OCEANUS GROUP LIMITED

(Registration No: 199805793D)

Statement by Directors and Financial Statements

Year Ended 31 December 2020

RSM Chio Lim LLP

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OCEANUS GROUP LIMITED

Statement by Directors and Financial Statements

Contents	Page

Statement by Directors

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

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

2. Directors

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

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

3. Directors' interests in shares and debentures

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

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

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

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

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

5. Options

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

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

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

6. Report of audit committee

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

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

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

(i) reviewed overall scope of external audits and the assistance given by the Company's officers to the auditors. It met with the Company's external auditor to discuss the results of examinations and evaluation of the Company's system of internal accounting controls;

(ii) reviewed the audit plan of the Company’s external auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) reviewed quarterly, half-yearly and annual announcements, the statement of financial position of the Company and the consolidated financial statements of the Group for the reporting year ended 31 December 2020 as well as the auditor’s report thereon;

(iv) assessed the effectiveness of the Company’s material internal controls, including financial, operational, compliance and information technology controls and risk management systems via reviews carried out by the internal auditors;

(v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the audit committee;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

6. Report of audit committee (cont'd)

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the board of directors the notification of external auditor, approved the compensation of the external auditor, and reviewed the scope and results of the statutory audit;

(x) reported actions and minutes of the audit committee to the board of directors with such recommendations as the audit committee considered appropriate; and

(xi) reviewed interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

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

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

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

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

7. Independent auditor

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

8. Directors' opinion on the adequacy of internal controls

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

9. Subsequent developments

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

On behalf of the directors

....	....
Peter Koh Heng Kang	Eugen Chua
Director	Director

12 April 2021

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Independent Auditor's Report to the Members of
OCEANUS GROUP LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Oceanus Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including accounting policies, as set out on pages 11 to 95.

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

Basis for opinion

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

Key Audit Matters

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

(a) Impairment assessment of investment properties

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

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

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

How we addressed the matter in our audit

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

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

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

Key Audit Matters (cont'd)

(b) Assessment of ability to exercise control over subsidiary

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

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

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

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

How we addressed the matter in our audit

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

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

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.

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.

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

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

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

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

Report on other legal and regulatory requirements

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

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

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

12 April 2021

Engagement partner - effective from year ended 31 December 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 December 2020

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

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

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)
Year Ended 31 December 2020

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

* Amount less than 0.01 cents.

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

Statements of Financial Position
As at 31 December 2020

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

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

The accompanying notes form an integral part of these financial statements

Statements of Financial Position
As at 31 December 2020

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

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

The accompanying notes form an integral part of these financial statements

Statements of Financial Position
As at 31 December 2020

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

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

Statements of Changes in Equity
Year Ended 31 December 2020

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

The accompanying notes form an integral part of these financial statements

Statements of Changes in Equity
Year Ended 31 December 2020

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

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Cash Flows
Year Ended 31 December 2020

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

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

The accompanying notes form an integral part of these financial statements

Consolidated statement of Cash Flows (cont'd)
Year Ended 31 December 2020

	2020 $'000	2019 $'000 Restated#
Cash flows from financing activities		
Capital contribution from non-controlling interests in subsidiary	1,743	–
Lease liabilities – principal portion paid	(140)	(161)
Proceed from loans and borrowings	20,960	144
Repayments of loan and borrowings	(144)	–
Net movements in amounts due to director	(1,160)	120
Interest paid	(378)	–
Net cash flows from financing activities	20,881	103
Net decrease in cash and cash equivalents	(5,688)	(2,235)
Effect of cash and cash equivalent denominated in foreign currencies	218	79
Cash and cash equivalents, statement of cash flows, beginning balance	16,954	19,110
Cash and cash equivalents, statement of cash flows, ending balance (Note 23)	11,484	16,954

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

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements
31 December 2020

1. General

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

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

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

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

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

Watch-List of SGX-ST

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

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

1. General (cont'd)

Uncertainties relating to Covid-19 pandemic

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

Statement of compliance with financial reporting standards

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

Accounting convention

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

Basis of preparation of the financial statements

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

1. General (cont'd)

Basis of presentation

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

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

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

Change in presentation currency

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

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

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

Sale of goods

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

Services

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

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

Rental income

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

Other income

Interest income is recognised using the effective interest method.

Government grants

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

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

2A. Significant accounting policies (cont'd)

Employee benefits

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

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

Borrowing costs

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

Foreign currency transactions

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

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

2A. Significant accounting policies (cont'd)

Translation of financial statements of other entities

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

Income tax

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

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

2A. Significant accounting policies (cont'd)

Business combinations

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

Non-controlling interests

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

Goodwill

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

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

2A. Significant accounting policies (cont'd)

Goodwill (cont'd)

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

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

Property, plant and equipment

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

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

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

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

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

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

2A. Significant accounting policies (cont'd)

Right-of-use assets

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

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

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

Investment property

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

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

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

2A. Significant accounting policies (cont'd)

Leases of lessee

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

Leases of lessor

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

Prepaid leases and land use rights

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

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

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

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

2A. Significant accounting policies (cont'd)

Subsidiaries

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

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

Joint arrangements – joint venture

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

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

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

2A. Significant accounting policies (cont'd)

Joint arrangements – joint venture (cont'd)

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

Inventories

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

Biological assets

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

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

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

Impairment of non-financial assets

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

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

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

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

Classification and measurement of financial assets:

#1 Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

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

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

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

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

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

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

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

Classification and measurement of financial liabilities:

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

Cash and cash equivalents

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

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

2A. Significant accounting policies (cont'd)

Fair value measurement

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

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

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

Corporate guarantee

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

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

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

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

2B. Other explanatory information

Provisions

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

Segment reporting

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

2C. Critical judgements, assumptions and estimation uncertainties

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

<u>Impairment assessment of investment properties</u>

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.

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

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

Impairment assessment of investment properties (cont'd)

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

Useful lives of investment properties

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

Assessment of ability to exercise control over subsidiary

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

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

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

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

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

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

Impairment assessment of cost of investments in subsidiaries - Company

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

Fair value of financial instruments

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

Expected credit loss allowance on trade receivables

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

Income tax amounts

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

Going concern assumption

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

3. Related party relationships and transactions

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

3A. Members of a group

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

3B. Related party transactions

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

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

The other related party transactions are not significant.

3C. Key management compensation

	Group	
	2020	2019
	$'000	$'000
Short-term benefits	851	611
Post-employment benefits	38	68
	889	679

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

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

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

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

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

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

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

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

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

	Company	
	2020 $'000	2019 $'000
Other receivables from subsidiaries		
Balance at beginning of the year	233,367	237,877
Loan and advance to subsidiaries	1,862	–
Amounts received	(7,024)	(4,510)
Balance at end of the year (Note 21)	228,205	233,367
Movement in allowance		
Balance at beginning of the year	(231,485)	(236,820)
Charge for other receivables to profit or loss included in other expenses	–	(1,714)
Reversal for other receivables to profit or loss included in other operating income	7,024	7,049
Balance at end of the year (Note 21)	(224,461)	(231,485)

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

4. Financial information by operating segments

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

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

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

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

(i) Live marine products segment is those cultivation and sale of abalone and others. The Group has suspended this segment's operation during the reporting year.

(ii) Trading segment is those sales of processed marine products, alcoholic beverage, cosmetics and coffee.

(iii) Consultancy segment is those consultancy services related to fish farming and acquiring technologies for aquaculture and fishery business.

(iv) Other segment is those of corporate office function and investment holdings.

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

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

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

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

4B. Profit or loss from continuing operations and reconciliations

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

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

4B. Profit or loss from continuing operations and reconciliations (cont'd)

	Live marine products $'000	Trading $'000	Consultancy $'000	Others $'000	**Total $'000**
2020					
Other information					
Acquisition of property, plant and equipment	–	40	23	11	**74**
Acquisition of investment properties	–	–	–	4	**4**
Allowance for impairment on trade receivables	–	(166)	–	–	**(166)**
Gain on disposal of subsidiary	–	–	–	832	**832**
Reversal of impairment loss on other receivables	–	–	–	844	**844**
Interest income	–	–	–	311	**311**

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

4B. Profit or loss from continuing operations and reconciliations (cont'd)

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

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

4B. Profit or loss from continuing operations and reconciliations (cont'd)

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

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

4C. Assets and liabilities

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

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:-

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

4E. Information about major customers

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

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

5. Revenue

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

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

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

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

6. Other operating income and expenses

6A. Other operating income

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

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

6B. Other operating expenses

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

7. Employee benefits expense

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

8. Finance costs

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

9. Items in the profit or loss

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

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

10. Income tax

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

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

10. Income tax (cont'd)

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

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

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

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

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

	Group	
	2020	2019
	$'000	$'000
Deferred tax liabilities recognised		
Excess of carrying value of plant and equipment over tax values	–	11

The Group has unutilised tax losses as follows:

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

10. Income tax (cont'd)

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

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

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

	Group	
	2020	2019
	$'000	$'000
2020	–	2,751
2021	4,884	7,767
2022	8,471	8,471
2024	5,389	5,389
	18,744	24,378

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.

11. Property, plant and equipment

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

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

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

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

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

12. Right-of-use assets

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

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

Number of right-to-use assets	2
Remaining term	5 to 21 months

13. Investment properties

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

Fair value for disclosure only:

At 1 January 2020	–
At 31 December 2020	26,325

13. Investment properties (cont'd)

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

Detail of the Group's land use rights:

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

Impairment testing

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

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

13. Investment properties (cont'd)

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

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

14. Goodwill

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

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

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

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

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

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

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

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

15. Investments in subsidiaries

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

The subsidiaries in the Group are listed below:

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

* Amount lesst than $1,000.

15. Investment in subsidiaries (cont'd)

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

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

15. Investment in subsidiaries (cont'd)

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

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

15. Investment in subsidiaries (cont'd)

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

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

15. Investment in subsidiaries (cont'd)

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

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

15. Investment in subsidiaries (cont'd)

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

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

15. Investment in subsidiaries (cont'd)

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

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

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

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

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

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

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

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

15. Investment in subsidiaries (cont'd)

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

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

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

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

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

15. Investment in subsidiaries (cont'd)

15B. Disposal of a subsidiary

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

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

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

16. Investment in joint arrangement

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

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

17. Other financial assets

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

17. Other financial assets (cont'd)

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

17A. Investment in unquoted equity shares at FVTPL

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

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

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

17. Other financial assets (cont'd)

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

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

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

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

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

Sensitivity analysis for price risk of equity shares at FVTPL

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

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

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

17B. Investment in debt assets instruments at FVTPL

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

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

17. Other financial assets (cont'd)

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

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

The key information for fair value assessment are as follow:

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

Sensitivity analysis

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

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

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

17C. Investment in quoted fund at FVTPL

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

Sensitivity analysis

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

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

17. Other financial assets (cont'd)

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

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

17D. Investment in debt assets instruments at FVTOCI

	Group and Company		
	31 December 2020	31 December 2019	1 January 2019
	$'000	$'000	$'000
Movements during the year:			
Fair value at beginning of the year	1,000	1,000	1,000
Redemption	(1,000)	–	–
Fair value at end of the year	–	1,000	1,000

Disclosures relating to investments in debt assets instruments at FVTOCI:

		Group and Company		
	Level	31 December 2020	31 December 2019	1 January 2019
		$'000	$'000	$'000
Unquoted bond with fixed interest of 10% and maturing on 29 May 2020, Singapore	2	–	1,000	1,000
A summary of the maturity dates as at the end of reporting year is as follows:				
Within 1 year		–	1,000	–
Within 1 to 2 years		–	–	1,000
		–	1,000	1,000

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

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

17. Other financial assets (cont'd)

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

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

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

17E. Loan receivable from subsidiary

	Company	
	2020	2019
	$'000	$'000
Movements during the year:		
At beginning of the year	–	–
Additions	7,560	–
At end of the year	7,560	–

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

18. Other non-financial assets, non-current

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

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

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

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

19. Biological assets

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

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

20. Inventories

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

There are no inventories pledged as security for liabilities.

21. Trade and other receivables

	31 December 2020 $'000	Group 31 December 2019 $'000	1 January 2019 $'000
Trade receivables:			
Outside parties	29,685	13,716	13,453
Less: Allowance for impairment	(13,462)	(12,675)	(13,019)
Net trade receivables – subtotal	16,223	1,041	434
Other receivables:			
Outside parties	325	1,522	1,681
Less: Allowance for impairment	–	(844)	(1,676)
Deposits	20	20	78
Net other receivables – subtotal	345	698	83
Total trade and other receivables	16,568	1,739	517

	31 December 2020 $'000	Group 31 December 2019 $'000	1 January 2019 $'000
Movements in above allowance on trade receivables:			
At beginning of the year	(12,675)	(13,019)	(13,490)
Charge for trade receivables to profit or loss included in other operating expenses	(166)	–	–
Foreign exchange adjustments	(621)	344	471
At end of the year	(13,462)	(12,675)	(13,019)
Movements in above allowance on other receivables:			
At beginning of the year	(844)	(1,676)	–
Reversal/(charge) for other receivables to profit or loss included in other operating income	844	790	(1,676)
Foreign exchange adjustments	–	42	–
At end of the year	–	(844)	(1,676)

21. Trade and other receivables (cont'd)

	Company		
	31 December 2020	31 December 2019	1 January 2019
	$'000	$'000	$'000
Other receivables:			
Outside parties	–	–	15
Subsidiaries (Note 3)	228,205	233,367	237,877
Less: Allowance for impairment (Note 3)	(224,461)	(231,485)	(236,820)
Total other receivables	3,744	1,882	1,072

	Company		
	31 December 2020	31 December 2019	1 January 2019
	$'000	$'000	$'000
Movements in above allowance on other receivables:			
At beginning of the year	(231,485)	(236,820)	(232,805)
Reversal for other receivables to profit or loss included in other operating income	7,024	7,049	–
Charge for other receivables to profit or loss included in other operating expenses	–	(1,714)	(4,015)
At end of the year	(224,461)	(231,485)	(236,820)

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

21. Trade and other receivables (cont'd)

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

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

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

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

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

22. Other non-financial assets, current

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

23. Cash and cash equivalents

	Group		
	31 December 2020	31 December 2019	1 January 2019
	$'000	$'000	$'000
Not restricted in use	11,484	16,954	19,110

	Company		
	31 December 2020	31 December 2019	1 January 2019
	$'000	$'000	$'000
Not restricted in use	3,491	7,499	3,249

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

23A. Reconciliation of liabilities arising from financing activities

	Beginning of the year	Cash flows	Non-cash changes		End of the year
	$'000	$'000	$'000		$'000
2020					
Lease liabilities (Note 27)	208	(140)	60	(a) (b) (c)	128
Other financial liabilities (Note 28)	817	20,816	(352)	(d)	21,281
Amount due to director	1,200	(1,160)	–		40
Total liabilities from financing activities	2,225	19,516	(292)		21,449

	Beginning of the year	Cash flows	Non-cash changes		End of the year
	$'000	$'000	$'000		$'000
2019					
Lease liabilities (Note 27)	301	(161)	68	(a) (b) (c)	208
Other financial liabilities (Note 28)	673	144	–		817
Amount due to director	1,116	120	(36)		1,200
Total liabilities from financing activities	2,090	103	32		2,225

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

24. Share capital

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

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

Capital management:

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

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

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

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

25. Reserves

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

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

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

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

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

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

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

26. Trade and other payables

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

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

27. Lease liabilities

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

Movements in lease liabilities are as follows:

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

27. Lease liabilities (cont'd)

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

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

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

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

2020	Minimum payments $'000	Finance charges $'000	Present value $'000
Not later than 1 year	100	(7)	93
Between 1 and 3 years	36	(1)	35
	136	(8)	128

2019	Minimum payments $'000	Finance charges $'000	Present value $'000
Not later than 1 year	168	(7)	161
Between 1 and 3 years	51	(4)	47
	219	(11)	208

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.

27. Lease liabilities (cont'd)

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

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

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

28. Other financial liabilities

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

	Company		
	31 December 2020	31 December 2019	1 January 2019
	$'000	$'000	$'000
Non-current			
Bank loan (unsecured) (Note 28A)	4,167	–	–
Total non-current portion	4,167	–	–
Current			
Outside parties (unsecured)	673	673	673
Bank loan (unsecured) (Note 28A)	833	–	–
Total current portion	1,506	673	673
Total non-current and current	5,673	673	673

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

28. Other financial liabilities (cont'd)

28A. Bank loan (unsecured)

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

28B. Trust receipts

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

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

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

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

29. Other non-financial liabilities

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

30. Discontinued operations

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

	Group	
	2020 $'000	2019 $'000
Other operating income	–	15
Profit before income tax	–	15
Income tax	–	–
Profit for the year	–	15

31. Earnings/(loss) per share

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

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

* Amount less than 0.01 cents.

32. Operating lease income commitments – as lessor

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

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

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

33. Contingent liabilities

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

34. Acquisition of subsidiaries

34A. Acquisition of Resolute Communications Pte. Ltd.

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

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

34. Acquisition of subsidiaries (cont'd)

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

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

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

Net cash outflow on acquisition is as follows:

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

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 2020 $'000	For the reporting year 2020 $'000
Revenue	–	841
Profit before income tax	(130)	59

34. Acquisition of subsidiaries (cont'd)

34B. Acquisition of AP Media Pte. Ltd.

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

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

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

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

Net cash outflow on acquisition is as follows:

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

34. Acquisition of subsidiaries (cont'd)

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

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

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

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

Goodwill arising on acquisition:

The goodwill arising on acquisition is as follows

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

35. Financial instruments: information on financial risks

35A. Categories of financial assets and liabilities

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

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

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

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

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

Further quantitative disclosures are included throughout these financial statements.

35B. Financial risk management

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

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

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

35C. Fair values of financial instruments

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

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

35D. Credit risk on financial assets

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

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

35E. Liquidity risk – financial liabilities maturity analysis

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

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

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

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

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

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

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

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

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

	Less than 1 year
	$'000
Company	
2020	
Financial guarantee contracts - bank guarantee in favour of a subsidiary	8,048

Bank facilities:

	$'000
2020	
Unused bank guarantees	3,202

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

35F. Interest rate risk

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

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

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

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

35G. Foreign currency risks

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

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

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

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

35G. Foreign currency risks (cont'd)

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

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

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

35H. Equity price risks

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

36. Changes and adoption of financial reporting standards

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

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

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

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

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

38. Comparative figures

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