



FOOD WITHOUT BORDERS

Driven by the Asian leader in food security

CONTENTS

06.

CEO Message

10.

Board of Directors

15.

Meet our Captains

16.

Ripe for Change:

The growing impetus for food security

22.

Savouring our Achievements:
From Fiscal Earnings to Operational Wins

26.

Food without Borders:
Becoming the Asian Leader in Food Security

34.

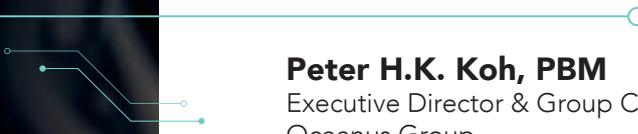
Pipelines and Platforms:
Mastering the Art of Supply Chain Innovation





AS THE LEADING ASIAN FOOD SECURITY COMPANY, WE CREATE A RESILIENT GLOBAL MARKETPLACE WHERE TRADE OF FOOD FLOWS WITHOUT FRICTION.

With our key strategies in place, we are well poised to advance our 'tech up' vision of a food-secure tomorrow, futureproofing our business as the pioneering industry game changer.



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

A MESSAGE FROM OUR CEO



Dear Shareholders,

2023 has continued to be a challenging one at the macro level for the global food system. The upheavals of the previous few years have placed food security concerns in the spotlight.

FOOD WITHOUT BORDERS

World events such as the Covid-19 pandemic, climate change, and growing political uncertainties, have disrupted global supply chains. This has in turn triggered governments to adopt increasingly protectionist measures to ban food exports, weakening the resilience of food security worldwide.

The case for food security is present and urgent. A growing global population will require a projected 70% increase in food production by 2050. However, food waste remains high due to problems arising from inadequate infrastructure, lack of market data, and in particular, from a food trade finance gap that affects many small and medium enterprises. An estimated 14% of global food is lost through supply chain inefficiencies.

Against this backdrop, Oceanus has a bold ambition to be the Asian leader in food security. We have made it our mission to create a more efficient and resilient global food marketplace, where trade of food flows without friction.

We call this **“Food Without Borders”**.

We know we can deliver this. Our vision is backed by our history in aquaculture production and expertise in food supply chain management. As a company headquartered and listed in Singapore, ranked 1st globally in the Food Security Index, with a foundation of good corporate governance and trusted by governments and commercial partners alike, Oceanus already starts off with a strong advantage. Our results in 2023 are a testament to this.

FINANCIAL HIGHLIGHTS

In FY2023, we achieved our third consecutive record revenue, soaring 47% year-on-year, hitting an all-time high of S\$344.3 million, up from S\$234.5 million in the same corresponding period (FY2022). It is easy to overlook that before its transformation in 2015, Oceanus was a struggling business with hardly any revenue.

In tandem with the significant rise in revenue, gross profit increased by 37% to S\$25.2 million in FY2023, compared to S\$18.4 million in FY2022. Other operating expenses reduced by 22% from S\$16.6 million in FY2022 to S\$12.9 million in FY2023, despite an increase in the level of investments in technology, primarily in the Oceanus Digital Network, or ODIN, our digital platform for payments and financing of food trade. Other operating income increased by

233% to S\$5.0 million in FY2023 from S\$1.5 million in FY2022, largely due to an increase in commission income derived from trade services provided to clients.

As of 31 December 2023, our balance sheet show a healthy positive net asset position of S\$61.3 million. Our net working capital position has also improved by 4% from S\$63.3 million as of 31 December 2022 to S\$65.8 million as at 31 December 2023.

OPERATIONAL HIGHLIGHTS

We achieved the above results in spite of a slow-down in China’s economy, one of our key markets for food and beverages distribution, and supply chain challenges such as mounting attacks by the Houthis on the shipping channels in the Red Sea. We are able to do so because we have strategically diversified our products, markets and sourcing channels.

Oceanus’ product portfolio and global footprint has grown significantly over the past year. We achieved a 40% increase in overall product offerings, ranging from FMCG products such as beverages, snacks, cereals, to chilled and frozen meat (beef, chicken, pork), sugar, grains, rice and many more under our key subsidiaries and brands.

In 2023, we also crossed a significant milestone, moving an average of about 100 containers monthly of food products globally, from sources as diverse as Brazil, Panama, Netherlands, and Turkey, to equally diverse markets such as United Arab Emirates, China, Hong Kong, Macau, Indonesia, Brunei, Malaysia, Thailand, Vietnam and Singapore, with a distribution value of over S\$300 million.

Another important element to support distribution globally is through warehousing and logistics services. In October 2023, Oceanus TradeLog was awarded a bonded warehouse license from Singapore Customs, which will allow Oceanus to continue to grow our distribution and logistics services, including cold chains.

This means that Oceanus can ensure joined-up and seamless services for food suppliers and procurers alike, encompassing everything from payment and financing to logistics, storage, and distribution, covering all their needs from the first to the final mile. This ability, coupled with our strategic positioning in Singapore that accords us with more than 600 port links and over 200 shipping lines in 120 countries worldwide, will allow us to continue to expand our global trading network.

At the same time, we will continue to work closely with government bodies and strategic partners to expand our distribution network and bridge the gap between food producers and merchants, and enhance food security. We are pleased to publicly support the FTA with the Latin American economic bloc called the Pacific Alliance, which comprises Chile, Colombia, Mexico and Peru in December last year. We are confident that this will facilitate more effective cross-border trade and contribute to greater food supply resilience, very much in line with our belief that a world of food without borders is a food-secure world.

ENHANCING GLOBAL FOOD SECURITY: A MODEL OF "PIPELINES AND PLATFORMS"

Whilst the above milestones are no mean feat, what excites me the most are our tech-up efforts, with the successful implementation of the revolutionary Oceanus Digital Network, or ODIN, a revolutionary financing and digitalisation tool to facilitate cross-border food trades.

A global blockchain-enabled digital exchange, ODIN will improve efficiency in cross-border payments, trade financing and real-time shipment tracking. First, ODIN Pay is a secure international payment service that provides competitive foreign exchange rates and other payments services, licensed by the Monetary Authority of Singapore (MAS). It streamlines complex cross-border payments processes and digitalises trade documents such as invoices and third-party bill of lading. In just six months of ODIN Pay's implementation in June 2023, more than S\$70 million worth of payments and over S\$3.6 million of foreign exchange forward contracts have been put through ODIN Pay.

ODIN Finance utilises transacted payment data points generated for credit risk analysis, to provide innovative financing solutions. As a result of financing, more trades can be conducted, which increases demand for cross-border payments and hence generates more data for credit risk analysis - a virtuous cycle. In three months since December 2023, S\$2 million worth of food trades have been financed through ODIN Finance. We will be launching ODIN in the wider market later this year.

In addition to facilitating payments and financing, two other supporting technology platforms complete the suite of Oceanus' innovative marketing solutions. ODIN Market, for one, establishes Oceanus as the trusted agent to fulfil orders made by buyers and source from trusted suppliers by increasing the frequency of trade on the platform, and thus the demand for cross-border payments.

ODIN Warehouse Management Service (WMS) is a software system that digitalises warehouses to track the movement of physical goods into, within and out of the warehouse. The data represents the movement of the physical supply chain, and when paired with transactional payment data generated from ODIN Pay, yields better credit risk assessment capabilities for ODIN Finance.

Together, the 4 services under ODIN address the underserved needs of the global food trade finance sector and ensure better control and traceability of products across the supply chain.

As a leading Asian food security company, we create a more efficient and resilient global food marketplace, whereby trade of food flows without friction. Through technology and advanced data analytics, we can facilitate a better understanding of global food supply dynamics, enable efficient distribution that is crucial for preventing surpluses and shortages, ensuring a balanced global food supply, more market stability and less waste.

APPRECIATION

We are encouraged that the Group has continued to scale new heights, achieving record topline performance and crossing significant 'tech up' milestones as we struck a good balance between stability and growth. We continue to deliver on our promise to uphold sustainability today for security of tomorrow.

I would also like to extend our sincere appreciation to my fellow Board members for your invaluable guidance to lead Oceanus to where we are today. In addition, on behalf of the Board, a word of thanks to the tenacious Oceanus team. We would like to acknowledge and thank you for your diligence and commitment as we forge ahead to scale new heights in food security.

I would also like to express my profound gratitude to our shareholders, business partners and associates for your unwavering support and confidence in our journey towards Food Without Borders.



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

BOARD OF DIRECTORS



Peter H.K. Koh, PBM

Executive Director & Group CEO
Oceanus Group

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

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

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

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

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

In September 2021,
under Mr Koh's
strong leadership,
Oceanus Group
successfully exited
from the SGX
Watch-list

Mr Loy has almost three decades of experience across multiple industries

Mr Edward Loy was appointed to the Board as an Independent, Non-Executive Director on 3 May 2018. Mr Loy is the Chairman of the Audit and Risk Committee. He was last re-elected on 29 April 2021.

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

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

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

Mr Loy holds a Bachelor of Commerce (Economics and Accounting) from The Australian National University and is a qualified Certified Public Accountant.

Mr Loy completed Executive Management Programs at MIT Sloan in 2015 and IMD in 2018.

Mr Edward Loy Chee Kim
Independent, Non-Executive Director



Zahidi Bin Abd Rahman

Independent, Non-executive Director

Mr Zahidi was appointed to the Board as an Independent, Non-Executive Director on 29 June 2020. Mr Zahidi is Chairman of the Nominating Committee and a member of the Audit and Risk Committee.

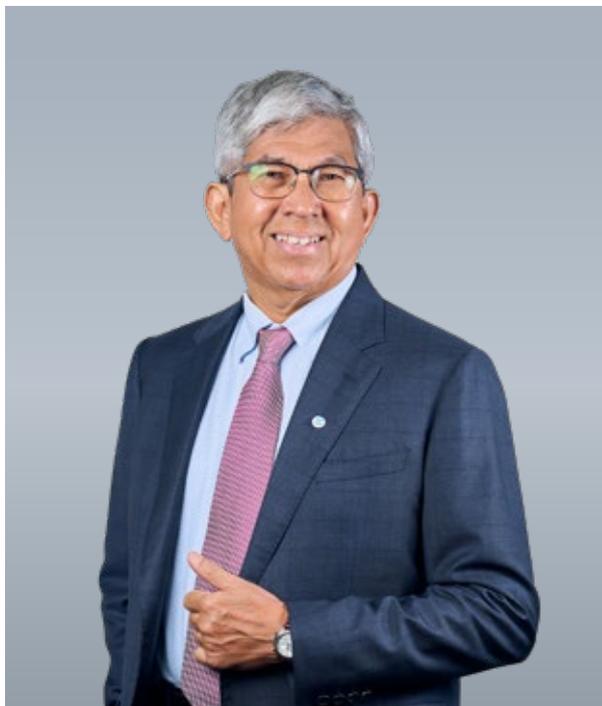
Mr Zahidi has almost three decades of experience as an architect, providing architectural, interior design and project management services for buildings, housing and townships, as well as education institutions. Currently the Principal Architect of Zahidi A.R. Arkitek, Mr Zahidi's key projects include Eastparc Hotel Yogyakarta, Kebun Villas in Lombok, Somerset, Bencoolen, Curtin University (Singapore) and Danga Utama Commercial Development (JB, Malaysia). Mr Zahidi was also a board member of the Singapore

Malay Chamber of Commerce and Industry and the Mendaki Foundation from 2012 to 2016. He was previously a board member of the Central Provident Fund Board, the Infocomm Media Development Authority, Urban Redevelopment Authority and the National Heritage Board.

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



Mr Zahidi was also a board member of the Singapore Malay Chamber of Commerce and Industry and the Mendaki Foundation



As former Minister for Communications and Information, Dr Yaacob brings with him his extensive and varied experience.

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

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

Dr Yaacob served as a Minister in the Ministries of Communications and Information (2011 - 2018), Environment and Water Resources (2004 - 2011) and Community Development and Sports (2002 - 2004). Throughout his 16 years as a Minister, he was also

Minister-in-charge of Muslim Affairs. He started his political career as a Member of Parliament in Jalan Besar GRC on 2 January 1997. He held several political appointments before becoming a minister in 2002. Dr Yaacob stepped down from the cabinet on 30 April 2018 and from parliament in 2020 after 23 years of service.

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

Dr. Yaacob Bin Ibrahim

Independent, Non-executive Director

Mr Cuaca adds diversity to Oceanus' Board of Directors with his varied investment and business development and branding experience, including a special focus on the 'teching up' of Oceanus business pillars and FMCG distribution.

Cleveland Cuaca

Non-independent, Non-executive Director

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

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

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

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



MEET OUR CAPTAINS

Charting the way to a more sustainable future

Our captains and key executives behind the scenes don't just make promises - they build strong relationships with partners, clients, and stakeholders by consistently exceeding expectations. Together, the team at Oceanus is dedicated to steering the industry towards groundbreaking, innovative food security solutions that contribute towards a more sustainable future.

MR PETER H.K. KOH, PBM

Executive Director And Group
Chief Executive Officer

MR SAMMUL LIN
Group COO

MR DUANE HO
Group CFO

MS SHERO DONG
Group Director,
Distribution

MS TAN MAY LING
Group FC

MR ADRIAN TEO
Director, Ventures

MS DAPHNE LIM
Group Director,
Corporate Planning & Strategy



RIPE FOR CHANGE

|
The growing impetus
for food security



Find out why Oceanus has made it our mission to secure the future of food trade.

A MOUNTING GLOBAL CHALLENGE: FOOD SECURITY

The global food supply is under significant threat due to a combination of factors like global uncertainty, climate change, food wastage, and a burgeoning population.



GROWING POPULATION

9.7 Billion by 2050

The world faces a challenge with food like never before. A growing world population requires a projected 70% increase in food production by 2050, and these very same production systems are being threatened by climate change.

(Source: FAO)



CLIMATE CHANGE

In the past years, we have witnessed increasingly erratic weather patterns that result in higher frequencies of droughts, wildfires and foreign pest invasions that affect food production and supply.



DISRUPTED SUPPLY CHAINS

The globalised nature of food supply chains makes them highly complex and intertwined and will become even more fractured and tenuous. Shock events such as the COVID-19 pandemic and war in Ukraine demonstrate that food supply chains can get disrupted overnight, resulting in panic buying and inflation.



INCREASING PROTECTIONIST MEASURES

As a result, countries around the world are rethinking their food supply chain resiliency, resorting to temporary export bans of essential foodstuffs, resulting in ripple effects around the world.

In short, the walls are closing in around global flow of food.

IDENTIFYING THE GAPS: THE BUSINESS CASE FOR FOOD SECURITY

INEFFICIENT SUPPLY CHAIN



Food wastage

from supply chain in 2021

In 2021 alone, 14% of the world's food was lost from the supply chain, due to problems such as inadequate infrastructure, lack of cold chain facilities and market data, and poor handling practices.

(Source: FAO)

TRADE FINANCE GAP

US\$150 Billion may be in food trade

Out of USD 2.5 trillion in trade finance gap, Oceanus estimates that USD 150 billion could be in food trade, which affects mainly small and medium enterprises all around the world.

STEERING THE HELM

Towards an ocean of opportunities

In the face of these challenges, there lies an opportunity for transformative solutions. This is the story of how Oceanus will harness innovation, sustainable practices, and global collaboration to create a more resilient and secure food future for Asia.

SAVOURING OUR ACHIEVEMENTS

|
From Fiscal Earnings to
Operational Wins





Oceanus reports a bountiful harvest of healthy, sustainable year on year revenue growth.

A BOUNTIFUL HARVEST FROM SEEDS OF DIVERSIFICATION

FY2023 Financial Highlights

Our revenue has grown exponentially from a successful diversification strategy, as has our global footprint.

REVENUE

47%

Year of Year Increase

234.5M ▶ **344.3M**
FY2022 FY2023

EBITDA

426%

Improvement

-2.7M ▶ **8.8M**
FY2022 FY2023

CASH BALANCE

84%

Increase

10.3M ▶ **19M**
FY2022 FY2023

NET WORKING CAPITAL POSITION

4%

Improvement

63.3M ▶ **65.8M**
FY2022 FY2023

DISHING OUT SEAMLESS SOLUTIONS: OUR OPERATIONAL WINS

FY2023 Operational Highlights

As supply chain experts, we ensure joined-up and seamless services for food suppliers and procurers alike, encompassing everything from payment and financing to logistics, storage, and distribution.

Since 2015, we have been a key distributor of globally sourced foods from meats, seafood, commodities, and beverages to FMCG, in China and Southeast Asia as our main markets.



100 CONTAINERS
on average monthly globally



>SGD300m
distribution value



40%↑ OVERALL
product offerings

Bonded License warehouse received in 2023 which allows Oceanus to continue to grow our distribution logistics services.



FOOD WITHOUT BORDERS

|
Becoming the Asian Leader
in Food Security



Oceanus' strong industry advantage puts us in a good stead to make waves in the food supply chain.



CREATING A WORLD OF FOOD WITHOUT BORDERS

Small and Medium-sized Enterprises (SMEs) in the food trade sector face significant financing challenges, hindered by disconnected data streams, lack of digitalisation, and insufficient financial literacy.

These barriers contribute to a substantial global trade finance gap of US\$2.5 trillion in 2022, according to the Asian Development Bank (ADB), of which Oceanus estimates US\$151.5 billion could be related to food trade.

At Oceanus, we believe that a world of Food Without Borders is a more food-secure world.



USD2.5 trillion
global trade finance gap in 2022

Source: Asian Development Bank (ADB)



THE OCEANUS ADVANTAGE

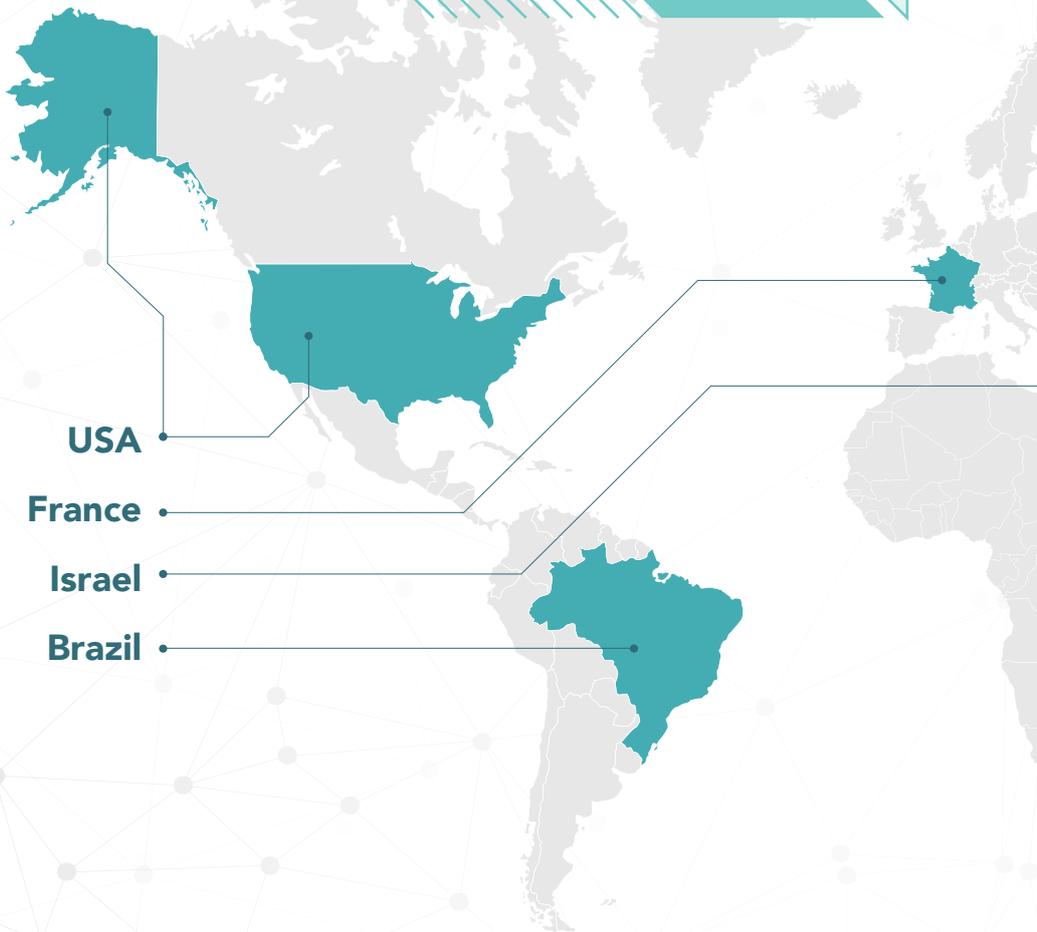
With Oceanus' history in aquaculture production and expertise in food supply chain management, our ambition is to create a more efficient and resilient global food marketplace, where trade of food flows without friction, thereby improving food security for everyone.

Singapore

1st in Food Security Index

A LEADING INDUSTRY PLAYER

As a company headquartered and listed in Singapore known for its geo-political neutrality and ranked 1st in the Food Security Index, Oceanus already has a strong industry advantage. Our strict adherence of governance and transparency, coupled with our credible turnaround history, makes us a trusted, reliable player.

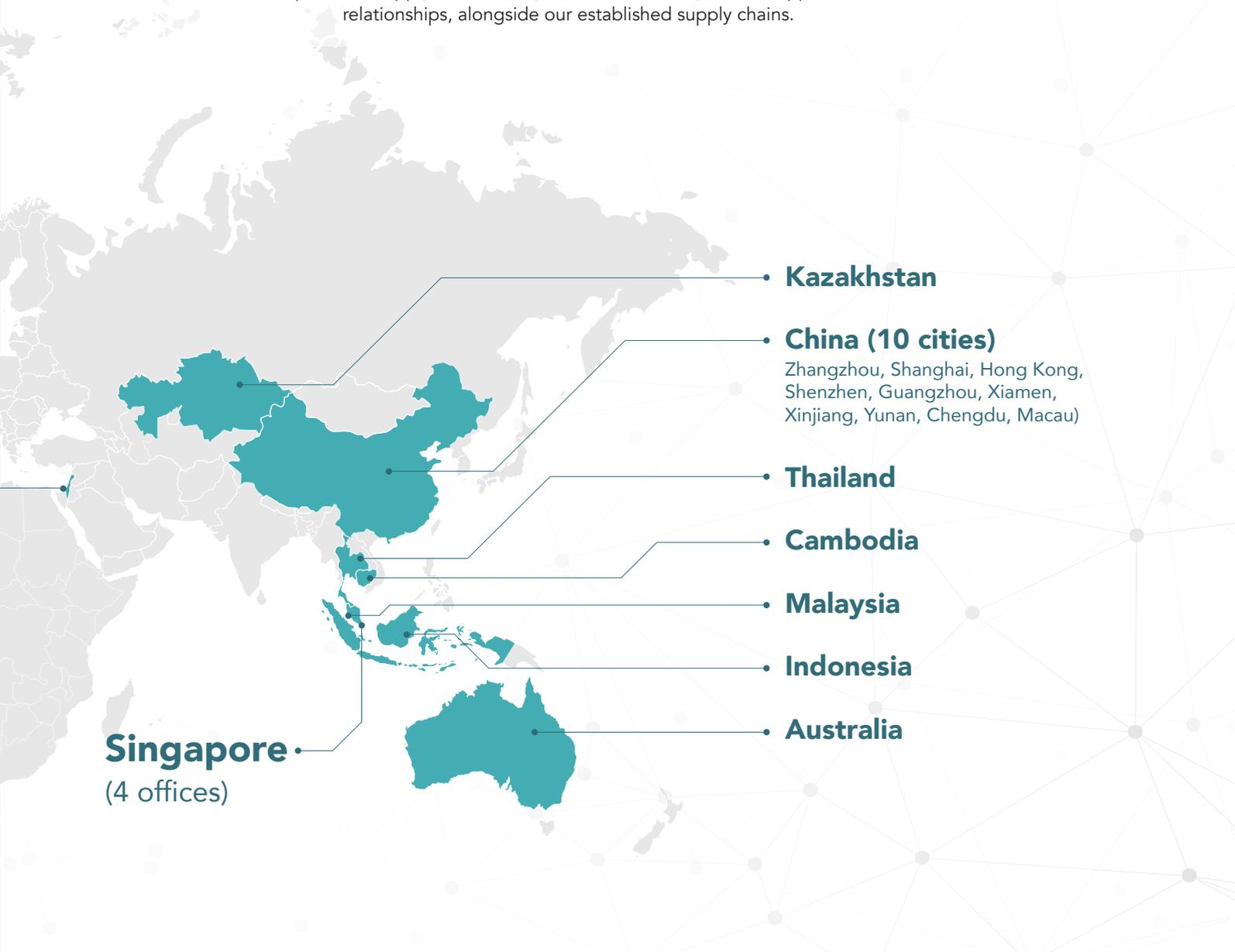


>600
Port Links

>200
Shipping Lines

>20
Free Trade
Agreements

With a network comprising 36 subsidiaries spanning key Asian markets, we serve as the vital link connecting the world to Asia, enjoying the advantages of Singapore's strong global links. Our leadership in food supply chain management is backed by robust supplier and customer relationships, alongside our established supply chains.



A Broad and Trusted Network of Government Relations

Governments around the world have sought us out to be their partner in food security



Uzbekistan

Mr Laziz Kudratov

Minister of Investment and Industry

- USD200m partnership trade deal
- MOU with Export Promotion Agency
- Establish Chamber of Commerce



Estonia

H.E. Pritt Turk

Ambassador of Estonia to Singapore

- Collaboration in the digital marketing space



Mexico

H.E. Agustin Garcia-Lopez Loeza

Ambassador of Mexico to Singapore



Sultanate of Oman

H.E. Asila bint Salim Al Samsamiyah

Undersecretary of the Ministry of Commerce, Industry and Investment Promotion



Brunei

Dr Haji Bin Metussin

Minister of Primary Resources and Tourism

- Collaboration with Government Ministries on logistics and distribution



Kazakhstan

H.E. Askar Kuttykadam

Ambassador of Kazakhstan to Singapore

- Free Trade Zone



Chongqing Jiangbei District

Mr Wang Jianping

Mayor of Chongqing Jiangbei



Turkey

H.E. Mehmet Burçin Gönenli

Ambassador of Turkey to Singapore

PIPELINES AND PLATFORMS

|
Mastering the Art of
Supply Chain Innovation





Oceanus leverages data-driven strategies to optimise every step of the food supply chain, ensuring a food-secured future.



CLOSING THE FOOD TRADE GAP THROUGH DIGITAL TECHNOLOGY



\$32 trillion2022 Global Trade Value¹Global Food Trade Value Reaching²**\$1.94 trillion****US\$2.5 trillion**2022 Global Trade Finance gap³

An estimated

US\$151.5 Billionis related to the Food Trade³

Market Opportunity Amidst Economic and Political Shifts

Despite the turbulent economic and political environment, cross-border food trade persists to the tune of trillions of dollars. But it has not reached its full potential yet, due to a substantial global trade finance gap.



Critical Financing Gaps for SMEs

Small and Medium-sized Enterprises (SMEs) in the food sector face significant financing challenges, hindered by disconnected data streams, lack of digitalisation and insufficient financial literacy.

1) Source: ¹ UNCTAD and Llyod's List

2) Source: ² FAO

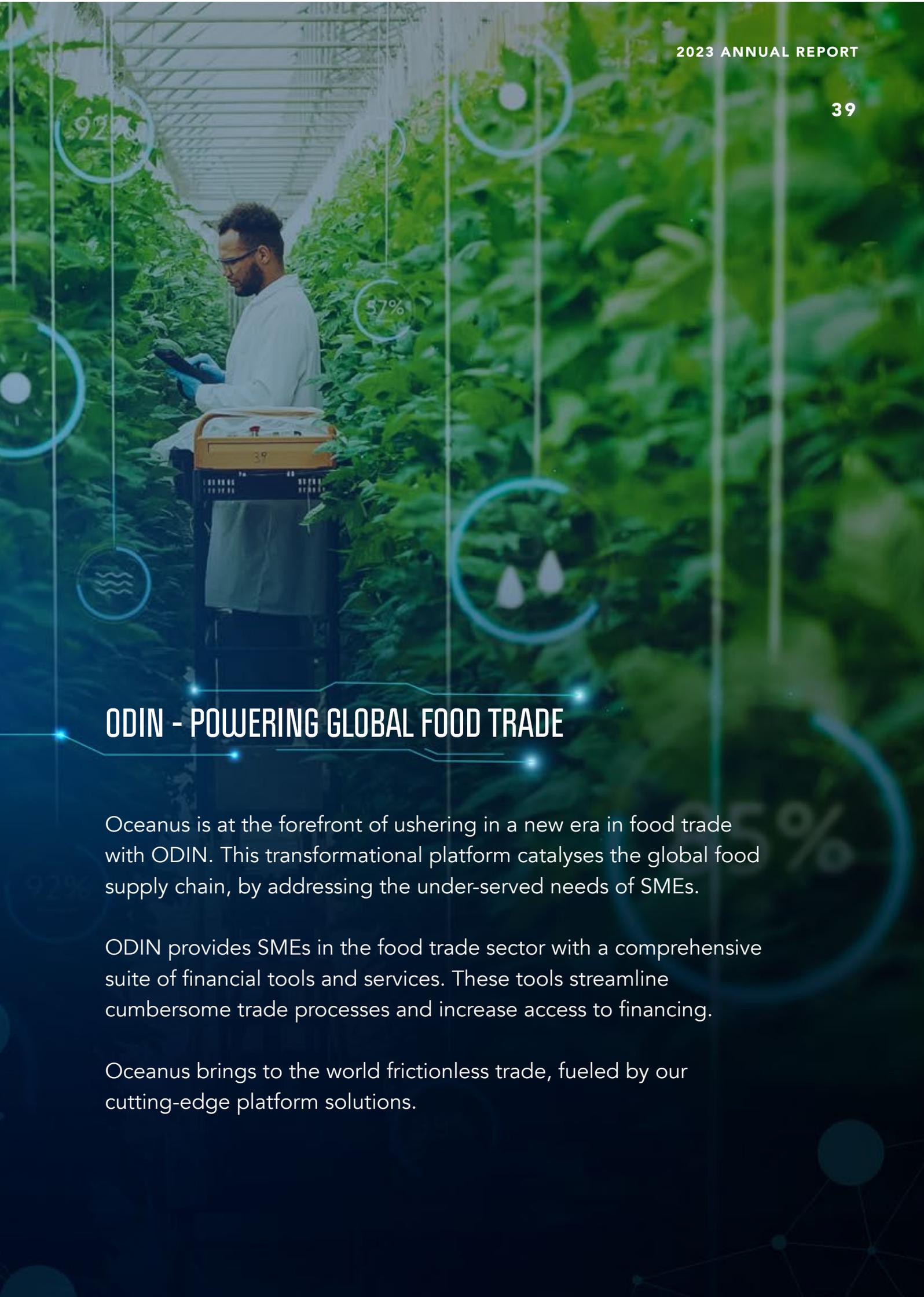
3) Source: ³ ADB

ENHANCING FOOD SUPPLY CHAIN RESILIENCE THROUGH TECH

Oceanus Digital Network (ODIN) is a revolutionary digital platform that aims to leverage the power of data to connect global food markets.

ODIN solves critical gaps in the global food trade, by leveraging on a vast trade finance opportunity.





ODIN - POWERING GLOBAL FOOD TRADE

Oceanus is at the forefront of ushering in a new era in food trade with ODIN. This transformational platform catalyses the global food supply chain, by addressing the under-served needs of SMEs.

ODIN provides SMEs in the food trade sector with a comprehensive suite of financial tools and services. These tools streamline cumbersome trade processes and increase access to financing.

Oceanus brings to the world frictionless trade, fueled by our cutting-edge platform solutions.

SWIFT, SEAMLESS, SECURE

Enhancing Trade Through Smooth Financial and Data Transactions

ODIN: An integrated platform that digitalises and finances SMEs through strategic use of data

ODIN PAY

Cross-border Payments Services



ODIN Pay is a secure international payment service with competitive foreign exchange rates and escrow services, licensed by the Monetary Authority of Singapore (MAS). By streamlining complex cross-border payments processes and digitalising trade documents such as invoices and third-party bill of lading (BLs), it enables efficient global trades.

ODIN FINANCE

Data-driven Financial Services



The transacted payment data points generated are utilised by ODIN Finance are leveraged to assess credit risk and provide supply chain financing services, driving more conducted trades and increasing more demand for cross-border payments.

ODIN MARKET

Global Digital Exchange



Our managed marketplace solution is a global procurement and fulfilment service for food traders, featuring a network of trusted buyers, where sellers can eliminate cross-border trading friction and risk to make more profit without incurring high costs.

ODIN WMS

Warehouse Management Services



WMS is a software system that digitalises warehouses to track the movement of physical goods.

TOGETHER, DATA GENERATED FROM EACH SERVICE POWERS THE TRADE FLYWHEEL AND INCREASES GLOBAL FOOD FLOW

A 4-Part Journey



STRONG TRACTION DEMONSTRATING PRODUCT-MARKET FIT

Since its launch, ODIN has experienced significant growth, processing substantial payments and facilitating a large number of foreign exchange contracts through ODIN Pay. Notably, ODIN Finance, launched just recently, has already financed a significant amount of food trade activity. These achievements demonstrate the real-world value ODIN brings to the global food trade.

\$70m IN 6 MTHS

Payments since June 2023 through ODIN Pay

\$2m IN 3 MTHS

Food trades financed through ODIN Finance

\$3.6m

Foreign Exchange Forwards through ODIN Pay

PIPELINES AND PLATFORMS

ODIN's edge is fueled by its product excellence, market ecosystem, and industry trustworthiness.

Assurance guaranteed by MAS license



Monetary Authority of Singapore

Backed by Singapore-based Publicly Traded Company



The Asian Leader in Food Security



Ecosystem with over \$1 bn in GMV traded



...and more.

FINANCIAL CONTENTS

45	Corporate Information
46	Corporate Governance Report
70	Additional Information on New Director and Directors Seeking Re-election
76	Statement by Directors
82	Independent Auditor's Report
88	Consolidated Statement of Profit or Loss and Other Comprehensive Income
89	Statement of Financial Position
91	Statement of Changes in Equity
93	Consolidated Statement of Cash Flows
95	Notes to the Financial Statements
151	Statistics of Shareholdings
153	Notice of Annual General Meeting
	Proxy Form

CORPORATE INFORMATION

DIRECTORS

EXECUTIVE DIRECTOR AND CEO

Peter Koh Heng Kang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Edward Loy Chee Kim
Zahidi Bin Abd Rahman
Yaacob Bin Ibrahim

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Cleveland Cuaca

AUDIT AND RISK COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

Chen Chuanjian, Jason
Tan Ching Ching

REGISTERED OFFICE

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Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
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Singapore 098632

BANKERS

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

AUDITOR

RSM SG Assurance LLP
(formerly known as RSM Chio Lim LLP)
8 Wilkie Road
#03-08
Wilkie Edge
Singapore 228095
Partner-in-charge:
Poh Chin Beng
(since financial year 2023)

CORPORATE GOVERNANCE REPORT

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

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

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

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

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

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

Matters which specifically require the Board’s decision or approval include the following:

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

All other matters are delegated to board committees (“**Board Committees**”) whose actions and decisions are closely monitored and endorsed by the Board. These committees include the Audit and Risk Committee (“**ARC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), which operate within written terms of reference and functional procedures. The Audit Committee (“**AC**”) of the Company was renamed as ARC on 26 February 2024 with the adoption of revised ARC Terms of Reference.

CORPORATE GOVERNANCE REPORT

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

The number of meetings held and the attendance at meetings of the Board and Board Committees by the Directors of the Company during the financial year 31 December 2023 ("FY2023") are, as follows:

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

N.A. = Not applicable

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

All newly appointed Directors are given an orientation on the Group's business strategies and operations. Directors are also provided with opportunities to visit the Group's operating facilities and meet with Management to gain a better understanding of the Group's business operations and governance practices, where necessary.

During the year, the Directors attended various conferences, workshops and training programmes organised by the Singapore Institute of Directors, Singapore Exchange, Google, Singapore University of Technology and Design, Citibank, Singapore Business Federation, National University of Singapore, etc, covering a wide range of governance, financial and operational-related topics including Environment, Social and Governance essentials (Core), Climate Reporting Fundamental for ListedCos, Artificial Intelligence ("AI"), Entrepreneurship Program, Wealth Outlook and various foreign business forums. In addition, the Directors also attended conferences and seminars on the topic of green building and energy, architecture, real estate, construction, hotel industry, engineering, etc during the year. In-house seminars and trainings were also organised and attended by the Directors during the year covering topics on AI and human resource management systems. Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations.

In addition, the NC and/ or Directors have requested the Management to:

- (a) provide periodic updates on relevant training seminars and workshops that are available throughout the year and the relevant schedule on specific topics such as cybersecurity, AI, corporate governance and compliance and sustainability, as the Directors are of the opinion that they should continue to hone and enhance their skills and knowledge of such matters and to keep abreast with latest developments and trends;
- (b) explore opportunities and possibilities of in-house training and seminars on business/ operational related matters of the Company/ group so as to provide a better overview to the Board for strategic discussions; and

CORPORATE GOVERNANCE REPORT

- (c) formalise training plans.

In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board with complete, adequate and timely information via emails and Board papers prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. The directors are allowed under the Company's Constitution and the Act to conduct Board meetings using tele-conferencing facilities.

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

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

The Company Secretaries attend Board and Board Committee meetings. Together with Management, the Company Secretaries are responsible for advising that appropriate Board procedures are practised and that the requirements of the Act, the provisions in the SGX-ST Listing Manual and the Code are complied with. The company secretarial team provides regulatory updates to the Management, Board and Board Committees via emails and during the meetings for their consideration, and assisted the Company in complying with newly prescribed requirements by (i) including new agenda items relevant to the new requirements at the meetings; (ii) collate matters of arising from the meetings; and (iii) highlight corporate governance topics/ concerns raised by SGX or the Accounting and Corporate Regulatory Authority ("ACRA"), for the Company's Management consideration from time to time, and for Management's recommendation to the Board/ Board Committees on action to be taken. During FY2023, the updates that the company secretarial team shared with the Company included the following:

- (a) strengthening mandatory disclosures on progressions of board diversity;
- (b) cessation of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings) Orders with effect from 1 July 2023;
- (c) new changes to the Act with effect from 1 July 2023;
- (d) review terms of reference of the AC/ ARC; and
- (e) SGX Climate Reporting Fundamentals for Listed Company.

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

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

Principle 2: Board Composition and Guidance

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

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

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

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

The Board currently comprises three (3) Independent Non-Executive Directors, namely Mr Edward Loy Chee Kim, Mr Zahidi Bin Abd Rahman and Dr Yaacob Bin Ibrahim, one (1) Executive Director, namely Mr Peter Koh Heng Kang, and one (1) Non-Independent Non-Executive Director, namely Mr Cleveland Cuaca.

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

CORPORATE GOVERNANCE REPORT

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

The Board considers an “Independent Director” as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related companies, its 5% shareholders or its officers who could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgement in the conduct of the Group’s affairs. The Board believes it is able to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues. Each Independent Director is required to complete a confirmation of independence annually to confirm his independence based on the provisions as set out in the Code.

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

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

During FY2023, there was no transaction/ matter brought to the attention of the NC which falls under the circumstances in which a director should be deemed to be non-independent. Save for the director’s shareholding as stated in the Directors’ Statement, the Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, or its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent business judgement with a view to the best interests of the Company. The NC is of the view that Mr Edward Loy Chee Kim, Mr Zahidi Bin Abd Rahman and Dr Yaacob Bin Ibrahim are independent and is satisfied that there is no other relationship which would affect their independence.

The Board noted from the updates by the company secretarial team during the Board meetings that with effect from 11 January 2023, SGX RegCo has removed the two-tier vote mechanism for companies to retain long-serving independent directors who have served for more than nine (9) years. Previously, long-serving independent directors could continue to be deemed independent so long their appointment was approved by (i) all Shareholders; and (ii) all Shareholders, excluding Shareholders who are Directors and the CEO of the Company (and their associates). There is no Independent Director on Board who has served for more than nine (9) years at the conclusion of the forthcoming annual general meeting (“**2024 AGM**”). The NC recognises the importance of board renewal and succession planning for its directors and noted that the independent director, Mr Edward Loy Chee Kim will end his nine (9) years’ term on 3 May 2027, and he will have the option to (i) resign from the Board or (ii) be redesignated as a non-independent director of the Company before the Annual General Meeting (“**AGM**”) for the financial year ending 31 December 2026 to be held in year 2027 before the end of his Board’s tenure of nine (9) years. The NC had concurred that the Company will start to look into the appointment of a new independent director in place of Mr Edward Loy Chee Kim’s independent directorship, chairmanship in the ARC, and memberships in both NC and RC of the Company.

During the year, the Management submitted the Group’s succession strategy to the Board for review and discussion, which include the Group’s succession planning overview in response to the Group structure, market challenges, current and future leadership developments, and internal and external talent acquisition plans. The Board concurred that separate meeting(s) should be held in relation to succession planning to identify potential candidate(s) for the next board member(s), senior management team and personnel and the Management will work with the NC on the schedule.

CORPORATE GOVERNANCE REPORT

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

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

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

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

The Board currently comprises business leaders and professionals with vast exposures and experience in media, branding, manufacturing, environment sustainability, financial (including financial restructuring, mergers & acquisitions, risk management, operational and general management), architectural and interior design, government (including Environment and Water Resources and Communications and Information) and investment and business development and branding. Currently, the Board is working towards achieving female representation on the Board.

The Board had previously set its gender diversity target of having a female Director from either the information technology or legal industry to continue enhancing the board diversity in terms of gender, ethnicity and core competencies. During the year, the NC had sourced for several potential female candidates and will start to look into the credentials and suitability of each candidate before the NC interviews, shortlists, and evaluates them. The NC and Board had concurred that the Company will formalise the appointment of the new female director before the next AGM for the financial year ending 31 December 2024 which is to be held by 30 April 2025. The final decision in respect to appointments to the Board will be based on merit, following consideration of the requisite skills set, knowledge, experience, familiarity with the Company's growth pillars, and independence of each candidate brings to form an optimal Board composition that synergise with and complements the Company's vision of continued, sustainable growth and development to result in better performance and greater shareholders' value.

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

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

Principle 3: Chairman and Chief Executive Officer

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

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

The Company has not yet taken a firm decision on the appointment of a new Chairman and/or a new Lead Independent Director. The Board is of the view of that the current composition and size of the Board is appropriate for the Group's present scope of operations to facilitate decision making. Although the Company does not have an independent and non-

CORPORATE GOVERNANCE REPORT

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

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

The Chairman is responsible for the following:

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

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

Principle 4: Board Membership

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

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

The roles and functions of the NC are as follows:

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
Peter Koh Heng Kang	11 October 2013	29 April 2021	-	-	<p><u>Singapore</u></p> <p>Director of:</p> <ol style="list-style-type: none"> Oceanus Aquaculture Group Pte. Ltd. Oceanus Food Group Pte. Ltd. Oceanus Tech Pte. Ltd. Oceanus Investment Holdings Pte. Ltd. Grayback Pte. Ltd. Pete's Creation International (S) Pte. Ltd. SMM Group Pte. Ltd. SMM International Investments Pte. Ltd. Asia Fisheries Pte. Ltd. Season Global Trading Pte. Ltd. Sino Food Group Pte. Ltd. Aquarii SG Pte. Ltd. Oceanus Innoventure Pte. Ltd. Oceanus Media Global Pte. Ltd. Oceanus Tradelog Pte. Ltd. ISC SG Pte. Ltd.
Edward Loy Chee Kim	3 May 2018	29 April 2021	-	-	<p><u>Overseas</u></p> <p>Managing Director, KONE Southeast Asia</p>
Zahidi Bin Abd Rahman	29 June 2020	29 April 2022	-	-	<p><u>Singapore</u></p> <ol style="list-style-type: none"> Director and Member of Budhi Pte. Ltd. (<i>Advisory</i>) Principal Architect of Zahidi A. R Arkitek Board Member of Urban Redevelopment Authority (<i>Advisory</i>)
Dr Yaacob Bin Ibrahim	1 September 2020	27 April 2023	-	<p><u>Singapore</u></p> <p>Chip Eng Seng Corporation Ltd.</p>	<p><u>Singapore</u></p> <ol style="list-style-type: none"> Independent Director of Singapore Power Limited (<i>Advisory</i>) Director of Surbana Jurong Private Limited (<i>Advisory</i>) Professor and Advisor to the President of Singapore Institute of Technology (SIT) (<i>Center Director and Advisor</i>)

CORPORATE GOVERNANCE REPORT

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies		Other Principal Commitments
			Present	Past Three Years	
					<ol style="list-style-type: none"> 4. Council of Advisors of Building Construction and Timber Industries Employees' Union (BATU) (<i>Advisory</i>) 5. Adjunct Professor of Lee Kuan Yew School of Public Policy, National University of Singapore (<i>Part-time Lecturer</i>) 6. Board of Governors of SGTech (<i>Advisory</i>) 7. Advisor of AI.SG (<i>Advisory</i>) 8. Chairman and Board of Governors of St John's Island National Marine Lab (<i>Advisory</i>) 9. Director of The National Kidney Foundation (<i>Advisory</i>) 10. Non-Executive Chairman of Rekanext Capital Partners Pte. Ltd. (<i>Advisory</i>) 11. Advisor of Community Leadership and Social Innovation Center of SIT, Singapore (<i>Advisory</i>) 12. Distinguished Fellow of Rajaratnam School of International Studies, Nanyang Technological University (<i>Advisory</i>)
Cleveland Cuaca	15 December 2021	29 April 2022	-	-	<p><u>Singapore</u></p> <p>Director of:</p> <ol style="list-style-type: none"> 1. CFAM Pte. Ltd. 2. CFI Pte. Ltd. 3. NG2COS Pte. Ltd. 4. CFAM Advisory Pte. Ltd. 5. CFPI Pte. Ltd. 6. CFAM Foundation Limited (<i>Advisory</i>) 7. En Venture Pte. Ltd. 8. Alacrity Investment Group Limited 9. Luxelegacy Pte. Ltd. <p>Officer of:</p> <ol style="list-style-type: none"> 10. Richard Mille Asia Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Principle 5: Board Performance

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

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

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

During the financial year under review, all Directors completed a board evaluation questionnaire designed to seek views on various aspects of the Board and Board Committees' performance as described above. All Directors also completed a Directors' Peer Evaluation and Self-Assessment Questionnaire in relation to the assessment of individual Director's contribution. The results of the questionnaire are collated, and the detailed scores leading to the summaries of the scores of the assessment criteria together with the comments by the Directors (if any) are tabled and provided to the NC Chairman for his review and further comment. Areas which need significant improvements and areas which are outstanding are highlighted to the NC Chairman as well to facilitate discussion of the Directors' and Board's performance during the NC meeting. The NC is satisfied that each Director has contributed effectively and demonstrated commitment to their respective role and the Board as a whole has also met the performance evaluation criteria and objectives.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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

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

The roles and functions of the RC are as follows:

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

CORPORATE GOVERNANCE REPORT

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

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

The RC members are familiar with executive compensation matters as they are holding managerial or executive roles and/or directorship in other companies. The RC has access to advice regarding executive compensation matters, if required.

During the year, the Company engaged AON Singapore Pte. Ltd. ("**AON**") as its external advisors for the purpose of formulating, valuating and vesting computation for the Oceanus Group Limited 2023 Restricted Share Plan and Performance Share Plan. The RC is satisfied that AON has no relationships with the Company that would affect their independence and objectivity.

Except for AON, there was no other external remuneration consultant engaged by the Company for FY2023 for the executive compensation matters.

Principle 7: Level and Mix of Remuneration

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

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

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

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

There is no formal policy to be adopted by the Company which prevents Non-Executive Directors from selling shares prior to leaving the Company at this juncture, however, the Board had concurred that the Non-Executive Directors should not be selling their shares within 3 months after they leave or resign from the Company.

Principle 8: Disclosure on Remuneration

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

CORPORATE GOVERNANCE REPORT

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

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

The Oceanus Group Limited 2023 Restricted Share Plan (“**RSP**”) and Performance Share Plan (“**PSP**”) were approved by shareholders at the AGM of the Company held on 27 April 2023 for a maximum period of 10 years. Subject to compliance with any applicable laws and regulations, the RSP and PSP may be extended for a further period thereafter with the approval of the shareholders by way of an ordinary resolution passed at a subsequent general meeting and of any relevant authorities (if required).

(a) RSP

The RSP has been established with the objective of recognising and acknowledging the contributions made by Group employees and associated company employees to the Group's business and performance. The RSP also aims to attract, retain, and motivate managers and above and to foster a greater ownership culture within the Group and associated companies by aligning the employees' interests with the shareholders' interests.

Under the RSP, an initial number of the Company's shares (“**Contingent Award**”) will be granted to the participants depending on a job grade and individual performance. The actual number of RSP shares (“**Final Award**”) will be vested and released to the participants in three (3) equal tranches of 33% per tranche over three (3) consecutive years starting from December 2023.

(b) PSP

The PSP has been established with the objective of incentivising and rewarding the continued dedicated performance of directors and employees of the Group and associated companies by aligning their interests with those of the Company and its shareholders. The PSP also aims to attract, retain, and motivate the senior management.

Under the PSP, an initial number of the Company's shares (“**Contingent Award**”) will be granted to the participants depending on position level and strategic contribution. The actual number of PSP shares (“**Final Award**”), which can vary between 0% - 150% of the Contingent Award, conditional on meeting the performance conditions set for a 3-financial-year performance period. The performance conditions used in PSP are 3-year Cumulative Revenue Growth (weight = 70%) and 3-year Cumulative EBITDA (weight = 30%) (as indicated below). A minimum of threshold performance must be achieved to trigger an Achievement Factor for any Final Award to be released to the participant at the end of the performance period. For an achievement in-between the performance levels as indicated below, the Achievement Factor will be interpolated on a straight-line basis:-

KPI 1 3-year cumulative Revenue Growth (Weight = 70%)		KPI 2 3-year Cumulative EBITDA (Weight = 30%)	
3-year Cumulative Revenue Growth	Achievement Factor	3-year Cumulative EBITDA	Achievement Factor
Superior	150%	Superior	150%
Target	100%	Target	100%
Threshold	50%	Threshold	50%
Below Threshold	0%	Below Threshold	0%

On 11 December 2023, a total of 293,183,000 ordinary shares and 311,820,000 ordinary shares have been granted under RSP and PSP, respectively. Details of the share awards granted by the Company to the Directors under the RSP and PSP can be found in the “Directors' Statement” section of this Annual Report.

The breakdown, showing the level and mix of each individual Director's remuneration in percentage term for the financial year ended 31 December 2023 paid by the Group, is stated as follows:

CORPORATE GOVERNANCE REPORT

Remuneration Band and Name of Director / CEO	Base/Fixed salary	Fees	Variable or performance benefits related income/ Bonus	Other Benefits	Share-based Compensation*
S\$250,000 to below S\$500,000					
Peter Koh Heng Kang	41%	N.A.	30%	2%	27%
Below S\$250,000					
Edward Loy Chee Kim	N.A.	100%	N.A.	N.A.	N.A.
Zahidi Bin Abd Rahman	N.A.	100%	N.A.	N.A.	N.A.
Dr Yaacob Bin Ibrahim	N.A.	100%	N.A.	N.A.	N.A.
Cleveland Cuaca	N.A.	100%	N.A.	N.A.	N.A.

The breakdown, showing the level and mix of remuneration of the top key management personnel (“KMP”) (who were not Director or CEO) of the Group in percentage term for the financial year ended 31 December 2023 paid by the Group, is stated as follows:

Name of KMP	Base/Fixed salary	Variable or performance benefits related income/ Bonus	Other Benefits	Share-based Compensation*
S\$250,000 to below S\$500,000				
Ho Jun How Duane (Chief Financial Officer) (“CFO”)	53%	8%	5%	34%
Sammul Lin Gangfeng (Chief Operating Officer)	88%	12%	N.A.	N.A.

***Notes:**

- i. The total RSP shares that were granted to Mr Peter Koh Heng Kang (“Peter Koh”) and Mr Ho Jun How Duane (“Duane Ho”) are 136,364,000 and 45,455,000, respectively. The RSP will vest equally over a three-year period from 2023 onwards. During FY2023, the total RSP shares that were vested and released to Mr Peter Koh and Mr Duane Ho are 45,454,667 and 15,151,667, respectively.
- ii. The total PSP shares that were granted to Mr Peter Koh, Mr Duane Ho and Mr Sammul Lin Gangfeng (“Sammul Lin”) are 68,182,000, 45,455,000, and 45,455,000, respectively. The Final Award to be vested will range from 0% to 150% of the Contingent Award, conditional on meeting the performance conditions set for a 3-financial-year performance period. During FY2023, no PSP shares were vested and released to them.
- iii. Subject to (i) and (ii) above, Mr Sammul Lin did not receive any share-based compensation under RSP and PSP during FY2023.

N.A. = Not applicable

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

CORPORATE GOVERNANCE REPORT

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

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

Ms Jenny Koh Guat Kiau ("**Jenny Koh**"), the Group Director of Food Production of the Company is the sister of the CEO and substantial shareholder of the Company, Mr Peter Koh. The remuneration paid to Ms Jenny Koh during the financial year ended 31 December 2023 falls within the band of S\$100,000. Save for this, there is no other employee who is a substantial shareholder of the company or an immediate family member of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during FY2023. Ms Jenny Koh ceased as the Group Director of Food Production of the Company with effect from 1 January 2024.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

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

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

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

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

Risk Management

The Board delegated its responsibility for risk governance to the AC, and the AC was renamed as ARC on 26 February 2024. With the assistance of the internal auditors, the ARC assists the Board in carrying out the Board's responsibility of overseeing the Company's risk management framework and policies for the Group and ensuring that Management maintains a sound system of internal controls and risk management.

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

CORPORATE GOVERNANCE REPORT

Risk Governance Structure

The ARC oversight of risk management and internal controls of the Company. The risk governance structure of the Company is indicated as below: -



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

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

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

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

During the year, the ARC looked into the area of cybersecurity risks management in conjunction with the issuance of SGX RegCo’s Cyber Incident Response Guide. Various mechanisms such as establishment of cybersecurity policy, relevant insurance coverage, business continuity plans, availability of legal advice etc. were being explored and discussed at the ARC meetings. The following five (5) areas of cybersecurity focus of the Company had been identified in which the ARC had provided feedback/ recommendations to the Management:

CORPORATE GOVERNANCE REPORT

- (a) critical infrastructure security;
- (b) office infrastructure security;
- (c) application security (software);
- (d) network security; and
- (e) cloud security.

The cybersecurity risks management will be reviewed from time to time for inclusion into the Enterprise Risk Management plan/ internal audit plan of the Company.

Internal Controls

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

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

During FY2023, the Company had adopted a code of conduct and ethics that applies to all employees and directors. The code of conduct and ethics sets out the principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with the Company, its competitors, customers, suppliers, other employees and the community. The code of conduct and ethics covers areas such as workplace health and safety, conduct in the workplace, non-discrimination and equal opportunity, workplace harassment, privacy and confidentiality, ethical business conduct when dealing with external parties, conflict of interest, data protection, insider trading, protection of assets, proprietary information and intellectual property. A copy of the code of conduct and ethics of the Company and its Group can be found at this URL: <https://oceanus.com.sg/investors-news/code-of-ethics/>.

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

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

CORPORATE GOVERNANCE REPORT

Principle 10: Audit and Risk Committee

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

Having considered various factors such as the Company's growth plans and risk factors from time to time, including the opportunities on food security post-pandemic and initiatives on digitising the Company's key pillars, the AC has looked into the empowerment of its existing committee to request the Management to present the risk management related matters for regular updates to the Board, the AC of the Company was renamed as ARC on 26 February 2024. The ARC of the Company currently comprises two (2) Independent Non-Executive Directors, namely Mr Edward Loy Chee Kim and Mr Zahidi Bin Abd Rahman and one (1) Non-Independent Non-Executive Director, namely Mr Cleveland Cuaca. Mr Edward Loy Chee Kim is the Chairman of the ARC and he is a qualified Certified Public Accountant who has extensive experience in regional audit, financial restructuring, mergers and acquisition, risk management, operational and general management in global companies. The other members of the ARC have expertise and experience in financial management of their respective professions. Collectively, the ARC members have strong accounting and financial background and are qualified to discharge their responsibilities.

The roles and functions of the ARC are as follows:

- reviewing and ensuring the integrity of the financial statements of the Group before submission to the Board for approval, focusing in particular, on significant financial reporting issues, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other statutory/regulatory requirements, and any announcements relating to the company's financial performance;
- reviewing the assurances from the CEO and the CFO in respect of the Company and Group's financial records and financial statements;
- reviewing the scope, conduct and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Company, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- reviewing the audit plans of the external auditors, the results of the external auditors' examination and their evaluation of internal accounting controls systems, and the external auditors' report, letter to management and the management's response thereto;
- reviewing the independence of the external auditors annually and state (i) the aggregate amount of fees paid to the external auditors for that financial year, and (ii) a breakdown of the fees paid in total for audit and non-audit services respectively, or an appropriate negative statement, in the Company's Annual Report;
- considering for recommendation to the Board the appointment, remuneration, terms of engagement or re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors. In respect of appointments and re-appointments of the external auditors, the ARC shall evaluate the performance of the external auditors taking into consideration the Audit Quality Indicators Disclosure Framework published by the ACRA;
- ensuring that the internal auditors carry out their function according to the standards set by nationally or internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Audit;
- ensuring that the internal audit function is adequate and that a clear reporting structure is in place between the ARC and the internal auditors, and reviewing the work plan, scope, and results of the internal audit procedures including the effectiveness of the internal audit function. In particular, ensuring that all internal control weaknesses are satisfactorily and properly rectified and that the SGX-ST is updated on any findings of the internal auditors and any action taken by the ARC to rectify such weaknesses pursuant thereto;

CORPORATE GOVERNANCE REPORT

- ensuring that a review of the adequacy and effectiveness of the Company's material internal controls, including financial, operational, compliance, information technology controls and risk management system, is conducted at least annually by the internal auditors;
- reviewing with the internal auditors, the internal audit plan and reports on a periodic basis, and monitor management's responses to the findings and recommendations to ensure that appropriate follow-up measures are taken;
- reviewing the risk profile of the Company, its internal control and risk management procedures and the appropriate steps annually to be taken to mitigate and manage risks at acceptable levels determined by the Board, and ensuring that the Company is operating within the framework of approved strategies and initiatives in keeping with the risk tolerance levels;
- reviewing and reporting to the Board (i) at least annually and (ii) in response to any significant changes to the business strategies, company philosophy, risks profile or organisational structures, the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, information technology controls and risk management systems (such review can be carried out internally or with the assistance of any competent third parties);
- reviewing the assurances provided by the CEO and CFO on the effectiveness of the risk management and internal controls;
- reviewing and approving any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- reviewing the arrangements by which staff of the Company may, in confidence, raise concerns about possible impropriety in matters of financial reporting and other matters and the adequacy of procedures for independent investigation and appropriate follow-up action in response to such complaints, and issue directives relating to whistle-blowing and dealings in the securities of the company when necessary; and
- reviewing and discussing with the relevant professional parties, and commissioning and reviewing the findings of internal investigations into, any suspected fraud or irregularity, or suspected failure of internal controls, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the management's response, and reporting the same to the Board where appropriate.

The ARC has adopted its revised written terms of reference defining its membership, administration and duties on 26 February 2024. The Board is of the view that all the members of the ARC have accounting and/or financial management expertise and experience to discharge their responsibilities as members of the ARC. The ARC members are kept abreast of the prevailing accounting standards and issues which may have significant impacts on the financial statements through regular updates from the external auditors during the year.

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

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

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

CORPORATE GOVERNANCE REPORT

For FY2023, the respective amount of the agreed audit and non-audit fees to be paid to the external auditors were S\$359,500 and S\$8,000. The ARC has conducted an annual review of all non-audit services provided by the independent auditors and is satisfied that the nature and extent of such services do not affect the independence of the external auditors.

The Company confirms that it is in compliance with Rule 712 and Rule 715 (when read with Rule 716) and Rule 717 of the SGX-ST Listing Manual in relation to its auditing firms for financial year ended 31 December 2023.

The ARC is satisfied with the independence and objectivity of RSM SG Assurance LLP (formerly known as RSM Chio Lim LLP), the external auditor, and recommends to the Board the nomination of the external auditor for re-appointment.

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

The internal audit function of the Company is outsourced to Mazars LLP ("**Mazars**"). Mazars is an international audit and advisory firm with more than 245 professionals in Singapore. It serves clients of all sizes across Asia-Pacific, across various matters in respect of audit & assurance, consulting, financial advisory, outsourcing, tax, legal services and as well as internal audit. Mazars is a corporate member of the Institute of Internal Auditors Singapore

The engagement team is led by Mr Chester Liew ("**Chester**"). Chester leads the Risk Consulting and Sustainability practice in Singapore. Chester brings with him over 15 years of experience gained from international consulting firms and commercial companies. He has worked with multiple blue-chip listed companies in Southeast Asia and some of the world's largest multinational corporations in delivering a broad range of client focused solutions, ranging from Business Process Improvements, Pre-IPO Internal Controls Review, Enterprise Risk Management, Quality Assessment Review to Internal Audit. He has served various clients across Asia-Pacific; Europe and US in various industries, ranging from manufacturing, distribution and technology; energy & utilities; healthcare; consumer services and products; e-commerce as well as government bodies.

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

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

During FY2023, the internal auditors, Mazars had completed (i) the desktop review to identify key risks based on Mazar's risk model for the Company's industry; (ii) developing risk likelihood and risk impact matrix; (iii) structured risk interviews to discuss risks and risk mitigation strategies with senior management of the Company; (iv) top-down discussion with ARC; (v) finalisation of the top 10 key risks faced by the Company; and (vi) finalisation of the 2-year risk based internal audit plan. Mazars will commence its first internal audit works on revenue management of the Group in the second quarter of 2024, after the implementation of the Group's Oracle Enterprise Resources Planning system in first quarter of 2024.

In view of the above, the ARC will review and assess the adequacy, effectiveness and independence of the internal audit function of the Company from the financial year ending 31 December 2024 onwards.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

CORPORATE GOVERNANCE REPORT

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

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

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

The Board and the Board Committees and CEO as well as the external auditors will be present and on hand to address all issue raised at the AGM. While the AGM of the Company is a principal forum for dialogue and interaction with all Shareholders, the Company will consider use of other forums such as analyst briefings as and when applicable. All Directors have attended the 2023 AGM.

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

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

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

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion and other factors that the Board may deem appropriate. The Board had not declared or recommended any dividend payments for FY2023 as the Company was not profitable in FY2023.

Conduct of AGM in 2023 with the improving COVID-19 situation in Singapore

To keep physical interactions and COVID-19 transmission risk to a minimum, shareholders had participated in the virtual 2023 AGM by (a) observing and/or listening to the 2023 AGM proceedings via live audio-visual webcast or live audio-only stream ("**Live Webcast**"); (b) submitting questions in advance of the 2023 AGM and/ or during the Live Webcast of the AGM; (c) voting "live" via electronic means at the 2023 AGM or appointing proxy(ies) or the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the 2023 AGM. We had disclosed, on our website and SGXNET, the names of the Directors and key managements who had attended the 2023 AGM held by way of electronic means as well as detailed records of the proceeding.

Three (3) of the questions received from shareholders in advance by the submission deadline on Wednesday, 19 April 2023 at 5.00 p.m were considered as substantial and relevant questions from shareholders and the answers/explanations provided by the Company on 21 April 2023. Shareholders were also allowed to submit questions during the Live Webcast of the AGM 2023, and six (6) of the questions received from shareholders during the AGM 2023 were considered as substantial and relevant questions and had been addressed by the Executive Director and CEO, Mr Peter Koh during the 2023 AGM.

CORPORATE GOVERNANCE REPORT

Principle 12: Engagement with Shareholders

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

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

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

To supply shareholders with reliable and timely information, the Company has appointed Citigate Dewe Rogerson Singapore Pte Ltd ("**Citigate**") which focuses on facilitating the communications with all stakeholders, shareholders, analysts and media.

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

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

Ms Dolores Phua, Executive Director
Email: Dolores.Phua@citigatедewerogerson.com
Tel: +65 6534-5122

Managing Stakeholders Relationships

Principle 13: Engagement with Stakeholders

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

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

CORPORATE GOVERNANCE REPORT

Pertinent information is communicated to shareholders through:

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

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

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

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

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

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

To keep physical interactions and COVID-19 transmission risk to a minimum, the last AGM of the Company on 27 April 2023 was held by electronic means pursuant to the relevant legislation/ regulations in relation to the conduct of its AGM such as the Covid-19 (Temporary Measures) Act 2020, Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holdings) Order 2020 (**Meeting Orders**) and/ or the prevailing statements/ joint, statements issued by the ACRA, SGX and Monetary Authority of Singapore from time to time.

The Meeting Orders were ceased on 1 July 2023. Pursuant to the current legislative amendments (with effect from 1 July 2023) to the Act, as read with Rule 730A of the SGX-ST Listing Manual and practice note 7.5 amendment by the SGX-ST on the conduct of general meetings by issuers on and after 1 July 2023, listed issuers are required to hold all their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology. In view of current rules and requirements, we will be holding our 2024 AGM on 26 April 2024 in a fully physical format. There will be no option for shareholders to participate virtually. Shareholders will be given the opportunity to submit their questions prior to the 2024 AGM, and all substantial and relevant questions will be responded within the stipulated timeline. The minutes of the AGM will be made available to the Shareholders and the public by way of announcement via SGXNET. The Company will also publish the minutes of the AGM to the Company's website within one (1) month after the conclusion of the AGM.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

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

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

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

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

INTERESTED PERSON TRANSACTIONS

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

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

The ARC will adopt the following procedures when reviewing the interested person transactions:-

- (a) when purchasing items from or engaging the services of an interested person, two other quotations from non-interested persons will be obtained for comparison, to ensure that the interests of minority shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including, but not limited to quality, delivery time and track-record will be taken into consideration; and
- (b) when selling items or supplying services to an interested person, the price or fee and terms of two other successful transactions of a similar nature with non-interested persons will be used for comparison, to ensure that the interests of minority shareholders are not disadvantaged. The sale price or fee for the supply of services shall not be lower than the lowest sale price or fee of the two successful transactions with non-interested persons.

The ARC will review the nature and examine the relevant supporting documents of all interested party transactions and if necessary, conduct interviews with the relevant staff and/or officers of the Group. If a member of the ARC has a personal material interest in the transaction, he will abstain from participating in the review and approval process, and voting in relation to that transaction. The ARC will have access to the management and receive its cooperation in all respects, and be given reasonable resources to enable it to discharge its functions effectively.

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

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

There are no material contracts of the Company and its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year ended 31 December 2022.

SUSTAINABILITY REPORTING

The Company had published its sustainability reports (“SR”) since the financial year ended 31 December 2017 and such reports are made available to shareholders on the SGXNET and the Company’s website.

A detailed SR has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards which represent the global best practices for reporting on economic, environmental and social topics. The financial year of reporting for the SR falls within the financial year ended 31 December 2023 and would include data and information from 1 January 2023 to 31 December 2023. The Board had also noted the SGX Sustainability Reporting Scorecard and take into considerations the recommendations provided by SGX to enhance its sustainability disclosures.

The Board has assessed that external assurance will not be conducted for the Company’s SR for the financial year ended 31 December 2023. Further information on our overall sustainability performance will be released and be available at the Company’s website and on the SGXNET at a timeline as stipulated by the SGX-ST.

USE OF PROCEEDS

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

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

As at the date of this Annual Report, the Company has fully utilised the proceeds for the following purposes:

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

The breakdown of the proceeds applied towards general working capital as below:-

Description	Amount utilised (S\$'000)
Manpower costs and related expenses	2,120
Trade payments to suppliers	22,252
Total	24,372

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual: Main Board Rules of the SGX-ST ("Main Board Rules"), the information relating to Mr Peter Koh Heng Kang and Mr Edward Loy Chee Kim, the directors of Oceanus Group Limited (the "Company") as set out in Appendix 7.4.1 of the Main Board Rules is set out below:

	MR PETER KOH HENG KANG	MR EDWARD LOY CHEE KIM
Date of Appointment	11 October 2013	3 May 2018
Date of last re-appointment	29 April 2021	29 April 2021
Age	59	55
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr Peter Koh Heng Kang as the Executive Director and Chief Executive Officer be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Peter Koh's qualifications, expertise, past experiences, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Edward Loy Chee Kim as the Independent Non-Executive Director be/was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Edward Loy's qualifications, expertise, past experiences, and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. As an Executive Director and Chief Executive Officer of the Company, Mr Peter Koh is responsible for the overall day-to-day management of the Group's operations. This includes oversight of departments such as finance, HR, and business development.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, Chief Executive Officer, and a member of the Nominating Committee	Independent Non-Executive Director, Chairman of the Audit and Risk Committee and a member of the Remuneration Committee and the Nominating Committee
Professional qualifications	1) Diploma in Marketing from The London Chamber of Commerce	1) Australian Certified Public Accountant 2) Bachelor of Commerce (Economics and Accounting), The Australian National University
Working experience and occupation(s) during the past 10 years	January 2011 to Present Director of SMM Group Pte. Ltd. January 2011 to Present Director of SMM International Investments Pte. Ltd.	4 May 2008 to 31 December 2015 Managing Director, Saint-Gobain – Malaysia, Singapore, and Indonesia 4 January 2016 to 31 December 2022 Managing Director, KONE Elevator (M) Sdn Bhd, Malaysia

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

	<p>December 2014 to Present CEO of Oceanus Group Limited</p> <p>April 2015 to Present Director of Oceanus Food Group Pte. Ltd.</p> <p>April 2015 to Present Director of Oceanus Aquaculture Group Pte. Ltd.</p> <p>July 2017 to Present Director of Oceanus Tech Pte. Ltd.</p>	<p>1 January 2023 to Present Managing Director, KONE Southeast Asia</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Yes (Total Interest of 3,053,374,867 ordinary shares in the Company, consist of Direct Interest of 2,544,143,504 ordinary shares and Indirect Interest of 509,231,363 ordinary shares in the Company)</p>	<p>Yes (Direct interest: 10,526,315 ordinary shares in the Company)</p>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>Yes, Brother of Ms Jenny Koh Guat Kiau ("Jenny Koh"), the Group Director – Food Production of the Company. Jenny Koh ceased as the Group Director – Food Production of the Company with effect from 1 January 2024.</p>	<p>No</p>
Conflict of interest (including any competing business)	<p>No</p>	<p>No</p>
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	<p>Yes</p>	<p>Yes</p>
Other Principal Commitments* including Directorships		
<p>*Principal Commitments includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.</p>		
Past (for the last 5 years)	<p>1. Oceanus (Singapore) Restaurant Management Pte. Ltd. - Director</p>	<p>1. KONE Elevator (M) Sdn Bhd</p>
Present	<p>1. Oceanus Food Group Pte. Ltd. – Director 2. Oceanus Aquaculture Group Pte. Ltd. – Director 3. Oceanus Tech Pte. Ltd. – Director 4. Oceanus Investment Holdings Pte. Ltd. – Director</p>	<p>1. KONE Southeast Asia</p>

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p>	<p>No</p>	<p>No</p>
<p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p>	<p>No</p>	<p>No</p>
<p>5. Grayback Pte. Ltd. – Director 6. Pete's Creation International (S) Pte. Ltd. – Director 7. SMM Group Pte. Ltd. – Director 8. SMM International Investments Pte. Ltd. – Director 9. Asia Fisheries Pte. Ltd. – Director 10. Season Global Trading Pte. Ltd. – Director 11. Sino Food Group Pte. Ltd. – Director 12. Aquarii SG Pte. Ltd. – Director 13. Oceanus Innoventure Pte. Ltd. – Director 14. Oceanus Media Global Pte. Ltd. – Director 15. Oceanus Tradelog Pte. Ltd. – Director 16. ISC SG Pte. Ltd. – Director</p>		

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

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

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?</p>	<p>No</p>	<p>No</p>
<p>(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?</p>	<p>No</p>	<p>No</p>
<p>(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?</p>	<p>No</p>	<p>No</p>
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of the followings in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?:-</p>		
<p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p>	<p>No</p>	<p>No</p>
<p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p>	<p>No</p>	<p>No</p>

ADDITIONAL INFORMATION ON NEW DIRECTOR AND DIRECTORS SEEKING RE-ELECTION

<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere, or</p>	<p>No</p>	<p>No</p>
<p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p>	<p>No</p>	<p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>	<p>No</p>
<p>Any prior experience as a director of an issuer listed on the Exchange?</p>	<p>N.A.</p>	<p>N.A.</p>
<p>If yes, please provide details of prior experience.</p>	<p>N.A.</p>	<p>N.A.</p>
<p>If NO, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange:</p>	<p>N.A.</p>	<p>N.A.</p>
<p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	<p>N.A.</p>	<p>N.A.</p>

STATEMENT BY DIRECTORS

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 2023.

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
Zahidi Bin Abd Rahman
Yaacob Bin Ibrahim
Cleveland Cuaca

3. Directors’ interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors’ interests in shares in or debentures kept by the company under section 164 of the Companies Act 1967 (“the Act”) except as follows:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
The Company	Number of shares of no par value			
Peter Koh Heng Kang	2,498,688,837	2,544,143,504	–	–
Edward Loy Chee Kim	10,526,315	10,526,315	–	–
Zahidi Bin Abd Rahman	10,526,315	10,526,315	–	–
Yaacob Bin Ibrahim	10,526,315	10,526,315	–	–
Cleveland Cuaca	–	–	4,372,946,835	4,372,946,835

The directors’ interests as at 21 January 2024 were the same as those at the end of the reporting year.

STATEMENT BY DIRECTORS

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

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

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 except as disclosed below.

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 except as disclosed below.

Restricted Share Plan (“RSP”)

The Restricted Share Plan (“RSP”) was approved by the shareholders at the Annual General Meeting (“AGM”) of the Company held on 27 April 2023 to recognise and acknowledge the contributions made by Group Employees and Associated Company Employees to the Group’s business and performance.

Eligibility

Group Employees and Associated Company Employees who hold such rank as may be designated by the Remuneration Committee (“RC”) from time to time are eligible to participate in the RSP at the absolute discretion of the RC, provided that each such person is:

- (a) at least 21 years of age;
- (b) not an undischarged bankrupt;
- (c) not a Controlling Shareholder or an Associate of a Controlling Shareholder; and
- (d) not a Non-Executive Director of the Group.

Share grant and vesting

For shares granted under RSP to employees of the Group, the employee is required to have served the Group for at least 12 months on the date of grant of the share awards. The grant will consist of fully paid shares with no performance conditions of time-based vesting on basis of continued employment and vesting period across 3 equal tranches.

STATEMENT BY DIRECTORS

5. Options (cont'd)

Performance Share Plan (“PSP”)

The Performance Share Plan (“PSP”) which was approved by the shareholders at the AGM of the Company on the same date as RSP, is an incentive plan to attract, retain and motivate senior management. Under the PSP, Performance Conditions are set over a 3-financial-year Performance Period and are based on shareholder value creation and profit objectives. A specified number of performance shares can be earned at the end of the Performance Period depending on the extent of the achievement of Performance Conditions established at the outset.

Eligibility

Group Employees and Associated Company Employees who hold such rank as may be designated by the RC from time to time are eligible to participate in the PSP at the absolute discretion of the RC, provided that each such person is:

- (a) at least 21 years of age;
- (b) not an undischarged bankrupt;
- (c) not a Controlling Shareholder or an Associate of a Controlling Shareholder; and
- (d) not a Non-Executive Director of the Group.

Share grant and vesting

The number of shares to be awarded to each participant was based on the achievement of prescribed performance targets over a three-year performance period from 1 January 2023 to 31 December 2025.

The details of shares awarded are as follows:

	RSP	PSP
Date of grant	11 December 2023	11 December 2023
Total number of shares under share awards ganted	293,183,000	311,820,000
Market price of each share on the date of the grant	\$0.009	\$0.009
Number of share awards granted to directors and controlling shareholders (and their associates), if any	Peter Koh Heng Kang (Executive Director & Group CEO) Award of 136,364,000 shares	Peter Koh Heng Kang (Executive Director & Group CEO) Base award of 68,182,000 shares
Vesting of shares	Tranche 1 (one-third): December 2023 Tranche 2 (one-third): December 2024 Tranche 3 (one-third): December 2025	Award will range from 0% to 150% of the base award and is subject to achievements against targets over a 3-year performance period and other terms and conditions being met.

The RSP and PSP are administered by the Company's RC comprising three directors, namely Dr Yaacob Bin Ibrahim, Edward Loy Chee Kim, and Cleveland Cuaca.

STATEMENT BY DIRECTORS

5. Options (cont'd)

Convertible loan notes

The convertible loan notes payable to a related party is convertible at the holder's option into ordinary shares of the Company. Other details are disclosed in Note 27G.

6. Report of audit and risk committee

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

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

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

- (i) reviewed overall scope of external audits and the assistance given by the Company's officers to the auditors. It met with the Company's external auditor to discuss the results of examinations and evaluation of the Company's system of internal accounting controls;
- (ii) reviewed the audit plan of the Company's external auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (iii) reviewed half-yearly and annual announcements, the statement of financial position of the Company and the consolidated financial statements of the Group for the reporting year ended 31 December 2023 as well as the auditor's report thereon;
- (iv) assessed the effectiveness of the Group'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 and risk committee;
- (vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

STATEMENT BY DIRECTORS

6. Report of audit and risk 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 and risk committee to the board of directors with such recommendations as the audit and risk 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 and risk 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 and risk committee also reviews the level of audit and non-audit fees.

The audit and risk committee is satisfied with the independence and objectivity of the external auditor and has recommended to the board that the independent auditor, RSM SG Assurance LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the company.

Full details regarding the audit and risk 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 SG Assurance LLP has expressed willingness to accept re-appointment. This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Group, work performed by the external auditors, and reviews performed by management, other committees of the board and the board, the audit and risk committee and the board are of the opinion that the Group'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 2023.

STATEMENT BY DIRECTORS

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 26 February 2024 which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On 29 February 2024, the Group entered into an agreement with a third party for the sale of 3,000 ordinary shares in Oceanus Media Global Pte. Ltd. ("OMG"), representing 30% of the issued and paid-up capital of OMG, for a purchase consideration of \$6,000,000.

On behalf of the directors

.....
Peter Koh Heng Kang
Director

.....
Zahidi Bin Abd Rahman
Director

11 April 2024

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 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and 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 material accounting policy information.

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 2023 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 Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Key Audit Matters

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

(a) Impairment assessment of trade receivables

Refer to Note 2B – Critical judgements, assumptions and estimation uncertainties and Note 19 – Trade and other receivables.

As at 31 December 2023, trade receivables amounted to \$100,674,000 which accounted for 55% of the Group's total assets. The allowance for impairment of trade receivables is estimated by management through the application of judgement and use of subjective assumptions.

Management has applied a simplified expected credit loss ("ECL") model to determine the loss allowance on trade receivables. Management's judgement is required in assessing and determining the ECL on trade receivables via evaluating expected future receipts from customers based on past payment trends, knowledge of the customers' businesses and its financial condition and forward looking adjustments based on macro-economic factors.

How we addressed the matter in our audit

Our audit procedures included (a) understanding management's process over the monitoring of trade receivables and the collection process; (b) assessing management's assumptions and estimates in particular, the historical default rates of trade receivables group based on the credit risk characteristics and those relating to forward looking information (if any available); (c) checking evidence of collection by way of receipts from debtors after year end; (d) evaluating the reasonableness of management's estimate of the future payments by the debtors, by taking into consideration the debtors' past payment history.

We also assessed the adequacy of the disclosures included in notes to the financial statements.

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

Key Audit Matters (cont'd)

(b) Assessing the impairment loss on investment properties

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

As at 31 December 2023, the carrying value of the Group's investment properties of \$9,879,000 accounted for 5% 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 depreciated replacement cost method and engaged an independent valuer to assist in determining the fair value. Management 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 independent valuer. We assessed the competency, capabilities and objectivity of the independent valuer engaged by management.

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

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

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

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Poh Chin Beng.

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

11 April 2024

Engagement partner - effective from year ended 31 December 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	<u>Group</u> 2023 \$'000	2022 \$'000
Revenue	5	344,277	234,501
Other operating income	6	4,967	1,525
Cost of inventories		(318,798)	(216,129)
Employee benefits expense	7	(9,316)	(6,011)
Depreciation and amortisation expense		(5,048)	(3,979)
Other operating expenses	6	(11,975)	(16,572)
Finance costs	8	(5,214)	(4,144)
Share of loss from equity-accounted associate	16	–	(5)
Loss before tax		<u>(1,107)</u>	<u>(10,814)</u>
Income tax expense	10	(1,137)	(917)
Loss for the year		<u>(2,244)</u>	<u>(11,731)</u>
<u>Other comprehensive income:</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		<u>4,055</u>	<u>7,917</u>
Other comprehensive income for the year, net of tax		<u>4,055</u>	<u>7,917</u>
Total comprehensive income / (loss) for the year, net of tax		<u>1,811</u>	<u>(3,814)</u>
Loss attributable to owners of the parent, net of tax		(1,879)	(13,160)
(Loss) / income attributable to non-controlling interests, net of tax		<u>(365)</u>	<u>1,429</u>
Loss net of tax		<u>(2,244)</u>	<u>(11,731)</u>
Total comprehensive income / (loss) attributable to owners of the parent		2,117	(5,905)
Total comprehensive (loss) / income attributable to non-controlling interests		<u>(306)</u>	<u>2,091</u>
Total comprehensive income / (loss)		<u>1,811</u>	<u>(3,814)</u>
		Cents	Cents
Earnings (loss) per share			
– Basic	29	(0.01)	(0.05)
– Diluted	29	<u>(0.01)</u>	<u>(0.05)</u>

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	3,846	4,572	1,962	2,551
Right-of-use assets	12	2,815	3,937	2,255	2,899
Investment properties	13	9,879	12,753	–	–
Goodwill	14	579	579	–	–
Intangible assets other than goodwill	14	288	–	–	–
Investments in subsidiaries	15	–	–	1	123
Investment in associate	16	151	151	–	–
Financial assets at FVTPL, non-current	17	2,063	773	–	–
Other financial assets, non-current	17	–	–	31,017	25,420
Total non-current assets		19,621	22,765	35,235	30,993
Current assets					
Inventories	18	19,151	36,563	–	–
Trade and other receivables	19	112,508	83,451	5,947	6,001
Financial assets at FVTPL, current	17	202	1,726	202	1,726
Other financial assets, current	17	–	–	15,564	25,419
Other non-financial assets	20	14,147	12,149	–	–
Derivative financial instruments	21	1	7	–	–
Cash and cash equivalents	22	19,007	10,098	2,691	1,117
Total current assets		165,016	143,994	24,404	34,263
Total assets		184,637	166,759	59,639	65,256
EQUITY AND LIABILITIES					
Equity					
Share capital	23	683,855	682,975	683,855	682,975
Reserves	24	(630,194)	(632,311)	(645,906)	(639,890)
Equity attributable to owners of the Company		53,661	50,664	37,949	43,085
Non-controlling interests		7,710	8,016	–	–
Total equity		61,371	58,680	37,949	43,085

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Non-current liabilities</u>					
Lease liabilities	26	2,059	3,058	1,831	2,427
Other financial liabilities	27	21,981	24,375	2,676	3,123
Total non-current liabilities		<u>24,040</u>	<u>27,433</u>	<u>4,507</u>	<u>5,550</u>
<u>Current liabilities</u>					
Income tax payable		5,439	5,407	–	90
Trade and other payables	25	22,148	22,955	1,784	1,789
Derivative financial instruments	21	24	3	–	–
Lease liabilities	26	964	965	595	537
Other financial liabilities	27	68,277	40,616	14,804	14,205
Other non-financial liabilities	28	2,374	10,700	–	–
Total current liabilities		<u>99,226</u>	<u>80,646</u>	<u>17,183</u>	<u>16,621</u>
Total liabilities		<u>123,266</u>	<u>108,079</u>	<u>21,690</u>	<u>22,171</u>
Total equity and liabilities		<u>184,637</u>	<u>166,759</u>	<u>59,639</u>	<u>65,256</u>

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

Group	Share capital \$'000	Capital reserve \$'000	Currency translation reserve \$'000	Statutory reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Current year:								
Opening balance at 1 January 2023	682,975	(217,842)	2,095	8,067	(424,631)	50,664	8,016	58,680
Changes in equity:								
Share-based payments (Note 23)	880	—	—	—	—	880	—	880
Total comprehensive income / (loss) for the year	—	—	3,996	—	(1,879)	2,117	(306)	1,811
Closing balance at 31 December 2023	683,855	(217,842)	6,091	8,067	(426,510)	53,661	7,710	61,371
Previous year:								
Opening balance at 1 January 2022	653,757	(217,842)	(5,160)	8,067	(411,471)	27,351	5,925	33,276
Changes in equity:								
Issue of share capital (Note 23)	29,218	—	—	—	—	29,218	—	29,218
Total comprehensive income / (loss) for the year	—	—	7,255	—	(13,160)	(5,905)	2,091	(3,814)
Closing balance at 31 December 2022	682,975	(217,842)	2,095	8,067	(424,631)	50,664	8,016	58,680

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

<u>Company</u>	<u>Share capital</u> \$'000	<u>Capital reserve</u> \$'000	<u>Accumulated losses</u> \$'000	<u>Total equity</u> \$'000
Current year:				
Opening balance at 1 January 2023	682,975	2,254	(642,144)	43,085
Changes in equity:				
Share-based payments (Note 23)	880	–	–	880
Total comprehensive loss for the year	–	–	(6,016)	(6,016)
Closing balance at 31 December 2023	683,855	2,254	(648,160)	37,949
Previous year:				
Opening balance at 1 January 2022	653,757	2,254	(659,348)	(3,337)
Changes in equity:				
Issue of share capital (Note 23)	29,218	–	–	29,218
Total comprehensive income for the year	–	–	17,204	17,204
Closing balance at 31 December 2022	682,975	2,254	(642,144)	43,085

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	\$'000		\$'000
<u>Cash flows used in operating activities</u>			
Loss before tax	(1,107)		(10,814)
Adjustments for:			
Allowance for impairment on investments	–		10
Depreciation of property, plant and equipment	1,452		876
Depreciation of right-of-use assets	1,075		520
Depreciation of investment properties	2,394		2,583
Depreciation of intangible assets other than goodwill	127		–
Gain on disposal of property, plant and equipment	(39)		(43)
Gain on disposal of subsidiaries	(580)		–
Interest expense	5,214		4,144
Interest income	(114)		(74)
Goodwill written off	–		318
Share of loss from equity-accounted associate	–		5
Share-based payments	880		–
Net effect of foreign exchange rate in consolidating foreign operations	5,095		5,722
Operating cash flows before changes in working capital	<u>14,397</u>		<u>3,247</u>
Inventories	17,412		840
Trade and other receivables	(29,056)		(36,932)
Other non-financial assets	(1,997)		(11,781)
Derivative financial instruments	27		(4)
Trade and other payables	(630)		4,726
Other non-financial liabilities	<u>(8,326)</u>		<u>7,913</u>
Net cash flows used in operations	<u>(8,173)</u>		<u>(31,991)</u>
Income taxes paid	(1,105)		(959)
Net cash flows used in operating activities	<u>(9,278)</u>		<u>(32,950)</u>
<u>Cash flows used in investing activities</u>			
Purchase of property, plant and equipment	(808)		(3,701)
Purchase of intangible assets other than goodwill	(415)		–
Increase in other financial assets	234		26
Disposal of property, plant and equipment	114		150
Interest received	114		74
Net cash flows used in investing activities	<u>(761)</u>		<u>(3,451)</u>

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	<u>2023</u> \$'000	<u>Group</u> <u>2022</u> \$'000
<u>Cash flows from financing activities</u>		
Issue of shares	–	29,218
Lease liabilities – principal and interest portion paid	(1,177)	(591)
Increase in new loans and borrowings	13,167	32,670
Increase / (decrease) in loans and borrowings	11,167	(48,981)
Net movements in amounts due to directors	933	112
Interest paid	(5,214)	(4,144)
Net cash flows from financing activities	<u>18,876</u>	<u>8,284</u>
Net increase / (decrease) in cash and cash equivalents	8,837	(28,117)
Effect of cash and cash equivalent denominated in foreign currencies	72	1,002
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	<u>10,098</u>	<u>37,213</u>
Cash and cash equivalents, consolidated statement of cash flows, ending balance (Note 22)	<u><u>19,007</u></u>	<u><u>10,098</u></u>

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. General

Oceanus Group Limited (the “Company”) (Registration No: 199805793D) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore Dollar (“\$”), the amounts are rounded to the nearest thousands, unless otherwise stated and they cover the Company and its subsidiaries (the “Group”).

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

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

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

The registered office is: 25 Ubi Rd 4, #03-05, UBIX, Singapore 408621. The Company is situated in Singapore.

Macroeconomic conditions related disclosures:

The conditions remain challenging with geopolitical instability and affecting domestic and global growth in the current high interest environment.

Uncertainties relating to the current macroeconomic conditions

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. Management reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity’s ability to continue in operational existence for the near future.

Statement of compliance with financial reporting standards

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

Basis of preparation of the financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. General (cont'd)

Basis of presentation and principles of consolidation

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. They are de-consolidated from the date that control ceases.

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.

2A. Material accounting policy information and other explanatory information

Revenue and income recognition

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, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods

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

Services

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2A. Material accounting policy information and other explanatory information (cont'd)

Revenue and income recognition (cont'd)

Rental income

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Interest income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2A. Material accounting policy information and other explanatory information (cont'd)

Share-based compensation

Benefits to employees are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

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

Foreign currency transactions

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

Translation of financial statements of other entities

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2A. Material accounting policy information and other explanatory information (cont'd)

Income tax

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 income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, and associate except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method 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 (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment.

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 using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses (see Note 13). 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2A. Material accounting policy information and other explanatory information (cont'd)

Land use rights

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

Within the People's Republic of China ("PRC"), it is the practice for the State to issue land use rights to individuals or entities. Such rights are evidenced through the granting of a land use rights certificate, which gives the holder the right to use the land (including the construction of buildings thereon) for a given length of time. An upfront payment is made for this right.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

For a lessor a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Subsidiaries

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2A. Material accounting policy information and other explanatory information (cont'd)

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity.

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

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2A. Material accounting policy information and other explanatory information (cont'd)

Goodwill

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

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.

Intangible assets other than goodwill

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less accumulated amortisation and any accumulated impairment losses.

Carrying amounts of non-financial assets

The carrying amount of 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 expensed.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2A. Material accounting policy information and other explanatory information (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statements 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.

Categories of financial assets and financial liabilities:

The financial reporting standard on financial instruments comprise four categories of financial assets and two categories for liabilities. At the end of the reporting year, the reporting entity had the following categories:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2A. Material accounting policy information and other explanatory information (cont'd)

Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

Fair value measurement

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

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

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 material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or in the in the corresponding Notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessing expected credit loss allowance on trade receivables:

The assessment of the expected credit losses (ECL) requires a degree of estimation and judgement. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 19.

Assessing the impairment loss on 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 investment properties, management applied the depreciated replacement cost method and engaged an independent valuer to assist in determining the fair value. The independent valuer possesses recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

Assessing the 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 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 2023 in accordance with SFRS(I) 10. The summarised financial information of SGT for the reporting year ended 31 December 2023 is disclosed in Note 15A.

Measuring the 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 methods used and carrying amounts are disclosed in Note 17.

Estimating income tax amounts:

The Group has exposure to income taxes in the PRC. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The income tax amounts are disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Related party relationships and transactions

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

3A. Members of a group

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

3B. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise. The transactions were not material.

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

3C. Key management compensation

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	\$'000		\$'000
Short-term benefits	2,007		1,587
Post-employment benefits	47		46
Share-based payments	880		–
	<u>2,934</u>		<u>1,633</u>

The above amounts are included under employee benefits expense. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

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

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

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
<u>Other payable to directors</u>		
At beginning of the year	160	48
Amounts paid out for director fees	(160)	(48)
Accrual of director fees	160	160
At end of the year (Note 25)	<u>160</u>	<u>160</u>
	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
<u>Loan payable to a director</u>		
At beginning of the year	-	-
Loan from a director	933	-
At end of the year (Note 27E)	<u>933</u>	<u>-</u>
	<u>Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
<u>Other receivables from subsidiaries</u>		
At beginning of the year	212,657	230,709
Loan and advance to subsidiaries	6,475	9,438
Amounts received	(1,027)	(6,727)
Amount set-off against payables to parent company	(58)	(20,763)
Bad debts written off	(41,836)	-
At end of the year (Note 19)	<u>176,211</u>	<u>212,657</u>
	<u>Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
<u>Movement in allowance</u>		
At beginning of the year	(207,304)	(224,461)
Charge for other receivables to profit or loss included in other expenses	(5,221)	(3,606)
Reversal for other receivables to profit or loss included in other operating income	-	20,763
Bad debts written off	41,836	-
At end of the year (Note 19)	<u>(170,689)</u>	<u>(207,304)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Financial information by operating segments

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 to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. 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.

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.

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

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, sugar, beverages and other commodities.
- (iii) Consultancy segment is those consultancy services related to media and marketing.
- (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 material 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, amortisation, interests and income taxes (called "Segment results").

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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
2023:					
Revenue by segments	1,069	337,374	5,834	–	344,277
Results:					
Segment results	1,603	12,424	(1,087)	(1,839)	11,101
Finance costs	–	(4,167)	(85)	(962)	(5,214)
Foreign exchange losses	–	(1,141)	–	(805)	(1,946)
Depreciation and amortisation charges	(2,394)	(75)	(1,197)	(1,382)	(5,048)
(Loss) / profit before income tax	(791)	7,041	(2,369)	(4,988)	(1,107)
Income tax expense	–	(1,227)	–	90	(1,137)
(Loss) / profit for the year	(791)	5,814	(2,369)	(4,898)	(2,244)
Other information					
Acquisition of property, plant and equipment	–	135	524	149	808
Interest income	–	–	–	114	114

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

	Live marine products \$'000	Trading \$'000	Consultancy \$'000	Others \$'000	Total \$'000
<u>2022:</u>					
Revenue by segments	851	226,258	7,392	–	234,501
<u>Results:</u>					
Segment results	856	8,073	(1,139)	(1,683)	6,107
Finance costs	–	(2,748)	(68)	(1,328)	(4,144)
Foreign exchange (losses) / gain	(4,996)	942	7	(4,751)	(8,798)
Depreciation and amortisation charges	(2,583)	(55)	(678)	(663)	(3,979)
(Loss) / profit before income tax	(6,723)	6,212	(1,878)	(8,425)	(10,814)
Income tax expense	–	(695)	(2)	(220)	(917)
(Loss) / profit for the year	(6,723)	5,517	(1,880)	(8,645)	(11,731)
<u>Other information</u>					
Acquisition of property, plant and equipment	–	236	632	2,833	3,701
Allowance for impairment on trade receivables	–	–	10	–	10
Goodwill written off	–	318	–	–	318
Interest income	–	–	–	74	74

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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
2023:						
Assets						
Segment assets	24,084	154,208	5,823	63,143	(62,621)	184,637
Liabilities						
Segment liabilities	100,168	177,987	4,796	154,414	(314,099)	123,266
2022:						
Assets						
Segment assets	26,026	132,643	5,595	74,349	(71,854)	166,759
Liabilities						
Segment liabilities	104,915	156,171	2,949	214,809	(370,765)	108,079

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

4D. Geographical information

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

	Revenue		Group Non-current assets	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
PRC	134,425	63,013	9,886	12,771
Hong Kong	110,773	107,326	–	–
Macau	39,704	32,083	–	–
Singapore	59,360	32,079	9,735	9,994
Thailand	15	–	–	–
	<u>344,277</u>	<u>234,501</u>	<u>19,621</u>	<u>22,765</u>

4E. Information about major customers

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

	Group	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Customer 1 in trading segment	64,440	46,174
Customer 2 in trading segment	39,704	32,136
	<u>104,144</u>	<u>78,310</u>

5. Revenue

	Group	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Revenue from contracts with customers		
- Sale of goods – point in time	337,374	226,258
- Consultancy services – point in time	5,834	7,392
- Rental income – over time	1,069	851
	<u>344,277</u>	<u>234,501</u>

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. Other operating income and expenses

6A. Other operating income

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Fair value gain on financial instrument	7	22
Gain on disposal of plant and equipment	39	43
Gain on disposal of subsidiaries	580	–
Government grants	235	311
Interest income	114	74
Other rental income	80	80
Rebates (a)	1,875	–
Service income (b)	855	–
Sundry income	1,182	995
Net	<u>4,967</u>	<u>1,525</u>

(a) Purchase rebates received from supplier.

(b) Service income for providing custom clearance, marketing, logistics, warehousing, shipment and management of accounts receivable.

6B. Other operating expenses

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

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Freight and handling charges	4,339	1,962
Foreign exchange adjustments losses	1,946	8,798
Marketing and promotion	1,389	496

7. Employee benefits expense

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Short term employee benefits expense	7,509	5,332
Defined contribution plans	772	418
Share-based payments: equity settled (Note 23)	880	–
Other staff welfare	155	261
	<u>9,316</u>	<u>6,011</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8. Finance costs

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	\$'000		\$'000
Interest on bank loans	2,371		1,006
Interest on lease liabilities	177		147
Interest on loans from shareholders	307		315
Interest on loans from third parties	2,359		2,676
	<u>5,214</u>		<u>4,144</u>

9. Items in the profit or loss

In addition to the profit and loss line items disclosed elsewhere in the Notes to the financial statements, this item includes the following expenses:

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	\$'000		\$'000
Audit fee to auditors of the Company	328		240
Audit fee to other auditors	22		31
Non-audit fees paid to the auditors of the Company	23		22
	<u>373</u>		<u>293</u>

10. Income tax

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

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	\$'000		\$'000
<u>Current tax expenses:</u>			
Current tax expenses	1,242		787
(Over) / under adjustments in respect of prior periods	(105)		130
Total income tax expenses	<u>1,137</u>		<u>917</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. Income tax (cont'd)

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

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2022: 17.0%) to profit or loss before income tax as a result of the following differences:

	<u>2023</u> \$'000	<u>Group</u> <u>2022</u> \$'000
Loss before tax	(1,107)	(10,814)
Income tax income at the above rate	(188)	(1,838)
Expenses not deductible for tax purposes	1,049	1,583
(Over) / under adjustments to tax in respect of prior periods	(105)	130
Effect of different tax rate in different jurisdictions	(31)	(518)
Movement of deferred tax assets not recognised	412	1,560
Total income tax expense	<u>1,137</u>	<u>917</u>

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

10B. Deferred tax assets in statements of financial position

	<u>2023</u> \$'000	<u>Group</u> <u>2022</u> \$'000
Unutilised tax losses:		
- Singapore operations	12,328	9,904
- People's Republic of China ("PRC")	9,265	25,500
	<u>21,593</u>	<u>35,404</u>

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:

	<u>2023</u> \$'000	<u>Group</u> <u>2022</u> \$'000
2023	–	15,845
2024	5,041	5,253
2026	2,302	2,399
2027	1,922	2,003
	<u>9,265</u>	<u>25,500</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

11. Property, plant and equipment

<u>Group</u>	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Vehicles</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<u>Cost:</u>				
At 1 January 2022	452	2,327	245	3,024
Additions	2,812	889	–	3,701
Disposals	(44)	(100)	–	(144)
Foreign exchange adjustments	–	(6)	(6)	(12)
At 31 December 2022	3,220	3,110	239	6,569
Additions	120	688	–	808
Disposals	(34)	(51)	–	(85)
Foreign exchange adjustments	–	(8)	(2)	(10)
At 31 December 2023	3,306	3,739	237	7,282
<u>Accumulated depreciation:</u>				
At 1 January 2022	312	551	41	904
Depreciation for the year	306	544	26	876
Disposals	(28)	(9)	–	(37)
Foreign exchange adjustments	–	(1)	(3)	(4)
At 31 December 2022	590	1,085	64	1,739
Depreciation for the year	744	682	26	1,452
Disposals	(8)	(2)	–	(10)
Foreign exchange adjustments	–	(1)	(1)	(2)
At 31 December 2023	1,326	1,764	89	3,179
<u>Accumulated impairment:</u>				
At 1 January 2022	95	140	25	260
Foreign exchange adjustments	–	–	(2)	(2)
At 31 December 2022	95	140	23	258
Foreign exchange adjustments	–	–	(1)	(1)
At 31 December 2023	95	140	22	257
<u>Carrying value:</u>				
At 1 January 2022	45	1,636	179	1,860
At 31 December 2022	2,535	1,885	152	4,572
At 31 December 2023	1,885	1,835	126	3,846

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

<u>Company</u>	<u>Leasehold improvements</u> \$'000	<u>Office equipment</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>			
At 1 January 2022	–	68	68
Additions	2,649	183	2,832
At 31 December 2022	2,649	251	2,900
Additions	120	30	150
At 31 December 2023	2,769	281	3,050
<u>Accumulated depreciation:</u>			
At 1 January 2022	–	46	46
Depreciation for the year	272	31	303
At 31 December 2022	272	77	349
Depreciation for the year	684	55	739
At 31 December 2023	956	132	1,088
<u>Carrying value:</u>			
At 1 January 2022	–	22	22
At 31 December 2022	2,377	174	2,551
At 31 December 2023	1,813	149	1,962

The annual rates of depreciation are as follows:

Leasehold improvements 7% - 33% (over the lease term)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

12. Right-of-use assets

<u>Group</u>	Office premises \$'000
<u>Cost</u>	
At 1 January 2022	556
Additions	3,967
At 31 December 2022	<u>4,523</u>
Termination	(114)
At 31 December 2023	<u>4,409</u>
<u>Accumulated depreciation</u>	
At 1 January 2022	66
Depreciation for the year	520
At 31 December 2022	<u>586</u>
Depreciation for the year	1,075
Termination	(67)
At 31 December 2023	<u>1,594</u>
<u>Carrying value</u>	
At 1 January 2022	<u>490</u>
At 31 December 2022	<u>3,937</u>
At 31 December 2023	<u>2,815</u>
	Office premises \$'000
<u>Company</u>	
<u>Cost</u>	
At 1 January 2022	-
Additions	3,221
At 31 December 2022 and 31 December 2023	<u>3,221</u>
<u>Accumulated depreciation</u>	
At 1 January 2022	-
Depreciation for the year	322
At 31 December 2022	<u>322</u>
Depreciation for the year	644
At 31 December 2023	<u>966</u>
<u>Carrying value</u>	
At 1 January 2022	-
At 31 December 2022	<u>2,899</u>
At 31 December 2023	<u>2,255</u>

The annual rates of depreciation are as follows:

Office premises 20% - 50%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. Investment properties

<u>Group</u>	<u>Properties</u> \$'000	<u>Land use rights</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>			
At 1 January 2022	80,726	502	81,228
Addition	5	–	5
Foreign exchange adjustments	(7,883)	(42)	(7,925)
At 31 December 2022	72,848	460	73,308
Foreign exchange adjustments	(1,481)	(19)	(1,500)
At 31 December 2023	71,367	441	71,808
<u>Accumulated depreciation:</u>			
At 1 January 2022	45,643	145	45,788
Depreciation for the year	2,583	–	2,583
Foreign exchange adjustments	(5,812)	(12)	(5,824)
At 31 December 2022	42,414	133	42,547
Depreciation for the year	2,394	–	2,394
Foreign exchange adjustments	(740)	(5)	(745)
At 31 December 2023	44,068	128	44,196
<u>Accumulated impairment:</u>			
At 1 January 2022	18,702	145	18,847
Foreign exchange adjustments	(819)	(20)	(839)
At 31 December 2022	17,883	125	18,008
Foreign exchange adjustments	(270)	(5)	(275)
At 31 December 2023	17,613	120	17,733
<u>Carrying value:</u>			
At 1 January 2022	16,381	212	16,593
At 31 December 2022	12,551	202	12,753
At 31 December 2023	9,686	193	9,879
Fair values for disclosure only:			
At 1 January 2022			27,080
At 31 December 2022			23,716
At 31 December 2023			21,858

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.

The annual rates of depreciation are as follows:

Properties 3% - 10%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. Investment properties (cont'd)

The fair values of investment properties (Level 3 fair value hierarchy) were determined based on the depreciated replacement cost approach. The depreciated replacement cost approach is based on the cost to reproduce or replace under new condition with current market prices for similar assets, with allowance for accrued depreciation arising from the conditions, utility, age, wear and tear, or obsolescence present (physical, functional or economic). A hypothetical 10% change in the variation from estimate would have an effect on fair value change by \$2,185,000 (2022: \$2,372,000).

	<u>2023</u> \$'000	<u>2022</u> \$'000
Rental income from investment properties	<u>1,069</u>	<u>851</u>
Direct operating expenses (amortisation) during the year	<u>2,394</u>	<u>2,583</u>

Detail of the Group's land use rights:

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

14. Goodwill

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
<u>Cost:</u>		
At beginning of year	579	897
Written off	–	(318)
At end of year	<u>579</u>	<u>579</u>
<u>Carrying value:</u>		
At beginning of the year	<u>579</u>	<u>897</u>
At end of the year	<u>579</u>	<u>579</u>

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

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
<u>Name of subsidiary:</u>		
AP Media Pte. Ltd.	386	386
Anomalyst Studio Pte. Ltd.	193	193
	<u>579</u>	<u>579</u>

The recoverable amounts of an asset cash-generating unit have been measured based on the fair value less costs of disposal method or the value in use method (whichever is higher) as appropriate for the separate CGUs.

The recoverable amounts of goodwill have been determined based on value-in-use calculations 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 (2022: 1%). The pre-tax discount rate that reflects current market assessments at the risks specific to the CGU is 10% (2022: 8%).

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Investments in subsidiaries (cont'd)

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		Effective percentage of equity held	
	2023 \$'000	2022 \$'000	2023 %	2022 %
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) (h)} Hong Kong Investment holding	–	*	–	100
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	77.5	100
Oceanus Tradelog Pte. Ltd. ^(a) Singapore Trading of animal feeds	120	120	80	80
	273,123	273,123		

* Amount less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Investments in subsidiaries (cont'd)

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

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held	
	<u>2023</u> %	<u>2022</u> %
Subsidiaries held through Oceanus Food Group Limited		
Zhangzhou Oceanus Food Co., Ltd ^{(c) (h)} 漳州欧圣食品有限公司 People's Republic of China Inactive	–	100
Subsidiaries held through Oceanus Food Group Pte. Ltd.		
Oceanus (Shanghai) Restaurant Management Co., Ltd ^{(c) (f)} 欧圣(上海)餐饮管理有限公司 People's Republic of China Inactive	100	100
Oceanus (Singapore) Restaurant Management Pte. Ltd. Singapore Struck-off in January 2023	–	100
Oceanus (Taiwan) Restaurant Limited Company ^(c) Taiwan Inactive	100	100
Subsidiary held through Oceanus Aquaculture Group Pte. Ltd.		
Oceanus (China) Aquaculture Co., Ltd ^{(b) (f)} 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 (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.		
Fujian Shengli Seafood Co., Ltd ^{(c) (f)} 福建昇立海产有限公司 People's Republic of China Inactive	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Investments in subsidiaries (cont'd)

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

Name of subsidiaries, country of incorporation, place of operations, principal activities (and independent auditors)	Effective percentage of equity held	
	<u>2023</u> %	<u>2022</u> %
Season Global Trading Pte. Ltd. ^{(a) (e)} Singapore Wholesales of variety of goods	50.1	50.1
Oceanus Media Global Pte. Ltd. ^(a) Singapore Other holding companies	63.5	63.5
Subsidiary held through Oceanus Media Global Pte. Ltd. AP Media Pte. Ltd. ^(a) Singapore Media, marketing and consultancy	63.5	63.5
Scion Technik Pte. Ltd. ^(a) Singapore Event reality technology equipment and consultancy	63.5	38.1
Resolute Communications Pte. Ltd. ^(a) Singapore Advertising and conventing / conference organisers.	50.8	50.8
Anomalyst Studio Pte. Ltd. ^(a) Singapore Motion media art and graphic design services	32.4	32.4
Subsidiaries held through AP Media Pte. Ltd. Grayback Pte. Ltd. ^(a) Singapore Advertising	63.5	63.5
AP 360 Marketing Sdn Bhd ^(d) Malaysia Motion picture/video production	63.5	44.5
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)	50.1	50.1
Oceanus Innoventure Pte. Ltd. (formerly known as SG.eMart Pte. Ltd.) ^(a) Singapore E-Commerce platform for food products	44.1	44.1

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Investments 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	
	2023 %	2022 %
Season Global (CN) Co., Ltd ^{(c) (f)} 深圳四季环球贸易有限公司 People's Republic of China Investment holding company	45.1	45.1
Season Global Trading (HK) Limited ^(c) Hong Kong Wholesale trading of food and beverages	50.1	50.1
Recherche Living Pte. Ltd. ^(a) Singapore Online marketplaces for goods (including food)	33.1	33.1
King M International Pte. Ltd. ^(a) Singapore Wholesale of food and fruit related	25.6	25.6
Kingsman Exim Wine & Spirits Pte. Ltd. ^(a) Singapore Wholesales of variety of goods	30.1	30.1
ISC SG Pte. Ltd. ^(a) Singapore Wholesales of variety of goods	40.1	40.1
Subsidiaries held through Sino Food Group Pte. Ltd. Shenzhen Lion City Global Trade Co, Ltd ^{(c) (f)} 深圳狮城贸易有限公司 People's Republic of China Wholesale trading of frozen meats, seafood and foodstuffs	50.1	50.1
Subsidiaries held through Season Global (CN) Co., Ltd Guangzhou International Industrial Development Co., Ltd ^(b) 广州洲际通实业发展有限公司 People's Republic of China Bulk Trading of food products and working capital financing activities	45.1	45.1
Shenzhen Jiade Yifeng Supply Chain Co., Ltd ^(c) 深圳市嘉德益丰供应链有限公司 People's Republic of China Trading and distribution of food and snacks	23	23
Shenzhen Sijihang Wine Co., Ltd ^{(c) (f)} 深圳四季行酒业有限公司 People's Republic of China Trading and distribution of goods	45.1	45.1

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Investments 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	
	2023 %	2022 %
Subsidiary held through King M International Pte. Ltd.		
King M (Thailand) Co., Ltd ^(g)	25.5	–
Thailand		
Wholesale of food and fruit related		
Incorporated in 13 March 2023		
Subsidiary held through Shenzhen Lion City Global Trade Pte Ltd		
Sharp-Link Supply Chain Co., Ltd ^(b)	30.1	30.1
深圳市锐霖供应链有限公司		
People's Republic of China		
Wholesale of various product		
Subsidiary held through Asia Fisheries Pte. Ltd.		
Jade Ocean Pte. Ltd. ^(a)	54.3	–
Singapore		
Wholesale trade of a variety of goods		
Incorporated in 14 March 2023		

(a) Audited by RSM SG Assurance LLP in Singapore in Singapore.

(b) Audited by SBA Stone Forest Shanghai Certified Public Accountants (Partnership), an affiliated firm of RSM SG Assurance LLP in Singapore.

(c) Not audited as it is immaterial and inactive.

(d) Other independent auditors. Audited by firms of accountants other than member firms of RSM International network firms of which RSM SG Assurance 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 material.

(f) Commitment to increase paid-up capital (Note 32).

(g) Not audited as the company is newly incorporated at the end of reporting year and is inactive.

(h) The subsidiaries were disposed on 19 July 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Investments in subsidiaries (cont'd)

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

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

Name	Proportion of effective ownership interest held by NCI		Profit allocated to NCI	
	2023	2022	2023	2022
	%	%	\$'000	\$'000
Season Global Trading Pte. Ltd.	49.9	49.9	1,990	1,644

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

<u>Season Global Trading Pte. Ltd.</u>	<u>2023</u>	<u>2022</u>
<u>Summarised statement of financial position</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Current</u>		
Assets	126,541	103,695
Liabilities	(67,510)	(51,581)
Net current assets	<u>59,031</u>	<u>52,114</u>
<u>Non-current</u>		
Assets	2,941	5,135
Liabilities	(45,436)	(44,430)
Net non-current assets	<u>(42,495)</u>	<u>(39,295)</u>
Net assets	<u>16,536</u>	<u>12,819</u>
Net assets attributable to above NCI	<u>8,251</u>	<u>6,396</u>
<u>Summarised statement of profit or loss and other comprehensive income</u>		
Revenue	171,244	164,550
Profit before income tax	5,056	3,976
Income tax expense	(1,068)	(682)
Profit for the year and total comprehensive income	<u>3,988</u>	<u>3,294</u>
<u>Summarised statement of cash flows</u>		
Net cash (outflow) from operating activities	(9,646)	(20,486)
Net cash inflow / (outflow) from investing activities	18,548	(4,251)
Net cash inflow from financing activities	22	14,704
Net cash inflow / (outflow)	<u>8,924</u>	<u>(10,033)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. Investment in associate

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Movements in carrying value:		
At beginning of the year	151	156
Share of the loss for the year	–	(5)
Total at end of the year	<u>151</u>	<u>151</u>
Carrying value:		
Unquoted equity shares at cost	170	170
Share of post-acquisition losses	(19)	(19)
	<u>151</u>	<u>151</u>

The associates held by the group are listed below:

<u>Name of associate, country of incorporation, place of operations, and principal activities</u>	<u>Cost of investments</u>		<u>Percentage of equity held</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> %	<u>2022</u> %
<u>Held by the Oceanus Investment Holdings Pte. Ltd.</u>				
Aquarii SG Pte Ltd	170	170	33.30	33.30
Singapore				
Investment Holdings				

17. Other financial assets

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
<u>Non-current</u>				
Investment in unquoted equity shares at FVTPL (Note 17A)	2,063	773	–	–
Loan receivables from subsidiaries (Note 17C)	–	–	31,017	25,420
	<u>2,063</u>	<u>773</u>	<u>31,017</u>	<u>25,420</u>
<u>Current</u>				
Investment in quoted fund at FVTPL (Note 17B)	202	1,726	202	1,726
Loan receivables from subsidiaries (Note 17C)	–	–	15,564	25,419
	<u>202</u>	<u>1,726</u>	<u>15,766</u>	<u>27,145</u>

17A. Investment in unquoted equity shares at FVTPL

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Movements during the year:		
Fair value at beginning of the year	773	821
Additions	1,290	100
Changes in fair value during the year	–	(148)
Fair value at end of the year	<u>2,063</u>	<u>773</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Other financial assets (cont'd)

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

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

	<u>Level</u>	<u>2023</u> \$'000	<u>2023</u> %	<u>2022</u> \$'000	<u>2022</u> %
Unquoted equity shares I	3	214	10	214	27
Unquoted equity shares II	3	430	21	430	56
Unquoted equity shares III	3	29	1	29	4
Unquoted equity shares IV	3	100	5	100	13
Unquoted equity shares V	3	1,290	63	–	–
		<u>2,063</u>	<u>100</u>	<u>773</u>	<u>100</u>

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

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

	Unquoted equity shares I	Unquoted equity shares II	Unquoted equity shares III	Unquoted equity shares IV	Unquoted equity shares V
Industry	Aquaculture	Aquaculture	Web Portals	Automobile	Financial
Location	Australia	Singapore	Singapore	Singapore	Singapore
Fair value	\$214,000 (2022: \$214,000).	\$430,000 (2022: \$430,000)	\$29,000 (2022: \$29,000)	\$100,000 (2022: \$100,000)	\$1,290,000 (2022: \$nil)
Fair value hierarchy	Level 3	Level 3	Level 3	Level 3	Level 3
Valuation technique	Market comparable approach	Market comparable approach	Market comparable approach	Market comparable approach	Market comparable approach

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

Sensitivity analysis for price risk of equity shares at FVTPL

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

	<u>2023</u> \$'000	<u>2022</u> \$'000
A hypothetical 10% increase in the market index that relates to unquoted equity shares at FVTPL would have an effect on fair value of	<u>206</u>	<u>77</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Other financial assets (cont'd)

17B. Investment in quoted money market fund at FVTPL

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

	<u>Group and Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Movements during the year:		
Fair value at beginning of the year	1,726	1,704
Disposals	(600)	–
Loss on disposals through profit or loss under other losses	(931)	–
Increase in fair value through profit or loss under other gains	7	22
Fair value at end of the year (Level 3)	<u>202</u>	<u>1,726</u>

Sensitivity analysis

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

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
A hypothetical 10% increase in the fair value would have an effect on fair value of	<u>20</u>	<u>172</u>

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

17C. Loan receivables from subsidiaries

	<u>Company</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Loans receivables from subsidiaries, non-current (a)	31,017	25,420
Loans receivables from subsidiaries, current (b)	15,564	25,419
Subtotal	<u>46,581</u>	<u>50,839</u>
Movements during the year:		
At beginning of the year	50,839	34,704
Additions	6,475	16,300
Repayments	(9,829)	–
Foreign exchange adjustments	(904)	(165)
At the end of the year	<u>46,581</u>	<u>50,839</u>

(a) These loans are unsecured, bear fixed interest at 4% to 10% per annum (2022: 5% to 9%) and repayable within February 2025 to November 2026.

(b) These loans are unsecured, bear fixed interest at 7% to 12% per annum (2022: 7%) and repayable within January 2024 to October 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

18. Inventories

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Inventories on hand	19,151	30,437
Inventories in transit	–	6,126
	<u>19,151</u>	<u>36,563</u>

There are no inventories pledged as security for liabilities.

19. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
<u>Trade receivables:</u>				
Outside parties	100,835	91,548	–	–
Less: Allowance for impairment	(161)	(13,462)	–	–
Net trade receivables – subtotal	<u>100,674</u>	<u>78,086</u>	<u>–</u>	<u>–</u>
<u>Other receivables:</u>				
Outside parties	10,498	4,730	9	211
Subsidiaries (Note 3)	–	–	176,211	212,657
Less: Allowance for impairment	–	–	(170,689)	(207,304)
Deposits	966	437	416	437
Amount due from brokerage firms (a)	370	198	–	–
Net other receivables – subtotal	<u>11,834</u>	<u>5,365</u>	<u>5,947</u>	<u>6,001</u>
Total trade and other receivables	<u>112,508</u>	<u>83,451</u>	<u>5,947</u>	<u>6,001</u>
Movements in above allowance on trade receivables:				
At beginning of the year	(13,462)	(13,462)	–	–
Bad debts written off	13,301	–	–	–
At end of the year	<u>(161)</u>	<u>(13,462)</u>	<u>–</u>	<u>–</u>
Movements in above allowance on other receivables:				
At beginning of the year	–	–	(207,304)	(224,461)
Charge for other receivables to profit or loss included in other expenses	–	–	(5,221)	(3,606)
Reversal for other receivables to profit or loss included in other operating income	–	–	–	20,763
Bad debts written off	–	–	41,836	–
At end of the year	<u>–</u>	<u>–</u>	<u>(170,689)</u>	<u>(207,304)</u>

There are no collaterals held as security and other credit enhancements for the trade receivables.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. Trade and other receivables (cont'd)

(a) Breakdown of amount due from brokerage firms as follows:

	<u>2023</u> \$'000	<u>Group</u>	<u>2022</u> \$'000
Funds held by brokers	87		106
Margin account	283		92
	<u>370</u>		<u>198</u>

Margin account represents cash deposits held with the brokers as collateral for trading of financial instruments.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 60 to 120 days (2022: 60 to 120 days). However, some customers take a longer period to settle the amounts. The customers' balances are subject to the expected credit loss ("ECL") assessment under the financial reporting standard on financial instruments.

The ECL on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets recognised from the initial recognition of these assets. The reporting entity has a few customers and those with material balances for which the credit risk can be graded individually they are recorded at inception net of any expected lifetime ECL. For these material balances judgement is required for the assessment of the credit risk graded individually. For any material increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of internal ratings, management accounts and available published information about debtors that is available without undue cost or effort) and applying experienced credit judgement.

Trade receivable amounts that were past due at the end of the reporting year totalled \$11,499,000 and a total of \$9,937,000 have been settled after the end of reporting year. As at the end of reporting year there were no amounts that were impaired.

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

	<u>2023</u> \$'000	<u>Group</u>	<u>2022</u> \$'000
Top 1 customer	34,751		22,929
Top 2 customers	61,186		37,927
Top 3 customers	<u>86,344</u>		<u>51,417</u>

The other receivables shown above are subject to the ECL allowance assessment under the financial reporting standard on financial instruments. For these material balances judgement is required for the assessment of the credit risk graded individually. At inception they are recorded net of any expected lifetime ECL. At the end of the reporting year a loss allowance is recognised if there has been a material increase in credit risk since initial recognition. For any material increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of internal ratings, management accounts and available published information about customers about debtors that is available without undue cost or effort) and applying experienced credit judgement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

20. Other non-financial assets, current

	<u>2023</u> \$'000	<u>Group</u> <u>2022</u> \$'000
Prepayments	13,926	12,005
Advance payments to supplier	221	144
	<u>14,147</u>	<u>12,149</u>

21. Derivative financial instruments

The table below summarises the fair value of derivatives which are not designated as hedging instruments at end of the year:

	<u>2023</u> \$'000	<u>Group</u> <u>2022</u> \$'000
<u>Assets – Derivatives with positive fair values:</u>		
Commodities futures (Level 1)	1	7
Total at end of the year	<u>1</u>	<u>7</u>
<u>Liabilities – Derivatives with negative fair values:</u>		
Commodities futures (Level 1)	(24)	(3)
Total at end of the year	<u>(24)</u>	<u>(3)</u>
Balance at end of the year	<u>(23)</u>	<u>4</u>

All the derivatives contracts have maturity periods of less than 12 months.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets.

	<u>Notional amount</u> \$'000	<u>Assets</u> \$'000	<u>Liabilities</u> \$'000
<u>2023:</u>			
Commodities futures	1,072	1	(24)
Total at end of the year		<u>1</u>	<u>(24)</u>
<u>2022:</u>			
Commodities futures	672	7	(3)
Total at end of the year		<u>7</u>	<u>(3)</u>

Derivatives consist of commodities futures.

The commodities futures are used to hedge the Group's risk associated with commodity price fluctuations. Derivatives may also be entered into for arbitrage opportunities or risk management purposes.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

22. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
Not restricted in use	19,007	10,098	2,691	1,117

As at 31 December 2023, the Group had cash and bank balances of \$3,718,000 (equivalent to RMB 20,518,000) (2022: \$2,475,000 equivalent to RMB 12,718,000) placed with banks in the People's Republic of China ("PRC"). The conversion of RMB into foreign currencies is subject to the foreign exchange control regulations in the PRC. The funds can only be used in PRC.

22A. Reconciliation of liabilities arising from financing activities

	<u>2022</u>	<u>Cash flows</u>	<u>Non-cash</u>		<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>changes</u>		<u>\$'000</u>
<u>Group:</u>					
Lease liabilities (Note 26)	4,023	(1,177)	177	^(b)	3,023
Other financial liabilities (Note 27)	64,991	24,334	–		89,325
Loan from a director (Note 27E)	–	933	–		933
Amount due to directors (Note 25)	160	–	–		160
Total liabilities from financing activities	69,174	24,090	177		93,441
	<u>2021</u>	<u>Cash flows</u>	<u>Non-cash</u>		<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>changes</u>		<u>\$'000</u>
<u>Group:</u>					
Lease liabilities (Note 26)	500	(591)	4,114	^{(a) (b)}	4,023
Other financial liabilities (Note 27)	81,302	(16,311)	–		64,991
Amount due to directors (Note 25)	48	112	–		160
Total liabilities from financing activities	81,850	(16,790)	4,114		69,174

(a) Acquisition

(b) Accretion of interest

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. Share capital

	<u>Group and Company</u>	
	<u>Number</u> <u>of shares issued</u>	<u>Share capital</u> <u>\$'000</u>
Ordinary shares of no par value:		
At beginning of the year 1 January 2022	24,296,921,463	653,757
Issue of shares at \$0.023 each	1,270,369,565	29,218
At end of the year 31 December 2022	<u>25,567,291,028</u>	<u>682,975</u>
Share-based payments	97,727,668	880
At end of the year 31 December 2023	<u>25,665,018,696</u>	<u>683,855</u>

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

On 11 December 2023, the Company granted the share awards under the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP"). RSP 2023 is designed for retention of Participants and aligning their goals with Shareholders' interests whilst PSP 2023 is structured to incentive sustainable shareholder value creation. The details are disclosed in the Statement by Directors.

	<u>2023</u> <u>\$'000</u>
<u>Group and Company</u>	
Allocation of the share-based payments is as follows:	
Included in profit or loss	<u>880</u>

The approved grant of an aggregate of 293,183,000 ordinary shares was granted to the RSP participants. The shares will be automatically vested at the end of every year evenly for 3 years starting from December 2022 on the calendar year basis. The Company recognised the expenses of \$880,000 associated with the first tranche of 97,727,668 ordinary shares vested for RSP during the reporting year. The second and third tranches will vest in FY2024 and FY2025 respectively. No provision is necessary for second and third tranche as the service conditions have not been met as at the reporting year end.

The shares for PSP will be vested upon the completion of Performance Period (FY2023-FY2025). No provision is necessary as the performance targets have not been met as at the reporting year end.

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).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. Share capital (cont'd)

Capital management: (cont'd)

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

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Net debt:		
All current and non-current borrowings including leases	93,281	69,014
Less cash and cash equivalents	<u>(19,007)</u>	<u>(10,098)</u>
Net debt	<u>74,274</u>	<u>58,916</u>
Adjusted capital:		
Total equity	<u>61,371</u>	<u>58,680</u>
Debt-to-adjusted capital ratio	<u>121%</u>	<u>100%</u>

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in new debts.

24. Reserves

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
Capital reserve	(217,842)	(217,842)	2,254	2,254
Currency translation reserve	6,091	2,095	–	–
Statutory reserve	8,067	8,067	–	–
Accumulated losses	<u>(426,510)</u>	<u>(424,631)</u>	<u>(648,160)</u>	<u>(642,144)</u>
	<u>(630,194)</u>	<u>(632,311)</u>	<u>(645,906)</u>	<u>(639,890)</u>

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

Capital reserve – non-distributable

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

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

Currency translation reserve – non-distributable

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

24. Reserves (cont'd)

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.

25. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	7,300	7,505	–	–
Trade payables – subtotal	<u>7,300</u>	<u>7,505</u>	<u>–</u>	<u>–</u>
<u>Other payables:</u>				
Outside parties	7,481	6,055	110	1,629
Provision of litigation (a)	1,244	1,235	–	–
Accrued expenses	5,963	8,000	1,514	–
Directors (Note 3)	160	160	160	160
Other payables – subtotal	<u>14,848</u>	<u>15,450</u>	<u>1,784</u>	<u>1,789</u>
Total trade and other payables	<u>22,148</u>	<u>22,955</u>	<u>1,784</u>	<u>1,789</u>

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

26. Lease liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
Lease liabilities, non-current	2,059	3,058	1,831	2,427
Lease liabilities, current	964	965	595	537
	<u>3,023</u>	<u>4,023</u>	<u>2,426</u>	<u>2,964</u>

A summary of the maturity analysis of lease liabilities is disclosed in Note 33E. Total cash outflows from leases are shown in the consolidated statement of cash flows. The related right-of-use-assets are disclosed in Note 12.

Leases for right-of-use assets - the reporting entity has a few leases relating to the warehouse and office space. Other information about the leasing activities are summarised as follows - The leases prohibit the lessee from selling or pledging the underlying leased assets as security unless permitted by the owners. There are no variable payments linked to an index. The leases are for terms between 3 to 5 years. The leases do not provide options to purchase the underlying leased assets outright. Certain of the leases provide options to extend the leases for a further term.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

26. Lease liabilities (cont'd)

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments that 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 liability and the right-of-use assets.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

27. Other financial liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
<u>Non-current</u>				
Bank loan A (unsecured) (Note 27A)	4,439	5,895	2,676	3,123
Bank loan B (unsecured) (Note 27B)	–	580	–	–
Loans from outside parties (unsecured) (Note 27D)	9,996	17,900	–	–
Loans payable to non-controlling interests in subsidiaries (Note 27C)	7,546	–	–	–
Total non-current portion	<u>21,981</u>	<u>24,375</u>	<u>2,676</u>	<u>3,123</u>
<u>Current</u>				
Bank loan A (unsecured) (Note 27A)	1,375	1,264	448	436
Bank loan B (unsecured) (Note 27B)	548	–	–	–
Loans payable to non-controlling interests in subsidiaries (Note 27C)	–	7,666	–	–
Loans from outside parties (unsecured) (Note 27D)	24,967	5,673	6,260	5,673
Loan from a director (Note 3) (Note 27E)	933	–	–	–
Trust receipts (Note 27F)	32,358	17,917	–	–
Convertible loan notes (Note 27G)	8,096	8,096	8,096	8,096
Total current portion	<u>68,277</u>	<u>40,616</u>	<u>14,804</u>	<u>14,205</u>
Total non-current and current	<u>90,258</u>	<u>64,991</u>	<u>17,480</u>	<u>17,328</u>

27A. Bank loan A (unsecured)

These are bridging loans obtained under the Enterprises Financing Scheme of Enterprise Singapore and bear fixed interest between 2.5% to 6.5% (2022: 2.5% to 6.5%) per annum. These loans are repayable over 60 month instalments commencing from their respective drawdown date.

27B. Bank loan B (unsecured)

The loan with bank in the People's Republic of China ("PRC") with a tenure of 3 years and bears interest at 5% (2022: 5%) per annum. The loan is repayable on 8 April 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

27. Other financial liabilities (cont'd)

27C. Loans payable to non-controlling interests in subsidiaries

	<u>2023</u> \$'000	<u>Group</u>	<u>2022</u> \$'000
Movements during the year:			
At beginning of the year	7,666		7,718
Foreign exchange adjustments	(120)		(52)
At end of the year	<u>7,546</u>		<u>7,666</u>

The loan is unsecured, bears fixed interest at 4% per annum and is repayable in May 2025 (2022: May 2023).

27D. Loans from outside parties

These loans are unsecured, bear fixed interest at 9% to 12% per annum (2022: 5% to 9%) and repayable within the next 12 to 31 months.

27E. Loan from a director

The loan is unsecured, bear fixed interest at 10% per annum and repayable on 21 December 2024.

27F. Trust receipts

Trust receipts of the Group are secured by a corporate guarantee provided by the Company and bear floating interest rates ranging from 5.49% to 8.10% (2022: 4.15% to 7.25%) per annum.

27G. Convertible loan notes

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

27. Other financial liabilities (cont'd)

27G. Convertible loan notes (cont'd)

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

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

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

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

28. Other non-financial liabilities

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Advances from customers	<u>2,374</u>	<u>10,700</u>
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting year:		
Expected to be recognised within 1 year	<u>2,374</u>	<u>10,700</u>

29. Earnings (loss) per share

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

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
A. Earnings attributable to equity holders	<u>(1,879)</u>	<u>(13,160)</u>
B. Weighted average number of equity shares	<u>25,572,913,716</u>	<u>25,334,099,902</u>
Earnings (loss) per share (cents)		
- Basic	(0.01)	(0.05)
- Diluted	<u>(0.01)</u>	<u>(0.05)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

29. Earnings (loss) per share (cont'd)

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

30. Operating lease income commitments – as lessor

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

	<u>2023</u> \$'000	<u>Group</u>	<u>2022</u> \$'000
Not later than one year	1,155		261
Between 1 and 2 years	1,153		1
Between 2 and 3 years	1,153		–
Between 3 and 4 years	1,153		–
Between 4 and 5 years	488		–
More than 5 years	201		–
Total	<u>5,303</u>		<u>262</u>
Rental income for the year	<u>1,069</u>		<u>851</u>

Operating lease income commitments are for certain farms. The lease rental income terms are negotiated for terms ranging from 4 months to 20 years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

31. Contingent liabilities

	<u>2023</u> \$'000	<u>Company</u>	<u>2022</u> \$'000
Corporate guarantee in favour of bank to secure credit facilities for subsidiary	<u>22,350</u>		<u>22,350</u>

32. Capital commitments

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

	<u>2023</u> \$'000	<u>2022</u> \$'000
Commitment to increase paid-up capital in subsidiaries	<u>14,149</u>	<u>17,053</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial instruments: information on financial risks and other explanatory information

33A. Categories of financial assets and financial liabilities

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	131,515	93,549	55,219	57,957
Financial assets at FVTPL	2,266	2,506	202	1,726
At end of the year	<u>133,781</u>	<u>96,055</u>	<u>55,421</u>	<u>59,683</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	115,429	91,969	21,690	22,081
Financial liabilities at FVTPL	24	3	–	–
At end of the year	<u>115,453</u>	<u>91,972</u>	<u>21,690</u>	<u>22,081</u>

Further quantitative disclosures are included throughout these financial statements.

33B. Financial risk management

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

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

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

33C. Fair values of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

33D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (ECL) allowance on financial assets. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 22 discloses the cash balances. 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 average credit period taken to settle current trade payables is approximately 60 days (2022: 60 days). The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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

	Group		
	Less than 1 year \$'000	2 – 5 years \$'000	Total \$'000
<u>2023:</u>			
Trade and other payables	22,148	–	22,148
Gross loans and borrowings	69,848	24,371	94,219
Gross lease liabilities	1,091	2,182	3,273
At end of year	93,087	26,553	119,640
<u>2022:</u>			
Trade and other payables	22,955	–	22,955
Gross loans and borrowings	43,310	26,719	70,029
Gross lease liabilities	1,143	3,310	4,453
At end of year	67,408	30,029	97,437

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

	<u>Company</u>		
	<u>Less than 1 year \$'000</u>	<u>2 – 5 years \$'000</u>	<u>Total \$'000</u>
<u>2023:</u>			
Trade and other payables	1,784	–	1,784
Gross borrowings commitments	15,464	3,037	18,501
Gross lease liabilities	705	1,952	2,657
At end of year	<u>17,953</u>	<u>4,989</u>	<u>22,942</u>
<u>2022:</u>			
Trade and other payables	1,789	–	1,789
Gross borrowings commitments	16,294	3,573	19,867
Gross lease liabilities	677	2,658	3,335
At end of year	<u>18,760</u>	<u>6,231</u>	<u>24,991</u>

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 statements of financial position. When the counterparty has a choice of when an amount is paid, the liability is included based on the earliest date on which it can be required to pay.

Financial guarantee contracts:

	<u>Less than 1 year \$'000</u>
<u>Company</u>	
<u>2023:</u>	
Financial guarantee contracts – bank guarantee in favour of a subsidiary	<u>14,250</u>
<u>2022:</u>	
Financial guarantee contracts – bank guarantee in favour of a subsidiary	<u>20,877</u>

The above table shows the maturity analysis of the contingent liabilities from financial guarantees. 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.

Bank facilities:

	<u>\$'000</u>
<u>2023:</u>	
Unused bank guarantees	<u>8,100</u>
<u>2022:</u>	
Unused bank guarantees	<u>1,442</u>

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

33F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The following table analyses the breakdown of the material financial instruments by type of interest rate:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
Financial liabilities with interest:				
Fixed rates	57,900	47,074	17,480	17,328
Floating rates	32,358	17,917	–	–
Total at end of the year	<u>90,258</u>	<u>64,991</u>	<u>17,480</u>	<u>17,328</u>

Sensitivity analysis:

	<u>Group</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
A hypothetical variation in floating interest rates at the end of reporting year by 100 basis points with all other variables held constant, would have an increase / decrease in pre-tax profit for the year by the following amounts:		
Financial liabilities	<u>(324)</u>	<u>(179)</u>

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

33G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts denominated in non-functional currency:

	<u>Group</u> <u>USD</u>	
	<u>2023</u> \$'000	<u>2022</u> \$'000
<u>Financial assets:</u>		
Cash and cash equivalents	2,106	107
Total financial assets	<u>2,106</u>	<u>107</u>
Net financial assets at end of year	<u>2,106</u>	<u>107</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

33G. Foreign currency risks (cont'd)

	<u>2023</u> \$'000	<u>Group</u> <u>AUD</u> <u>2022</u> \$'000
<u>Financial assets:</u>		
Cash and cash equivalents	50	11
Total financial assets	<u>50</u>	<u>11</u>
<u>Financial liabilities:</u>		
Other financial liabilities	26,845	14,578
Total financial liabilities	<u>26,845</u>	<u>14,578</u>
Net financial liabilities at end of year	<u>(26,795)</u>	<u>(14,567)</u>

	<u>2023</u> \$'000	<u>Group</u> <u>SGD</u> <u>2022</u> \$'000
<u>Financial assets:</u>		
Cash and cash equivalents	3,929	208
Total financial assets	<u>3,929</u>	<u>208</u>
<u>Financial liabilities:</u>		
Trade and other payables – intragroup	–	38,791
Total financial liabilities	<u>–</u>	<u>38,791</u>
Net financial assets / (liabilities) at end of year	<u>3,929</u>	<u>(38,583)</u>

Sensitivity analysis:

	<u>2023</u> \$'000	<u>Group</u> <u>2022</u> \$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against all non-functional currencies with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of the following amounts:		
Against USD	(191)	(10)
Against AUD	2,436	1,324
Against SGD	<u>(357)</u>	<u>3,508</u>

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

33G. Foreign currency risks (cont'd)

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has material exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

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

On 29 February 2024, the Group entered into an agreement with a third party for the sale of 3,000 ordinary shares in Oceanus Media Global Pte. Ltd. ("OMG"), representing 30% of the issued and paid-up capital of OMG, for a purchase consideration of \$6,000,000.

35. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued amendment to FRS 1 and Practice Statement 2 on disclosures of material information and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc). In addition, the ASC issued certain new or revised financial reporting standards. None had material impact on the reporting entity. Those applicable to the reporting entity are listed below.

SFRS (I) No. Title

SFRS(I) 1-8	Amendments to Definition of Accounting Estimates - Amendments to
SFRS(I) 1-12	Amendments to Deferred Tax related to Assets and Liabilities arising from a Single Transaction

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS(I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 1-21	The Effects of Changes in Foreign Exchange Rates (amendment) Lack of Exchangeability	1 January 2025

STATISTICS OF SHAREHOLDINGS

AS AT 28 MARCH 2024

DISTRIBUTION OF SHAREHOLDINGS

<u>SIZE OF SHAREHOLDINGS</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
1 - 99	80	0.77	3,334	0.00
100 - 1,000	267	2.58	187,928	0.00
1,001 - 10,000	1,434	13.88	11,153,720	0.04
10,001 - 1,000,000	7,600	73.57	1,513,352,542	5.90
1,000,001 AND ABOVE	950	9.20	24,140,321,172	94.06
TOTAL	10,331	100.00	25,665,018,696	100.00

TWENTY LARGEST SHAREHOLDERS

<u>NO.</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1	UOB KAY HIAN PRIVATE LIMITED	5,299,250,742	20.65
2	CITIBANK NOMINEES SINGAPORE PTE LTD	3,506,548,806	13.66
3	DBSN SERVICES PTE. LTD.	1,066,926,767	4.16
4	KHI INVEST LTD	1,035,248,771	4.03
5	PHILLIP SECURITIES PTE LTD	1,015,117,422	3.96
6	DBS NOMINEES (PRIVATE) LIMITED	985,604,346	3.84
7	MUCHOVIE INVESTMENT LTD	963,390,909	3.75
8	ESSENTRADE LIMITED	864,912,256	3.37
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	615,452,185	2.40
10	SIGMA SHARES LIMITED	509,231,363	1.98
11	RAFFLES NOMINEES (PTE.) LIMITED	469,293,646	1.83
12	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	401,093,500	1.56
13	KOH GUAT KIAU	283,128,003	1.10
14	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	280,943,954	1.09
15	TAN GUAN CHEONG (CHEN YUANYING)	238,302,016	0.93
16	OCBC SECURITIES PRIVATE LIMITED	221,880,615	0.86
17	EMEC HOLDINGS PTE LTD	185,492,452	0.72
18	IFAST FINANCIAL PTE. LTD.	181,349,900	0.71
19	KOH BEE CHENG (XU MEIQING)	178,385,900	0.70
20	XU KAI XIANG @ HARI WIJAYA	151,238,000	0.59
TOTAL		18,452,791,553	71.89

STATISTICS OF SHAREHOLDINGS

AS AT 28 MARCH 2024

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

	Direct Interest		Deemed Interest	
	No. of Shares	% ¹	No. of Shares	% ¹
Peter Koh Heng Kang	2,544,143,504	9.91	509,231,363	1.98 ²
Alacrity Investment Group Limited	4,372,946,835	17.04	-	-
Cleveland Cuaca	-	-	4,372,946,835	17.04 ³
Bryan Tan Jie	-	-	4,372,946,835	17.04 ³

Notes:

- ¹ The percentage of shareholdings was computed based on 25,665,018,696 shares, being the total number of issued voting shares of the Company as at 28 March 2024. There were (i) no treasury shares; and (ii) no subsidiary holdings (as defined in the SGX-ST Listing Manual) as at 28 March 2024.
- ² Sigma Shares Limited ("Sigma") holds 509,231,363 shares in the Company as at 28 March 2024. Peter Koh Heng Kang is the only shareholder of Sigma. Accordingly, Peter Koh Heng Kang is deemed to be interested in the shares held by Sigma in the Company.
- ³ Cleveland Cuaca and Bryan Tan Jie are the only substantial shareholders of Alacrity Investment Group Limited ("Alacrity"). Accordingly, Cleveland Cuaca and Bryan Tan Jie are deemed to be interested in the shares held by Alacrity in the Company.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company as of 28 March 2024, approximately 68% of the total number of issued voting shares of the Company were held in the hands of the public and therefore, the Rule 723 of the Listing Manual of the SGX-ST is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Oceanus Group Limited (the "**Company**") will be convened and held physically at Suntec Singapore Convention & Exhibition Centre, Meeting Room 328-329, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 26 April 2024 at 5.00 p.m., for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and the Independent Auditor's Report. **(Ordinary Resolution 1)**
2. To re-elect Mr Peter Koh Heng Kang, being a Director of the Company retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), and being eligible, has offered himself for re-election. [see Explanatory Note (i)] **(Ordinary Resolution 2)**
3. To re-elect Mr Edward Loy Chee Kim, being a Director of the Company retiring pursuant to Regulation 111 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the SGX-ST, and being eligible, has offered himself for re-election. [see Explanatory Note (ii)] **(Ordinary Resolution 3)**
4. To approve the payment of Directors' fees of S\$160,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears. [2023:S\$160,000] **(Ordinary Resolution 4)**
5. To re-appoint Messrs RSM SG Assurance LLP as Auditors and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

As Special Business

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

[see Explanatory Note (iii)]

By Order of the Board

Peter Koh Heng Kang, ^{PBM}
Executive Director and Chief Executive Officer

Singapore, 11 April 2024

Explanatory Notes:

- (i) Ordinary Resolution 2 – Mr Peter Koh Heng Kang will, upon re-election, remain as an Executive Director and Chief Executive Officer and a member of the Nominating Committee of the Company. The detailed information on Mr Peter Koh Heng Kang as recommended under the 2018 Code of Corporate Governance and as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found under the sections “Board of Directors” and “Additional Information on New Director and Directors Seeking Re-election” in the Annual Report for the financial year ended 31 December 2023 (“**Annual Report FY2023**”).
- (ii) Ordinary Resolution 3 – Mr Edward Loy Chee Kim will, upon re-election, remain as an Independent Non-Executive Director, the Chairman of Audit and Risk Committee and a member of the Remuneration Committee and the Nominating Committee of the Company. The detailed information on Mr Edward Loy Chee Kim as recommended under the 2018 Code of Corporate Governance and as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found under the sections “Board of Directors” and “Additional Information on New Director and Directors Seeking Re-election” in the Annual Report FY2023.
- (iii) Ordinary Resolution 6 – if passed, will empower the Directors of the Company, effective until (i) the conclusion of the next AGM of the Company, or (ii) the date by which the next AGM of the Company is required by law to be held or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The AGM of the Company will be convened and held, in a fully physical format, at Suntec Singapore Convention & Exhibition Centre, Meeting Room 328-329, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593. **There will be no option for members to participate virtually.**
2. Printed copies of this Notice and the accompanying proxy form ("**Proxy Form**") will be sent to members along with a request form for the request of hardcopies of the Annual Report FY2023 ("**Request Form**"). This Notice, Proxy Form and the Request Form may also be accessed at the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's Investor Relations ("**IR**") website at the URL www.oceanus.com.sg/investors-news/investor-information.
3. Printed copies of the Annual Report FY2023 will **NOT** be sent to the members. Instead, the Annual Report FY2023 is made available to members by electronic means available for download or online viewing from the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's IR website at the URL www.oceanus.com.sg/investors-news/annual-reports. Members will need an internet browser and a PDF reader to view the Annual Report FY2023.
4. Members may request for printed copies of the Annual Report FY2023 by submitting the completed Request Form in the following manners by 18 April 2024. By submitting such request, a member agrees and acknowledges that the Company and/ or its service providers may collect, use and disclose his/ her personal data, as contained in the submitted Request Form or which is otherwise collected from him/ her (or his/ her authorised representative(s)), for the purpose of processing and effecting his/ her request:
 - (a) by post to the Company's Share Registrar office at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
 - (b) by email to Oceanus-AGM2024@boardroomlimited.com.

Voting by Proxy

5. A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
6. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints two or more proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
7. Persons who hold the Company's shares through relevant intermediaries (as defined in section 181 of the Companies Act 1967 of Singapore) other than Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Schemes ("**SRS Investors**") and who wish to participate in the AGM should contact the relevant intermediary through which they hold such shares **as soon as possible** in order for the necessary arrangements to be made for their participation in the AGM.

CPF and SRS investors (i) may attend, speak and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM **by 5.00 p.m. on 16 April 2024**.
8. A proxy need not be a member of the Company.
9. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.
10. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it should give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy.
11. The instrument appointing a proxy or proxies must be submitted to the Company in the following manners:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar office at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
 - (b) if submitted via email, please send to the Company's email address at Oceanus-AGM2024@boardroomlimited.com, in either case, **by 5.00 p.m. on 23 April 2024** (being not less than 72 hours before the time appointed for the AGM).

A member who wishes to submit an instrument of proxy must (i) complete and sign the proxy form sent physically to the members; or (ii) download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Members are encouraged to submit completed instrument of proxy via email.**

NOTICE OF ANNUAL GENERAL MEETING

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

Submission of Questions in Advance of the AGM

15. Members may submit questions related to the resolutions to be tabled for approval for the AGM in advance of the AGM by email to Oceanus-AGM2024@boardroomlimited.com, **no later than 5.00 p.m. on 18 April 2024**.
16. Members submitting questions by email are required to indicate: (a) their full name; (b) their identification/registration number; (c) their contact number; (d) their email address; and (e) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and /or scrip); failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.
17. The Company will endeavour to address all substantial and relevant questions from members prior to the AGM by publishing the responses to those questions on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's IR Website at the URL www.oceanus.com.sg/investors-news/investor-information at least forty-eight hours (48 hours), prior to the closing date and time for the lodgement of proxy forms on 5.00 p.m. on 23 April 2024. Where substantial relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them during the AGM. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed. Members may also ask further substantial and relevant questions during the AGM.
18. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's IR Website at the URL www.oceanus.com.sg/investors-news/investor-information, and the minutes will include the responses to substantial and relevant questions from members which are addressed during the AGM respectively.

Personal data privacy:

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

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

OCEANUS GROUP LIMITED

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

PROXY FORM

IMPORTANT	
1.	The Annual General Meeting ("AGM") of the Company will be convened and held, in a fully physical format, at Suntec Singapore Convention & Exhibition Centre, Meeting Room 328-329, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593. There will be no option for members to participate virtually.
2.	Printed copies of the Notice of the AGM, Proxy Form and Request Form for Annual Report for the financial year ended 31 December 2023 ("AR2023") will be sent to members. Printed copies of the AR2023 will NOT be sent to the members. Instead, the AR2023 is made available to members by electronic means available for download or online viewing from the Company's Investor Relations website at the URL www.oceanus.com.sg/investors-news/annual-reports and at the SGXNet at the URL https://www.sgx.com/securities/company-announcements .
3.	Relevant Intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), may appoint more than two proxies to attend, speak and vote at the AGM.
4.	This Proxy Form is not valid for use by such CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM by 5.00 p.m. on 16 April 2024.
5.	Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) or the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.
6.	By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2024.

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

being a *member/members of **OCEANUS GROUP LIMITED** (the "Company") hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("AGM") as *my/our proxy/ proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be convened and held physically at Suntec Singapore Convention & Exhibition Centre, Meeting Room 328-329, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 26 April 2024 at 5.00 p.m. and at any adjournment thereof.

*I/We direct *my/our proxy to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at his/her/their discretion. The resolutions put to vote at the AGM shall be decided by poll.

No.	Ordinary Resolutions	For**	Against**	Abstain**
	Ordinary Business			
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditor's Report			
2.	Re-election of Mr Peter Koh Heng Kang as a Director			
3.	Re-election of Mr Edward Loy Chee Kim as a Director			
4.	Approval of payment of Directors' fees of S\$160,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears			
5.	Re-appointment of Messrs RSM SG Assurance LLP as Auditors			
	Special Business			
6.	Authority to allot and issue new shares			

*Delete where inapplicable

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

Dated this _____ day of _____ 2024.

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

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



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3. Please insert the total number of shares held by you as a member of the Company. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
4. A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
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7. A proxy need not be a member of the Company.
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12. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
13. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
14. Subject to paragraphs 4 and 5 above, completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2024.