital ratio	<u>100%</u>	<u>134%</u>

The improvement as shown by the decrease in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in the issue of shares. There was an unfavourable change with decreased retained earnings.

## 23. Reserves

	<u>Group</u>		<u>Company</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
Capital reserve	(217,842)	(217,842)	2,254	2,254
Currency translation reserve	2,095	(5,160)	–	–
Statutory reserve	8,067	8,067	–	–
Accumulated losses	<u>(424,631)</u>	<u>(411,471)</u>	<u>(642,144)</u>	<u>(659,348)</u>
	<u>(632,311)</u>	<u>(626,406)</u>	<u>(639,890)</u>	<u>(657,094)</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 23. Reserves (cont'd)

Movement of reserves are disclosed in the statements of changes in equity. All the reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

### 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.

## 24. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	7,505	10,263	–	–
Trade payables – subtotal	<u>7,505</u>	<u>10,263</u>	<u>–</u>	<u>–</u>
<u>Other payables:</u>				
Outside parties	6,055	6,250	1,789	12
Provision of litigation (a)	1,235	1,347	–	–
Subsidiaries (Note 3)	–	–	–	20,764
Accrued expenses	8,000	4,838	–	1,657
Director (Note 3)	160	48	–	–
Other payables – subtotal	<u>15,450</u>	<u>12,483</u>	<u>1,789</u>	<u>22,433</u>
Total trade and other payables	<u>22,955</u>	<u>22,746</u>	<u>1,789</u>	<u>22,433</u>

(a) Nature of the claims mainly relate to the dispute on outstanding trade payables balances and commission on debt collections.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**25. Lease liabilities**

	<u>Group</u>		<u>Company</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
Lease liabilities, non-current	3,058	310	2,427	–
Lease liabilities, current	965	190	537	–
	<u>4,023</u>	<u>500</u>	<u>2,964</u>	<u>–</u>
Movements in lease liabilities are as follows:				
Beginning of the year	500	128	–	–
Additions	4,006	556	3,222	–
Accretion of interest	108	12	80	–
Repayments	(591)	(153)	(338)	–
Rent concession from lessor re-Covid-19 – income #a	–	(37)	–	–
Termination	–	(6)	–	–
At end of year	<u>4,023</u>	<u>500</u>	<u>2,964</u>	<u>–</u>

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 in Note 33E.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 25. Lease liabilities (cont'd)

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.

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

## 26. Other financial liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Non-current</u>				
Bank loan A (unsecured) (Note 26A)	5,895	6,750	3,123	3,093
Bank loan B (unsecured) (Note 26B)	580	637	–	–
Outside parties (unsecured)	17,900	–	–	–
Loans payable to non-controlling interests in subsidiaries (Note 26C)	–	7,718	–	–
Total non-current portion	<u>24,375</u>	<u>15,105</u>	<u>3,123</u>	<u>3,093</u>
<u>Current</u>				
Bank loan A (unsecured) (Note 26A)	1,264	1,400	436	1,215
Loans payable to non-controlling interests in subsidiaries (Note 26C)	7,666	–	–	–
Loan from outside parties (unsecured) (Note 26D)	5,673	55,838	5,673	37,915
Trust receipts (Note 26E)	17,917	8,959	–	–
Convertible loan notes (Note 26F)	8,096	–	8,096	–
Total current portion	<u>40,616</u>	<u>66,197</u>	<u>14,205</u>	<u>39,130</u>
Total non-current and current	<u>64,991</u>	<u>81,302</u>	<u>17,328</u>	<u>42,223</u>

### 26A. Bank loan A (unsecured)

These are bridging loans obtained under the Enterprises Financing Schedule of Enterprise Singapore and bear fixed interest between 3% to 4.25% (2021: 3% to 4.25%) per annum. These loans are repayable over 60 month instalments commencing from their respective drawdown date.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**26. Other financial liabilities (cont')****26B. Bank loan B (unsecured)**

The loan with bank in the People's Republic of China ("PRC") with a tenure of 3 years and bears interest at 5% (2021: 6.15%) per annum. The loan is repayable on 8 April 2024.

**26C. Loans payable to non-controlling interests in subsidiaries**

	<u>2022</u> \$'000	<u>Group</u>	<u>2021</u> \$'000
Movements during the year:			
At beginning of the year	7,718		7,560
Foreign exchange adjustments	(52)		158
At end of the year	<u>7,666</u>		<u>7,718</u>

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

**26D. Loans from outside parties**

These loans are unsecured, bear fixed interest at 5% and 9% per annum and repayable within the next 12 months.

**26E. Trust receipts**

Trust receipts of the group are secured by a corporate guarantee provided by the Company and bears floating interest rate ranging from 4.15% to 7.25% (2021: 1.68% to 1.75%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 26. Other financial liabilities (cont'd)

### 26F. Convertible loan note

The main features of convertible loan note issued are as follows:

Amount	US\$ 6,000,000
Date of issue	22 March 2022
Interest rate	4.00% per annum
Conversion features	Convertible at the holder's option into ordinary shares of the Company on the maturity date
Redemption features	Redeemable on 22 March 2026 at par if not converted

The convertible loan note payables are convertible at the holder's option into ordinary shares of the Company on the maturity date. The 4% convertibles loan note payables are repayable on a quarterly basis to the extent that the holders have not exercised their right to convert to equity at the higher of the below on the maturity date:

- i. The price per share at a discount of 10% (ten percent) to the 30-day volume-weighted average price, and
- ii. S\$0.020 per share.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond (Level 2) and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

The interest expense recognised in the profit or loss is calculated using the effective interest rate method at 4.10% to the liability component for the period the convertible loan note payables were issued.

## 27. Other non-financial liabilities

	<u>2022</u> \$'000	<u>Group</u> <u>2021</u> \$'000
Advances from customers	<u>10,700</u>	<u>787</u>
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting year:		
Expected to be recognised within 1 year	<u>10,700</u>	<u>787</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 28. Earnings per share (loss)

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

	<u>Group</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
A. Earnings attributable to equity holders	<u>(13,160)</u>	<u>7,054</u>
B. Weighted average number of equity shares	<u>25,334,099,902</u>	<u>24,296,921,463</u>
Earnings per share (cents)		
- Basic	(0.05)	0.03
- Diluted	<u>(0.05)</u>	<u>0.03</u>

## 29. 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:

	<u>Group</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Not later than one year	261	259
Between 1 and 3 years	<u>1</u>	<u>-</u>
Total	<u>262</u>	<u>259</u>
Rental income for the year	<u>960</u>	<u>766</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.

## 30. Contingent liabilities

	<u>Company</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Corporate guarantees in favour of bank to secure credit facilities for subsidiary	<u>22,350</u>	<u>14,250</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 31. Acquisition of subsidiaries

### 31A. Acquisition of Sharp Link Supply Chain Co., Ltd.

On 20 December 2021, the Group acquired 60% of the share capital of Sharp Link Supply Chain Co., Ltd. (incorporated in PRC) through its newly incorporated wholly owned subsidiary in PRC, Shenzhen Lion City Global Trade Co., Ltd. which is held by Sino Food Group Pte Ltd. The purchase consideration is RMB 3 million. The acquisition of Sharp Link expands the Group's bandwidth in distribution of frozen foods in PRC.

The fair values of identifiable assets acquired and liabilities assumed shown below for Sharp Link Supply Chain Co., Ltd.

	Pre-acquisition book value under SFRS(I) \$'000	Provisional fair value \$'000
<u>At 20 December 2021:</u>		
Trade and other receivables	8,434	8,434
Cash and cash equivalents	164	164
Bank borrowings	(637)	(637)
Trade and other payables	(6,900)	(6,900)
Net identifiable assets	<u>1,061</u>	<u>1,061</u>
Less: Non-controlling interest		<u>(742)</u>
Net identifiable assets acquired		319
Goodwill arising from acquisition (Note 14)		<u>318</u>
Cash consideration paid		<u>637</u>

Net cash outflow on acquisition is as follows:

Cash consideration paid	637
Less: Cash and cash equivalents in subsidiary acquired	(164)
Net cash outflow on acquisition	<u>473</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:

	Group From date of acquisition in <u>2021</u> \$'000
Revenue	665
Profit before income tax	*
* Amount less than \$1,000.	

During the reporting year 2022, management has since finalised the purchase price allocation ("PPA") exercise and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition. Arising from the finalised PPA exercise, goodwill has been adjusted to nil.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

## 31. Acquisition of subsidiaries (cont'd)

### 31B. Acquisition of Anomalyst Studio Pte. Ltd.

On 1 October 2021, the Group acquired 51% of the share capital of Anomalyst Studio Pte. Ltd. (incorporated in Singapore) through its subsidiary AP Media Pte. Ltd. From that date, the Group gained control and Anomalyst Studio Pte. Ltd. became a subsidiary (see Note 15 for principal activities). The transaction was accounted for using the acquisition method of accounting. The purchase consideration was \$210,012.

The fair values of identifiable assets acquired and liabilities assumed shown below for Anomalyst Studio Pte. Ltd..

	Pre-acquisition book value under SFRS(I) \$'000	Provisional fair value \$'000
<u>At 1 October 2021:</u>		
Property, plant and equipment	96	96
Trade receivables	162	162
Other receivables with WIP	119	119
Cash and cash equivalents	200	200
Trade payable	(41)	(41)
Other payables with progress billing	(469)	(469)
Net identifiable liabilities	<u>67</u>	<u>67</u>
Less: Non-controlling interest		<u>(50)</u>
Net identifiable liabilities acquired		17
Goodwill arising from acquisition (Note 14)		<u>193</u>
Cash consideration paid		<u>210</u>
Net cash outflow on acquisition is as follows:		
Cash consideration paid		210
Less: Cash and cash equivalents in subsidiary acquired		<u>(200)</u>
Net cash outflow on acquisition		<u>10</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**31. Acquisition of subsidiaries (cont'd)****31B. Acquisition of Anomalyst Studio 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:

	<u>Group</u> From date of acquisition in <u>2021</u> \$'000
Revenue	509
Profit before income tax	<u>9</u>

During the reporting year 2022, 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. There is no change in the goodwill arising from acquisition previously reported.

Goodwill arising on acquisition:

The goodwill arising on acquisition is as follows

	<u>2022</u> \$'000
Cash consideration paid	210
Non-controlling interests at fair value	50
Fair value of identifiable net assets acquired	<u>(67)</u>
Goodwill arising on acquisition	<u>193</u>

**32. Capital commitments**

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Commitment to increase paid-up capital in subsidiaries	<u>17,053</u>	<u>4,457</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

### 33. Financial instruments: information on financial risks

#### 33A. 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:

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	93,553	83,768	57,957	59,589
Financial assets at FVTPL	2,499	2,525	1,726	1,704
At end of the year	<u>96,052</u>	<u>86,293</u>	<u>59,683</u>	<u>61,293</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	91,969	104,548	22,081	64,656
At end of the year	<u>91,969</u>	<u>104,548</u>	<u>22,081</u>	<u>64,656</u>

Further quantitative disclosures are included throughout these financial statements.

#### 33B. 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.

#### 33C. 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

#### 33D. Credit risk on financial assets

Financial assets are principally from cash balances with banks, cash equivalents, receivables and other financial assets at amortised cost. They are potentially subject to credit risk due to failures by counterparties to discharge their obligations in full or in a timely manner. 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 and any other financial instruments with banks and other financial institutions 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 ECL allowance. Under this general approach the financial assets move through the three stages as their credit quality change. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, for trade receivables that do not contain a significant financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a significant financing component, the reporting entity applies the simplified approach in calculating ECL as is permitted by the financial reporting standard on financial instruments. Under the simplified approach, the reporting entity does not track changes in credit risk, but instead recognises the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life at each reporting date. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any 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 21 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.

#### 33E. 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):

	<u>Group</u>		
	Less than <u>1 year</u> \$'000	<u>2 – 5 years</u> \$'000	<u>Total</u> \$'000
<u>2022:</u>			
Trade and other payables	22,955	–	22,955
Gross borrowings commitments	43,310	26,719	70,029
Gross lease liabilities	1,143	3,310	4,453
At end of year	<u>67,408</u>	<u>30,029</u>	<u>97,437</u>
<u>2021:</u>			
Trade and other payables	22,746	–	22,746
Gross borrowings commitments	71,414	15,636	87,050
Gross lease liabilities	211	323	534
At end of year	<u>94,371</u>	<u>15,959</u>	<u>110,330</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**33. Financial instruments: information on financial risks (cont'd)****33E. Liquidity risk – financial liabilities maturity analysis (cont'd)**

	<u>Company</u>		<u>Total</u> \$'000
	<u>Less than</u> <u>1 year</u> \$'000	<u>2 – 5 years</u> \$'000	
<u>2022:</u>			
Trade and other payables	1,789	–	1,789
Gross borrowings commitments	16,294	3,573	19,867
Gross lease liabilities	677	2,658	3,335
At end of year	<u>18,760</u>	<u>6,231</u>	<u>24,991</u>
<u>2021:</u>			
Trade and other payables	22,433	–	22,433
Gross borrowings commitments	39,242	3,209	42,451
At end of year	<u>61,675</u>	<u>3,209</u>	<u>64,884</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 (2021: 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>Company</u>	<u>Less than</u> <u>1 year</u> \$'000
<u>2022:</u>	
Financial guarantee contracts – bank guarantee in favour of a subsidiary	<u>20,877</u>
<u>2021:</u>	
Financial guarantee contracts – bank guarantee in favour of a subsidiary	<u>11,954</u>
Bank facilities:	
	\$'000
<u>2022:</u>	
Unused bank guarantees	<u>1,442</u>
<u>2021:</u>	
Unused bank guarantees	<u>692</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

#### 33F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments.

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial liabilities with interest:				
Fixed rates	47,074	72,343	17,327	42,223
Floating rates	17,917	8,959	–	–
Total at end of the year	<u>64,991</u>	<u>81,302</u>	<u>17,327</u>	<u>42,223</u>

Sensitivity analysis: there is significant interest expense provide the table below:

	Group	
	2022 \$'000	2021 \$'000
<u>Financial liabilities:</u>		
A hypothetical variation in floating interest rates by 100 basis points with all other variables held constant, would have an decrease in pre-tax (loss) / profit for the year by	<u>(179)</u>	<u>(90)</u>

#### 33G. 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:

	Group USD	
	2022 \$'000	2021 \$'000
<u>Financial assets:</u>		
Cash and cash equivalents	1,405	11,173
Loans and other receivables	68,082	35,890
Total financial assets	<u>69,487</u>	<u>47,063</u>
<u>Financial liabilities:</u>		
Trade and other payables	1,105	3,738
Other financial liabilities	3,337	3,596
Total financial liabilities	<u>4,442</u>	<u>7,334</u>
Net financial assets at end of year	<u>65,045</u>	<u>39,729</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

**33. Financial instruments: information on financial risks (cont'd)****33G. Foreign currency risks (cont'd)**

	<u>2022</u> \$'000	<u>Group</u> <u>AUD</u>	<u>2021</u> \$'000
<u>Financial assets:</u>			
Cash and cash equivalents	11		9
Loans and other receivables	–		2,222
Total financial assets	<u>11</u>		<u>2,231</u>
<u>Financial liabilities:</u>			
Other financial liabilities	14,578		5,363
Total financial liabilities	<u>14,578</u>		<u>5,363</u>
Net financial liabilities at end of year	<u>(14,567)</u>		<u>(3,132)</u>

	<u>2022</u> \$'000	<u>Group</u> <u>SGD</u>	<u>2021</u> \$'000
<u>Financial liabilities:</u>			
Trade and other payables – intragroup	38,791		39,001
Total financial liabilities	<u>38,791</u>		<u>39,001</u>
Net financial liabilities at end of year	<u>(38,791)</u>		<u>(39,001)</u>

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

Sensitivity analysis is as follows:

	<u>2022</u> \$'000	<u>Group</u>	<u>2021</u> \$'000
<u>Financial assets:</u>			
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the USD with all other variables held constant would have an adverse effect on pre-tax (loss) / profit of	(5,913)		(3,612)
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the AUD with all other variables held constant would have a favourable effect on pre-tax (loss) / profit of	1,324		285
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the SGD with all other variables held constant would have a favourable effect on pre-tax (loss) / profit of	<u>3,526</u>		<u>3,546</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

### 33H. 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 Note 17.

## 34. Changes and adoption of financial reporting standards

For the current reporting year the Singapore Accounting Standards Council issued new or revised financial reporting standards. These applicable new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
SFRS (I) 1-16	Amendments to Property, Plant and Equipment: Proceeds before Intended Use
SFRS (I) 3	Amendments to Definition of a Business - Reference to the Conceptual Framework
Various	Annual Improvements to SFRS (I)s 2018-2020 - Amendments to SFRS(I) 1 First-time Adoption of SFRS(I); IFRS 9 Financial Instruments; SFRS(I) 16 Leases, and ;SFRS(I) 1-41 Agriculture

## 35. New or amended standards in issue but not yet effective

For the future reporting years the Singapore Accounting Standards Council issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting 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.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
SFRS (I) 1-1	Disclosure of Accounting Policies – Amendments to SFRS (I) 1-1 and SFRS (I) Practice Statement 2 Making Materiality Judgements	1 January 2023
SFRS (I) 1-8	Amendments to Definition of Accounting Estimates	1 January 2023

# STATISTICS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

## DISTRIBUTION OF SHAREHOLDINGS

<u>SIZE OF SHAREHOLDINGS</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
1 - 99	79	0.74	3,285	0.00
100 - 1,000	270	2.53	190,328	0.00
1,001 - 10,000	1,448	13.57	11,254,920	0.04
10,001 - 1,000,000	7,932	74.35	1,579,961,076	6.18
1,000,001 AND ABOVE	940	8.81	23,975,881,419	93.78
<b>TOTAL</b>	<b>10,669</b>	<b>100.00</b>	<b>25,567,291,028</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

<u>NO.</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1	UOB KAY HIAN PRIVATE LIMITED	5,255,049,202	20.55
2	CITIBANK NOMINEES SINGAPORE PTE LTD	3,647,557,700	14.27
3	DBS NOMINEES (PRIVATE) LIMITED	1,409,059,455	5.51
4	DBSN SERVICES PTE. LTD.	1,066,456,267	4.17
5	KHI INVEST LTD	1,035,248,771	4.05
6	PHILLIP SECURITIES PTE LTD	959,901,633	3.75
7	ESSENTRADE LIMITED	864,912,256	3.38
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	706,649,273	2.76
9	SIGMA SHARES LIMITED	509,231,363	1.99
10	MUCHOVIE INVESTMENT LTD	500,000,000	1.96
11	RAFFLES NOMINEES (PTE.) LIMITED	452,652,820	1.77
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	406,824,500	1.59
13	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	280,943,954	1.10
14	KOH GUAT KIAU	274,037,003	1.07
15	TAN GUAN CHEONG (CHEN YUANYING)	254,968,684	1.00
16	OCBC SECURITIES PRIVATE LIMITED	218,540,015	0.85
17	LIM THENG SIAN	207,597,618	0.81
18	IFAST FINANCIAL PTE. LTD.	198,212,200	0.78
19	EMEC HOLDINGS PTE LTD	185,492,452	0.73
20	KOH BEE CHENG (XU MEIQING)	177,385,900	0.69
<b>TOTAL</b>		<b>18,610,721,066</b>	<b>72.78</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

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

	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>1</sup>	No. of Shares	% <sup>1</sup>
Peter Koh Heng Kang	2,498,688,837	9.77	-	-
Alacrity Investment Group Limited	4,372,946,835	17.1	-	-
Cleveland Cuaca	-	-	4,372,946,835	17.1 <sup>2</sup>
Bryan Tan Jie	-	-	4,372,946,835	17.1 <sup>2</sup>

### Notes:

- <sup>1</sup> The percentage of shareholdings was computed based on 25,567,291,028 shares, being the total number of issued voting shares of the Company as at 31 March 2023. There were (i) no treasury shares; and (ii) no subsidiary holdings (as defined in the SGX-ST Listing Manual) as at 31 March 2023.
- <sup>2</sup> 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 2023, approximately 70.17% 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, 27 April 2023 at 10.00 a.m., for the following purposes:

#### As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors’ Statement and the Independent Auditor’s Report. **(Ordinary Resolution 1)**
2. To re-elect Dr Yaacob Bin Ibrahim, being a Director of the Company retiring pursuant to Regulation 111 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), and being eligible, has offered himself for re-election. [see Explanatory Note (i)] **(Ordinary Resolution 2)**
3. To approve the payment of Directors’ fees of S\$160,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears. [2022:S\$160,000] **(Ordinary Resolution 3)**
4. To re-appoint Messrs RSM Chio Lim LLP as Auditors and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

#### As Special Business

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

5. **AUTHORITY TO ALLOT AND ISSUE SHARES** **(Ordinary Resolution 5)**

“That pursuant to Section 161 of the Companies Act 1967 of Singapore and the Rule 806 of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

1. (i) issue and allot shares in the capital of the Company (“Shares”) (whether by way of rights, bonus or otherwise); and/or
- (ii) 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
2. (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:–
  - (a) 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);

# NOTICE OF ANNUAL GENERAL MEETING

- (b) (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:
- (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) 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 Manual of the SGX-ST; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act 1967 of Singapore and Listing Manual 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
- (d) 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 (ii)]

## 6. THE PROPOSED ADOPTION OF THE OCEANUS GROUP LIMITED 2023 RESTRICTED SHARE PLAN (Ordinary Resolution 6)

"That:

- (a) the new share incentive scheme to be named the "Oceanus Group Limited 2023 Restricted Share Plan" (the "**Oceanus RSP 2023**"), details of which are set out in the letter to Shareholders dated 12 April 2023 and which is appended to this Notice of AGM as Appendix A, be and is hereby approved and adopted;
- (b) the rules of the Oceanus RSP 2023 (in this Resolution, the "**Rules**") set out in the letter to Shareholders appended to this Notice of AGM as Appendix A, be and are hereby approved and adopted; and
- (c) the Directors of the Company be and are hereby authorised:
  - (i) to establish and administer the Oceanus RSP 2023;
  - (ii) to modify and/or amend the Oceanus RSP 2023 from time to time provided that such modifications and/or amendments are effected in accordance with the Rules of the Oceanus RSP 2023 and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Oceanus RSP 2023;
  - (iii) to grant awards (the "**Awards**") in accordance with the Rules and, subject to the provisions of the Companies Act and the constitution of the Company, to issue from time to time such number of new Shares and/or transfer from time to time such number of treasury Shares as may be required to be delivered pursuant to the vesting of such Awards under the Oceanus RSP 2023, subject always to the restrictions and limits set out in the Rules; and
  - (iv) to complete and do all acts and things (including executing such documents as may be required and to approve any amendments or modifications to any such documents) as they may consider necessary, desirable or expedient for the purposes of or to give effect to this Resolution."

[see Explanatory Note (iii)]

# NOTICE OF ANNUAL GENERAL MEETING

## 7. THE PROPOSED ADOPTION OF THE OCEANUS GROUP LIMITED 2023 PERFORMANCE SHARE PLAN (Ordinary Resolution 7)

"That:

- (a) the new share incentive scheme to be named the "Oceanus Group Limited 2023 Performance Share Plan" (the "**Oceanus PSP 2023**"), details of which are set out in the letter to Shareholders dated 12 April 2023 and which is appended to this Notice of AGM as Appendix A, be and is hereby approved and adopted;
- (b) the rules of the Oceanus PSP 2023 (in this Resolution, the "**Rules**") set out in the letter to Shareholders appended to this Notice of AGM as Appendix A, be and are hereby approved and adopted; and
- (c) the Directors of the Company be and are hereby authorised:
  - (i) to establish and administer the Oceanus PSP 2023;
  - (ii) to modify and/or amend the Oceanus PSP 2023 from time to time provided that such modifications and/or amendments are effected in accordance with the Rules of the Oceanus PSP 2023 and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Oceanus PSP 2023;
  - (iii) to grant awards (the "**Awards**") in accordance with the Rules and, subject to the provisions of the Companies Act and the constitution of the Company, to issue from time to time such number of new Shares and/or transfer from time to time such number of treasury Shares as may be required to be delivered pursuant to the vesting of such Awards under the Oceanus PSP 2023, subject always to the restrictions and limits set out in the Rules; and
  - (iv) to complete and do all acts and things (including executing such documents as may be required and to approve any amendments or modifications to any such documents) as they may consider necessary, desirable or expedient for the purposes of or to give effect to this Resolution."

[see Explanatory Note (iv)]

By Order of the Board

Peter Koh Heng Kang  
Executive Director and Chief Executive Officer

Singapore, 12 April 2023

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Ordinary Resolution 2 – Dr Yaacob Bin Ibrahim will, upon re-election, remain as an Independent Non-Executive Director and the Chairman of 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 for the financial year ended 31 December 2022 (“**Annual Report FY2022**”).
- (ii) Ordinary Resolution 5 – 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.
- (iii) Ordinary Resolution 6 – Please refer to the Letter to Shareholders in relation to (A) The Proposed Adoption of the Oceanus Group Limited 2023 Restricted Share Plan; and (B) The Proposed Adoption of the Oceanus Group Limited 2023 Performance Share Plan which is appended to this Notice of AGM as Appendix A. All capitalised terms in this Notice of AGM in relation to this Ordinary Resolution 6 shall, unless otherwise defined in this Notice of AGM, bear the respective meanings ascribed thereto in the Appendix A.
- (iv) Ordinary Resolution 7 – Please refer to the Letter to Shareholders in relation to (A) The Proposed Adoption of the Oceanus Group Limited 2023 Restricted Share Plan; and (B) The Proposed Adoption of the Oceanus Group Limited 2023 Performance Share Plan which is appended to this Notice of AGM as Appendix A. All capitalised terms in this Notice of AGM in relation to this Ordinary Resolution 7 shall, unless otherwise defined in this Notice of AGM, bear the respective meanings ascribed thereto in the Appendix A.

## 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 together with its Appendix A, proxy form and Annual Report FY2022 (collectively, the “**Documents**”) will **NOT** be sent to members. Instead, these Documents are made available 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://www.sgx.com/securities/company-announcements>.
2. The Company will arrange for (i) a real-time audio-visual webcast or audio-only stream which allows Members to view and participate in the proceedings of the AGM contemporaneously (“**Live Webcast**”) and (ii) real-time remote electronic voting (“**Live Voting**”), which allows Members to vote remotely through electronic means. Members can **ONLY** participate in the AGM via Live Webcast and will **NOT** be allowed to attend the AGM physically in person.
3. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements on participating the AGM via Live Webcast), submission of questions to the Chairman of the AGM in advance of and during the AGM, addressing of substantial and relevant questions prior to, or at the AGM and participation of Live Voting at the AGM (i) by the member or his/ her/ its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Important Notice to Members dated 12 April 2023 in relation to the Conduct and Proceedings of the Company’s AGM on Thursday, 27 April 2023 at 10.00 a.m. (“**Important Notice to Members**”). **This Important Notice to Members should be read together with this Notice of AGM** and may be accessed at the Company’s IR website at the URL <https://oceanus.com.sg/our-investors/> and also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
4. A member (whether individual or corporate) may:
  - (a) (where the member is an individual) vote by way of Live Voting at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote by way of Live Voting at the AGM on his/ her/ its behalf; or
  - (b) (whether the member is an individual or a corporate) appoint the Chairman of the AGM or such other person 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 also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.



# NOTICE OF ANNUAL GENERAL MEETING

5. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it should give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy.
6. A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
7. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
8. Persons who hold the Company's shares through relevant intermediaries (as defined in section 181 of the Companies Act 1967 of Singapore) other than Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Schemes ("**SRS Investors**") and who wish to participate in the AGM should contact the relevant intermediary 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 and SRS investors (i) may vote by way of Live Voting at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM **by 5.00 p.m. on 17 April 2023**.

9. A proxy need not be a member of the Company.
10. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.
11. The instrument appointing a proxy or proxies must be submitted to the Company in the following manners:
  - (a) if submitted electronically, via the pre-registration's website at <https://go.lumiengage.com/Oceanus-AGM2023>; or
  - (b) if submitted by post, be deposited at the office of the Company's Share Registrar office at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
  - (c) if submitted via email, please send to the Company's email address at [Oceanus-AGM2023@boardroomlimited.com](mailto:Oceanus-AGM2023@boardroomlimited.com), in either case, **by 10.00 a.m. on 24 April 2023** (being 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. **Members are encouraged to submit completed instrument of proxy via email.**

12. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 a proxy or proxies 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.
13. 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 1967 of Singapore.
14. 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 AGM, as certified by The Central Depository (Pte) Limited to the Company.

#### **Submission of Questions in Advance of, and during the AGM**

15. Members may submit questions related to the resolutions to be tabled for approval for the AGM in advance of the AGM **no later than 5.00 p.m. on 19 April 2023**:
  - (a) via the pre-registration's website at <https://go.lumiengage.com/Oceanus-AGM2023>; or
  - (b) by email to [Oceanus-AGM2023@boardroomlimited.com](mailto:Oceanus-AGM2023@boardroomlimited.com).
16. Members submitting questions by email are required to indicate: (a) their full name; (b) their identification/registration number; (c) their contact number; (d) their email address; and (e) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and /or scrip); failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

# NOTICE OF ANNUAL GENERAL MEETING

17. The Company will endeavour to address all substantial and relevant questions from members prior to the AGM by publishing the responses to those questions on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's IR Website at the URL <https://oceanus.com.sg/our-investors/> at least forty-eight hours (48 hours) (being 21 April 2023), prior to the closing date and time for the lodgement of proxy forms on 10.00 a.m. on 24 April 2023. Where substantial relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them during the AGM. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.
18. Members may also submit further substantial and relevant questions related to the resolutions to be tabled for approval at the AGM during the Live Webcast of the AGM, by online chat box.
19. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's IR Website at the URL <https://oceanus.com.sg/our-investors/>, and the minutes will include the responses to substantial and relevant questions from members which are addressed during the AGM respectively.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof and/or submitting any question to the Company in advance of the AGM in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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 AGM and any questions he may raise or motions he propose/second) 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 (“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, Letter to Shareholders, proxy form and Annual Report FY2022 (collectively, the “Documents”) will <b>NOT</b> be sent to members. Instead, these Documents are made available to members by electronic means via publication on SGXNet and the Company’s Investor Relations (“IR”) website at the URL <a href="https://oceanus.com.sg/our-investors/">https://oceanus.com.sg/our-investors/</a> and also be made available on SGXNet at the URL <a href="https://www.sqx.com/securities/company-announcements">https://www.sqx.com/securities/company-announcements</a> .
2.	Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements on participating the AGM via Live Webcast), submission of questions to the Chairman of the AGM in advance of and during the AGM, addressing of substantial and relevant questions prior to, or at the AGM and participation of Live Voting at the AGM (i) by the member or his/ her/ its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Important Notice to Members dated 12 April 2023 in relation to the Conduct and Proceedings of the Company’s AGM on Thursday, 27 April 2023 at 10.00 a.m. (“Important Notice to Members”). This Important Notice to Members should be read together with this Proxy Form and may be accessed at the Company’s IR website at the URL <a href="https://oceanus.com.sg/our-investors/">https://oceanus.com.sg/our-investors/</a> and also be made available on SGXNet at the URL <a href="https://www.sqx.com/securities/company-announcements">https://www.sqx.com/securities/company-announcements</a> .
3.	A member will not be able to attend the AGM in person. A member (whether individual or corporate) may either participate in the Live Voting, or to appoint his/her/its proxy(ies) or 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. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) or the Chairman of the AGM as a member’s proxy to attend, speak and vote on his/her/its behalf at the AGM.
4.	Relevant Intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), may appoint more than two proxies to attend and vote at the AGM.
5.	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 vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM by 5.00 p.m. on 17 April 2023.
6.	By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.

\*I/We \_\_\_\_\_ (Name) \*NRIC/Passport/Co. Reg. No. \_\_\_\_\_ (Address)  
of \_\_\_\_\_ (Address)  
being a \*member/members of **OCEANUS GROUP LIMITED** (the “Company”) hereby appoint:

Name	NRIC/Passport	Email Address***	Proportion of Shareholdings	
			No. of Shares	%
Address				

and/or (delete as appropriate)

Name	NRIC/Passport	Email Address***	Proportion of Shareholdings	
			No. of Shares	%
Address				

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting (“AGM”) as \*my/our proxy/ proxies to attend, speak and vote 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, 27 April 2023 at 10.00 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 AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at his/her/their discretion. The resolutions put to vote at the AGM shall be decided by poll.

No.	Ordinary Resolutions	For**	Against**	Abstain**
	<b>Ordinary Business</b>			
1.	Adoption of Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor’s Report			
2.	Re-election of Dr Yaacob Bin Ibrahim as a Director			
3.	Approval of payment of Directors’ fees of S\$160,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears.			
4.	Re-appointment of Messrs RSM Chio Lim LLP as Auditors			
	<b>Special Business</b>			
5.	Authority to allot and issue new shares			
6.	Proposed Adoption of the Restricted Share Plan			
7.	Proposed Adoption of the Performance Share Plan			



**OCEANUS GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199805793D)

\* 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.

\*\*\* Compulsory for registration purposes. All members (other than CPF and SRS investors) who submit their proxy forms appointing a proxy(ies) or the Chairman of the AGM **are also required** to pre-register their proxy(ies) at the pre-registration website at <https://go.lumiengage.com/Oceanus-AGM2023> for participation of the AGM proceedings via Live Webcast. Authenticated proxy(ies) will be provided with a confirmation email for the AGM containing details, as well as instructions on attending the AGM via the email provided during the pre-registration and in this proxy form.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

	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. **A member will not be able to attend the AGM in person. A member (whether individual or corporate) who is unable to attend the AGM by way of electronic means may appoint his/her/its proxy(ies) or 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.** This proxy form may be downloaded from the Company's IR website at the URL <https://oceanus.com.sg/our-investors/> and also be made available on SGXNet at the URL <https://www.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 should give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy.
2. Please insert the total number of shares held by you as a member of the Company. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 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.
3. A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
4. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
5. Persons who hold the Company's shares through relevant intermediaries (as defined in section 181 of the Companies Act 1967 of Singapore) other than Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Schemes ("**SRS Investors**") and who wish to participate in the AGM should contact the relevant intermediary 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 and SRS investors (i) may vote by way of Live Voting at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM **by 5.00 p.m. on 17 April 2023**.

6. A proxy need not be a member of the Company.
7. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.
8. The instrument appointing a proxy or proxies must be submitted to the Company in the following manners:
  - (a) If submitted electronically, via the pre-registration's website at <https://go.lumiengage.com/Oceanus-AGM2023>; or
  - (b) if submitted by post, be deposited at the office of the Company's Share Registrar office at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
  - (c) if submitted via email, please send to the Company's email address at [Oceanus-AGM2023@boardroomlimited.com](mailto:Oceanus-AGM2023@boardroomlimited.com), in either case, **by 10.00 a.m. on 24 April 2023** (being 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. **Members are encouraged to submit completed instrument of proxy via email.**

9. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 a proxy or proxies 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.

## **OCEANUS GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199805793D)

10. 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 1967 of Singapore.
11. 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 AGM, as certified by The Central Depository (Pte) Limited to the Company.
12. Subject to paragraphs 3 and 4 above, completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the "live" audio-visual webcast of the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument appointing a proxy or proxies to the AGM.

### **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 12 April 2023.