OCEANUS GROUP LIMITED
(Registration No: 199805793D)

Statement by Directors and Financial Statements

Year Ended 31 December 2021

OCEANUS GROUP LIMITED

Statement by Directors and Financial Statements

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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:

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

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;

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.

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	Cleveland Cuaca
Director	Director

31 March 2022

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.

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.

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.

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

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

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

RSM Chio Lim LLP
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

	Notes	Group 2021 $'000	Group 2020 $'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		9,503	9,089
Income tax expense	10	(749)	(473)
Profit for the year		8,754	8,616
Other comprehensive income/(loss):			
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		(4,743)	(4,134)
Total comprehensive income for the year, net of tax		4,011	4,482
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		8,754	8,616
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		4,011	4,482

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)
Year Ended 31 December 2021

	Notes	Group 2021 Cents	Group 2020 Cents
Earnings per share			
− Basic	28	0.03	0.03
− Diluted	28	0.03	0.03

The accompanying notes form an integral part of these financial statements

Statements of Financial Position
As at 31 December 2021

	Notes	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 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

	Share capital $'000	Capital reserve $'000	Currency translation reserve $'000	Fair value reserve $'000	Statutory reserve $'000	Accumulated losses $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group									
Current year:									
Opening balance at 1 January 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:									
Acquisition of subsidiary (Note 31)	–	–	–	–	–	–	–	45	45
Capital contribution from non-controlling interest	–	–	–	–	–	–	–	1,743	1,743
Disposal of subsidiary with a change in control	–	–	–	–	–	–	–	(312)	(312)
Total comprehensive income for the year	–	–	(4,002)	26	–	7,270	3,294	1,188	4,482
Closing balance at 31 December 2020	653,757	(217,842)	(223)	–	8,067	(418,525)	25,234	3,239	28,473

The accompanying notes form an integral part of these financial statements

Statements of Changes in Equity
Year Ended 31 December 2021

	Share capital $'000	Capital reserve $'000	Accumulated losses $'000	Total equity $'000
Company				
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

	2021	2020
	$'000	$'000
Cash flows from operating activities		
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
Deprecation 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	(34,199)	(20,508)
Cash flows from investing activities		
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	2,211	(6,061)

The accompanying notes form an integral part of these financial statements

Consolidated statement of Cash Flows (cont'd)
Year Ended 31 December 2021

	2021 $'000	2020 $'000
Cash flows from financing activities		
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	57,507	20,881
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	11,484	16,954
Cash and cash equivalents, statement of cash flows, ending balance (Note 21)	37,213	11,484

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.

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.

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.

<u>Sale of goods</u>

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).

<u>Services</u>

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.

<u>Rental income</u>

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.

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.

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

2A. Significant accounting policies (cont'd)

Translation of financial statements of other entities

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

Income tax

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

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

2A. Significant accounting policies (cont'd)

Business combinations

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

Non-controlling interests

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

Goodwill

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

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

2A. Significant accounting policies (cont'd)

Goodwill (cont'd)

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

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

Property, plant and equipment

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

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

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

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

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

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

2A. Significant accounting policies (cont'd)

Right-of-use assets

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

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

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

Investment 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%

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

2A. Significant accounting policies (cont'd)

Leases of lessee

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

Leases of lessor

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

Prepaid leases and land use rights

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

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

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

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

2A. Significant accounting policies (cont'd)

Subsidiaries

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

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

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.

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

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

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

Classification and measurement of financial assets:

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

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

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

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

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

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

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

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

Classification and measurement of financial liabilities:

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

Cash and cash equivalents

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

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

2A. Significant accounting policies (cont'd)

Fair value measurement

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

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

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

Corporate guarantee

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

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

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

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

2B. Other explanatory information

Provisions

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

Segment reporting

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

2C. Critical judgements, assumptions and estimation uncertainties

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

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.

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.

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 meets its liabilities as and when they fall due for at least a year from the end of the reporting year. Consequently, management believes that the use of going concern assumption in the preparation of the Company's financial statements is appropriate.

3. Related party relationships and transactions

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

3A. Members of a group

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

3B. Related party transactions

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

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

The other related party transactions are not significant.

3C. Key management compensation

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

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

	Group	
	2021 $'000	2020 $'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.

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

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

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

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

	Group	
	2021	2020
	$'000	$'000
Other payable to directors		
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)	48	40

	Company	
	2021	2020
	$'000	$'000
Other receivables from subsidiaries		
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)	230,709	228,205
Movement in allowance		
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)	(224,461)	(224,461)

	Company	
	2021	2020
	$'000	$'000
Other payables to subsidiaries		
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)	20,765	20,764

4. Financial information by operating segments

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

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

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

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

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

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**
2021:					
Revenue by segments	766	134,399	4,347	858	**140,370**
Results:					
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**

4B. Profit or loss from continuing operations and reconciliations

	Live marine products $'000	Trading $'000	Consultancy $'000	Others $'000	**Total $'000**
2020:					
Revenue by segments	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**

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**

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

4D. Geographical information

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

	Group			
	Revenue		Non-current assets	
	2021	2020	2021	2020
	$'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
	140,370	92,068	20,817	19,167

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

5. Revenue

	Group	
	2021	2020
	$'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
	140,370	92,068

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.

6. Other operating income and expenses

6A. Other operating income

	Group 2021 $'000	Group 2020 $'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	10,334	6,752

6B. Other operating expenses

	Group 2021 $'000	Group 2020 $'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
	3,135	1,761

7. Employee benefits expense

	Group 2021 $'000	Group 2020 $'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
	3,576	2,447

8. Finance costs

	Group Continuing operations 2021 $'000	2020 $'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
	1,744	384

9. Items in the profit or loss

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

	Group Continuing operations 2021 $'000	2020 $'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
	241	191

10. Income tax (cont'd)

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

	Group	
	2021	2020
	$'000	$'000
Current tax expenses:		
Current tax expenses	749	473
Total income tax expenses	749	473

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:

	Group	
	2021	2020
	$'000	$'000
Profit before tax	9,503	9,089
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	(754)	(820)
Total income tax expense	749	473

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

10B. Deferred tax assets in statements of financial position

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

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
	23,016	29,979

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

11. Property, plant and equipment

Group	Buildings and farm structures $'000	Leasehold improvement $'000	Plant and machinery $'000	Office equipment $'000	Vehicles $'000	Assets under construction $'000	Total $'000
Cost:							
At 1 January 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

Group	Buildings and farm structures $'000	Leasehold improvement $'000	Plant and machinery $'000	Office equipment $'000	Vehicles $'000	Assets under construction $'000	Total $'000
Accumulated 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

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

Group	Buildings and farm structures $'000	Leasehold improvement $'000	Plant and machinery $'000	Office equipment $'000	Vehicles $'000	Assets under construction $'000	Total $'000
Accumulated impairment:							
At 1 January 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
Carrying value:							
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

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

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

12. Right-of-use assets

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

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

Number of right-to-use assets	2
Remaining term	33 to 34 months

13. Investment properties

	Properties $'000	Land use rights $'000	Total $'000
Group			
Cost:			
At 1 January 2020	–	–	–
Transfer from property, plant and equipment	73,484	–	73,484
Transfer from prepaid lease	–	469	469
Addition	4	–	4
Foreign exchange adjustments	3,538	10	3,548
At 31 December 2020	77,026	479	77,505
Addition	2	–	2
Disposals	(3)	–	(3)
Foreign exchange adjustments	3,701	23	3,724
At 31 December 2021	80,726	502	81,228
Accumulated depreciation:			
At 1 January 2020	–	–	–
Transfer from property, plant and equipment	37,151	–	37,151
Transfer from prepaid lease	–	113	113
Depreciation for the year	2,202	12	2,214
Foreign exchange adjustments	1,875	–	1,875
At 31 December 2020	41,228	125	41,353
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
Accumulated impairment:			
At 1 January 2020	–	–	–
Transfer from property, plant and equipment	17,126	–	17,126
Transfer from prepaid lease	–	130	130
Foreign exchange adjustments	821	–	821
At 31 December 2020	17,947	130	18,077
Foreign exchange adjustments	755	15	770
At 31 December 2021	18,702	145	18,847
Carrying value:			
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

13. Investment properties (cont'd)

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

Detail of the Group's land use rights:

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

Impairment testing

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

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

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 ot sell.

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

14. Goodwill

	Group	
	2021 $'000	2020 $'000
Cost:		
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	897	471
Accumulated impairment:		
At beginning of year	–	674
Disposal	–	(674)
At end of year	–	–
Carrying value:		
At beginning of the year	471	386
At end of the year	897	471

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

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

14. Goodwill (cont'd)

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

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

The impairment test has been carried out using a discounted cash flows model covering a five year period. Cash flow projections are made based on current year's results with 1% growth rate (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 hugher 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.

15. Investments in subsidiaries

	Company 2021 $'000	Company 2020 $'000
Unquoted equity shares at cost	273,004	273,003
Allowance for impairment	(273,000)	(273,000)
Carrying value	4	3
Movements in cost:		
At the beginning of the year	273,003	273,003
Addition	1	–
At the end of the year	273,004	273,003
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	273,000	273,000

The subsidiaries in the Group are listed below:

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Cost of investment 2021 $'000	Cost of investment 2020 $'000	Effective percentage of equity held 2021 %	Effective percentage of equity held 2020 %
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.

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

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 %	Effective percentage of equity held 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	–

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 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	–

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)

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:

	Proportion of effective ownership interest held by NCI		Profit/(loss) allocated to NCI	
	2021	2020	2021	2020
	%	%	$'000	$'000
Name				
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
Summarised statement of financial position	
Current	
Assets	87,483
Liabilities	(59,441)
Net current assets	28,042
Non-current	
Assets	133
Liabilities	(18,496)
Net non-current assets	(18,363)
Net assets	9,679
Summarised statement of profit or loss and other comprehensive income	
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
Summarised statements of cash flows	
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

16. Investment in associate

	Group 2021 $'000	Group 2020 $'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	156	–
Carrying value:		
Unquoted equity shares at cost	170	–
Share of post-acquisition profits, net of dividends received	(14)	–
	156	–

The associates held by the group are listed below:

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

17. Other financial assets

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current				
Investment in unquoted equity shares at FVTPL (Note 17A)	821	368	–	–
Loan receivable from subsidiary (Note 17D)	–	–	7,718	7,560
	821	368	7,718	7,560
Current				
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	–
	1,704	7,002	28,690	7,002

17. Other financial assets (cont'd)

17A. Investment in unquoted equity shares at FVTPL

	Group 2021 $'000	Group 2020 $'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.

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:

	2021 $'000	2020 $'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	82	37

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

17B. Investment in debt assets instruments at FVTPL

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

During the reporting year ended 31 December 2020, the Company entered into a subscription agreement, where the Company agreed to subscribe for Principal Protected Note ("Note") with a principal amount of $5 million. The note was fully redeemed on 8 September 2021.

17C. Investment in quoted money market fund at FVTPL

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

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:

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

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

	Company	
	2021 $'000	2020 $'000
Loans receivables from subsidiaries, non-current	7,718	–
Loans receivables from subsidiaries, current	26,986	7,560
Subtotal	34,704	7,560
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	158	–
At the end of the year	34,704	7,560

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.

18. Inventories

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

There are no inventories pledged as security for liabilities.

19. Trade and other receivables

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade receivables:				
Outside parties	54,133	29,685	–	–
Less: Allowance for impairment	(13,462)	(13,462)	–	–
Net trade receivables – subtotal	40,671	16,223	–	–
Other receivables:				
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	5,884	345	6,683	3,744
Total trade and other receivables	46,555	16,568	6,683	3,744
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	(13,462)	(13,462)	–	–
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	–	–	(224,461)	(224,461)

19 Trade and other receiavbles (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:

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

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

	Group	
	2021	2020
	$'000	$'000
Prepayments	71	110
Advance payments to supplier	297	1,216
	368	1,326

21. Cash and cash equivalents

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 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
2021:					
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

	Beginning of the year $'000	Cash flows $'000	Non-cash changes $'000		End of the year $'000
2020:					
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

22. Share capital

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

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

Capital management:

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

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

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

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.

23. Reserves

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'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)
	(626,406)	(628,523)	(657,094)	(659,712)

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.

24. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties and accrued liabilities	10,263	4,229	–	–
Trade payables – subtotal	10,263	4,229	–	–
Other payables:				
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	12,483	10,218	22,433	22,117
Total trade and other payables	22,746	14,447	22,433	22,117

25. Lease liabilities

	Group	
	2021	2020
	$'000	$'000
Lease liabilities, non-current	310	35
Lease liabilities, current	190	93
	500	128
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	500	128

#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.

25. Lease liabilities (cont'd)

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

2021:	Minimum payments $'000	Finance charges $'000	Present value $'000
Not later than 1 year	211	(21)	190
Between 1 and 3 years	323	(13)	310
	534	(34)	500

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

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:

	Group	
	2021 $'000	2020 $'000
Expenses relating to leases of low-value assets included in administrative expense	–	14

26. Other financial liabilities

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Non-current				
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	15,105	11,727	3,093	4,167
Current				
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	66,197	9,554	39,130	1,506
Total non-current and current	81,302	21,281	42,223	5,673

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

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

The loan is unsecured, bears fixed nterest 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.

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

	Group 2021 $'000	Group 2020 $'000
Advances from customers	787	578
Government grant income	–	24
	787	602

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:

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

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:

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

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

30. Contingent liabilities

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

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.

	2021 $'000
Purchase consideration	637

	Pre-acquisition book value under SFRS(I) $'000	Provisional fair value $'000
At 20 December 2021:		
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	1,061	1,061
Less: Non-controlling interest		(742)
Net identifiable assets acquired		319
Goodwill arising from acquisition (Note 14)		318
Cash consideration paid		637

Net cash outflow on acquisition is as follows:

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

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:

	Group	
	From date of acquisition in 2020	For the reporting year 2020
	$'000	$'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.

	2021
	$'000
Purchase consideration	210

	Pre-acquisition book value under SFRS(I)	Provisional fair value
	$'000	$'000
At 1 October 2021:		
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

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	(200)
Net cash outflow on acquisition	10

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

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

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

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	(82)
Net cash inflow on acquisition	(52)

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

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

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

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

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:

	2021 $'000
Commitment to increase paid-up capital in subsidiaries	4,457

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:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Financial assets:				
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	86,293	35,422	26,589	21,797
Financial liabilities:				
Financial liabilities at amortised cost	104,548	35,856	64,656	27,790
At end of the year	104,548	35,856	64,656	27,790

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.

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):

	Group		
	Less than 1 year	2 – 5 years	Total
	$'000	$'000	$'000
2021:			
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	94,371	15,959	110,330
2020:			
Trade and other payables	14,447	–	14,447
Gross borrowings commitments	9,033	12,670	21,703
Gross finance lease obligations	100	36	136
At end of year	23,580	12,706	36,286

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

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

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

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:

	Less than 1 year
	$'000
Company	
2021:	
Financial guarantee contracts – bank guarantee in favour of a subsidiary	11,954

Bank facilities:

	$'000
2021:	
Unused bank guarantees	692

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:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'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	81,302	21,553	42,223	5,673

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

	Group	
	2021	2020
	$'000	$'000
Financial liabilities:		
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	(90)	(80)

33G. Foreign currency risks

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

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

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

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

33G. Foreign currency risks (cont'd)

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

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

Sensitivity analysis is as follows:

	Group	
	2021 $'000	2020 $'000
Financial assets:		
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	313	805

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.

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; 7 and 9	Interest Rate Benchmark Reform – Amendments to
	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.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 1-8	Definition of Accounting Estimates - Amendments to	1 Jan 2023
SFRS (I) 1-12 SFRS (I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to	1 Jan 2023
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended 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