

RIDING AN
UNSTOPPABLE

WAVE OF GROWTH



OCEANUS
GROUP

“

We have turned
the tides to rise
above and beyond.

And now, we ride an unstoppable
wave of growth by harnessing
synergy for our next voyage of
exponential growth.”

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



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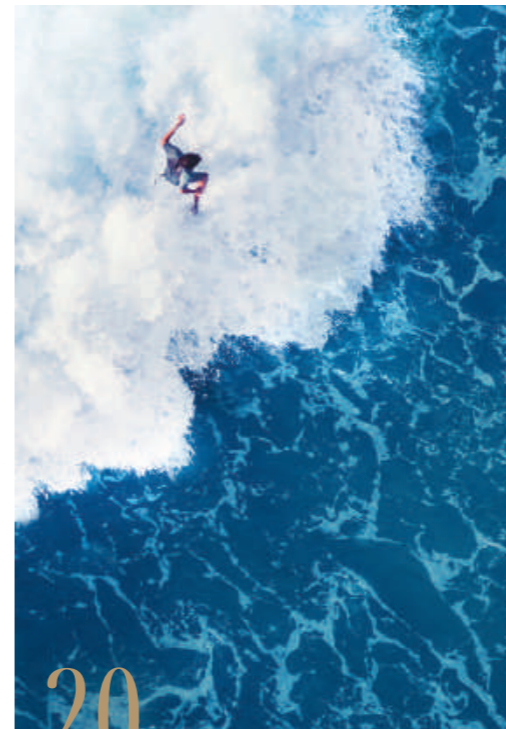
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A heartfelt message FROM OUR CEO



Dear Shareholders,

2021 was a momentous year for us. The Oceanus team has worked tirelessly to arrive at where we are now – from beating turnover highs throughout the year to exiting the SGX Watchlist, and we are deeply indebted to all our stakeholders who continue to believe in us.

After nearly six years, the Group successfully exited the SGX Watchlist on 29 September 2021. This marks the most important event in our corporate journey as it is also the first time in the history of the SGX Watchlist that a company achieved a complete turnaround through concerted restructuring efforts after having faced such a tumultuous situation for an extended period.

We are excited, relieved and grateful for all the support we have received throughout the years. With a renewed sense of determination, the Oceanus family is more motivated than ever, to elevate the Group to new heights and accomplish even more for the company.

On a personal level, this is the actualisation of my promise made to all stakeholders seven years

ago to save a failing business. With the exit from the SGX Watchlist, we now step out from the shadows of our past, and are excited to begin a brand new chapter. Oceanus Group's new brand identity is a reflection of this, symbolising the spirit of renewal and new beginnings, as we transform into a leading global FoodTech enterprise.

FINANCIAL REVIEW

In FY2021, our total revenue soared 52% or S\$48.3 million to hit an all-time high of S\$140.4 million as compared to the preceding financial year ("FY2020"). This also marks the first time that the Group has exceeded the S\$100 million milestone, a testament to the continued success of the Group's four business pillars – Food Production, Distribution, Services and Innovation.

The expansion of the Group's Distribution business in fast moving consumer goods ("FMCG") significantly contributed to the Group's topline boost, surging 58% to S\$134.4 million in FY2021 as compared to S\$85.2 million in FY2020. This significant increase is part of our strategy to boost our global supply chain capabilities which would then benefit the growth of three key segments- Food Production, Services and Innovation. The Services business had also increased its contribution from S\$2.9 million in FY2020 to S\$4.3 million in FY2021. The increment was attributable to the Group's acquisition of Resolute Communications Pte Ltd and Anomalist Studio Pte Ltd, on the back of growth in clientele base and projects.

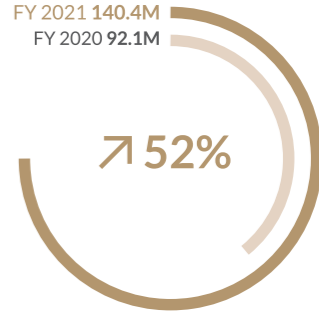
In tandem with the boost in revenue, gross profit for the period increased 10% to S\$10.2 million from FY2020. Similarly, other operating income for FY2021 was up 53% to hit S\$10.3 million which resulted in a 18% growth in EBITDA for the year, closing off at S\$14.1 million.

Correspondingly, the Group logged net profit for FY2021 at S\$8.8 million.

Our balance sheet remains healthy with a positive net asset position of S\$33.3 million as at 31 December 2021, an increase of 17% from S\$28.5 million a year ago. The Group's net working capital position (or net current asset position) also improved by 32% from S\$21.1 million as at 31 December 2020 to S\$27.9 million as at 31 December 2021.

The Group had also increased our borrowings by S\$60 million which will mainly be used to fund our next phase of growth as well as the increase in trading volumes. Cash and cash equivalents at the end of the period stood at S\$37.2 million, an increase of more than 224% from S\$11.5 million a year ago.

FY 2021 Total Revenue



“Our goal remains in driving business expansion through strategic partnerships and creating new revenue streams across the Group’s four pillars for long-lasting, continued, sustainable growth.”

OPERATIONAL HIGHLIGHTS

Under our **Food Production** business, we are expanding its presence along the supply chain, with Asia Fisheries entering into an exclusive contract with a major seafood producer in Vietnam in June 2021 to distribute seafood into the Chinese market. This year alone saw Oceanus achieving 1.2 million tonnes in trade volume in both China and Southeast Asia. We will continue to foster partnerships in this segment to increase production volume and endeavour to become a major seafood producer in the region.

The **Distribution** business continues to make inroads with the establishment of Sino Food Group (“Sino Food”). Sino Food was appointed as an approved frozen food distributor of China Resources (Group) Co. Ltd., a Fortune Global 500 company, to supply frozen food products from over 200 exporters in Europe, and North and South America to China. Sino Food is expected to accelerate and expand our footprint in the food distribution sector in Asia. The Group’s Distribution business also expanded our list of FMCG offering to include frozen meat, food commodity and gourmet food.

The Group’s **Services** segment saw the amalgamation of all of Oceanus’ award-winning multimedia companies – AP Media, Resolute Communications and Anomalyst Studio – under the Oceanus Media Group (“OMG”)

brand. Together under OMG, they will integrate technical expertise, experimental thinking and marketing innovation to create distinctive virtual experiences. OMG will be a creative media tech company that specialises in producing ‘futurealistic’ experiences through the use of augmented reality, interactive live-streaming, virtual and hybrid event activations and immersive media content. In addition, the Group established an associate company, Aquarii, headed by Singapore’s former ambassador to Cambodia, Mr. Michael Tan. Aquarii will tap on the growing Cambodian market by connecting international businesses through its online business platform and by providing advisory services.

Finally, to kick-start our warehousing and logistics services, Oceanus Tradelog was established as a subsidiary under the Group to deliver warehousing and logistics solutions to support both external customers, as well as Oceanus’ current growing online and offline distribution business in the region. Oceanus Tradelog had also recently secured a contract to provide warehousing and logistics services for SATS Ltd subsidiary Country Foods Pte Ltd. The Group ramps up its logistics capabilities, with plans for Oceanus Tradelog to manage warehousing facilities in the region within the next two to three years.

Under the **Innovation** business segment, we set up our

e-commerce platform in Singapore and doubled our product offerings and increased our revenue tenfold. The Group’s e-commerce platform will expand Oceanus’ online capabilities and presence in Asia. Oceanus also spearheaded Southeast Asia’s first virtual live concert featuring rapper ShiGGa Shay. The Group looks forward to pushing live-to-virtual boundaries as we explore more opportunities to showcase our immersive capabilities.

THE FUTURE OF OCEANUS

In our third phase of growth, the Oceanus ‘Tech Up’ plan seeks to digitalise our four business pillars and introduce cross-selling opportunities, thereby harnessing corporate synergy across the Food Production, Distribution, Services and Innovation pillars.

We will also establish a global digital exchange where external customers are able to remotely conduct trades, securely perform financing activities and settlements, as well as real-time tracking of their shipment. All these transactions and activities will be made possible by leveraging blockchain technology. Blockchain records information on a decentralised ledger that makes it impossible to change, hack or bypass the system, hence creating a safe, secure and traceable environment to conduct online transactions.

Our core mission of sustainability is at the heart of everything we do. As we progress and adopt

new technologies to scale our businesses, we are mindful to maintain a sustainable future for Oceanus Group. We are committed to becoming a leader in the FoodTech space and above all, we are devoted to delivering and ensuring food security in this region.

ACKNOWLEDGEMENT

I would like to take this opportunity to extend the Board’s appreciation to Non-Independent, Non-Executive Director, Mr. Eugen Chua. His contribution over the last two and a half years has been invaluable and we wish him all the best in his next adventure.

On behalf of the Board, I would like to welcome Mr. Cleveland Cuaca, who has been appointed as Non-Independent, Non-Executive Director on 15 December 2021. Mr. Cuaca adds diversity to our Board with his varied investment, business development and branding experience. He joins us with a special focus to ‘tech up’ Oceanus’ business pillars and the FMCG distribution network.

Finally, Oceanus will not be where it is today without the love and support from the Oceanus family as well as our external stakeholders. On behalf of the Board, I would like to offer my heartfelt appreciation to the Oceanus team for their resilience, diligence and confidence in leading the Group to achieve new highs. I would also like to extend my sincere gratitude to our shareholders,

partners and business associates for their trust and steadfast support for Oceanus.

Our goal remains in driving business expansion through strategic partnerships and creating new revenue streams across the Group’s four pillars for long-lasting, continued, sustainable growth. The wave of growth for Oceanus Group is on the horizon, and my team and I are excited to ride it to become a leading FoodTech enterprise of the future.

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

BOARD OF DIRECTORS



Mr Peter
H.K. KOH, PBM

Executive Director & Group CEO

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

In September 2021, Under Mr Koh's strong leadership, Oceanus Group successfully exited from the SGX Watch-list, celebrating a major corporate milestone for the

Group, and marking another turning point since taking the helm. This also represents the first time in the history of SGX-ST's Watch-List, whereby a company successfully achieves a complete turnaround through concerted restructuring efforts after having faced such a situation for an extended period.

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

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

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



Mr Edward
LOY CHEE KIM

Independent, Non-Executive Director

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

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

Currently the Managing Director of KONE Malaysia, he has also held senior positions in several multi-national companies. He was Regional Audit Manager at

Unilever and Regional Finance Director at Saint-Gobain before becoming its Managing Director for Malaysia, Singapore and Indonesia. His work with these global companies has taken him to living in different countries across 2 continents. He was posted to China twice in his career.

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

Mr Zahidi BIN ABD RAHMAN

Independent, Non-Executive Director



Mr Zahidi was appointed to the Board as an Independent, Non-Executive Director on 26 June 2020. Mr Zahidi is Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.

Mr Zahidi has almost three decades of experience as an architect, providing architectural, interior design and project management services for buildings, housing and townships, as well as education institutions.

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

He was previously a board member of the Central Provident Fund Board, the Infocomm Media Development Authority and the National Heritage Board. Mr Zahidi holds a Bachelor of Arts (Arch. Studies) and a Bachelor of Art (Hon) from the National University of Singapore.



Dr Yaacob BIN IBRAHIM

Independent, Non-Executive Director

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

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

Dr Yaacob served as a Minister in the Ministries of Communications and Information (2011 - 2018),

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

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



Mr Cleveland CUACA

Independent, Non-Executive Director

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

Mr. Cuaca holds key business development, finance, and investment positions at Richard Mille Asia Pte. Ltd., CFAM Pte. Ltd., Alacrity Investment Group Limited Singapore and En Venture Pte. Ltd. As the Executive Director of luxury brand retailer, Richard Mille, Mr. Cuaca is actively involved with business development, branding strategy, inventory planning and

customer relations. At CFAM, he is responsible for planning the strategy and structure of the company and evaluates potential investment projects. Mr Cuaca is also the Executive Director and key shareholder of Alacrity Investment Group, Oceanus' largest shareholder.

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

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

TAKING THE HELM

MEET THE MANAGEMENT

Say hello to the management team steering Oceanus' unstoppable voyage of growth. As a team, we stand firm as a beacon driving our mission of building sustainability today for the security of tomorrow.

MR DUANE HO

Group Chief Financial Officer

MS DAPHNE LIM

Group Director,
Corporate Planning & Strategy

MS JENNY KOH

Group Director,
Food Production

MR SAMMUL LIN

Group Director, Commerce

MS TAN MAY LING

Group Financial Controller

MR NICK TAN

Group Director, Services (Media)

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LOOKING BACK

An aerial photograph of a boat's wake in the ocean. The wake is a large, circular, white, foamy ring that has formed in the dark blue water. The boat is visible at the bottom of the ring, moving away from the viewer. The overall scene is captured from a high angle, looking down at the water.

Turning of the Tides to Rise Above & Beyond

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MAKING WAVES

EXITING THE SGX WATCHLIST

On 29 September 2021, Oceanus marked another historic milestone in our amazing journey, where we finally exited the SGX watchlist, a rare feat in corporate turnaround in Singapore.

This also represents the first time in the history of SGX-ST's watchlist where a company has successfully achieved a complete turnaround through concerted restructuring efforts, despite facing challenges over an extended period of time.

Our exit from the watchlist marks the start of Oceanus creating waves that will ripple the entire

FoodTech landscape, and drive our transformation as an industry leader.

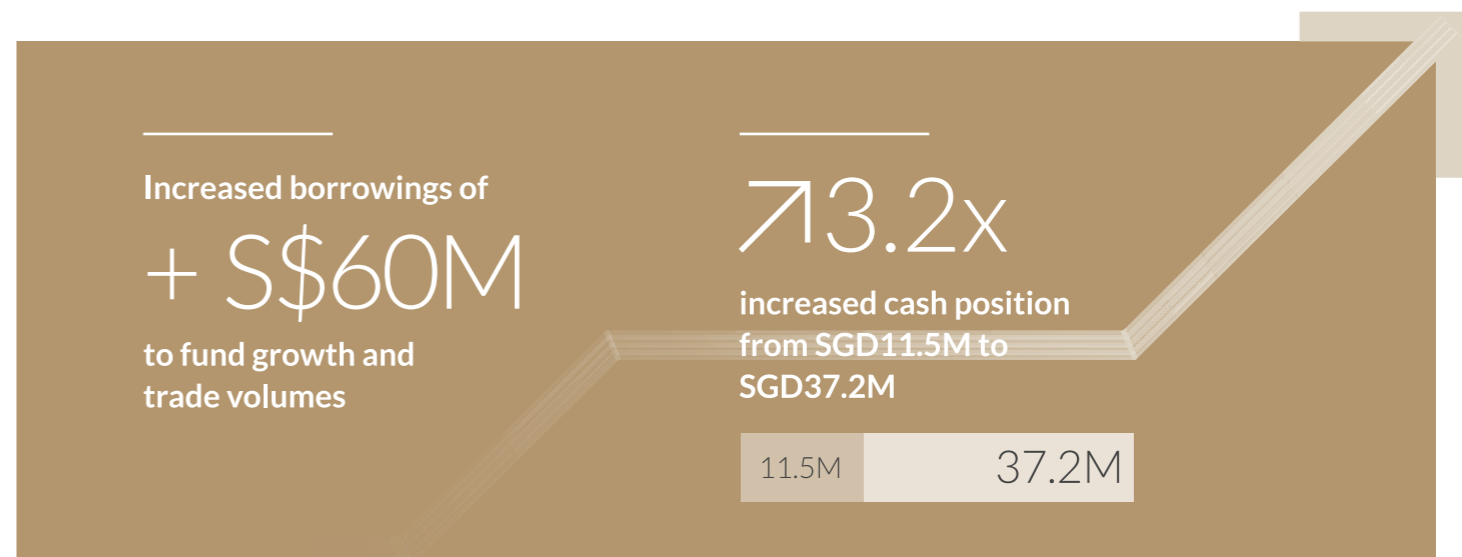
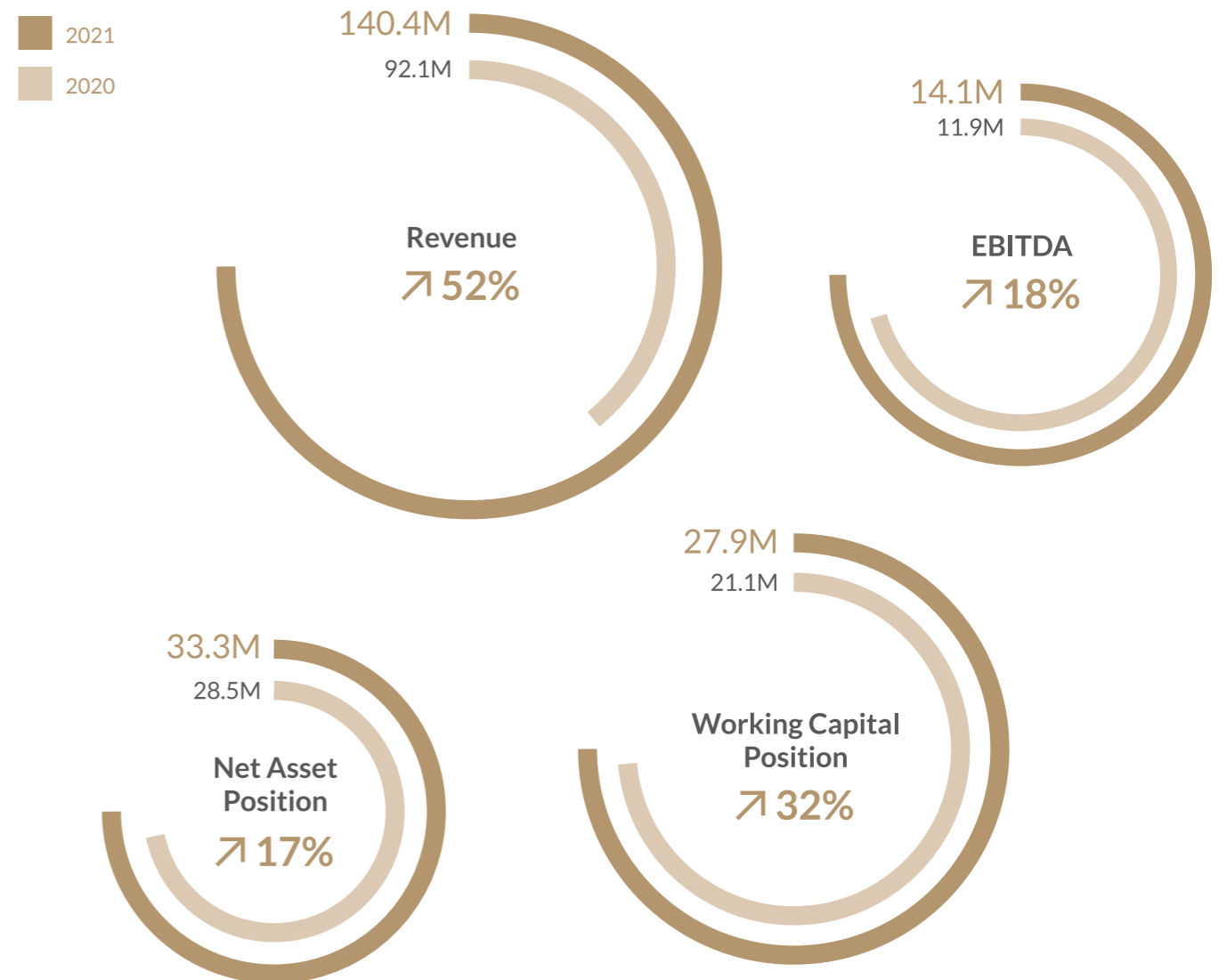
Today, we are well-placed to continue our growth trajectory through our Food Production, Distribution, Services and Innovation divisions by tapping on strategic partnerships, and the creation of new revenue streams.



2021
FINANCIAL HIGHLIGHTS

SURFING ON SURGING PROFITS

Over the years, we have achieved many historic successes. We pulled the company out of near bankruptcy. We restructured our debt and against all odds, worked tirelessly to build a new foundation with sustainable profit centres and set it on a path of growth. 2021 is the year that bears testament to our hard work. Here are the highlights.



IN THE PRESENT

Riding an Unstoppable Wave of Growth



A new beginning

CREATING IMPACT
AROUND THE GLOBE
WITH OUR NEW
BRAND MANIFESTO

BRAND REFRESH

CREATING RIPPLES OF CHANGE

We are proud of our history and how much we've evolved, as we successfully diversified and scaled our offerings while broadening our footprint to create positive impact across the globe.



The new Oceanus brand logo reflects our diversity and sustainability as a multi-product and multi-country company. It also marks the new chapter for Oceanus, as we ride an unstoppable tidal wave that propels us as the leading FoodTech enterprise of the future.



SUSTAINABILITY

+



SECURITY

+



STABILITY

ANCHORING OUR 4 GROWTH PILLARS

Since we built our 4 growth pillars, we have seen a significant boost in our financial performance, further demonstrating the strength of our long-term strategy and synergy. As we look forward, our focus is on harnessing cross-pillar synergy for exponential growth that is sustainably anchored in our omnichannel strategy.

OMNICHANNEL ADVANTAGE THROUGH CROSS PILLAR SYNERGY



INNOVATION

- Innovation of Supply Chain Management
- Digitalisation of Oceanus Business
- Blockchain-enabled Global Digital Exchange



FOOD PRODUCTION

- Freshwater & Saltwater Fish
- Molluscan Shellfish
- Crustaceans



DISTRIBUTION

- Food Commodity
- Frozen Meat
- FMCG Products



SERVICES

- Digital Immersive Marketing
- Business Consultancy
- Land Leasing & Management
- Warehousing & Logistics





FOOD PRODUCTION

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

Bridging the gap between food producers and merchants by expanding presence further down the supply chain

Achieved
1.2M
TONNES

and rapidly growing seafood trade volume within China and SEA in 2021

Asia Fisheries enters into an exclusive contract with a major seafood producer in Vietnam to distribute seafood into the Chinese market

Associate Universal Aquaculture collaborates with Grobest Group to develop the World's First Next-gen Functional Performance Shrimp Feed for their Hybrid Biological Recirculation System™



DISTRIBUTION

Having built upon our established corporate presence and global trading network worldwide, we are further strengthening our position and accelerating expansion through a digital platform and our own brand of FMCG products.

Distribution deals totalling
3.6M
TONNES

for export of frozen meat to neighbouring SEA countries, and growing

Subsidiaries Guangzhou ISC, Co., Ltd Recherché Living and Shenzhen Jiade Yifeng Supply Chain set up to further expand on the Food Commodities and Gourmet Goods market in Asia

Since its establishment, Oceanus subsidiary Sino Food Group has become an approved distributor for China Resources Wufeng, which is a member of China Resources, a state-owned enterprise and Fortune Global 500 company, paving the way towards exponential volume in frozen meat distribution in China





SERVICES

Oceanus adds more in-house logistics, consultancy and marketing capabilities and expertise to our already comprehensive suite of services. This marks another step in us becoming a leading FoodTech company bolstering food security and the global food supply chain.



Established Oceanus Tradelog

to support the warehousing and logistics services needs of our food production and distribution pillars

Oceanus Tradelog secured a warehousing and logistics contract with international food industry player and SATS subsidiary Country Foods

Consolidated all award-winning multimedia capabilities under Oceanus Media Global (OMG) to provide 'futurealistic experiences' through a state-of-the-art Extended Reality Studio to create next-gen brand and consumer experiences

Established associate company Aquarii, which taps on the growing Cambodian market by connecting international businesses and investors to Cambodia through two components to its business- an online business platform and advisory business



INNOVATION

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

2x
PRODUCT
OFFERINGS

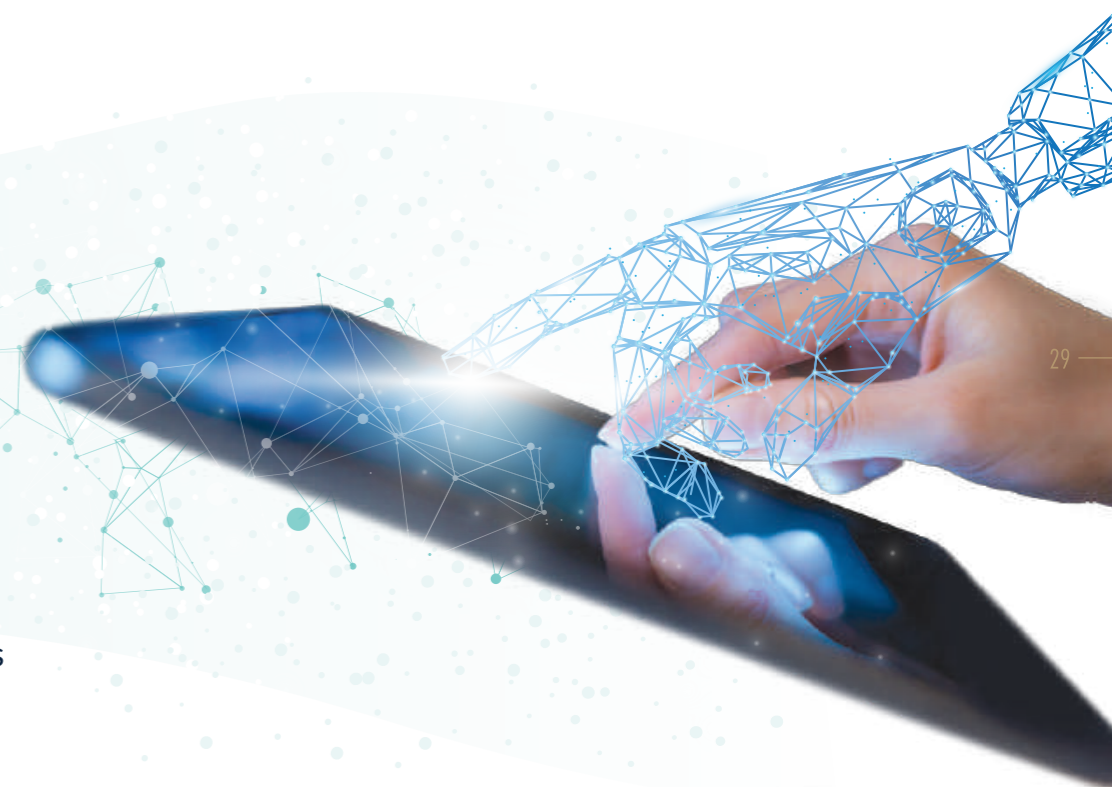
10x
REVENUE

through our e-commerce platforms such as SGFarmer

Set up of SG.eMart to spearhead the development of Oceanus' e-commerce and digital trading capabilities, enhancing its presence in the region

Pioneering immersive experiences for businesses and consumers:

- Developed HP's first interactive virtual showroom for personalised e-commerce experiences
- Brought Singapore's National Day Parade 2021 to life with AR visual effects
- Engineered Southeast Asia's first fully virtual, avatar-mapping live concert with Rapper ShiGGa Shay





MOVING FORWARD

Sailing on a Synergistic Voyage of Change

THE TECH UP TOWARDS

A Leading FoodTech Enterprise

“

I am excited about the new future of Oceanus Group.

Even as my earlier promise has been fulfilled, we will not rest on our laurels. We will push on to harness the best of technology and digitalise our business to pave our way in the food security landscape.”

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

DIGITALISATION THROUGH A GLOBAL DIGITAL EXCHANGE

During our previous Build Up phase Oceanus successfully established sustainable profit centres and a strong foundation to support long-term growth. Our next Tech Up phase in the coming years will see Oceanus focusing on establishing a global digital exchange, where customers are able to remotely conduct trades, securely perform financing activities and settlements, as well as tracking of their shipment in real time.

This shift towards digitalisation is made possible by leveraging on blockchain technology to create a safe, secure and traceable environment to conduct online transactions. The platform will also help us deliver greater value, transparency, accountability and trust to our partners through visibility across the entire food supply chain.

BLOCKCHAIN

Enhance food security and safety through traceability

Blockchain technology allows information to be recorded on a decentralised ledger that makes it impossible to change or hack the system, allowing for end-to-end traceability that lets Oceanus enhance food security and safety from farm to table.



DATA ANALYTICS

Optimise decision making processes

Through supply chain digitalisation, Oceanus will be able to leverage on the visibility of real-time data like consumer profiling to predict and drive product relevancy. Insights driven by predictive analytics will help us optimise the decision making process across our distribution channels.



CLOUD AND ERP

Enable global reach with cloud computing and ERP systems

Utilising cloud computing and Enterprise Resource Planning (ERP) systems will empower Oceanus to work efficiently and remotely with our global subsidiaries. These systems will also consolidate real-time financial insights for informed decision making.



POWERING OUR INTEGRATED SOLUTIONS

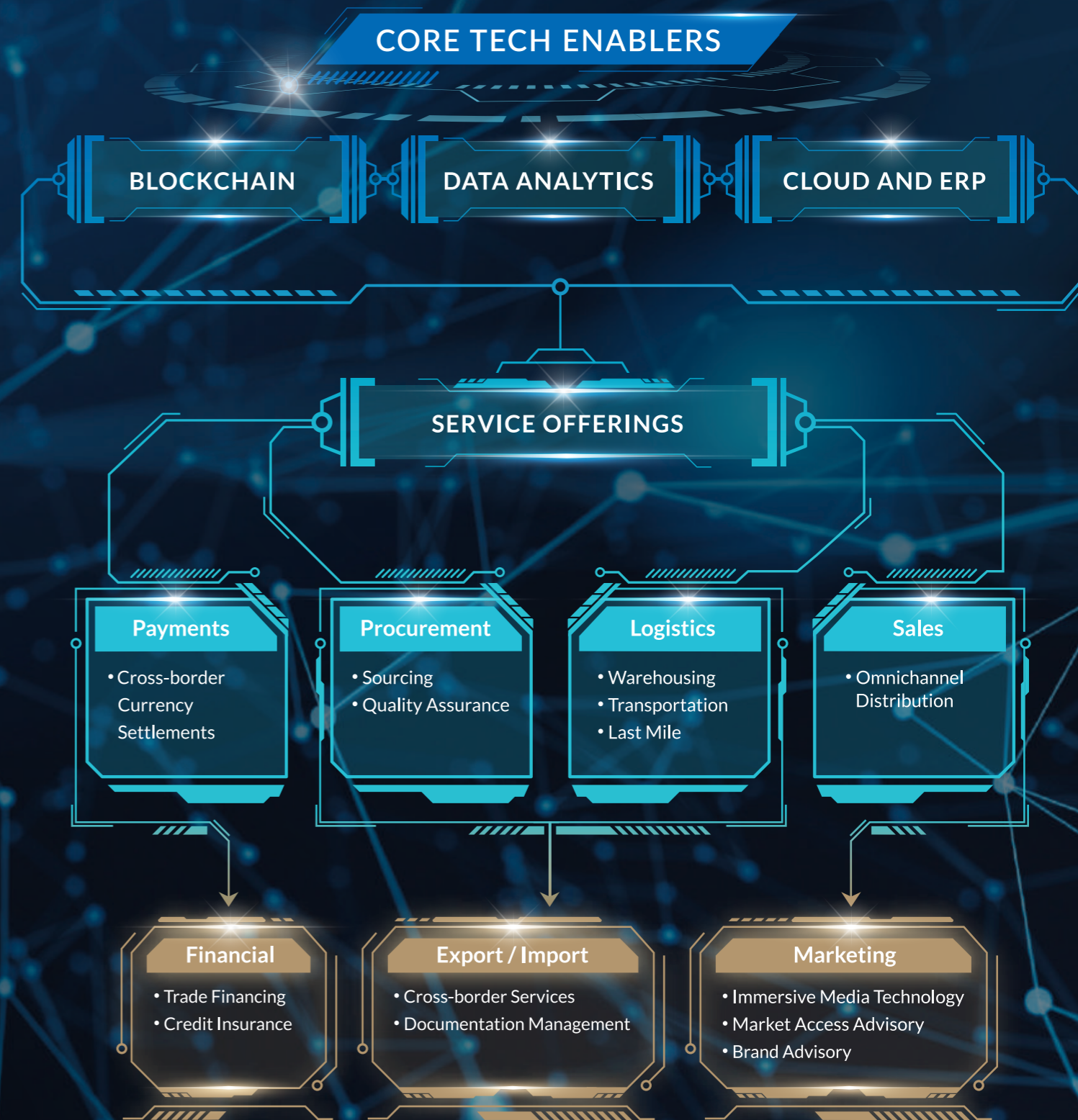
THROUGH
DIGITAL
TRANSFORMATION (DX)

BUILDING AN INTEGRATED FOODTECH ECOSYSTEM THROUGH OUR DX STRATEGY

Our Core Tech Enablers are the building blocks that will drive our in-house service capabilities and amplify cross-pillar synergy for exponential growth. This will fuel our digital transformation into a FoodTech leader dedicated to ensuring food security and delivering greater value to our stakeholders.

SYNERGISTIC SUITE OF SOLUTIONS

driven by a blockchain-enabled global digital exchange



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CORPORATE INFORMATION

DIRECTORS

EXECUTIVE DIRECTOR AND CEO

Peter Koh Heng Kang

INDEPENDENT DIRECTORS

Edward Loy Chee Kim
Zahidi Bin Abd Rahman
Yaacob Bin Ibrahim

NON-EXECUTIVE DIRECTORS

Cleveland Cuaca

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

Yaacob Bin Ibrahim (Chairman)
Edward Loy Chee Kim
Cleveland Cuaca

COMPANY SECRETARIES

Chen Chuanjian, Jason
Tan Ching Ching

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Keppel Bay Tower #14-03/07
Singapore 098632

BANKERS

United Overseas Bank
DBS Bank Ltd
HSBC Bank
OCBC Bank
Bank of China

AUDITOR

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

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

CORPORATE GOVERNANCE REPORT

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

This Annual Report sets out the corporate governance practices and procedures that have been adopted by the Group with specific reference to the principles and provisions of the Code, the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST Listing Manual**”) and the Companies Act 1967 of Singapore (“**Act**”) where applicable, except where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

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

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

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

Matters which specifically require the Board’s decision or approval includes the followings:

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

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

CORPORATE GOVERNANCE REPORT

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

The number of meetings held and the attendance at meetings of the Board and Board Committees by the previous and present Directors of the Company during the financial year end 31 December 2021 ("FY2021") are, as follows:

	Board	AC	NC	RC
Number of meetings held	7	5	1	1
	Number of meetings attended while being a member			
Peter Koh Heng Kang	7	N.A.	1	N.A.
Edward Loy Chee Kim ⁽¹⁾	7	5	N.A.	1
Eugen Chua ⁽²⁾	7	5	1	1
Zahidi Bin Abd Rahman ⁽³⁾	7	5	1	1
Dr. Yaacob Bin Ibrahim ⁽⁴⁾	7	N.A.	N.A.	N.A.
Cleveland Cuaca ⁽⁵⁾	N.A.	N.A.	N.A.	N.A.

Notes:

- (1) Mr Edward Loy Chee Kim was appointed as a member of the NC on 5 April 2021.
- (2) Mr Eugen Chua was appointed as a member of AC of the Company on 1 September 2020. Subsequently, Mr Eugen Chua was re-designated as Non-Independent Non-Executive Director on 5 April 2021. He had also relinquished his appointment as Chairman of the RC and a member of the NC on 5 April 2021. Following the resignation of Mr Eugen Chua as the Non-Independent Non-Executive Director of the Company on 15 December 2021, he also ceased to act as the member of each of the AC and RC accordingly.
- (3) Mr Zahidi Bin Abd Rahman was appointed as an Independent Non-Executive Director, Chairman of the NC and a member of each of the AC and the RC of the Company on 29 June 2020. Subsequently, he had relinquished his appointment as a member of the RC on 5 April 2021.
- (4) Dr. Yaacob Bin Ibrahim was appointed as an Independent Non-Executive Director of the Company on 1 September 2020. He was appointed as a member of the RC and, subsequently appointed as the Chairman of the RC, on 5 April 2021.
- (5) Mr Cleveland Cuaca was appointed as a Non-Independent Non-Executive Director on 15 December 2021, and a member of each of the AC and RC.

N.A. = Not applicable

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

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

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the Group's business operations and governance practices, where necessary. Mr Cleveland Cuaca was the incoming director during the financial year under review. As the first-time Director to the listed issuer, Mr Cleveland Cuaca will attend the relevant Listed Entity Director training courses which are organised by the Singapore Institute of Directors as prescribed by the SGX-ST within the stipulated timeline.

In the past, the Directors attended various conferences, workshops and training programmes organised by the Singapore Institute of Directors, Singapore Management University, the Institute of Banking & Finance Singapore etc. In addition to the training courses/programmes, Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations. During the year, the Directors did not attend any conferences, workshops and training programmes. The Company will arrange for its Directors to attend the mandatory trainings on sustainability reporting (environment, social and governance essentials) within the current calendar year.

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

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

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

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

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

Principle 2: Board Composition and Guidance

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

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

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

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

The Board currently comprises three (3) Independent Non-Executive Directors, namely Mr Edward Loy Chee Kim, Mr Zahidi Bin Abd Rahman and Dr. Yaacob Bin Ibrahim, one (1) Executive Director, namely Mr Peter Koh Heng Kang, and one (1) Non-Independent Non-Executive Director, namely Mr Cleveland Cuaca. Mr Cleveland Cuaca was appointed on 15 December 2021, replacing Mr Eugen Chua who had resigned as the Non-Independent Non-Executive Director of the Company on the same day. Details of these changes had been announced on the SGX-ST on 15 December 2021

CORPORATE GOVERNANCE REPORT

The Company has yet to decide on the appointment of a new Chairman and continues to search for a suitable candidate.

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

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

In line with the SGX-ST Listing Rule 210(5)(d)(iii) which came into effect on 1 January 2022, the continued appointment of an Independent Director who has served the Board for an aggregate period of more than nine years will be subject to the approval of (i) all Shareholders; and (ii) all Shareholders, excluding Shareholders who are Directors and the CEO of the Company (and their associates), and will also be subject to rigorous review by the NC which is charged with the responsibility of monitoring and determining if a director remains independent in accordance with the Code. There is no Independent Director on Board who is subjected to this mandatory two-tier voting process at the forthcoming annual general meeting (“**2022 AGM**”).

The Board, through the NC, has examined its structure, size and composition and is of the view that it is an appropriate size for effective decision-making, taking into account the Company’s values, mission, strategic and business plan. The NC is also of the view that the current Board comprises individuals who as a group possesses core competency required for the Board to be effective. Details of the Board members’ qualifications and experience are presented in this Annual Report under the heading “Board of Directors”. The Board will also be formalizing a Board Diversity Policy during the current year, which provides that the NC shall consider all aspects of diversity, including diversity of skills, experiences, gender, age, ethnicity and other relevant factors in reviewing the Board composition. Notwithstanding that the Board is still in the process of adopting a written Board Diversity Policy, the Company has been placing Board Diversity as a key consideration in achieving its strategic objectives and ensuring sustainable development. In addition to having directors with diverse competencies and experience on board, the current Board is multiracial, multicultural and possesses a good mix of directors across different age groups. The NC has also recently reviewed and concurred that the next board diversity objectives will continue to place importance on gender, ethnicity and skill sets diversities.

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

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

Principle 3: Chairman and Chief Executive Officer

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

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

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

The Chairman is responsible for the following:

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

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

Principle 4: Board Membership

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

The NC of the Company currently comprises two (2) Independent Non-Executive Directors, namely Mr Zahidi Bin Abdul Rahman and Mr Edward Loy Chee Kim and one (1) Executive Director, namely Mr Peter Koh Heng Kang. Mr Zahidi Bin Abd Rahman is the Chairman of NC. Following to the re-designation of Mr Eugen Chua as Non-Independent Non-Executive Director on 5 April 2021 (whom had subsequently resigned as Non-Independent Non-Executive Director on 15 December 2021), Mr Eugen Chua also relinquished his appointment as a member of the NC.

The roles and functions of the NC are as follows:

- to make recommendations to the Board on all board appointments and re-nominations having regard to the Director's contribution and performance;
- to make recommendations to the Board on the review of board succession plans for Directors, Chairman and CEO;
- to make recommendations to the Board on the development of board evaluation performance;
- to make recommendations to the Board on the review of training and professional development program for the Board;

CORPORATE GOVERNANCE REPORT

- to make recommendations to the Board on the appointment and re-appointment of Directors;
- to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
- to determine annually whether a Director is independent, taking into account the definition of an independent director in the Code;
- to decide whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular, where the Director concerned has multiple board representations;
- to assess the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board; and
- to carry out such other duties as may be agreed to by the NC and the Board.

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

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

The re-election of each Director is voted on separately at the AGM. To assist shareholders in their decision, information such as personal profile and meetings attendance of each Director standing for election are furnished in the various sections of this Annual Report. The NC had recommended to the Board that Mr Zahidi Bin Abd Rahman would retire at the forthcoming AGM pursuant to Regulation 111 of the Company's Constitution and eligible for re-election. Mr Cleveland Cuaca would retire at the forthcoming AGM pursuant to Regulation 121 of the Company's Constitution and eligible for re-election. Detailed information relating to Mr Zahidi Bin Abd Rahman and Mr Cleveland Cuaca can be found under the section "Additional Information on New Director and Directors Seeking Re-election".

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

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

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

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

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Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Peter Koh Heng Kang	11 October 2013	29 April 2021	-	<u>Singapore</u> Biolidics Limited	<u>Singapore</u> Director of: 1. Oceanus Aquaculture Group Pte. Ltd. 2. Oceanus Food Group Pte. Ltd. 3. Oceanus (Singapore) Restaurant Management Pte. Ltd. 4. Oceanus Tech Pte. Ltd. 5. Oceanus Investments Holdings Pte. Ltd. 6. Capy Comm (S) Pte. Ltd. 7. Pete's Creation International Pte. Ltd. 8. SMM Group Pte. Ltd. 9. SMM International Investments Pte. Ltd. 10. Asia Fisheries Pte. Ltd. 11. Season Global Trading Pte. Ltd. 12. Sino Food Group Pte. Ltd. 13. Aquarii SG Pte. Ltd. 14. SG.eMart Pte. Ltd. 15. Oceanus Media Global Pte. Ltd. 16. Oceanus Tradelog Pte. Ltd.
Edward Loy Chee Kim	3 May 2018	29 April 2021	-	-	<u>Overseas</u> Managing Director of Kone Elevator (M) Sdn Bhd
Zahidi Bin Abd Rahman	29 June 2020	29 April 2021	-	-	<u>Singapore</u> Director and Member of Budhi Pte. Ltd. (<i>Advisory</i>) Principal Architect of Zahidi A. R Arkitek

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Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Dr. Yaacob Bin Ibrahim	1 September 2020	29 April 2021	<u>Singapore</u> Chip Eng Seng Corporation Ltd.		<u>Singapore</u> 1. Director of Surbana Jurong Private Limited (<i>Advisory</i>) 2. Board of Trustee of Building Construction and Timber Industries Employees' Union (BATU) (<i>Advisory</i>) 3. Professor and Advisor to the President of Singapore Institute of Technology (<i>Center Director and Advisor</i>) 4. Professor-in-Practice of Lee Kuan Yew School of Public Policy, NUS (<i>Part-time Lecturer</i>) 5. Chairman and Board of Governors of Earth Observatory of Singapore (EOS) (<i>Advisory</i>) 6. Board of Governors of SGTech (<i>Advisory</i>) 7. Advisor of AI.SG (<i>Advisory</i>) 8. Chairman and Board of Governors of St John's Island National Marine Lab (<i>Advisory</i>)
Cleveland Cuaca	15 December 2021	-	-	-	<u>Singapore</u> Director of: 1. CFAM Pte. Ltd. 2. CFI Pte. Ltd. 3. NG2COS Pte. Ltd. 4. CFAM Advisory Pte. Ltd. 5. CFPI Pte. Ltd. 6. CFAM Foundation Limited (<i>Advisory</i>) 7. En Venture Pte. Ltd. 8. Alacrity Investment Group Limited Officer of: 9. Richard Mille Asia Pte. Ltd.

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Principle 5: Board Performance

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

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

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

During the financial year under review, all Directors completed a board evaluation questionnaire designed to seek view on various aspects of the Board and Board Committees' performance as described above. All Directors also completed a Directors' Peer Evaluation and Self-Assessment Questionnaire in relation to the assessment of individual Director's contribution. The NC is satisfied that each Director has contributed effectively and demonstrated commitment to their respective role and the Board as a whole has also met the performance evaluation criteria and objectives. As Mr Cleveland Cuaca was only appointed close to the end of FY2021 on 15 December 2021, his performance as a Board and Board Committee member would only be assessed from the next assessment onwards.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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

The RC of the Company currently comprises two (2) Independent Non-Executive Directors, namely Dr. Yaacob Bin Ibrahim and Mr Edward Loy Chee Kim and one (1) Non-Independent Non-Executive Director, namely Mr Cleveland Cuaca. Dr. Yaacob Bin Ibrahim is the Chairman of the RC. Mr Cuaca Cleveland was appointed as a member of the RC with effect from 15 December 2021 in place of Mr Eugen Chua following Mr Chua's resignation as director on the same day. The RC has written terms and reference that describe the responsibilities of its members.

The roles and functions of the RC are as follows:

- to recommend to the Board a framework of remuneration for the directors and key management personnel;
- to determine specific remuneration packages for each director as well as for the key management personnel;
- in the case of service contracts of directors, to review and to recommend to the Board the terms of renewal of the service contracts;
- to consider the various disclosure requirements for directors' and key management personnel's' remuneration, particularly those required by regulatory bodies such as the SGX-ST, and ensure that there are adequate disclosures in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;

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- to review the Company's obligation arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clause which are not overly generous; and
- to carry out such other duties as may be agreed to by the RC and the Board.

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

The RC members are familiar with executive compensation matters as they manage their own businesses and/or are holding directorships in other listed companies. The RC has access to advice regarding executive compensation matters, if required. For FY2021, there was no external remuneration consultant engaged by the Company.

Principle 7: Level and Mix of Remuneration

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

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

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

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

Principle 8: Disclosure on Remuneration

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

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

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

The breakdown, showing the level and mix of each individual Director's remuneration in percentage term for the financial year ended 31 December 2021 paid by the Group, is stated as follows:

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

Notes:

- (1) Mr Edward Loy Chee Kim was appointed as a member of the NC on 5 April 2021.
- (2) Mr Zahidi Bin Abd Rahman was appointed as an Independent Non-Executive Director, Chairman of the NC and a member of each of the AC and the RC of the Company on 29 June 2020. Subsequently, he had relinquished his appointment as a member of the RC on 5 April 2021.
- (3) Dr. Yaacob Bin Ibrahim was appointed as an Independent Non-Executive Director of the Company on 1 September 2020. He was appointed as a member of the RC and, subsequently appointed as the Chairman of the RC on 5 April 2021.
- (4) Mr Cleveland Cuaca was appointed as a Non-Independent Non-Executive Director of the Company on 15 December 2021. Accordingly, he was also appointed as member of each of the AC and RC.
- (5) Mr Eugen Chua was appointed as a member of AC of the Company on 1 September 2020. Subsequently, Mr Eugen Chua was re-designated as Non-Independent Non-Executive Director on 5 April 2021. He also relinquished his appointment as Chairman of the RC and a member of the NC on 5 April 2021. Mr Eugen Chua had resigned as the Non-Independent Non-Executive Director and ceased to be a member of each of the AC and RC on 15 December 2021.

N.A. = Not applicable

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The top key management personnel (who were not Director or CEO) of the Group during the financial year ended 31 December 2021:

- Ho Jun How Duane - Chief Financial Officer (“CFO”)

The remuneration paid to the CFO for the financial year ended 31 December 2021 falls within the band of S\$250,000.

The remuneration of the Directors, the CEO and the key management personnel is not disclosed to the nearest thousand dollars in this Annual Report as the Company and Management have concerns that disclosing the detailed breakdown of their remuneration may compromise sensitive information to the Company’s competitors. As the Group operates mainly in the highly competitive fast-moving consumer goods industry, disclosure of such sensitive and confidential information may result in the risk of the staff being poached by competitors, which would adversely affect the Company’s business and operations. Having regard to the highly competitive industry conditions and the sensitivity and confidentiality of remuneration matters.

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

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

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

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

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

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

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

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Risk Management

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

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

Internal Controls

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

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

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

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

Principle 10: Audit Committee

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

The AC of the Company currently comprises two (2) Independent Non-Executive Directors, namely Mr Edward Loy Chee Kim and Mr Zahidi Bin Abd Rahman and one (1) Non-Independent Non-Executive Director, namely Mr Cuaca Cleveland. Mr Edward Loy Chee Kim is the Chairman of the AC. Mr Cuaca Cleveland was appointed as a member of the AC with effect from 15 December 2021 in place of Mr Eugen Chua following Mr Chua's resignation as director on the same day.

The roles and functions of the AC are as follows:

CORPORATE GOVERNANCE REPORT

- commissioning of the external auditors or a suitable accounting firm to conduct a full review of the internal controls of the Group, which includes reviewing the audit plans of the external auditors, the results of the external and internal auditors' examination and their evaluation of internal accounting controls systems, and the external auditors' report, letter to management and the management's response thereto;
- reviewing the internal control and procedures and ensuring the co-ordination between the auditors and Management, reviewing the co-operation and assistance given by the management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits and any matters which the auditors may wish to discuss (in the absence of the management where necessary)
- ensuring that the internal audit function is adequate and that a clear reporting structure is in place between the AC and the internal auditors, and reviewing the scope and results of the internal audit procedures including the effectiveness of the internal audit function. In particular, ensuring that all internal control weaknesses are satisfactorily and properly rectified and that the SGX-ST is updated on any findings of the external auditors or accounting firm and any action taken by the AC to rectify such weaknesses pursuant thereto;
- ensuring that a review of the effectiveness of the Company's material internal controls, including financial, operational, compliance, information technology controls and risk management system, is conducted at least annually by the internal auditor;
- reviewing and ensuring the integrity of the financial statements of the Group before submission to the Board for approval, focusing in particular, on significant financial reporting issues, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other statutory/regulatory requirements;
- reviewing and discussing with the relevant professional parties, and commissioning and reviewing the findings of internal investigations into, any suspected fraud or irregularity, or suspected failure of internal controls, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the management's response;
- reviewing the risk profile of the Company, its internal control and risk management procedures and the appropriate steps annually to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Company, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- reviewing the independence of the external auditor annually, and considering for recommendation to the Board the appointment, remuneration, terms of engagement or re-appointment of the external auditor and matters relating to the resignation or dismissal of the external auditor;
- reviewing and approving any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- reviewing any potential conflicts of interests that may arise in respect of any Director of the Company for the time being;

CORPORATE GOVERNANCE REPORT

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

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

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

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Executive Director and Management to discharge its functions properly.

The Company will be appointing an outsourced internal auditor to perform its internal audit function for the financial year ending 31 December 2022.

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

The AC has ultimate responsibility for the systems of internal control maintained and set in place by the Company. The systems are intended to provide reasonable assurance, but not an absolute guarantee, against material financial misstatement of loss, and regarding the safeguarding of investments and assets, reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification of business risks.

For the financial year ended 31 December 2021, the respective amount of the agreed audit and non-audit fees to be paid to the external auditor were S\$228,000 and S\$8,000. The AC has conducted an annual review of all non-audit services provided by the independent auditors and is satisfied that the nature and extent of such services do not affect the independence of the external auditor.

CORPORATE GOVERNANCE REPORT

The Company confirms that it is in compliance with Rule 712 and Rule 715 (when read with Rule 716) and Rule 717 of the SGX-ST Listing Manual in relation to its auditing firms for financial year ended 31 December 2021.

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

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

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

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

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

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

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

The Board and the Board Committees and CEO as well as the external auditors will be present and on hand to address all issue raised at the AGM. While the AGM of the Company is a principal forum for dialogue and interaction with all Shareholders, the Company will consider use of other forums such as analyst briefings as and when applicable. All Directors have attended the 2021 AGM.

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

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

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

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion and other factors that the Board may deem appropriate. The Board had not declared or recommend dividend payment for FY2021 as the Company was not profitable for FY2021.

CORPORATE GOVERNANCE REPORT

Conduct of AGM in 2021 amidst current COVID-19 pandemic

In view of the prolonged COVID-19 pandemic situation, shareholders had participated in the virtual 2021 AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2021 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2021 AGM. We had disclosed, on our website and SGXNET, the names of the Directors and key managements who had attended the 2021 AGM held by way of electronic means as well as detailed records of the proceeding. The Company did receive one hundred and six (106) questions from members in advance by the submission deadline on Monday, 26 April 2021 at 11.00 a.m. Nine (9) of the questions received were considered as substantial and relevant questions from shareholders and the answers/explanations provided by the Company during the AGM.

Conduct of 2022 AGM amidst current COVID-19 pandemic

Due to prevailing Covid-19 restrictions, shareholders will not be able to attend our 2022 AGM in person. Instead, we will be holding our 2022 AGM by electronic means on 29 April 2022 and shareholders are invited to participate at our virtual 2022 AGM by (a) observing and/or listening to the 2022 AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2022 AGM and submitting questions via live chat function during the 2022 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2022 AGM. Details of the steps for pre-registration, submission of questions and voting at the 2022 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNET on 14 April 2022. In view of the uncertain Covid-19 situation, we may be required to change our arrangements for the AGM at short notice and shareholders should check SGXNET or the Company's website at URL: <https://oceanus.com.sg/our-investors/> for the latest updates on the status of the 2021 AGM.

Principle 12: Engagement with Shareholders

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

Managing Stakeholders Relationships

Principle 13: Engagement with Stakeholders

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

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

Pertinent information is communicated to shareholders through:

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

Due to Covid-19 pandemic situation, the Company had made references and act in accordance with the relevant legislation/regulations in relation to the conduct of its AGM such as the Covid-19 (Temporary Measures) Act 2020, Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holdings) Order 2020 and/ or the prevailing statements/ joint, statements issued by the Accounting and Corporate Regulatory Authority, SGX and Monetary Authority of Singapore from time to time. The forthcoming AGM of the Company to be held on 29 April 2022 will also be held via electronic means. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM and submission of questions via live chat function during the AGM, addressing of substantial and relevant questions at the AGM, voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the forthcoming AGM. The minutes of the AGM will be made available to the Shareholders and the public by way of announcement via SGXNET. The Company will also publish the minutes of the AGM to the Company's website within 1 month after the conclusion of the AGM.

DEALINGS IN SECURITIES

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

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

The Group has reminded its Directors and officers that it is an offence under the Securities and Futures Act 2001, for a listed issuer or its officers to deal in the listed issuer's securities as well as securities of other listed issuers when the officers are in possession of unpublished material price-sensitive information in relation to those securities. Directors and executives are expected and reminded to observe insider-trading laws at all times even when dealing in securities within permitted trading periods. The Group has further reminded its Directors and officers not to deal in the Company's securities on short-term considerations.

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

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

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

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

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

MATERIAL CONTRACTS

There are no material contracts of the Company and its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year ended 31 December 2020.

SUSTAINABILITY REPORTING

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

A detailed SR has been prepared with reference to the Global Reporting Initiative ("GRI") Standards which represent the global best practices for reporting on economic, environmental and social topics. The financial year of reporting for the SR falls within the financial year ended 31 December 2021 and would include data and information from 1 January 2021 to 31 December 2021. Further information on our overall sustainability performance will be released and be available at the Company's website and on the SGXNET at a timeline as stipulated by the SGX-ST.

USE OF PROCEEDS

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

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

Pursuant to Rule 720(6) of the Listing Manual: Main Board Rules of the SGX-ST ("**Main Board Rules**"), the information relating to Mr Zahidi Bin Abd Rahman and Mr Cleveland Cuaca, the directors of Oceanus Group Limited (the "**Company**") as set out in Appendix 7.4.1 of the Main Board Rules is set out below:

	MR ZAHIDI BIN ABD RAHMAN	MR CLEVELAND CUACA
Date of Appointment	29 June 2020	15 December 2021
Date of last re-appointment	29 April 2021	N.A.
Age	60	27
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr Zahidi Bin Abd Rahman as the Independent Non-Executive Director be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Zahidi's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Cleveland Cuaca as the Non-Independent Non-Executive Director be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Cuaca's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit Committee	Non-Independent Non-Executive Director and a member of each of the Audit Committee and the Remuneration Committee of the Company
Professional qualifications	1) Bachelor of Arts (Arch. Studies), National University of Singapore 2) Bachelor of Arts (Hons), National University of Singapore	1) Master of Arts in Management, Regent's University 2) Bachelor of Science – Accounting and Management, Queen Mary University of London

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

Working experience and occupation(s) during the past 10 years	1992 to present Principal Architect, Zahidi A. R Arkitek	June 2019 to present Executive Director, Alacrity Investment Group Limited August 2019 to present Executive Director, CFI Group, including CFI Pte. Ltd., CFAM Pte. Ltd., NG2COCOS Pte. Ltd. and CFAM Advisory Pte. Ltd. October 2019 to present Executive Director, CFPI Pte. Ltd. November 2020 to present Director, Richard Mille Asia Pte. Ltd. March 2021 to present Director, CFAM Foundation Limited October 2021 to present Executive Director, En Venture Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Yes (Direct interest: 10,526,315 ordinary shares in the Company)	Yes (Deemed interest: 3,545,729,444 ordinary shares in the Company held by Alacrity Investment Group Limited)
Any relationship (including immediate family relationships) with any existing director, executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Yes (Executive Director and majority shareholder of Alacrity Investment Group Limited (substantial shareholder of the Company))
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

Other Principal Commitments ¹ Including Directorships	
Past (for the last 5 years)	<p>1. CPF Board member</p> <p>2. IMDA Board member</p> <p>3. National Heritage Board</p> <p>4. Singapore Malay Chamber of Commerce and Industries Board Member</p>
Present	<p>1. Zahidi A.R Arkittek</p> <p>2. Budhi Pte. Ltd.</p>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a	No
	<p>NA</p> <p>1. Executive Director and majority shareholder, Alacrity Investment Group Limited</p> <p>2. Executive Director, CFI Group, including CFI Pte. Ltd., CFAM Pte. Ltd., NGZCOS Pte. Ltd. and CFAM Advisory Pte. Ltd.</p> <p>3. Executive Director, CFPI Pte. Ltd.</p> <p>4. Director, Richard Mille Asia Pte. Ltd.</p> <p>5. Director, CFAM Foundation Limited</p> <p>6. Executive Director, En Venture Pte. Ltd.</p>

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

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p>	<p>No</p>	<p>No</p>
<p>(c) Whether there is any unsatisfied judgment against him?</p>	<p>No</p>	<p>No</p>
<p>(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</p>	<p>No</p>	<p>No</p>
<p>(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of</p>	<p>No</p>	<p>No</p>

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>which he is aware) for such breach?</p> <p>(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?</p>	<p>No</p>	<p>No</p>
<p>(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?</p>	<p>No</p>	<p>No</p>
<p>(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?</p>	<p>No</p>	<p>No</p>

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, or permanently or temporarily enjoining him from engaging in any type of business practice or activity?</p>	<p>No</p>	<p>No</p>
<p>(ii) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of the followings in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p>	<p>No</p>	<p>No</p>
<p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing entities in Singapore or elsewhere; or</p>	<p>No</p>	<p>No</p>

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>	<p>No</p>	<p>No</p>
<p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere;</p>	<p>No</p>	<p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, professional exchange, or government agency, whether in Singapore or elsewhere?</p>	<p>Yes</p> <ol style="list-style-type: none"> In and around 2015/2016, a disciplinary matter has raised by the owner of 118 Race Course Road to the Board of Architects (Singapore) with regards to my professional conduct as a Qualified Person, responsible for the development at 118 Race Course Road. The primary complaint was that I was not able/refuse to apply and obtain Certificate of Statutory Completion ("CSC") for the development. The Board of Architect, after a formal interview, formally discharge and do not find any merit in the complaint as: <ol style="list-style-type: none"> Contract is between owner and contractor. I was appointed by contractor The contractor has not proceed to complete work for CSC as they have not been paid and has refuse to comply to authority requirements, even though after being reminded by us. The matter is a commercial dispute between contractor and owner. 	<p>No</p>
<p>Any prior experience as a director of an issuer listed on the Exchange?</p>	<p>N.A.</p>	<p>N.A.</p>

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>If YES, please provide details of prior experience</p>	<p>N.A.</p>	<p>N.A.</p>
<p>If NO, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange:</p>	<p>N.A.</p>	<p>N.A.</p>
<p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	<p>N.A.</p>	<p>N.A.</p>

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 2021.

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
Yaacob Bin Ibrahim
Zahidi Bin Abd Rahman
Cleveland Cuaca (Appointed on 15 December 2021)

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 1967, (the “Act”) except as follows:

Name of directors and companies in which interests are held	<u>Direct interest</u>		<u>Deemed interest</u>	
	At beginning of the reporting year or date of appointment	At end of the reporting year	At beginning of the reporting year or date of appointment	At end of the reporting year
	<u>if later</u>	<u>if later</u>	<u>if later</u>	<u>if later</u>
<u>The Company</u>	<u>Number of shares of no par value</u>			
Peter Koh Heng Kang	2,486,188,837	2,498,688,837	—	—
Edward Loy Chee Kim	10,526,315	10,526,315	—	—
Yaacob Bin Ibrahim	10,526,315	10,526,315	—	—
Zahidi Bin Abd Rahman	10,526,315	10,526,315	—	—
Cleveland Cuaca	—	—	3,545,729,444	3,545,729,444

The directors’ interests as at 21 January 2022 were the same as those at the end of the reporting year.

STATEMENT BY DIRECTORS

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

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

5. Options

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

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

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

6. Report of audit committee

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

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

The audit committee 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 2021 as well as the auditor's report thereon;
- (iv) assessed the effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management systems via reviews carried out by the internal auditors;
- (v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the audit committee;
- (vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

STATEMENT BY DIRECTORS

6. Report of audit committee (cont'd)

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

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

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

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

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

7. Independent auditor

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

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls and risk management system, addressing financial, operational, compliance and information technology risk, are adequate as at and for the reporting year ended 31 December 2021.

STATEMENT BY DIRECTORS

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 2 March 2022 other than those disclosed in Note 34, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

.....
Peter Koh Heng Kang
Director

31 March 2022

.....
Cleveland Cuaca
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANUS GROUP LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Oceanus Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, 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 80.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS (I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANUS GROUP LIMITED

Key Audit Matters

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

(a) Impairment assessment of investment properties

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

As at 31 December 2021, the carrying value of the Group's investment properties of \$16,593,000 accounted for 12% of the Group's total assets. The investment properties consist of buildings and farm structures, plant and machineries and pre-paid leases that were previously used in its abalone farming business. Investment properties are stated at cost less accumulated depreciation and impairment if any. Any shortfall of the recoverable amounts against the carrying value of the investment properties would be recognised as impairment losses in the profit or loss.

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

How we addressed the matter in our audit

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANUS GROUP LIMITED

Key Audit Matters (cont'd)

(b) Assessment of ability to exercise control over subsidiary

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

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

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 and re-assessed that the Group has satisfied the requirements in SFRS(I) 10, Consolidated Financial Statements (SFRS(I) 10) in accounting for SGT as a subsidiary as the Group is considered as presently having control over SGT and is exposed to, or has right to variable return. Accordingly, the financial statements of SGT have continued to be included on the Group's consolidated financial statements for the reporting year ended 31 December 2021 in accordance with SFRS(I) 10.

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

How we addressed the matter in our audit

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANUS GROUP LIMITED

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANUS GROUP LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANUS GROUP LIMITED

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

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

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

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

Report on other legal and regulatory requirements

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

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

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2022

Engagement partner - effective from year ended 31 December 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

		<u>Group</u>	
	<u>Notes</u>	<u>2021</u> \$'000	<u>2020</u> \$'000
Revenue	5	140,370	92,068
Other operating income	6	10,334	6,752
Cost of inventories		(130,144)	(82,738)
Employee benefits expense	7	(3,576)	(2,447)
Depreciation and amortisation expense		(2,588)	(2,401)
Other operating expenses	6	(3,135)	(1,761)
Finance costs	8	(1,744)	(384)
Share of loss from equity-accounted associate	16	(14)	–
Profit before tax		<u>9,503</u>	<u>9,089</u>
Income tax expense	10	(749)	(473)
Profit for the year		<u>8,754</u>	<u>8,616</u>
<u>Other comprehensive income/(loss):</u>			
Items that will not be reclassified to profit or loss:			
Fair value changes on debt instruments at fair value through other comprehensive income, net of tax		–	26
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(4,743)	(4,160)
Other comprehensive loss for the year, net of tax		<u>(4,743)</u>	<u>(4,134)</u>
Total comprehensive income for the year, net of tax		<u>4,011</u>	<u>4,482</u>
Profit attributable to owners of the parent, net of tax		7,054	7,270
Profit attributable to non-controlling interests, net of tax		1,700	1,346
Profit net of tax		<u>8,754</u>	<u>8,616</u>
Total comprehensive income attributable to owners of the parent		2,117	3,294
Total comprehensive income attributable to non-controlling interests		1,894	1,188
Total comprehensive income		<u>4,011</u>	<u>4,482</u>

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

	<u>Notes</u>	<u>2021</u> Cents	<u>Group</u> <u>2020</u> Cents
Earnings per share			
- Basic	28	0.03	0.03
- Diluted	28	<u>0.03</u>	<u>0.03</u>

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	1,860	132	22	35
Right-of-use assets	12	490	121	–	–
Investment properties	13	16,593	18,075	–	–
Goodwill	14	897	471	–	–
Investment in subsidiaries	15	–	–	4	3
Investment in associate	16	156	–	–	–
Other financial assets	17	821	368	7,718	7,560
Total non-current assets		20,817	19,167	7,744	7,598
Current assets					
Inventories	18	37,403	14,691	–	–
Trade and other receivables	19	46,555	16,568	6,683	3,744
Other financial assets, current	17	1,704	7,002	28,690	7,002
Other non-financial assets	20	368	1,326	–	–
Cash and cash equivalents	21	37,213	11,484	18,202	3,491
Total current assets		123,243	51,071	53,575	14,237
Total assets		144,060	70,238	61,319	21,835
EQUITY AND LIABILITIES					
Equity					
Share capital	22	653,757	653,757	653,757	653,757
Reserves	23	(626,406)	(628,523)	(657,094)	(659,712)
Equity attributable to owners of the Company		27,351	25,234	(3,337)	(5,955)
Non-controlling interests		5,925	3,239	–	–
Total equity		33,276	28,473	(3,337)	(5,955)
Non-current liabilities					
Lease liabilities	25	310	35	–	–
Other financial liabilities	26	15,105	11,727	3,093	4,167
Total non-current liabilities		15,415	11,762	3,093	4,167
Current liabilities					
Income tax payable		5,449	5,307	–	–
Trade and other payables	24	22,746	14,447	22,433	22,117
Lease liabilities	25	190	93	–	–
Other financial liabilities	26	66,197	9,554	39,130	1,506
Other non-financial liabilities	27	787	602	–	–
Total current liabilities		95,369	30,003	61,563	23,623
Total liabilities		110,784	41,765	64,656	27,790
Total equity and liabilities		144,060	70,238	61,319	21,835

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

Group	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
Current year:									
Opening balance at 1 January 2021	653,757	(217,842)	(223)	-	8,067	(418,525)	25,234	3,239	28,473
Changes in equity:									
Acquisition of subsidiary (Note 31)	-	-	-	-	-	-	-	792	792
Total comprehensive income for the year	-	-	(4,937)	-	-	7,054	2,117	1,894	4,011
Closing balance at 31 December 2021	653,757	(217,842)	(5,160)	-	8,067	(411,471)	27,351	5,925	33,276
Previous year:									
Opening balance at 1 January 2020	653,757	(217,842)	3,779	(26)	8,067	(425,795)	21,940	575	22,515
Changes in equity:									
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	45	45
Disposal of subsidiary with a change in control	-	-	-	-	-	-	-	1,743	1,743
Total comprehensive income for the year	-	-	-	-	-	-	-	(312)	(312)
Closing balance at 31 December 2020	653,757	(217,842)	(223)	-	8,067	(418,525)	25,234	3,239	28,473

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

<u>Company</u>	<u>Share capital</u> \$'000	<u>Capital reserve</u> \$'000	<u>Accumulated losses</u> \$'000	<u>Total equity</u> \$'000
Current year:				
Opening balance at 1 January 2021	653,757	2,254	(661,966)	(5,955)
Changes in equity:				
Total comprehensive income for the year	–	–	2,618	2,618
Closing balance at 31 December 2021	653,757	2,254	(659,348)	(3,337)
Previous year:				
Opening balance at 1 January 2020	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)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Cash flows from operating activities</u>		
Profit before tax	9,503	9,089
Adjustments for:		
Covid-19 related rent concessions from lessor	–	(9)
Depreciation of property, plant and equipment	128	58
Depreciation of investment properties	2,307	2,214
Depreciation of right-of-use assets	153	132
Fair value gain on financial instruments	–	(2)
Gain on disposal of subsidiary	–	(832)
Interest expense	1,744	384
Interest income	(129)	(311)
Goodwill written off	85	–
Share of loss from equity-accounted associate	14	–
Unrealised foreign exchange (gains)/losses, net	(5,802)	(3,808)
Operating cash flows before changes in working capital	8,003	6,915
Inventories	(22,308)	(15,014)
Trade and other receivables	(21,167)	(15,128)
Other non-financial assets	958	(1,743)
Trade and other payables	491	4,317
Other non-financial liabilities	185	145
Net cash flows used in operations	(33,838)	(20,508)
Income taxes paid	(361)	–
Net cash flows used in operating activities	<u>(34,199)</u>	<u>(20,508)</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(2,105)	(74)
Purchase of investment property	(2)	(4)
Acquisitions of subsidiaries (Note 31)	(483)	52
Acquisitions of associates	(170)	–
Increase in other financial assets	4,845	(6,215)
Disposal of property, plant and equipment	(3)	4
Disposal of a subsidiary	–	(135)
Interest received	129	311
Net cash flows from/(used in) investing activities	<u>2,211</u>	<u>(6,061)</u>

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Cash flows from financing activities</u>		
Capital contribution from non-controlling interests in subsidiary	–	1,743
Lease liabilities – principal portion paid	(153)	(140)
Increase in loans and borrowings	59,384	20,816
Net movements in amounts due to director	8	(1,160)
Interest paid	(1,732)	(378)
Net cash flows from financing activities	<u>57,507</u>	<u>20,881</u>
Net increase/(decrease) in cash and cash equivalents	25,519	(5,688)
Effect of cash and cash equivalent denominated in foreign currencies	210	218
Cash and cash equivalents, statement of cash flows, beginning balance	<u>11,484</u>	<u>16,954</u>
Cash and cash equivalents, statement of cash flows, ending balance (Note 21)	<u><u>37,213</u></u>	<u><u>11,484</u></u>

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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.

The Company exited the Watch-List of SGX-ST on 29 September 2021.

Uncertainties relating to Covid-19 pandemic

Management has considered the market conditions customers, supply chain, staffing and the countries in which the reporting entity operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the reporting entity unfavourably as at the reporting date or subsequently as a result of the Covid-19 pandemic.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. General (cont'd)

Basis of preparation of the financial statements

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

Basis of presentation

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

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

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

Other income

Interest income is recognised using the effective interest method.

Government grants

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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.

Foreign currency transactions

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

Translation of financial statements of other entities

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

Income tax

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

Business combinations

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

Non-controlling interests

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

Goodwill

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

Goodwill (cont'd)

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

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

Property, plant and equipment

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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 properties

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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.

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.

Carrying amounts of non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

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

Classification and measurement of financial assets:

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

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

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

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

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

Classification and measurement of financial liabilities:

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

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

Fair value measurement

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

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

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

Corporate guarantee

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

2B. Other explanatory information

Provisions

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

Segment reporting

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

2C. Critical judgements, assumptions and estimation uncertainties

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

Impairment assessment of investment properties

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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 \$16,593,000.

Assessment of ability to exercise control over subsidiary

The Group subscribed for 50.1% of equity interest in Season Global Trading Pte. Ltd. ("SGT") in the reporting year 31 December 2020. The remaining of 49.9% equity interest in SGT is held by a third party.

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

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

Based on facts and circumstances, management assessed and re-assessed that the Group has satisfied the requirements in SFRS(I) 10, Consolidated Financial Statements (SFRS(I) 10) in accounting for SGT as a subsidiary as the Group is considered as presently having control over SGT. Accordingly, the financial statements of SGT continued to be included on the Group's consolidated financial statements for the reporting year ended 31 December 2021 in accordance with SFRS(I) 10. The summarised financial information of SGT for the reporting year ended 31 December 2021 is disclosed in Note 15A.

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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 19.

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 \$5,449,000 (2020: \$5,307,000).

Going concern assumption

As at the end of the reporting year, the Company's total liabilities exceeded its total assets by \$3,337,000 and a net working capital deficit of \$7,988,000. Management is satisfied that the Company is able to control the timing of repayment of payables to its subsidiaries and the Company has adequate resources to meet its liabilities as and when they fall due for at least a year from the end of the reporting year. Consequently, management believes that the use of going concern assumption in the preparation of the Company's financial statements is appropriate.

NOTES TO THE FINANCIAL STATEMENTS

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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

	<u>2021</u> \$'000	<u>Group</u> <u>2020</u> \$'000
Short-term benefits	1,024	851
Post-employment benefits	40	38
	<u>1,064</u>	<u>889</u>

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

	<u>2021</u> \$'000	<u>Group</u> <u>2020</u> \$'000
Remuneration of directors and senior management	976	811
Fees to directors	48	40

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Other payable to directors</u>		
Balance at beginning of the year	40	1,200
Amounts paid out for director fees	(40)	(65)
Transfer out on disposal of subsidiary	–	(1,095)
Accrual of director fees	48	–
Balance at end of the year (Note 24)	<u>48</u>	<u>40</u>

	<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Other receivables from subsidiaries</u>		
Balance at beginning of the year	228,205	233,367
Loan and advance to subsidiaries	3,104	1,862
Amounts received	(600)	(7,024)
Balance at end of the year (Note 19)	<u>230,709</u>	<u>228,205</u>
<u>Movement in allowance</u>		
Balance at beginning of the year	(224,461)	(231,485)
Charge for other receivables to profit or loss included in other expenses	(600)	–
Reversal for other receivables to profit or loss included in other operating income	600	7,024
Balance at end of the year (Note 19)	<u>(224,461)</u>	<u>(224,461)</u>

	<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Other payables to subsidiaries</u>		
Balance at beginning of the year	20,764	20,764
Amounts paid in and settlement of liabilities on behalf of the company	1	–
Balance at end of the year (Note 24)	<u>20,765</u>	<u>20,764</u>

NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments

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

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

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

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

- (i) Live marine products segment is those cultivation and sale of abalone and others. The Group has suspended this segment's operation since the reporting year ended 31 December 2020. The property, plant and equipment were leased out to outside parties.
- (ii) Trading segment is those sales of processed marine products, alcoholic beverage, cosmetics and coffee.
- (iii) Consultancy segment is those consultancy services related to fish farming and acquiring technologies for aquaculture and fishery business.
- (iv) Other segment is those of corporate office function, investment holdings and inactive subsidiaries.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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4B. Profit or loss from continuing operations and reconciliations

	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Total \$'000
<u>2020:</u>					
Revenue by segments	3,997	85,192	2,879	—	92,068
Results:					
Segment results	5,149	2,103	224	515	7,991
Finance costs	—	(294)	—	(90)	(384)
Foreign exchange gain	2,834	(169)	(4)	1,222	3,883
Depreciation and amortisation charges	(2,207)	(119)	(60)	(15)	(2,401)
Profit before income tax	5,776	1,521	160	1,632	9,089
Income tax expense	—	(470)	(3)	—	(473)
Profit for the year	5,776	1,051	157	1,632	8,616
Other information					
Acquisition of property, plant and equipment	18	40	16	—	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

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

4C. Assets and liabilities

	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Inter-segment eliminations \$'000	Total \$'000
2021:						
Assets						
Segment assets	55,118	88,558	5,600	55,452	(60,668)	144,060
Liabilities						
Segment liabilities	202,624	112,825	2,668	193,688	(401,021)	110,784
2020:						
Assets						
Segment assets	29,097	34,752	1,761	29,619	(24,991)	70,238
Liabilities						
Segment liabilities	106,313	60,907	1,077	238,841	(365,373)	41,765

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

4D. Geographical information

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

	Revenue		Group Non-current assets	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
PRC	5,374	3,996	16,920	18,841
Hong Kong	104,849	83,967	–	6
Cambodia	74	–	–	–
Macau	11,052	–	–	–
Singapore	19,021	4,105	3,897	320
	<u>140,370</u>	<u>92,068</u>	<u>20,817</u>	<u>19,167</u>

4E. Information about major customers

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

	Group	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Customer 1 in trading segment	48,395	39,707
Customer 2 in trading segment	22,875	14,682
	<u>71,270</u>	<u>54,389</u>

5. Revenue

	Group	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Revenue from contracts with customers		
- Sale of goods	135,257	85,192
- Consultancy services	4,347	2,879
- Rental income	766	3,997
	<u>140,370</u>	<u>92,068</u>

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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6. Other operating income and expenses

6A. Other operating income

	<u>2021</u>	<u>Group</u>	<u>2020</u>
	\$'000		\$'000
Interest income	34		311
Fair value gain on financial instrument	3		2
Government grants	612		310
Gain on disposal of investment in subsidiary	–		832
Gain on redemption of financial instrument	2,500		–
Foreign exchange adjustments gain	6,661		3,883
Reversal of impairment loss on other receivables	–		844
Sundry income	524		570
Net	<u>10,334</u>		<u>6,752</u>

6B. Other operating expenses

	<u>2021</u>	<u>Group</u>	<u>2020</u>
	\$'000		\$'000
Annual listing fees	55		52
Allowance for impairment on trade receivable	19		166
Bad debt written-off other receivable	–		364
Bank charges	298		–
Computer expenses	–		14
Electricity, fuel and water	12		1
Freight and handling charges	752		–
Goodwill written off	85		–
Insurance expenses	7		13
Marketing and promotion	326		146
Operating lease expenses	16		32
Professional fees	864		475
Repair and maintenance	38		17
Subscription fees	–		26
Travelling expenses	55		59
Others	608		396
	<u>3,135</u>		<u>1,761</u>

7. Employee benefits expense

	<u>2021</u>	<u>Group</u>	<u>2020</u>
	\$'000		\$'000
Directors' fees	48		40
Directors' salary of the Company	1,308		759
Salary of employees other than directors	1,825		1,413
Defined contribution plans included in staff costs	185		188
Other staff welfare	210		47
	<u>3,576</u>		<u>2,447</u>

NOTES TO THE FINANCIAL STATEMENTS

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8. Finance costs

	<u>Group</u> <u>Continuing</u> <u>operations</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Interest on bank loan	276	203
Interest on lease liabilities	12	5
Interest on loan from shareholders	309	172
Interest on loan from third parties	1,140	—
Others	7	4
	<u>1,744</u>	<u>384</u>

9. Items in the profit or loss

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

	<u>Group</u> <u>Continuing</u> <u>operations</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Audit fee to auditors of the Company	228	179
Audit fee to other auditors	5	4
Non-audit fees paid to the auditors of the Company	8	8
	<u>241</u>	<u>191</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

10. Income tax (cont'd)

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

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
<u>Current tax expenses:</u>		
Current tax expenses	749	473
Total income tax expenses	<u>749</u>	<u>473</u>

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2020: 17.0%) to profit or loss before income tax as a result of the following differences:

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Profit before tax	<u>9,503</u>	<u>9,089</u>
Income tax expense at the above rate	1,616	1,545
Expenses not deductible for tax purposes	292	1,983
Income not subject to tax	(430)	(2,715)
Effect of different tax rate in different jurisdictions	25	480
Movement of deferred tax assets not recognised	<u>(754)</u>	<u>(820)</u>
Total income tax expense	<u>749</u>	<u>473</u>

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

10B. Deferred tax assets in statements of financial position

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Unutilised tax losses:		
- Singapore operations	11,020	10,266
- People's Republic of China ("PRC")	<u>23,016</u>	<u>29,979</u>
	<u>34,036</u>	<u>40,245</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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	
	2021	2020
	\$'000	\$'000
2021	–	8,860
2022	–	–
2023	17,282	15,730
2024	5,734	5,389
	<u>23,016</u>	<u>29,979</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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11. Property, plant and equipment

Group	Buildings and farm structures	Leasehold improvement	Plant and machinery	Office equipment	Vehicles	Assets under construction	Total
Cost:	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2020	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
Additions	-	78	-	1,934	189	-	2,201
Disposals	-	-	-	(5)	-	-	(5)
Foreign exchange adjustments	-	12	-	(81)	6	-	(63)
At 31 December 2021	-	452	-	2,327	245	-	3,024
Accumulated depreciation:							
At 1 January 2020	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
Depreciation for the year	-	18	-	92	18	-	128
Disposals	-	(8)	-	-	-	-	(8)
Foreign exchange adjustments	-	62	-	178	1	-	241
At 31 December 2021	-	312	-	551	41	-	904

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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
<u>Accumulated impairment:</u>							
At 1 January 2020	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
Foreign exchange adjustments	—	9	—	31	4	—	44
At 31 December 2021	—	95	—	140	25	—	260
<u>Carrying value:</u>							
At 1 January 2020	19,207	18	—	100	—	—	19,325
At 31 December 2020	—	36	—	89	7	—	132
At 31 December 2021	—	45	—	1,636	179	—	1,860

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

<u>Company</u>	<u>Office equipment</u> \$'000
<u>Cost:</u>	
At 1 January 2020, 31 December 2020 and 2021	<u>69</u>
<u>Accumulated depreciation:</u>	
At 1 January 2020	19
Depreciation for the year	<u>15</u>
At 31 December 2020	34
Depreciation for the year	<u>13</u>
At 31 December 2021	<u>47</u>
<u>Carrying value:</u>	
At 1 January 2020	<u>50</u>
At 31 December 2020	<u>35</u>
At 31 December 2021	<u>22</u>

12. Right-of-use assets

<u>Group</u>	<u>Office premises</u> \$'000
<u>Cost</u>	
At 1 January 2020	359
Additions	91
Termination	<u>(121)</u>
At 31 December 2020	329
Additions	556
Termination	<u>(329)</u>
At 31 December 2021	<u>556</u>
<u>Accumulated depreciation</u>	
At 1 January 2020	152
Depreciation for the year	132
Termination	<u>(76)</u>
At 31 December 2020	208
Depreciation for the year	153
Termination	<u>(295)</u>
At 31 December 2021	<u>66</u>
<u>Carrying value</u>	
At 1 January 2020	<u>207</u>
At 31 December 2020	<u>121</u>
At 31 December 2021	<u>490</u>

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

Number of right-to-use assets	2
Remaining term	<u>33 to 34 months</u>

NOTES TO THE FINANCIAL STATEMENTS

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13. Investment properties

<u>Group</u>	<u>Properties</u> \$'000	<u>Land use</u> <u>rights</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>			
At 1 January 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
Addition	2	–	2
Disposals	(3)	–	(3)
Foreign exchange adjustments	3,701	23	3,724
At 31 December 2021	80,726	502	81,228
<u>Accumulated depreciation:</u>			
At 1 January 2020	–	–	–
Transfer from property, plant and equipment	37,151	–	37,151
Transfer from prepaid lease	–	113	113
Depreciation for the year	2,202	12	2,214
Foreign exchange adjustments	1,875	–	1,875
At 31 December 2020	41,228	125	41,353
Disposals	(3)	–	(3)
Depreciation for the year	2,293	14	2,307
Foreign exchange adjustments	2,125	6	2,131
At 31 December 2021	45,643	145	45,788
<u>Accumulated impairment:</u>			
At 1 January 2020	–	–	–
Transfer from property, plant and equipment	17,126	–	17,126
Transfer from prepaid lease	–	130	130
Foreign exchange adjustments	821	–	821
At 31 December 2020	17,947	130	18,077
Foreign exchange adjustments	755	15	770
At 31 December 2021	18,702	145	18,847
<u>Carrying value:</u>			
At 1 January 2020	–	–	–
At 31 December 2020	17,851	224	18,075
At 31 December 2021	16,381	212	16,593
Fair value for disclosure only:			
At 1 January 2020			–
At 31 December 2020			26,325
At 31 December 2021			27,080

NOTES TO THE FINANCIAL STATEMENTS

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13. Investment properties (cont'd)

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

Detail of the Group's land use rights:

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

Impairment testing

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

The fair value less cost to sell of investment properties (Level 3 fair value hierarchy) was determined based on the replacement cost approach. The replacement cost approach is based on the cost to reproduce or replace under new condition with current market prices for similar assets, with allowance for accrued depreciation arising from the conditions, utility, age, wear and tear, or obsolescence present (physical, functional or economic). A hypothetical 10% change in the variation from estimate would have an effect on fair value change by \$2,708,000 (2020: \$2,632,500).

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13. Investment properties (cont'd)

During the reporting year ended 31 December 2021, no impairment allowance was recognised because the carrying value of the investment properties was lower than its estimated fair value less cost of sell.

	<u>2021</u> \$'000
Rental income from investment properties	<u>766</u>
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	<u>2,314</u>

14. Goodwill

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Cost:</u>		
At beginning of year	471	1,060
Arising from acquiring of a subsidiary (Note 31)	511	85
Disposal	–	(674)
Written off	(85)	–
At end of year	<u>897</u>	<u>471</u>
<u>Accumulated impairment:</u>		
At beginning of year	–	674
Disposal	–	(674)
At end of year	<u>–</u>	<u>–</u>
<u>Carrying value:</u>		
At beginning of the year	<u>471</u>	<u>386</u>
At end of the year	<u>897</u>	<u>471</u>

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Name of subsidiary:</u>		
AP Media Pte. Ltd.	386	386
Resolute Communication Pte. Ltd.	–	85
Anomalyst Studio Pte. Ltd.	193	–
Sharp-Link Supply Chain Co., Ltd	318	–
	<u>897</u>	<u>471</u>

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14. Goodwill (cont'd)

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

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

The impairment test has been carried out using a discounted cash flows model covering a five year period. Cash flow projections are made based on current year's results with 1% growth rate (2020: 1%). The pre-tax discount rate that reflects current market assessments at the risks specific to the CGU is 8% (2020: 11%).

Actual outcomes could vary from these estimates. If the revised estimated revenue had been 2% less favourable than management's estimates, the goodwill would have to be fully impaired. If the revised estimated gross margin had been 2% less favourable than management's estimates, the recoverable amount would still be higher than the carrying value of goodwill. If the revised pre-tax discount rate applied to the discounted cash flows had been 2% higher than management's estimates, the recoverable amount would still be higher than the carrying value of goodwill. If the actual gross margin had been higher and the pre-tax discount rate had been lower than management's estimates, management would not be able to reverse any impairment losses that arose on goodwill because SFRS(I) 1-36 does not permit reversing an impairment loss for goodwill.

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

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

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15. Investments in subsidiaries

	<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Unquoted equity shares at cost	273,004	273,003
Allowance for impairment	(273,000)	(273,000)
Carrying value	<u>4</u>	<u>3</u>
Movements in cost:		
At the beginning of the year	273,003	273,003
Addition	1	–
At the end of the year	<u>273,004</u>	<u>273,003</u>
Movements in allowance for impairment:		
At the beginning of the year	273,000	260,381
Amount recognised during the year	–	12,619
At the end of the year	<u>273,000</u>	<u>273,000</u>

The subsidiaries in the Group are listed below:

<u>Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)</u>	<u>Cost of investment</u>		<u>Effective percentage of equity held</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> %	<u>2020</u> %
Held by the Company				
Oceanus Aquaculture Group Pte. Ltd. ^(a) Singapore Investment holding	270,000	270,000	100	100
Oceanus Food Group Pte. Ltd. ^(a) Singapore Investment holding and trading of canned abalone	3,000	3,000	100	100
Oceanus Food Group Limited ^(c) Hong Kong Investment holding	*	*	100	100

* Amount less than \$1,000.

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15. Investment in subsidiaries (cont'd)

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

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Cost of investment		Effective percentage of equity held	
	2021	2020	2021	2020
	\$'000	\$'000	%	%
Oceanus Tech Pte. Ltd. ^(a) Singapore Operation of fish hatcheries, fish farms and fishery research services	1	1	100	100
Oceanus Investment Holdings Pte. Ltd. ^(a) Singapore Investment holding	1	1	100	100
Asia Fisheries Pte. Ltd. ^(a) Singapore Trading of animal feeds	1	1	100	100
Oceanus Tradelog Pte. Ltd. ^(h) Singapore Trading of animal feeds Incorporated on 9 November 2021	1	–	80	–
	273,004	273,003		

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held	
	2021	2020
	%	%
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
Subsidiaries held through Oceanus Food Group Pte. Ltd.		
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
Oceanus (Singapore) Restaurant Management Pte. Ltd. ^(a) Singapore Inactive	100	100
Oceanus (Taiwan) Restaurant Limited Company ^(c) Taiwan Inactive	100	100

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15. Investment in subsidiaries (cont'd)

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

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held	
	2021 %	2020 %
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
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
Subsidiary held through Oceanus Investment Holdings Pte. Ltd. AP Media Pte. Ltd. ^(a) Singapore Media, marketing and consultancy	51	51
Fujian Shengli Seafood Co., Ltd 福建昇立海产有限公司 People's Republic of China Inactive	100	100
Season Global Trading Pte. Ltd. ^{(a)(e)} Singapore Wholesales of variety of goods	50.1	50.1
Oceanus Media Global Pte. Ltd. ^(h) Singapore Other holding companies Incorporated in 7 October 2021	63.5	63.5
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
Subsidiary held through Oceanus Media Global Pte. Ltd. Scion Technik Pte. Ltd. ^(h) Singapore Event reality technology equipment and consultancy Incorporated in 22 October 2021	38.1	—

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15. Investment in subsidiaries (cont'd)

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

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held	
	<u>2021</u> %	<u>2020</u> %
Subsidiaries 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
Resolute Communications Pte. Ltd. ^(a) Singapore Advertising and conventing / conference organisers.	26	28
Anomalyst Studio Pte. Ltd. ^(a) Singapore Motion media art and graphic design services Acquired on 1 October 2021	26	—
Subsidiary held through Season Global Trading Pte. Ltd.		
Sino Food Group Pte. Ltd. ^(a) Singapore Wholesale of food, beverages, and tobacco N.E.C. (including dried or canned) Incorporated on 25 January 2021	50.1	—
SG.eMart Pte. Ltd. ^(h) Singapore E-Commerce platform for food products Incorporated on 20 Dec 2021	44	—
Season Global (CN) Co., Ltd ^{(f) (h)} 深圳四季环球贸易有限公司 People's Republic of China Investment holding company Incorporated in 30 November 2021	45	—
ONZ (S) Pte. Ltd. ^{(g) (h)} Singapore Internet Search Engines Incorporated on 16 September 2021	44	—
Season Global Trading (HK) Limited ^(h) Hong Kong Wholesale trading of food and beverages Incorporated in 1 September 2021	50.1	—

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15. Investment in subsidiaries (cont'd)

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

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held	
	2021 %	2020 %
Subsidiaries held through Sino Food Group Pte. Ltd.		
Shenzhen Lion City Global Trade Co, Ltd ^{(f) (h)} 深圳狮城贸易有限公司 People's Republic of China Wholesale trading of frozen meats, seafood and foodstuffs Incorporated in 2 November 2021	50.1	—
Subsidiaries held through Season Global (CN) Co., Ltd		
Guangzhou International Industrial Development Co., Ltd ^{(f) (h)} 广州洲际通实业发展有限公司 People's Republic of China Bulk Trading of food products and working capital financing activities Incorporated in 31 December 2021	45	—
Shenzhen Jiade Yifeng Supply Chain Co., Ltd ^{(f) (h)} 深圳市嘉德益丰供应链有限公司 People's Republic of China Trading and distribution of food and snacks Incorporated in 2 December 2021	23	—
Subsidiary held through Shenzhen Lion City Global Trade Pte Ltd		
Sharp-Link Supply Chain Co., Ltd ^(d) 深圳市锐霖供应链有限公司 People's Republic of China Wholesale of various product Acquired on 20 December 2021	30	—

(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 as these subsidiaries have ceased operations.

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

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

(f) The capital had not been paid up to the subsidiaries. (Note 32)

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15. Investment in subsidiaries (cont'd)

- (g) The company was under strike-off process. Expected date to complete strike-off from the Register of Companies according to First Gazette Notification by ACRA is 4 April 2022.
- (h) Not audited as the company is newly incorporated at the end of reporting year and are inactive.

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

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

Name	Proportion of effective ownership interest held by NCI		Profit/(loss) allocated to NCI	
	2021	2020	2021	2020
	%	%	\$'000	\$'000
Season Global Trading Pte. Ltd.	49.9	49.9	1,664	1,252

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

	Season Global Trading Pte. Ltd. 2021 \$'000
<u>Summarised statement of financial position</u>	
<u>Current</u>	
Assets	87,483
Liabilities	(59,441)
Net current assets	28,042
<u>Non-current</u>	
Assets	133
Liabilities	(18,496)
Net non-current assets	(18,363)
Net assets	9,679
<u>Summarised statement of profit or loss and other comprehensive income</u>	
Revenue	133,520
Profit before income tax	4,014
Income tax expense	(658)
Profit from continuing operations, net of tax and total comprehensive income	3,356
<u>Summarised statements of cash flows</u>	
Net cash outflow from operating activities	(37,045)
Net cash outflow from investing activities	(8)
Net cash inflow from financing activities	46,762
Net cash inflow	9,709

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16. Investment in associate

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Movements in carrying value:		
Balance at beginning of the year	–	–
Addition	170	–
Share of the loss for the year	(14)	–
Total at end of the year	<u>156</u>	<u>–</u>
Carrying value:		
Unquoted equity shares at cost	170	–
Share of post-acquisition profits, net of dividends received	(14)	–
	<u>156</u>	<u>–</u>

The associates held by the group are listed below:

<u>Name of associate, country of incorporation, place of operations, and principal activities</u>	Cost of investments		Percentage of equity held	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> %	<u>2020</u> %
<u>Held by the Oceanus Investment Holdings Pte. Ltd.</u>				
Aquarii SG Pte Ltd	170	–	33.30	–
Singapore Investment Holdings				

17. Other financial assets

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Non-current</u>				
Investment in unquoted equity shares at FVTPL (Note 17A)	821	368	–	–
Loan receivable from subsidiary (Note 17D)	–	–	7,718	7,560
	<u>821</u>	<u>368</u>	<u>7,718</u>	<u>7,560</u>
<u>Current</u>				
Investment in quoted debt instrument at FVTPL (Note 17B)	–	5,000	–	5,000
Investment in quoted fund at FVTPL (Note 17C)	1,704	2,002	1,704	2,002
Loan receivable from subsidiary (Note 17D)	–	–	26,986	–
	<u>1,704</u>	<u>7,002</u>	<u>28,690</u>	<u>7,002</u>

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31 DECEMBER 2021

17. Other financial assets (cont'd)

17A. Investment in unquoted equity shares at FVTPL

	Group	
	2021	2020
	\$'000	\$'000
Movements during the year:		
Fair value at beginning of the year	368	153
Additions	453	215
Fair value at end of the year	821	368

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

	Level	2021 \$'000	2021 %	2020 \$'000	2020 %
Unquoted equity shares I	3	153	19	153	42
Unquoted equity shares II	3	430	52	215	58
Unquoted equity shares III	3	238	29	—	—
		821	100	368	100

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

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

	Unquoted equity shares I	Unquoted equity shares II	Unquoted equity shares II
Industry	Aquaculture	Aquaculture	Web Portals
Location	Australia	Singapore	Singapore
Fair value	\$153,000 (2020: \$153,000).	\$430,000 (2020: \$215,000)	\$238,000 (2020: Nil)
Fair value hierarchy	Level 3	Level 3	Level 3
Valuation technique	Market comparable approach	Market comparable approach	Market comparable approach

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

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17. Other financial assets (cont'd)

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

Sensitivity analysis for price risk of equity shares at FVTPL

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

	<u>2021</u> \$'000	<u>2020</u> \$'000
A hypothetical 10% increase in the market index that relates to unquoted equity shares at FVTPL would have an effect on fair value of	<u>82</u>	<u>37</u>

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

17B. Investment in debt assets instruments at FVTPL

	<u>Group and Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Fair value at beginning of the year	5,000	–
Additions	–	5,000
Redeemed	<u>(5,000)</u>	<u>–</u>
Fair value at end of the year	<u>–</u>	<u>5,000</u>

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. The note was fully redeemed on 8 September 2021.

17C. Investment in quoted money market fund at FVTPL

	<u>Group and Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Movements during the year:		
Fair value at beginning of the year	2,002	–
Additions	–	2,000
Disposals	<u>(301)</u>	<u>–</u>
Fair value gain	3	2
Fair value at end of the year	<u>1,704</u>	<u>2,002</u>

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31 DECEMBER 2021

17. Other financial assets (cont'd)

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

Sensitivity analysis

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

	<u>2021</u> \$'000	<u>2020</u> \$'000
A hypothetical 10% increase in the fair value would have an effect on fair value of	<u>170</u>	<u>200</u>

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

17D. Loan receivable from subsidiary

	<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Loans receivables from subsidiaries, non-current	7,718	–
Loans receivables from subsidiaries, current	<u>26,986</u>	<u>7,560</u>
Subtotal	<u>34,704</u>	<u>7,560</u>
Movements during the year:		
At beginning of the year	7,560	–
Addition – Loan A (Note 17 E)	–	7,560
Addition – Loan B (Note 17 F)	20,240	–
Addition – Loan C (Note 17 G)	6,746	–
Foreign exchange adjustments	<u>158</u>	–
At the end of the year	<u>34,704</u>	<u>7,560</u>

17E. Loan A

The agreement for the loan receivable of USD5,720,000 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.

17F. Loan B

The agreement for the loan receivable USD15,000,000 provides that it is with fixed interest of 9% per annum and is repayable in November 2022. The loan is carried at amortised cost using the effective interest method over 1 year.

17G. Loan C

The agreement for the loan receivable USD5,000,000 provides that it is with fixed interest of 8% per annum and is repayable in Feb 2022. The loan is carried at amortised cost using the effective interest method over 1 year.

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18. Inventories

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Inventories, at cost	2,749	42
Goods in transit	34,654	14,649
	<u>37,403</u>	<u>14,691</u>

There are no inventories pledged as security for liabilities.

19. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Trade receivables:</u>				
Outside parties	54,133	29,685	–	–
Less: Allowance for impairment	(13,462)	(13,462)	–	–
Net trade receivables – subtotal	<u>40,671</u>	<u>16,223</u>	<u>–</u>	<u>–</u>
<u>Other receivables:</u>				
Outside parties	5,863	325	63	–
Subsidiaries (Note 3)	–	–	230,709	228,205
Less: Allowance for impairment	–	–	(224,461)	(224,461)
Deposits	21	20	372	–
Net other receivables – subtotal	<u>5,884</u>	<u>345</u>	<u>6,683</u>	<u>3,744</u>
Total trade and other receivables	<u>46,555</u>	<u>16,568</u>	<u>6,683</u>	<u>3,744</u>
 Movements in above allowance on trade receivables:				
At beginning of the year	(13,462)	(12,675)	–	–
Charge for trade receivables to profit or loss included in other operating expenses	–	(166)	–	–
Foreign exchange adjustments	–	(621)	–	–
At end of the year	<u>(13,462)</u>	<u>(13,462)</u>	<u>–</u>	<u>–</u>
 Movements in above allowance on other receivables:				
At beginning of the year	–	(844)	(224,461)	(231,485)
Reversal/(charge) for other receivables to profit or loss included in other operating income	–	844	–	7,024
Foreign exchange adjustments	–	–	–	–
At end of the year	<u>–</u>	<u>–</u>	<u>(224,461)</u>	<u>(224,461)</u>

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19 Trade and other receivables (cont'd)

Trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. A loss allowance balance of \$13,462,000 (2020: \$13,462,000) is recognised for the Group.

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

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Top 1 customer	13,512	8,155
Top 2 customers	24,094	14,941
Top 3 customers	<u>28,573</u>	<u>15,108</u>

Other receivables at amortised cost are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period, a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of \$224,461,000 (2020: \$224,461,000) is recognised for the company.

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

20. Other non-financial assets, current

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Prepayments	71	110
Advance payments to supplier	<u>297</u>	<u>1,216</u>
	<u>368</u>	<u>1,326</u>

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21. Cash and cash equivalents

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Not restricted in use	37,213	11,484	18,202	3,491

As at 31 December 2021, the Group had cash and bank balances of RMB20,521,000 (2020: RMB20,521,000) placed with banks in the People's Republic of China ("PRC"). Conversion of RMB into foreign currencies is subject to the foreign exchange control regulations in the PRC.

21A. Reconciliation of liabilities arising from financing activities

	Beginning of the year \$'000	Cash flows \$'000	Non-cash changes \$'000		End of the year \$'000
<u>2021:</u>					
Lease liabilities (Note 25)	128	(153)	525	(a) (b)	500
Other financial liabilities (Note 26)	21,281	59,384	637	(e)	81,302
Amount due to director	40	8	–		48
Total liabilities from financing activities	21,449	59,239	1,162		81,850
<u>2020:</u>					
Lease liabilities (Note 25)	208	(140)	60	(a) (b) (c)	128
Other financial liabilities (Note 26)	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

(a) Acquisition

(b) Accretion of interest

(c) Rent concession from lessor re-Covid-19 and remeasurement

(d) Foreign exchange movements

(e) Acquisition of subsidiaries

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22. Share capital

	<u>Company</u>	
	<u>Number of shares issued</u>	<u>Share capital \$'000</u>
Ordinary shares of no par value:		
Balance at 1 January 2020, 31 December 2020 and 31 December 2021	<u>24,296,921,463</u>	<u>653,757</u>

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

Capital management:

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

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

	<u>Group</u>	
	<u>2021 \$'000</u>	<u>2020 \$'000</u>
Net debt:		
All current and non-current borrowings including leases	81,802	21,409
Less cash and cash equivalents	<u>(37,213)</u>	<u>(11,484)</u>
Net debt	<u>44,589</u>	<u>9,925</u>
Adjusted capital:		
Total equity	<u>33,276</u>	<u>28,473</u>
Debt-to-adjusted capital ratio	<u>134%</u>	<u>35%</u>

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in new debt. There was a favourable change with improved retained earnings.

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23. Reserves

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
Capital reserve	(217,842)	(217,842)	2,254	2,254
Currency translation reserve	(5,160)	(223)	–	–
Fair value reserve	–	–	–	–
Statutory reserve	8,067	8,067	–	–
Accumulated losses	(411,471)	(418,525)	(659,348)	(661,966)
	<u>(626,406)</u>	<u>(628,523)</u>	<u>(657,094)</u>	<u>(659,712)</u>

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

Capital reserve – non-distributable

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

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

Currency translation reserve – non-distributable

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

Statutory reserve – non-distributable

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

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24. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	10,263	4,229	–	–
Trade payables – subtotal	<u>10,263</u>	<u>4,229</u>	<u>–</u>	<u>–</u>
<u>Other payables:</u>				
Outside parties	6,250	6,072	11	11
Provision of litigation	1,347			
Subsidiaries (Note 3)	–	–	20,765	20,764
Accrued expenses	4,838	4,106	1,657	1,342
Director (Note 3)	48	40	–	–
Other payables – subtotal	<u>12,483</u>	<u>10,218</u>	<u>22,433</u>	<u>22,117</u>
Total trade and other payables	<u>22,746</u>	<u>14,447</u>	<u>22,433</u>	<u>22,117</u>

25. Lease liabilities

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Lease liabilities, non-current	310	35
Lease liabilities, current	190	93
	<u>500</u>	<u>128</u>
Movements in lease liabilities are as follows:		
Beginning of the year	128	208
Additions	556	90
Accretion of interest	12	6
Remeasurement	–	9
Repayments	(153)	(140)
Rent concession from lessor re-Covid-19 – income #a	(37)	(9)
Termination	(6)	(36)
At end of year	<u>500</u>	<u>128</u>

#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.

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25. Lease liabilities (cont'd)

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

	<u>Minimum payments</u> \$'000	<u>Finance charges</u> \$'000	<u>Present value</u> \$'000
<u>2021:</u>			
Not later than 1 year	211	(21)	190
Between 1 and 3 years	323	(13)	310
	<u>534</u>	<u>(34)</u>	<u>500</u>
	<u>Minimum payments</u> \$'000	<u>Finance charges</u> \$'000	<u>Present value</u> \$'000
<u>2020:</u>			
Not later than 1 year	100	(7)	93
Between 1 and 3 years	36	(1)	35
	<u>136</u>	<u>(8)</u>	<u>128</u>

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

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

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

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Expenses relating to leases of low-value assets included in administrative expense	<u>—</u>	<u>14</u>

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26. Other financial liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Non-current</u>				
Bank loan A (unsecured) (Note 26A)	6,750	4,167	3,093	4,167
Bank loan B (unsecured) (Note 26E)	637	–	–	–
Loans payable to non-controlling interests in subsidiaries (Note 26C)	7,718	7,560	–	–
Total non-current portion	<u>15,105</u>	<u>11,727</u>	<u>3,093</u>	<u>4,167</u>
<u>Current</u>				
Loan from outside parties (unsecured) (Note 26D)	55,838	673	37,915	673
Bank loan (unsecured) (Note 26A)	1,400	833	1,215	833
Trust receipts (Note 26B)	8,959	8,048	–	–
Total current portion	<u>66,197</u>	<u>9,554</u>	<u>39,130</u>	<u>1,506</u>
Total non-current and current	<u>81,302</u>	<u>21,281</u>	<u>42,223</u>	<u>5,673</u>

26A. Bank loan A (unsecured)

These are bridging loans obtained under the Enterprises Financing Schedule of Enterprise Singapore and bear fixed interest between 3% to 4.25% (2020: 3%) per annum. These loans are repayable over 60 month instalments commencing from their respective drawdown date.

26B. 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% (2020: 1.68% to 1.75%) per annum.

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Movements during the year:		
At beginning of the year	7,560	–
Additions	–	7,560
Foreign exchange adjustments	158	–
At end of the year	<u>7,718</u>	<u>7,560</u>

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

26D. Loans from outside parties

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

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26. Other financial liabilities (cont'd)

26E. Bank loan B (unsecured)

The loan with a tenure of 3 years and bears interest at 6.15% per annum. The loan is repayable over the tenure period or lump sum payment on maturity date.

27. Other non-financial liabilities

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Advances from customers	787	578
Government grant income	–	24
	<u>787</u>	<u>602</u>

28. Earnings per share

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
A. Earnings attributable to equity holders	<u>7,054</u>	<u>7,270</u>
B. Weighted average number of equity shares	<u>24,296,921,463</u>	<u>24,296,921,463</u>
Earnings per share (cents)		
– Basic	0.03	0.03
– Diluted	<u>0.03</u>	<u>0.03</u>

29. Operating lease income commitments – as lessor

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Not later than one year	259	593
Between 1 and 3 years	–	243
Total	<u>259</u>	<u>836</u>
Rental income for the year	<u>766</u>	<u>3,997</u>

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

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30. Contingent liabilities

	<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Corporate guarantee in favour of bank to secure credit facilities for subsidiary	<u>14,250</u>	<u>11,250</u>

31. Acquisition of subsidiaries

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

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

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

	<u>2021</u> \$'000	
Purchase consideration		<u>637</u>
	Pre-acquisition book value under SFRS(I) \$'000	Provisional fair value \$'000
<u>At 20 December 2021:</u>		
Trade and other receivables	8,434	8,434
Cash and cash equivalents	164	164
Bank borrowings	(637)	(637)
Trade and other payables	(6,900)	(6,900)
Net identifiable assets	<u>1,061</u>	1,061
Less: Non-controlling interest		<u>(742)</u>
Net identifiable assets acquired		319
Goodwill arising from acquisition (Note 14)		<u>318</u>
Cash consideration paid		<u>637</u>
Net cash outflow on acquisition is as follows:		
Cash consideration paid		637
Less: Cash and cash equivalents in subsidiary acquired		<u>(164)</u>
Net cash outflow on acquisition		<u>473</u>

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31. Acquisition of subsidiaries (cont'd)

31A. Acquisition of Sharp Link Supply Chain Co., Ltd. (cont'd)

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

	From date of acquisition in <u>2020</u> \$'000	<u>Group</u> For the reporting year <u>2020</u> \$'000
Revenue	665	18,165
Profit before income tax	*	105

* Amount less than \$1,000.

31B. Acquisition of Anomalyst Studio Pte. Ltd.

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

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

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

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31. Acquisition of subsidiaries (cont'd)

31B. Acquisition of Anomalyst Studio Pte. Ltd. (cont'd)

Net cash outflow on acquisition is as follows:

Cash consideration paid	210
Less: Cash and cash equivalents in subsidiary acquired	<u>(200)</u>
Net cash outflow on acquisition	<u>10</u>

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

	<u>Group</u>	
	From date of acquisition in <u>2020</u> \$'000	For the reporting year <u>2020</u> \$'000
Revenue	509	1,001
Profit before income tax	<u>9</u>	<u>49</u>

31C. 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.

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

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31. Acquisition of subsidiaries (cont'd)

31C. Acquisition of Resolute Communications Pte. Ltd. (cont'd)

Net cash outflow on acquisition is as follows:

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

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

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

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

Goodwill arising on acquisition:

The goodwill arising on acquisition is as follows

	<u>2020</u> \$'000
Cash consideration paid	30
Non-controlling interests at fair value	(45)
Fair value of identifiable net assets acquired	<u>100</u>
Goodwill arising on acquisition	<u><u>85</u></u>

32. Capital commitments

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

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

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33. Financial instruments: information on financial risks

33A. Categories of financial assets and liabilities

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

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	83,768	28,052	24,885	14,795
Financial assets at FVTPL	2,525	7,370	1,704	7,002
At end of the year	<u>86,293</u>	<u>35,422</u>	<u>26,589</u>	<u>21,797</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	104,548	35,856	64,656	27,790
At end of the year	<u>104,548</u>	<u>35,856</u>	<u>64,656</u>	<u>27,790</u>

Further quantitative disclosures are included throughout these financial statements.

33B. Financial risk management

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

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

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

33C. Fair values of financial instruments

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

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

33D. 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 21 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

33E. Liquidity risk – financial liabilities maturity analysis

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

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

	<u>Less than</u>	<u>Group</u>	
	<u>1 year</u>	<u>2 – 5 years</u>	<u>Total</u>
	\$'000	\$'000	\$'000
<u>2021:</u>			
Trade and other payables	22,746	–	22,746
Gross borrowings commitments	71,414	15,636	87,050
Gross finance lease obligations	211	323	534
At end of year	<u>94,371</u>	<u>15,959</u>	<u>110,330</u>
<u>2020:</u>			
Trade and other payables	14,447	–	14,447
Gross borrowings commitments	9,033	12,670	21,703
Gross finance lease obligations	100	36	136
At end of year	<u>23,580</u>	<u>12,706</u>	<u>36,286</u>

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

33E. Liquidity risk – financial liabilities maturity analysis (cont'd)

	<u>Company</u>		
	<u>Less than</u> <u>1 year</u> \$'000	<u>2 – 5 years</u> \$'000	<u>Total</u> \$'000
<u>2021:</u>			
Trade and other payables	22,433	–	22,433
Gross borrowings commitments	39,242	3,209	42,451
At end of year	<u>61,675</u>	<u>3,209</u>	<u>64,884</u>
<u>2020:</u>			
Trade and other payables	22,117	–	22,117
Gross borrowings commitments	1,649	4,380	6,029
At end of year	<u>23,766</u>	<u>4,380</u>	<u>28,146</u>

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 (2020: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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

<u>Company</u>	<u>Less than</u> <u>1 year</u> \$'000
<u>2021:</u>	
Financial guarantee contracts – bank guarantee in favour of a subsidiary	<u>11,954</u>
Bank facilities:	
	\$'000
<u>2021:</u>	
Unused bank guarantees	<u>692</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

33F. Interest rate risk

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

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

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
Financial liabilities with interest:				
Fixed rates	72,343	13,485	42,223	5,673
Floating rates	8,959	8,048	–	–
Total at end of the year	<u>81,302</u>	<u>21,553</u>	<u>42,223</u>	<u>5,673</u>

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Financial liabilities:</u>		
A hypothetical variation in floating interest rates by 100 basis points with all other variables held constant, would have an decrease in pre-tax profit for the year by	<u>(90)</u>	<u>(80)</u>

33G. Foreign currency risks

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

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

	<u>Group</u> <u>US dollars</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Financial assets:</u>		
Cash and cash equivalents	11,173	240
Loans and other receivables	35,890	–
Total financial assets	<u>47,063</u>	<u>240</u>
<u>Financial liabilities:</u>		
Trade and other payables	3,738	–
Other financial liabilities	3,596	–
Total financial liabilities	<u>7,334</u>	<u>–</u>
Net financial assets at end of year	<u>39,729</u>	<u>240</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

33G. Foreign currency risks (cont'd)

	Group AUD dollars	
	2021 \$'000	2020 \$'000
<u>Financial assets:</u>		
Cash and cash equivalents	9	–
Loans and other receivables	2,222	–
Total financial assets	<u>2,231</u>	<u>–</u>
<u>Financial liabilities:</u>		
Other financial liabilities	(5,363)	(8,048)
Total financial liabilities	<u>(5,363)</u>	<u>(8,048)</u>
Net financial liabilities at end of year	<u>(3,132)</u>	<u>(8,048)</u>

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

Sensitivity analysis is as follows:

	Group	
	2021 \$'000	2020 \$'000
<u>Financial assets:</u>		
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the USD with all other variables held constant would have an adverse effect on pre-tax profit of	(3,973)	(24)
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the AUD with all other variables held constant would have a favourable effect on pre-tax profit of	<u>313</u>	<u>805</u>

33H. Equity price risks

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

34. Events after the end of the reporting year

Subsequent to the end of the reporting year on 22 March 2022, the Company entered into conditional placement agreements with (a) PY Opulence Investment Pte. Ltd.; (b) Golden Summit International Ltd; and (c) Alacrity Investment Group Limited (the "Placees"). The Company agreed to allot and issue to the Placees, an aggregate of 1,270,369,565 new ordinary shares in the capital of the Company at an issue price of S\$0.023 for each Placement Share for an aggregate Issue price of S\$29,218,5001, on the terms and subject to the conditions of the placement agreements.

On 22 March 2022, the Company also entered into a token subscription agreement with HydraX Digital Assets Pte. Ltd. (the "Custodian") and Alacrity Investment Group Limited (the "Subscriber"), pursuant to which the Company proposes to issue to the Subscriber 4% convertible bonds in the form of digital tokens for an aggregate principal amount of up to S\$8,154,000.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

35. 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. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS (I) No. Title

SFRS (I) 1-39;	Interest Rate Benchmark Reform – Amendments to 7 and 9
	The Conceptual Framework for Financial Reporting
SFRS (I) 16	Covid-19 Related Rent Concessions - Amendment to (The 2021 amendment extends the limit from 30 June 2021 to 30 June 2022)

36. 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.

<u>SFRS (I) No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 1-8	Definition of Accounting Estimates - Amendments to	1 Jan 2023
SFRS (I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to	1 Jan 2023
SFRS (I) 1	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to	1 Jan 2022
SFRS (I) 1-16	Use – Amendments to	1 Jan 2022
SFRS (I) 3	Definition of a Business - Reference to the Conceptual Framework – Amendments to	1 Jan 2022
SFRS (I) 9	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
SFRS (I) 16	Covid-19 Related Rent Concessions beyond 30 June 2021 – Amendments to	30 Jun 2021
Various	Amendments to SFRS (I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies	1 Jan 2023
Various	Annual Improvements to FRSs 2018-2020	1 Jan 2022
SFRS (I) 10 and SFRS (I) 1-28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Not fixed yet

STATISTICS OF SHAREHOLDINGS

AS AT 22 MARCH 2022

DISTRIBUTION OF SHAREHOLDINGS

<u>SIZE OF SHAREHOLDINGS</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
1 - 99	76	0.71	3,084	0.00
100 - 1,000	269	2.52	192,617	0.00
1,001 - 10,000	1,481	13.89	11,576,920	0.05
10,001 - 1,000,000	8,036	75.36	1,507,043,343	6.20
1,000,001 AND ABOVE	802	7.52	22,778,105,499	93.75
TOTAL	10,664	100.00	24,296,921,463	100.00

TWENTY LARGEST SHAREHOLDERS

<u>NO.</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1	UOB KAY HIAN PRIVATE LIMITED	4,393,602,711	18.08
2	CITIBANK NOMINEES SINGAPORE PTE LTD	3,941,912,631	16.22
3	DBS NOMINEES (PRIVATE) LIMITED	1,340,976,855	5.52
4	KHI INVEST LTD	1,035,248,771	4.26
5	DBSN SERVICES PTE. LTD.	1,007,369,310	4.15
6	PHILLIP SECURITIES PTE LTD	885,424,833	3.64
7	ESSENTRADE LIMITED	864,912,256	3.56
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	751,339,773	3.09
9	SIGMA SHARES LIMITED	509,231,363	2.10
10	MUCHOVIE INVESTMENT LTD	500,000,000	2.06
11	RAFFLES NOMINEES (PTE.) LIMITED	425,626,783	1.75
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	413,666,100	1.70
13	KOH GUAT KIAU	282,037,003	1.16
14	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	280,943,954	1.16
15	GOH LAY HUA (WU LIHUA)	274,575,320	1.13
16	LIM THENG SIAN	262,597,618	1.08
17	OCBC SECURITIES PRIVATE LIMITED	208,294,286	0.86
18	EMEC HOLDINGS PTE LTD	185,492,452	0.76
19	KOH BEE CHENG (XU MEIQING)	172,248,000	0.71
20	IFAST FINANCIAL PTE. LTD.	152,613,400	0.63
TOTAL		17,888,113,419	73.62

STATISTICS OF SHAREHOLDINGS

AS AT 22 MARCH 2022

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

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

Notes:

- 1 Computed based on 24,296,921,463 shares, being the total number of issued voting shares of the Company as at 22 March 2022
- 2 Cleveland Cuaca and Bryan Tan Jie are the only substantial shareholders of Alacrity Investment Group Limited ("Alacrity"). Accordingly, Cleveland Cuaca and Bryan Tan Jie are deemed to be interested in the shares held by Alacrity in Oceanus Group Limited.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company as of 22 March 2022, approximately 72.68% of the total number of issued voting shares of the Company were held in the hands of the public and therefore, the Rule 723 of the Listing Manual of the SGX-ST is complied with.

NOTICE OF ANNUAL GENERAL MEETING



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

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Oceanus Group Limited (the “Company”) will be convened and held by way of electronic means on Friday, 29 April 2022 at 2.00 p.m., for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors’ Statement and the Independent Auditor’s Report **(Resolution 1)**
2. To re-elect Mr Zahidi Bin Abd Rahman, being a Director of the Company retiring pursuant to Regulation 111 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), and being eligible, has offered himself for re-election. [see Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr Cleveland Cuaca, being a Director of the Company retiring pursuant to Regulation 121 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the SGX-ST, and being eligible, has offered himself for re-election. [see Explanatory Note (ii)] **(Resolution 3)**
4. To approve the payment of Directors’ fees of S\$160,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears. [2021:S\$60,000] **(Resolution 4)**
5. To re-appoint Messrs RSM Chio Lim LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

As Special Business

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

6. **AUTHORITY TO ALLOT AND ISSUE SHARES** **(Resolution 6)**

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

 1. (i) issue and allot shares in the capital of the Company (“Shares”) (whether by way of rights, bonus or otherwise); and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that may or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
 2. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:—
 - (a) the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as

NOTICE OF ANNUAL GENERAL MEETING

calculated in accordance with sub-paragraph (b) below);

- (b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the share capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of any convertible securities;
 - (ii) new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act 1967 of Singapore and Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held whichever is the earlier.

[see Explanatory Note (iii)]

7. **THE PROPOSED PLACEMENT OF AN AGGREGATE OF 1,270,369,565 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.023 PER PLACEMENT SHARE** (Resolution 7)

"That:

1. pursuant to Section 161 of the Companies Act 1967 and Rules 805(1) and 812 of the Listing Manual, approval be and is hereby given to the Directors to allot and issue an aggregate of 1,270,369,565 new ordinary shares ("Placement Shares") to PY Opulence Investment Pte. Ltd., Golden Summit International Ltd, and Alacrity Investment Group Limited (collectively, the "Placees"), at the Issue Price of S\$0.023 for each Placement Share, on and subject to the terms of the Placement Agreements;
2. pursuant to Rule 803 of the Listing Manual, approval be and is hereby given to the Company for the transfer of a controlling interest in the Company to Alacrity arising from the allotment and issuance of the Placement Shares;
3. pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for the issue and allotment of the relevant Placement Shares to Alacrity as an Interested Person Transaction; and
4. the Directors and each of them be and are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this Resolution or in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified."

[see Explanatory note (iv)]

8. **THE PROPOSED ISSUE OF 4% CONVERTIBLE DIGITAL BONDS DUE 22 MARCH 2026 FOR AN AGGREGATE PRINCIPAL AMOUNT OF US\$6 MILLION TO ALACRITY INVESTMENT GROUP LIMITED ("BONDS ISSUE")** (Resolution 8)

"That:

1. pursuant to Section 161 of the Companies Act 1967 and Rules 805(1), 812 and 824 of the Listing Manual, approval be and is hereby given to the Directors or any of them to create and issue digital convertible bonds due 22 March 2026 of an aggregate principal amount of US\$6 million ("Bonds") to Alacrity Investment Group Limited (the "Subscriber") in accordance with the Token Subscription Agreement and the terms and conditions of the Bonds ("Terms and Conditions"), such Bonds to be convertible into new ordinary shares of the Company ("Conversion Shares") at a conversion price determined in accordance with the Terms and Conditions ("Conversion Price");
2. approval be and is hereby given to the Directors or any of them to allot and issue such number of Conversion Shares pursuant to the Bonds Issue, at the Conversion Price to be allotted or issued

NOTICE OF ANNUAL GENERAL MEETING

on the conversion of the Bonds, to the holders of the Bonds ("**Bondholders**") on the date of the conversion thereof, subject to and otherwise in accordance with the Terms and Conditions, whereby such Conversion Shares when issued shall rank *pari passu* in all respects with the then existing shares of the Company;

3. pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for the issue of the Bonds to Alacrity as an Interested Person Transaction; and
4. the Directors and each of them be and are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this Resolution or in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified."

[see Explanatory note (v)]

By Order of the Board

Peter Koh Heng Kang
Executive Director and Chief Executive Officer

Singapore, 14 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Ordinary Resolution 2 – Mr Zahidi Bin Abd Rahman will, upon re-election, remain as an Independent Non-Executive Director, the Chairman of Nominating Committee and a member of the Audit Committee of the Company. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. The detailed information on Mr Zahidi Bin Abd Rahman as recommended under the 2018 Code of Corporate Governance and as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found under the sections “Board of Directors” and “Additional Information on New Director and Directors Seeking Re-election” in the Annual Report for the financial year ended 31 December 2021 (“**Annual Report FY2021**”).
- (ii) Ordinary Resolution 3 – Mr Cleveland Cuaca will, upon re-election, remain as a Non-Independent Non-Executive Director, and a member of each of the Audit Committee and Remuneration Committee of the Company. The detailed information on Mr Cleveland Cuaca as recommended under the 2018 Code of Corporate Governance and as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found under the sections “Board of Directors” and “Additional Information on New Director and Directors Seeking Re-election” in the Annual Report FY2021.
- (iii) Ordinary Resolution 6 – if passed, will empower the Directors of the Company, effective until (i) the conclusion of the next AGM of the Company, or (ii) the date by which the next AGM of the Company is required by law to be held or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

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

- (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.
- (iv) Ordinary Resolution 7 – Please refer to the Circular to Shareholders in relation to (1) The proposed issue of 4% convertible digital bonds due 22 March 2026 for an aggregate principal amount of US\$6,000,000; and (2) the proposed placement of an aggregate of 1,270,369,565 new ordinary shares in the capital of the company at the issue price of S\$0.023 for each placement share for full details. All capitalised terms in this Notice of AGM in relation to this Ordinary Resolution 7 shall, unless otherwise defined in this Notice of AGM, bear the respective meanings ascribed thereto in the Circular to Shareholders dated 14 April 2022 issued by the Company.
 - (v) Ordinary Resolution 8 – Please refer to the Circular to Shareholders in relation to (1) The proposed issue of 4% convertible digital bonds due 22 March 2026 for an aggregate principal amount of US\$6,000,000; and (2) the proposed placement of an aggregate of 1,270,369,565 new ordinary shares in the capital of the company at the issue price of S\$0.023 for each placement share for full details. All capitalised terms in this Notice of AGM in relation to this Ordinary Resolution 8 shall, unless otherwise defined in this Notice of AGM, bear the respective meanings ascribed thereto in the Circular to Shareholders dated 14 April 2022 issued by the Company.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice, proxy form and Annual Report FY2021 (collectively, the “Documents”) will **NOT** be sent to members. Instead, these Documents will be sent to members by electronic means via publication on SGXNet and the Company’s Investor Relations (“IR”) website at the URL <https://oceanus.com.sg/our-investors/> and also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM and submission of questions via live chat function during the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Important Notice to Shareholders dated 14 April 2022 in relation to the Conduct and Proceedings of the Company’s AGM on Friday, 29 April 2022 at 2.00 p.m. (“**Important Notice to Shareholders**”). This Important Notice to Shareholders may be accessed at the Company’s IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
3. To minimise physical interactions and COVID-19 transmission risks, a member will **NOT** be able to attend the AGM in person. A member (whether individual or corporate) **MUST** appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company’s IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.

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

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 April 2022.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (i) if submitted by post, be deposited at the office of the Company's Share Registrar office at 1 Harbourfront Avenue, Keppel Bay Tower, #14-03/07, Singapore 098632; or
 - (ii) if submitted via email, please send to the Company's email address at agm@oceanus.com.sg, in either case, not less than 72 hours before the time appointed for the AGM.

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

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

6. The Annual Report FY2021 may be accessed at the Company's IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements> and/ or <https://www.sqx.com/securities/annual-reports-related-documents>.
7. Due to the current COVID situation, further measures and/or changes to the AGM arrangements may be made on short notice. Members are advised to check our corporate website at the URL <https://oceanus.com.sg/our-investors/> for the latest updates on the status of the AGM.
8. The Company would like to thank all Members for their understanding and cooperation to hold the AGM by way of electronic means.
9. **Personal data privacy:**

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

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

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

OCEANUS GROUP LIMITED

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

PROXY FORM

IMPORTANT

1. The Annual General Meeting of Oceanus Group Limited ("**AGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of the AGM, proxy form and Annual Report for the financial year ended 31 December 2021 ("**Annual Report FY2021**") (collectively, the "**Documents**") will **NOT** be sent to members. Instead, these Documents will be sent to members by electronic means via publication on SGXNet and the Company's Investor Relations ("**IR**") website at the URL <https://oceanus.com.sg/our-investors/> and also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM and submission of questions via live chat function during the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Important Notice to Shareholders dated 14 April 2022 in relation to the Conduct and Proceedings of the Company's AGM on Friday, 29 April 2022 at 2.00 p.m. ("**Important Notice to Shareholders**"). This Important Notice to Shareholders may be accessed at the Company's IR website at the <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
3. To minimise physical interactions and COVID-19 transmission risks, a member will **NOT** be able to attend the AGM in person. A member (whether individual or corporate) **MUST** appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>.
4. This Proxy Form is not valid for use by such CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 April 2022.
5. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2022.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

*I/We _____ (Name) *NRIC/Passport/Co. Reg. No. _____ (Address)
of _____ (Address)
being a *member/members of **OCEANUS GROUP LIMITED** (the "**Company**") hereby appoint the **Chairman of the Annual General Meeting ("AGM")** as *my/our proxy to attend, speak and vote or abstain for *me/us on *my/our behalf at the AGM of the Company to be convened and held by way of electronic means on Friday, 29 April 2022 at 2.00 p.m. and at any adjournment thereof. *I/We direct *my/our proxy to vote for or against, or abstain from voting on the Ordinary Resolutions to be proposed at the Meeting as indicated hereunder.

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

No.	Ordinary Resolutions	For**	Against**	Abstain**
	Ordinary Business			
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021 together with the Independent Auditor's Report			
2.	Re-election of Mr Zahidi Bin Abd Rahman as a Director			
3.	Re-election of Mr Cleveland Cuaca as a Director			
4.	Approval of payment of Directors' fees of S\$160,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears.			
5.	Re-appointment of Messrs RSM Chio Lim LLP as Auditors			
	Special Business			
6.	Authority to issue new shares			
7.	Proposed placement of an aggregate of 1,270,369,565 new ordinary shares in the capital of the Company to PY Opulence Investment Pte. Ltd., Golden Summit International Ltd and Alacrity Investment Group Limited			
8.	Proposed issuance of 4% digital convertible bonds due 2026 in the aggregate principal amount of US\$6 million to Alacrity Investment Group Limited			

* Delete where inapplicable

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

Dated this _____ day of _____ 2022.

	Total number of Shares in:
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder



OCEANUS GROUP LIMITED

(Incorporated in the Republic of Singapore)
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Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. To minimise physical interactions and COVID-19 transmission risks, a member will **NOT** be able to attend the AGM in person. A member (whether individual or corporate) **MUST** appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's IR website at the URL <https://oceanus.com.sg/our-investors/>, and will also be made available on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as a proxy for that Resolution will be treated as invalid.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m on 19 April 2022.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (i) if submitted by post, be deposited at the office of the Company's Share Registrar office at 1 Harbourfront Avenue, Keppel Bay Tower, #14-03/07, Singapore 098632; or
 - (ii) if submitted via email, please send to the Company's email address at agm@oceanus.com.sg, in either case, not less than 72 hours before the time appointed for the AGM.

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

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

5. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2022.

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