Barramundi Group Ltd.
and its Subsidiary Corporations
(Incorporated in the Republic of Singapore)
(Company Registration No. 200722778K)

Annual Report for the Financial Year Ended
31 December 2023

The directors present their statement to the members together with the audited consolidated financial statements of Barramundi Group Ltd. and its subsidiary corporations (the “Group”) for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 8 to 77 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, having regard to those factors described in Note 3.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Andrew Kwan Kok Tiong
Khairuddin Abd Hamid (alternate director Ahmad Fathi Junaidi)
Tsang Eric Fan Zee (appointed on 12 August 2024)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the 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, other than as disclosed under “Share options” in this statement.

Directors’ interests in shares or debentures

According to the register of directors’ shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2023	At 01.01.2023	At 31.12.2023	At 01.01.2023
The Company				
(No. of ordinary shares)				
Andrew Kwan Kok Tiong	4,427,821	4,427,821	444,444	444,444

Share options

(a) Employee Share Option Scheme ("Scheme")

The Employee Share Option Scheme was approved by the Board through a Directors' Resolution passed on 1 January 2017 (the "2017 Scheme") and this was replaced by a new share option scheme (the "2020 Scheme") approved by shareholders at a Extraordinary General Meeting held on 30 September 2020. The Scheme provides a means to give recognition to employees who have contributed to the success of the Company and let them have a direct interest in the Company.

Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to selected employees and chief executive officer of the Group at the discretion of the Board of Directors or its Committee. The exercise price of the option is determined at the time of the grant with reference to its fair market value under the conditions of the Scheme and approved by the Board of Directors or its Committee. The vesting period of the option is 4 years with a 2 year cliff, i.e. 50% of the shares can be exercised after 24 months followed by 25% after another 12 months and the last 25% after the last 12 months (48 months), or such date as the Board of Directors may determine. Once the options are vested, they are exercisable for a period of three years. The option may be exercised in full or in part in respect thereof, on the Company's acceptance of the exercise notice, payment of the exercise price and in accordance with the vesting schedule under the conditions of the Scheme, but no later than the expiry date.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 10% of the issued shares of the Company (excluding treasury shares) from time to time.

The Company granted options under the Scheme to subscribe for 6,200,000 ordinary shares of the Company on 1 January 2017 ("2017 Options") and 3,800,000 ordinary shares of the Company on 24 May 2019 ("2019 Options") (equivalent to 413,333 shares and 253,333 shares after the 15:1 shares consolidation exercise on 5 April 2021 respectively).

In August 2021, the Company increased the vesting period for the employee share options granted in 2019 Options from four to six years and increased the exercise price to $2.25 to reflect Initial Public Offering in the Company's share price. The fair value of the options at the date of modification was determined to be $0.96.

On 18 August 2021, the Company granted options under the Scheme to subscribe for 133,333 ordinary shares at exercise price of $2.25 ("2020 Options") and 533,000 ordinary shares of the Company at exercise price of $2.25 per share ("2021 Options"). The 2020 Options are exercisable from 1 May 2022 and expire on 1 May 2027. The 2021 Options are exercisable from 1 May 2023 and expire on 1 May 2028. The total fair value of the 2020 Options and 2021 Options granted was estimated to be $139,625 and $597,589 respectively using the Black-Scholes formula.

On 1 May 2022, the Company granted options under the Scheme to subscribe for 1,000,000 ordinary shares at exercise price of $1.45 ("2022 Options"). The 2022 Options are exercisable from 1 May 2022 and expire on 1 May 2029. The total fair value of the 2022 Options granted was estimated to be $838,346 using the Black-Scholes formula.

Details of the share option are disclosed in Note 28 to the financial statements.

Share options (continued)

(b) Perpetual Call Option

On 1 January 2017, the Company has agreed to grant Kleine Staarman Gerhard Heinrich Joseph the option to purchase all or any of the 7,000,000 ordinary shares of the Company (equivalent to 466,667 shares after the 15:1 share consolidation on 5 April 2021). In August 2021, the Company increased the exercise price to $4.20 to reflect Initial Public Offering in the Company's share price. This option is a one-off issue outside the Employee Share Option Scheme and may be exercised at any time without an expiry date.

(c) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the Schemes outstanding at the end of the financial year was as follows:

	Employee Share Option Scheme				**Perpetual Call Option**
Year of option	2019	2020	2021	2022	2017
Year of expiry	2026	2027	2028	2029	-
Exercise price per share (S$)	2.25	2.25	2.25	1.45	4.20
Options outstanding as at 1 January 2023	67,000	68,333	121,667	295,000	466,667
Options cancelled during the year	-	(10,000)	(35,000)	(85,000)	-
Options outstanding as at 31 December 2023	67,000	58,333	86,667	210,000	466,667

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

Signed by:
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Tsang Eric Fan Zee
Director

DocuSigned by:
6F890976C1E0405...

Ahmad Fathi Junaidi
Alternate Director

14 November 2024

Independent Auditor's Report to the Members of Barramundi Group Ltd.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Barramundi Group Ltd. (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 8 to 77.

We do not express an opinion on the accompanying consolidated financial statements of the Group or the balance sheet of the Company. Because of the significance of the matters described in the 'Bases for Disclaimer of Opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

<u>Appropriateness of the Going Concern Assumption</u>

As disclosed in Note 3.1 to the financial statements, the Group incurred net loss before tax from continuing operations of S$4,584,666 for the financial year ended 31 December 2023. Furthermore, the Group's and the Company's current borrowings exceed their non-restricted cash and bank balances by S$6,982,845 and S$7,850,727 respectively. Additionally, certain events that occurred during and after the financial year end, as disclosed in Notes 3.1 and 31 to the financial statements, may have a significant financial and operational impact on the Group and the Company.

These factors indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. The ability of the Group and of the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due is dependent upon the successful outcome of the measures undertaken, as disclosed in Note 3.1 to the financial statements, which cannot be determined at present due to its inherent uncertainties.

At the date of this report, we are unable to obtain sufficient appropriate audit evidence regarding the use of the going concern assumption in the preparation of the financial statements. Therefore, we are not able to form an opinion as to whether the going concern basis of accounting of the accompanying financial statements of the Group and the Company is appropriate.

In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, they may not be able to discharge their liabilities in the normal course of business. Consequently, adjustments may need to be made to reflect the situation in which assets may need to be realised other than in the normal course of business and at amounts that could differ significantly from the amounts at which they are currently recorded in the balance sheets. Additionally, the Group and the Company may need to provide for further liabilities that might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties.

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Independent Auditor's Report to the Members of
Barramundi Group Ltd.
(continued)

Bases for Disclaimer of Opinion (continued)

Deconsolidation of Marine Produce Australia Pty Ltd and its subsidiary corporations, MPA Fish Farms Pty Ltd and MPA Marketing Pty Ltd

As of 24 May 2023, the Group ceased control over Marine Produce Australia Pty Ltd ("MPA") and its subsidiary corporations, MPA Fish Farms Pty Ltd ("MPAFF") and MPA Marketing Pty Ltd ("MPAM") (collectively, the "MPA Group") following the commencement of voluntary administration, as disclosed in Notes 14 and 29 to the financial statements.

The Group has consolidated the financial results of the MPA Group up to the date control ceased. Consequently, management has derecognised the assets and liabilities associated with the MPA Group as of 24 May 2023 and recognised a total loss from discontinued operations amounting to S$8,516,966 for the financial year ended 31 December 2023, which is presented as loss for the financial year from discontinued operations.

In carrying out our audit of the MPA Group, we were unable to obtain sufficient appropriate audit evidence regarding:

a. the carrying value of the assets and liabilities of the MPA Group and the resulting loss on deconsolidation as of 24 May 2023, amounting to S$7,171,081;
b. the loss from the MPA Group for the financial period from 1 January 2023 to 24 May 2023, amounting to S$1,345,885; and
c. the veracity of the respective components in the financial results of the MPA Group for the financial year ended 31 December 2023, as the accounting and other records supporting the transactions during the financial year and the resultant balances, were not available.

We were unable to perform alternative audit procedures to satisfy ourselves regarding these transactions and balances. As a result, we were unable to determine the adjustments, if any, to be made to these financial statements.

Responsibilities of Management and Those Charged with Governance 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 SFRS(I)s, 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
Barramundi Group Ltd.
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Bases for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matters referred to in the Bases for Disclaimer of Opinion section of our report, 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 the auditors have been properly kept in accordance with the provisions of the Act.

CLA Global TS

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
14 November 2024

	Note	2023 $	2022 $
Continuing operations			
Revenue	4	16,622,703	19,694,572
Other income	5	5,301,273	1,291,320
Raw materials and consumables		(12,740,438)	(13,381,119)
Farm personnel expenses	6	(3,407,763)	(3,712,130)
Fair value loss on biological assets		(396,173)	(3,510,652)
Fish mortalities		(853,412)	(2,443,296)
Depreciation expenses		(2,789,796)	(2,296,868)
Amortisation expenses	17	(207,453)	(207,453)
Impairment loss on goodwill and intangible assets	17	-	(3,985,698)
Expected credit loss on financial assets, net		(709,935)	-
Administrative expenses	6	(3,228,552)	(7,401,437)
Distribution expenses	6	(1,328,824)	(1,584,740)
Finance expenses	8	(846,296)	(692,371)
Loss before tax		(4,584,666)	(18,229,872)
Income tax credit	9	20,696	20,696
Loss for the financial year from continuing operations		(4,563,970)	(18,209,176)
Discontinued operations			
Loss for the financial year from discontinued operations		(8,516,966)	(12,639,158)
Net loss for the financial year		(13,080,936)	(30,848,334)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation (loss)/gain on translating foreign operations		(60,698)	1,966,479
- Currency translation differences arising from deconsolidation of subsidiary corporations reclassified to profit or loss		869,679	-
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gains on property, plant and equipment		574,828	-
Total comprehensive loss for the financial year		(11,697,127)	(28,881,855)

The accompanying notes form an integral part of these financial statements.

	Note	2023 $	2022 $
Net loss attributable to:			
Owners of the Company		(12,598,985)	(30,688,767)
Non-controlling interests		(481,951)	(159,567)
		(13,080,936)	(30,848,334)
Net loss attributable to equity holders of the Company relates to:			
Loss from continuing operations		(4,082,019)	(18,049,609)
Loss from discontinued operations		(8,516,966)	(12,639,158)
		(12,598,985)	(30,688,767)
Total comprehensive loss attributable to:			
Owners of the Company		(11,508,339)	(28,722,288)
Non-controlling interests		(188,788)	(159,567)
		(11,697,127)	(28,881,855)
Total comprehensive loss attributable to equity holders of the Company relates to:			
Loss from continuing operations		(3,861,052)	(18,058,615)
Loss from discontinued operations		(7,647,287)	(10,663,673)
		(11,508,339)	(28,722,288)

The accompanying notes form an integral part of these financial statements.

	Note	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
ASSETS					
Current assets					
Cash and cash equivalents	10	3,572,925	11,169,662	1,172,859	2,374,881
Trade and other receivables	11	2,805,328	6,861,645	3,391,598	23,982,372
Inventories	12	5,443,285	7,928,592	867,327	1,566,880
Biological assets	13	363,510	13,708,037	-	380,693
		12,185,048	39,667,936	5,431,784	28,304,826
Non-current assets					
Investments in subsidiary corporations	14	-	-	25,502,819	7,503,819
Property, plant and equipment	15	20,821,625	27,857,521	6,287,760	6,757,290
Intangible assets	17	1,358,344	1,565,797	15,300	15,300
Biological assets	13	996,372	1,121,239	116,759	55,946
Deferred income tax assets	22	-	2,040,548	-	-
		23,176,341	32,585,105	31,922,638	14,332,355
Total assets		35,361,389	72,253,041	37,354,422	42,637,181
LIABILITIES					
Current liabilities					
Trade and other payables	18	2,640,364	7,933,580	3,905,117	5,137,177
Employee benefits		-	387,989	-	-
Borrowings	19	8,683,525	16,462,562	9,023,586	12,208,865
Deferred capital grants	20	591,441	127,924	576,134	75,290
		11,915,330	24,912,055	13,504,837	17,421,332
Non-current liabilities					
Employee benefits		-	59,841	-	-
Borrowings	19	10,045,269	15,878,315	10,211,524	8,503,901
Deferred capital grants	20	4,003,611	6,227,990	3,971,796	6,187,013
Provision for reinstatement	21	55,980	55,980	-	-
Deferred income tax liabilities	22	231,598	2,292,840	-	-
		14,336,458	24,514,966	14,183,320	14,690,914
Total liabilities		26,251,788	49,427,021	27,688,157	32,112,246
Net assets		9,109,601	22,826,020	9,666,265	10,524,935
EQUITY					
Share capital	23	153,913,373	153,913,373	153,913,373	153,913,373
Other reserves	24	(2,245,058)	(1,293,684)	1,141,569	1,071,024
Accumulated losses		(147,858,733)	(135,282,476)	(145,388,677)	(144,459,462)
Non-controlling interests	14	5,300,019	5,488,807	-	-
Total equity		9,109,601	22,826,020	9,666,265	10,524,935

The accompanying notes form an integral part of these financial statements.

	←---- Attributable to equity holders of the Company			----→		
	Share capital	**Other reserves**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**
2023						
Beginning of financial year	153,913,373	(1,293,684)	(135,282,476)	17,337,213	5,488,807	22,826,020
Total comprehensive loss for the financial year:						
Loss for the year	-	-	(12,598,985)	(12,598,985)	(481,951)	(13,080,936)
Other comprehensive income	-	1,090,646	-	1,090,646	293,163	1,383,809
	-	1,090,646	(12,598,985)	(11,508,339)	(188,788)	(11,697,127)
Employee share option scheme	-	70,545	22,728	93,273	-	93,273
Deconsolidation of subsidiary corporations	-	(2,112,565)	-	(2,112,565)	-	(2,112,565)
End of financial year	153,913,373	(2,245,058)	(147,858,733)	3,809,582	5,300,019	9,109,601
2022						
Beginning of financial year	153,913,373	(2,799,486)	(105,236,358)	45,877,529	5,648,374	51,525,903
Total comprehensive loss for the financial year:						
Loss for the year	-	-	(30,688,767)	(30,688,767)	(159,567)	(30,848,334)
Other comprehensive income	-	1,966,479	-	1,966,479	-	1,966,479
	-	1,966,479	(30,688,767)	(28,722,288)	(159,567)	(28,881,855)
Employee share option scheme	-	(460,602)	642,649	182,047	-	182,047
Other reserve	-	(75)	-	(75)	-	(75)
End of financial year	153,913,373	(1,293,684)	(135,282,476)	17,337,213	5,488,807	22,826,020

The accompanying notes form an integral part of these financial statements.

	2023 $	2022 $
Cash flows from operating activities		
Loss before tax	(13,101,632)	(31,929,068)
Adjustments for:		
- Fair value adjustment on biological assets	(1,290,425)	8,572,937
- Amortisation of government grant	(616,983)	(429,409)
- Depreciation of property, plant and equipment and right-of-use assets	3,353,815	3,957,599
- Depreciation of biological assets	107,778	107,778
- Property, plant and equipment written-off	(1,343)	1,130,017
- Inventories written-down / written off	272,314	-
- Amortisation of intangible assets	207,453	564,300
- Impairment loss on goodwill and intangible assets	-	9,045,286
- Employee share option expenses	93,273	182,047
- Other reserve	-	(75)
- Interest expense	1,132,094	1,137,986
- Interest income	(4,696)	(13,257)
- Provision for employee benefits	-	50,753
- Unrealised foreign currency loss	1,339,162	3,260,569
- Loss on deconsolidation of subsidiary corporations	7,171,081	-
- Expected credit loss on financial assets, net	709,935	-
	(628,174)	(4,362,537)
Changes in working capital, net of effects from disposal of subsidiary corporation:		
- Biological assets	(438,274)	(4,072,990)
- Inventories	2,070,289	(4,045,864)
- Trade and other receivables	2,340,561	(900,777)
- Trade and other payables	(2,882,450)	(758,389)
Cash generated from/(used in) operations, representing net cash used in operating activities	461,952	(14,140,557)
Cash flows from investing activities		
Additions to property, plant and equipment	(1,613,682)	(5,505,381)
Interest received	4,696	13,257
Deconsolidation of subsidiary corporations, net of cash disposed of	(96,910)	-
Net cash used in investing activities	(1,705,896)	(5,492,124)

The accompanying notes form an integral part of these financial statements.

	2023 $	2022 $
Cash flows from financing activities		
Net proceeds from borrowings	(6,795,346)	3,702,995
Repayment of lease liabilities	(1,026,126)	(1,172,127)
Interest paid	(1,132,094)	(1,137,986)
Proceeds from capital grants	2,643,702	1,800,360
Net cash (used in)/provided by financing activities	(6,309,864)	3,193,242
Net decrease in cash and cash equivalents	(7,553,808)	(16,439,439)
Cash and cash equivalents		
Beginning of the financial year	11,169,662	28,482,011
Effects of currency translation on cash and cash equivalents	(42,929)	(872,910)
End of the financial year	3,572,925	11,169,662

Reconciliation of liabilities arising from financing activities

	Loans and borrowings $	Lease liabilities $	Total $
Balance at 1 January 2022	26,944,558	2,133,459	29,078,017
Financing cash flows (1)	3,702,995	(1,172,127)	2,530,868
<u>Non-cash changes</u>			
- Written-off during the year	-	(395,612)	(395,612)
- Addition during the year	-	1,440,627	1,440,627
- Foreign exchange movement	(134,566)	(178,457)	(313,023)
Balance at 31 December 2022	30,512,987	1,827,890	32,340,877
Financing cash flows (1)	(6,795,346)	(1,026,126)	(7,821,472)
<u>Non-cash changes</u>			
- Written-off during the year	-	(123,872)	(123,872)
- Addition during the year	-	1,608,877	1,608,877
- Deconsolidation and disposal of subsidiary corporation	(7,386,582)	(549,502)	(7,936,084)
- Foreign exchange movement	679,358	(18,890)	660,468
Balance at 31 December 2023	17,010,417	1,718,377	18,728,794

(1) The cash flows comprise the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Barramundi Group Ltd. ("the Company") is a public limited company, incorporated and domiciled in Singapore and is listed on the Euronext Growth Oslo. The address of its registered office is 35 Fishery Port Road, 116 New Fish Merchant Building, Singapore 619742.

The principal activities of the Company are those of commercial farming, distribution and sale of sea water barramundi. The principal activities of the subsidiary corporations are disclosed in Note 14.

2. Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below. SFRS(I)s comprise Standards and Interpretations that are equivalent to International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB).

The preparation of these financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements, including the basis of preparation of these financial statements on a going concern basis, are disclosed in Note 3.

On 24 May 2023, the Group announced that Marine Produce Australia Pty Ltd ("MPA") and its subsidiary corporations, MPA Fish Farms Pty Ltd ("MPAFF") and MPA Marketing Pty Ltd ("MPAM") (collectively, the "MPA Group"), had filed for voluntary administration, which resulted in a loss of control in MPA Group. Accordingly, the entire assets and liabilities related to the MPA Group are deconsolidated with effect from 24 May 2023. The results for the current financial period and its comparatives are presented separately on the consolidated statement of comprehensive income as "Discontinued operations".

Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Material accounting policies (continued)

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sales of goods and services

Revenue from sale of goods and services in the ordinary course of business is recognised at a point in time when the Group satisfies its performance obligation (PO) by transferring the control of the promised goods or services to the customer, which is when the goods are delivered to the destination specified by the customer, typically based on incoterms specified in the contract. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

(b) Interest income

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

2.3 Government grant

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2. Material accounting policies (continued)

2.4 Group accounting

Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

2. Material accounting policies (continued)

2.4 Group accounting (continued)

Subsidiary corporations (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Leasehold property

Leasehold property is initially recognised at cost. It is subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses.

Leasehold property is revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Material accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold improvements	5 - 20 years
Plant, equipment and boats	3 - 20 years
Nets, cages and moorings	10 - 40 years
Office and computer equipment	3 - 10 years
Motor vehicles	5 years
Leasehold land, sea and buildings	2 - 30 years
Leasehold property	35 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "administrative expenses". Any amount in revaluation reserve relating to that item is transferred to accumulated losses directly.

2. Material accounting policies (continued)

2.6 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

(b) Acquired trademarks

Trademarks acquired from business acquisition are capitalised at fair value at the date of acquisition. After initial recognition, the acquired trademarks are carried at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 12.4 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Club memberships

Club memberships relate to the entrance fees paid for the right to use the facilities of the clubs. Club membership is measured on initial recognition at cost. The cost of club memberships is the fair value as at the date of acquisition. Subsequent to recognition, club memberships are carried at cost less any accumulated impairment losses.

Club memberships with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such club memberships are not amortised. The useful life of a club membership with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arises from de-recognition of club memberships are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.8 Investment in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company’s balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. Material accounting policies (continued)

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets
Property, plant and equipment
Investments in subsidiary corporations

Intangible assets, property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. Material accounting policies (continued)

2.10 Financial assets

(a) Classification and measurement

The Group classifies and measures its financial assets at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instrument

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables.

The following is the subsequent measurement category, depending on the Group's business model for managing the assets and the cash flow characteristics of the assets.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank deposits and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2. Material accounting policies (continued)

2.10 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceeds amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. Material accounting policies (continued)

2.14 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets are presented within “Property, plant and equipment”.

- Lease liabilities

  The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  - Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
  - Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amount expected to be payable under residual value guarantees
  - The exercise price of a purchase option if is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group’s assessment of whether it will exercise an extension option; or
  - There is modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liabilities are remeasured with a corresponding adjustment to the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Material accounting policies (continued)

2.14 Leases (continued)

When the Group is the lessee: (continued)

- Short-term and low-value leases

  The Group has elected to not realisable right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.16 Biological assets

The Group's biological assets comprise of a) live fish that are divided into two main groups, depending on the stage of the life cycle and b) broodstock. At the earlier stage of the life cycle, the fish are classified in group (1) immature fish in land nursery at cost. During this stage, the fish are kept on shore. When the fish are large enough for release to sea, they are classified in group (2) fish at sea. Fish at sea can be further divided into mature fish at sea at fair value and immature fish at sea at cost. The Group considers live fish weighing more than 500grams to have an active and established market. These fish are classified as mature fish at sea at fair value, while fish that have not yet achieved this weight are classified as immature fish at sea at cost.

Mature live fish at sea at fair value are carried at fair value less estimated point-of-sale costs (harvesting costs and transport costs). The Group estimates the fair value of live fish based on the biomass at sea for each location and observed market prices for harvested fish at the balance sheet date in the respective markets in which the Group operates. The observed market prices are based on historical selling prices. The adjustment for point-of-sale costs is based on the Group's historical costs per location. The difference between the fair values of the biological assets and the carrying amounts at the end of the period is recognised as a fair value adjustment in profit or loss.

Immature live fish at sea at cost could have production cost per kilogram (kg) higher than market prices per kg for harvested fish. If this is the case the fish is carried at the higher of the two if it is reasonable that the production cost will be fully covered through further farming and later sale. If further growth and sale is not expected to cover the cost of production, the fish is carried at the estimated value based on market prices.

The income or loss which will be recognised on sale may differ materially from that implied by the fair value adjustment at the end of a period. The fair value adjustment on biological assets has no cash impact and does not affect the results of operations before unrealised fair value adjustments.

Write-downs of biological assets occur due to mortality, which are expensed to profit or loss.

Broodstock is stated at cost less accumulated depreciation and any impairment losses. Broodstock is depreciated on a straight-line basis over their estimated useful lives of 9 years.

2. Material accounting policies (continued)

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

A provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2. Material accounting policies (continued)

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based payments

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognise the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the “treasury shares” account, when treasury shares are re-issued to the employees.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollars (“$”), which is the functional currency of the Company.

2. Material accounting policies (continued)

2.21 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "administrative expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2. Material accounting policies (continued)

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

2.23 Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations):

Going concern assumption

For the financial year ended 31 December 2023, the Group recorded a net loss from continuing operations of $4,565,665 (2022: $18,209,176). As at 31 December 2023, the Group's and the Company's current borrowings exceeded its non-restricted cash and bank balances by $6,982,845 and $7,850,727 (2022: $12,541,088 and $9,833,984) respectively.

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical judgements in applying the entity's accounting policies (continued)

Going concern assumption (continued)

The Group's former Australian operations experienced considerable escalations in costs associated with feed, energy, and transportation, with a delayed translation of these rising expenses into selling price increases for customers. The lag in cost offset led to a temporary negative impact on profit margins.

On 27 December 2022, the Company announced a strategic collaboration for the Group's Australian business. Subsequently, shareholders approved the sale of a 75 per cent stake in the Australian subsidiary, Marine Produce Australia Pty Ltd ("MPA"), to Wild Ocean Australia Pty Ltd ("WOA") on 10 January 2023. The share sale agreement ("SSA") and shareholder agreements were signed on 28 February 2023. As the SSA had yet to be completed due to a lack of funding, MPA filed for voluntary administration on 24 May 2023, so that other options could be explored to restructure and recapitalise the business. The SSA was terminated on 31 May 2023. On 31 July 2023, MPA's subsidiary corporations, MPA Fish Farms Pty Ltd and MPA Marketing Pty Ltd, were disposed of during the administration process. On 19 September 2023, MPA was placed under creditors' voluntary liquidation (Note 14).

In Singapore, due to elevated mortalities which lasted through the first and third quarters of 2022, the Company harvested out the fish at Semakau farm and limited stocking to the new grow-out site at St. John's Island. During the financial year ended 31 December 2023, vaccine trials had proven to be inconclusive after 2 batches at St. John's Island. In the interest of managing overheads, the management decided to terminate the trials on 31 May 2023, and wind down operations at sea and land nursery. Biomass at sea were also harvested and marketed.

On 11 October 2024 (the "Application Date"), the Company made an application to the General Division of the High Court of the Republic of Singapore (the "Court") under Section 64 of the Insolvency, Restructuring and Dissolution Act 2018 ("IRDA") for a moratorium order ("Moratorium Order"):

Under the Moratorium Order, the following key reliefs applied for are:

1. no resolution for the winding up of the Company shall be passed;
2. no receiver or manager shall be appointed over any property or undertaking of the Company;
3. no proceedings (other than proceedings under sections 210 and 212 of the Companies Act 1967, and under sections 66, 69 or 70 of the IRDA) shall be commenced or continued against the Company, except with the leave of the Court and subject to such terms as the Court imposes;
4. no execution, distress or other legal process against any property of the Company shall be commenced, continued, or levied, except with the leave of the Court and subject to such terms as the Court imposes; and
5. no enforcement of any security over any property of the Company, or repossession of any goods held by the Company under any chattels leasing agreement, hire-purchase agreement or retention of title agreement, shall be taken, except with the leave of the Court and subject to such terms as the Court imposes.

The Company requires the reliefs provided by the Moratorium Order to protect it from creditor enforcement action, while giving it breathing space to carry on negotiations for a restructuring including a proposed scheme of arrangement and/or compromise of its debts with its creditors. In support of the Moratorium Order and the ongoing restructuring, the Company has obtained a bridging loan of S$400,000 from a shareholder. The loan will aid the Company with operational runway into the Moratorium Order and finalisation of the restructuring plans including the costs and expenses of professional services associated with the restructuring.

On 7 November 2024, the Court granted the Moratorium Order for a period of 4 months from the Application Date, i.e., until 11 February 2025.

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical judgements in applying the entity's accounting policies (continued)

Going concern assumption (continued)

Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2023 is still appropriate after taking into consideration the following measures and assumptions:

(i) The Company has, on 7 November 2024, been granted a Moratorium Order until 11 February 2025. The Company will use this period to propose a scheme of arrangement and/or compromise of its debts with its creditors.

(ii) The Group has obtained support of the bank over the last financial year, and is in constant discussion with the bank on the next course of action. As at the date of these financial statements, the bank has issued expressed support for the Moratorium Order of 4 months sought by the Company. In addition, no notice of event of default and/or early repayment of loans taken by subsidiary companies has been received.

(iii) The cash flow projection for the 12-month period from 31 December 2023 that has been prepared and approved by the management contemplates that the Group and the Company are able to meet their debts and obligations during the said 12-month forecast period. The key assumptions for the said 12-month cash flow projection are as follows:

  (a) Expected receipts of trade and other receivables;
  (b) Expected receipt of grant income;
  (c) Reduced headcount, operating costs and overheads and expected improvement in production capacity;
  (d) Expected principal and interest payments for the borrowings;
  (e) Expected payments of trade and other payables' and
  (f) Expected receipts from realisation of assets without affecting Company's ongoing business operation.

The financial statements have been prepared on the assumptions that the Group and the Company will continue as going concerns. If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. No such adjustments have been made to these financial statements.

3. Critical accounting estimates, assumptions and judgements (continued)

3.2 Key sources of estimation uncertainty

a) Estimated impairment of goodwill

During the financial year ended 31 December 2022, the Group recognised an impairment charge on its goodwill of $6,226,194 which resulted in the carrying amount of goodwill as at 31 December 2022 to reduce to $Nil.

In performing the impairment assessment of the carrying amount of goodwill, the recoverable amounts of the cash-generating units ("CGUs"), in which goodwill has been attributable to, are determined using value-in-use ("VIU") calculations. These calculations require estimates and assumptions. Details of the key estimates and assumptions applied in the calculations are disclosed in Note 17 to the financial statements.

b) Impairment of non-financial assets (other than goodwill)

At each reporting date, the Group and the Company assess whether there are any indications of impairment for all non-financial assets. The Group and the Company also assess whether there is any indication that an impairment loss recognised in prior periods for a non-financial asset, other than goodwill, may no longer exist or may have decreased.

If any such indication exists, the Group and the Company estimate the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset recoverable amount since the last impairment loss was recognised.

Where value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying values of the Group's and Company's property, plant and equipment, intangible assets (other than goodwill) and investments in subsidiary corporations are disclosed in Notes 15, 14 and 17 to the financial statements. The key assumptions and estimates applied in the Company's impairment assessment of its intangible assets and investment in subsidiary corporations are disclosed in Notes 14 and 17 to the financial statements. Changes in assumptions made and discount rate applied could affect the carrying values of these assets.

3. Critical accounting estimates, assumptions and judgements (continued)

3.2 Key sources of estimation uncertainty

c) Impairment of Company's trade and other receivables

As at 31 December 2023, the Company's trade receivables and other receivables amounted to $532,405 (2022: $1,621,745) and $2,666,806 (2022: $21,820,049) respectively.

The Company generally measures the loss allowance of trade receivables using the simplified approach to measuring expected credit loss ("ECL") which uses a lifetime expected loss allowance for all trade receivables.

The Company generally measures the loss allowance of other receivables at an amount equal to 12-month ECL. When the credit quality deteriorates and the resulting credit risk of other receivables increases significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

The total loss allowance recognised for the Company's trade receivables and other receivables as at 31 December 2023 was $989,965 (2022: $2,980,765) and $1,673,484 (2022: $36,013,375) respectively. Details of the loss allowance on trade and other receivables are disclosed in Note 27(b) to the financial statements.

4. Revenue

Revenue represents sales of goods and services and is recognised at a point in time.

	Group	
	2023	**2022**
	$	**$**
Sales of goods	16,613,778	19,674,572
Services rendered	8,925	20,000
	16,622,703	19,694,752

5. Other income

	Group	
	2023	**2022**
	$	**$**
Interest income from bank deposits	3,309	13,257
Amortisation of capital grants (Note 20)	616,983	429,409
Grants received (1)	4,621,573	478,747
Others	59,408	369,907
	5,301,273	1,291,320

5. Other income (continued)

(1) Grant income of $Nil (2022: $112,575) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

Grant income of $670,100 (2022: $337,312) was recognised during the financial year under the Singapore Food Story (the "SFS") Grants. The SFS Grants are given for research and development of barramundi production through advanced selective breeding, and vaccine development against Scale Drop Disease Virus (SDDV).

Grant income of $3,787,581 (2022: $Nil) was recognised during the financial year for reimbursement of expenses that relate to the operation of plant and equipment to promote productivity and innovation. (Note 20)

6. Expenses by nature

	Group	
	2023	**2022**
	$	**$**
Farm personnel expenses	3,407,763	3,712,130
Administrative expenses	3,228,552	7,401,437
Distribution expenses	1,328,824	1,584,740
	7,965,139	12,698,307

	Group	
	2023	**2022**
	$	**$**
Employee compensation (Note 7)	5,432,859	6,779,449
Advertisement and promotion	570,886	605,105
Net foreign exchange (gain)/loss	284,677	3,032,768
Legal and professional fees	902,640	214,475
Property, plant and equipment written off (1)	-	1,130,017
Other expenses	774,077	936,493
Total farm personnel expenses, administrative expenses and distribution expenses	7,965,139	12,698,307

(1) During the financial year ended 31 December 2022, property, plant and equipment written off relates mainly to write off of Singapore's Semakau farm due to elevated mortalities which lasted through the first three quarters of financial year ended 31 December 2022, the Company harvested out the fish at Semakau farm and limited stocking to new grow-out site at St. John's Island.

7. Employee compensation

	Group 2023 $	Group 2022 $
Wages and salaries	4,480,547	5,522,594
Employer's contribution to defined contribution plans	335,799	251,614
Share-based payments	22,728	181,972
Other short-term benefits	593,785	823,269
	5,432,859	6,779,449

8. Finance expense

	Group 2023 $	Group 2022 $
Interest expenses:		
- Bank borrowings	784,977	662,546
- Lease liabilities	61,319	29,825
	846,296	692,371

9. Income tax credit

	Group 2023 $	Group 2022 $
Tax credit attributable to loss is made up of:		
Deferred income tax (Note 22)	20,696	1,080,734
Tax credit is attributable to:		
- Continuing operations	20,696	20,696
- Discontinued operations (Note 29(a))	-	1,060,038
	20,696	1,080,734

9. Income tax credit (continued)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2023	2022
	$	$
Loss before tax		
- Continuing operations	(3,492,944)	(18,229,872)
- Discontinued operations (Note 29(a))	(2,438,519)	(13,699,196)
	(5,931,463)	(31,929,068)
Tax calculated at tax rate of 17% (2021: 17%)	(1,008,349)	(5,427,942)
- Different tax rates in other countries	(165,728)	(652,554)
- Expenses not deductible for tax purposes	391,616	1,289,801
- Tax incentives	(6,033)	(15,000)
- Change in unrecognised temporary differences	767,798	3,801,010
- Utilisation of unrecognised tax losses	-	(76,049)
	(20,696)	(1,080,734)

10. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Cash at bank and on hand	3,572,925	6,156,817	1,172,859	2,374,881
Short-term bank deposits	-	5,012,845	-	-
	3,572,925	11,169,662	1,172,859	2,374,881

Included in the Group's cash and cash equivalents are amounts of $1,872,245 (2022: $7,248,188) which are restricted to the use in a subsidiary corporation, Barramundi Group (B) Sdn. Bhd.

11. Trade and other receivables

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Trade receivables:				
- Non-related parties	1,916,496	4,842,956	385,167	1,349,901
- Affiliated corporations	7,022	-	5,470	-
- Subsidiary corporations	-	-	1,131,733	3,252,609
	1,923,518	4,842,956	1,522,370	4,602,510
Less: Loss allowance (Note 27(b))	(24,663)	(35,501)	(989,965)	(2,980,765)
	1,898,855	4,807,455	532,405	1,621,745
Other receivables:				
- Non-related parties	227,843	967,102	41,378	95,421
- Subsidiary corporations	-	-	4,335,417	57,738,003
	227,843	967,102	4,376,795	57,833,424
Less: Loss allowance (Note 27(b))	-	(28,667)	(1,673,484)	(36,013,375)
	227,843	938,435	2,703,311	21,820,049
Advances to customers	25,847	21,735	-	-
Deposits	409,622	679,216	117,228	363,132
Prepayments	243,161	414,804	38,654	177,446
	2,805,328	6,861,645	3,391,598	23,982,372

Trade and other receivables to subsidiary corporations of the Group are unsecured, interest-free and repayable on demand, except for the loan to a former subsidiary corporation, Marine Produce Australia Pty Ltd ("MPA") amounting to $Nil (2022: $8,671,967) which bore fixed interest rate of Nil% (2022: 10%) per annum.

In the financial year ended 31 December 2022, a loss allowance of $1,962,292 and $35,933,520 had been recognised against trade receivables and other receivables due from MPA respectively as the management is of the opinion that the credit risk has increased significantly since its initial recognition as a result of MPA's financial and operational performance as disclosed elsewhere in the financial statements and therefore the amount is unlikely to be collectible. In addition, an impairment loss of $1,093,417 was recognised to reduce the carrying amount of prepayment to MPA due to the aforementioned reason.

On 24 May 2023, MPA and its two subsidiary corporations, MPA Fish Farms Pty Ltd and MPA Marketing Pty Ltd ("MPA Group") filed for voluntary administration. Following the voluntary administration, MPA has been placed under Creditors' Voluntary Liquidation with effect from 19 September 2023 (Notes 14 and 29). Accordingly, all trade and other receivables and prepayments due from MPA which were previously provided for has been written off during the financial year.

During the financial year ended 31 December 2023, other receivables of $17,999,000 due from the subsidiary corporation, Barramundi Group (B) Sdn. Bhd. were converted into ordinary shares in the capital of Barramundi Group (B) Sdn. Bhd. (Note 14). The aforementioned amount was classified and presented under other receivables due from subsidiary corporations for the financial year ended 31 December 2022.

12. Inventories

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Finished goods	5,215,241	7,146,623	821,954	1,325,307
Feed and medication	228,044	781,969	45,373	241,573
	5,443,285	7,928,592	867,327	1,566,880

The cost of inventories recognised as an expense and included in "raw materials and consumables" amounted to $15,682,602 (2022: $21,516,244).

The Group and the Company recognised a write-down of inventories amounting to $250,798 (2022: $Nil) and $160,943 (2022: $Nil) respectively.

The Company recognised a write-off in inventories amounting to $21,516 (2022: $10,529).

The write-down and write-off of inventories were included within the "raw materials and consumables".

13. Biological assets

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Mature fish at sea at fair value	363,510	13,003,024	-	28,800
Immature fish at sea at cost	318,410	1,046,784	-	351,893
Immature fish in nursery at cost	163,566	267,524	6,529	55,946
Broodstock	514,396	511,944	110,230	-
	1,359,882	14,829,276	116,759	436,639

Biological assets are presented in the Balance Sheet as follows:

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Current	363,510	13,708,037	-	380,693
Non-current	996,372	1,121,239	116,759	55,946
Total	1,359,882	14,829,276	116,759	436,639

13. Biological assets (continued)

Reconciliation of carrying amounts of biological assets:

	Group 2023	Group 2022	Company 2023	Company 2022
Beginning of financial year	14,829,276	20,468,213	436,639	5,047,950
Fish mortalities	(1,963,005)	(3,612,715)	(601,041)	(1,639,125)
Cost to stock	8,973,878	23,433,791	873,495	3,880,534
Cost of fish harvested	(6,680,378)	(15,855,866)	(486,822)	(3,342,068)
Fair value adjustment on biological assets	1,290,425	(8,572,937)	(105,512)	(3,510,652)
Exchange rate movement	(486,553)	(1,031,210)	-	-
Deconsolidation of subsidiary corporation	(14,603,761)	-	-	-
End of financial year	1,359,882	14,829,276	116,759	436,639

At 31 December 2023, the Group and the Company held 56,339kg and 60kg (2022: 1,537,079kg and 18,885kg) of fish respectively, excluding broodstock.

Broodstock

	Group 2023 $	Group 2022 $
Cost		
Beginning of financial year	970,000	970,000
Transfer from mature fish	110,230	-
End of financial year	1,080,230	970,000
Accumulated depreciation		
Beginning of financial year	458,056	350,278
Depreciation charge	107,778	107,778
End of financial year	565,834	458,056
Net book value		
End of financial year	514,396	511,944

14. Investments in subsidiary corporations

	Company 2023 $	Company 2022 $
Equity investments at cost		
Beginning of financial year	37,903,544	37,903,544
Addition [1]	17,999,000	-
Deconsolidation of subsidiary corporation	(19,575,265)	-
End of financial year	36,327,279	37,903,544
Accumulated impairment		
Beginning of financial year	30,399,725	-
Impairment charge	-	30,399,725
Deconsolidation of subsidiary corporation	(19,575,265)	-
	10,824,460	30,399,725
Net book value		
End of financial year	25,502,819	7,503,819

(1) On 18 July 2023 and 7 August 2023, the Group's and Company's subsidiary corporation, Barramundi Group (B) Sdn. Bhd,, had on the respective dates issued, and the Group and Company has subscribed, 5,999,000 and 12,000,000 new ordinary shares for a consideration of BND 5,999,000 (equivalent to $5,999,000) and BDN 12,000,000 (equivalent to $12,000,000) respectively by way of capitalisation of other receivables due from the subsidiary corporation amounting to $17,999,000 (Note 11). There is no change in Group's and Company's percentage ownership in the subsidiary corporation.

The Group has the following subsidiary corporations as at 31 December 2023 and 2022:

Name	**Principal activities**	**Country of business/ incorporation**	**Proportion of ordinary shares directly held by the Company**		**Proportion of ordinary shares held by the Group**		**Proportion of ordinary shares held by non-controlling interests**	
			2023 %	**2022 %**	**2023 %**	**2022 %**	**2023 %**	**2022 %**
Held by the Company								
UVAXX Pte. Ltd. ("UVAXX") [1]	Development and sale of vaccines for fish	Singapore	100	100	100	100	-	-
Marine Produce Australia Pty Ltd ("MPA") [2] [8]	Ocean farming of finfish	Australia	100	100	100	100	-	-
Barramundi Asia (Shanghai) Co Ltd. [5]	Import and trading of fish	China	100	100	100	100	-	-
Barramundi Group (B) Sdn. Bhd. [4]	Ocean farming of finfish	Brunei	99	99	99	99	-	-

14. Investment in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2023 and 2022: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Held by the Company								
Fassler Gourmet Pte Ltd ("Fassler") (1) (6)	Processing and supply of fresh and frozen food	Singapore	49	49	49	49	51	51
Allegro Aqua Pte. Ltd. (1)	Farming of seabass and general trade	Singapore	100	100	100	100	-	-
Held by UVAXX								
UVAXX Pte. Ltd. (1)	Development and sale of vaccines for fish	Singapore	100	100	100	100	-	-
Held by MPA								
MPA Fish Farms Pty Ltd ("MPAFF") (2)	Ocean farming of finfish	Australia	-	100	-	100	-	-
MPA Marketing Pty Ltd (MPAM") (2)	Sale and distribution of ocean farmed finfish	Australia	-	100	-	100	-	-

(1) Audited by CLA Global TS Public Accounting Corporation, Singapore.
(2) On 10 January 2023, shareholders approved the sale of a 75% stake in MPA, to Wild Ocean Australia Pty Ltd ("WOA"). The share sale agreement ("SSA") and shareholder agreements were signed on 28 February 2023. As the SSA had yet to be finalised due to a lack of funding, MPA filed for voluntary administration on 24 May 2023, so that other options could be explored to restructure and recapitalise the business. The SSA was terminated on 31 May 2023. MPA was placed under creditors' voluntary liquidation on 18 September 2023.
(3) On 24 May 2023, MPA filed for voluntary administration. Its two subsidiary corporations were disposed to a third party via the process on 31 July 2023.
(4) Audited by KPMG Brunei.
(5) Reviewed by CLA Global TS Public Accounting Corporation, Singapore for consolidation purposes.
(6) Considered as subsidiary corporation of the Company as the directors of the Company assessed that the Group has the practical ability to direct the relevant activities of Fassler.
(7) Not required to be audited under the laws of the country of incorporation.
(8) Placed under Creditors' Voluntary Liquidation with effect from 18 September 2023 and has been dormant for the financial year ended 31 December 2023.

14. Investments in subsidiary corporations (continued)

Impairment of investment in subsidiary corporations

Management assessed for impairment whenever there is any objective evidence or indication that investment in subsidiary corporation may be impaired. Following is the assessment for respective subsidiary corporations:

Marine Produce Australia Pty Ltd

During the financial year ended 31 December 2022, management performed an impairment test for the investment in Marine Produce Australia Pty Ltd and its subsidiary corporations ("MPA Group") as a result of MPA Group's financial and operational performance. Consequently, a full impairment loss of $19,575,265 was recognised for the financial year ended 31 December 2022 to reduce the carrying amounts of these subsidiary corporations to their recoverable amounts, after considering the operations and financial condition of the MPA Group.

During the financial year ended 31 December 2023, as disclosed elsewhere in the financial statements, MPA Group filed for voluntary administration to restructure and recapitalise the business and subsequently MPA's subsidiary corporations were disposed of to a third party, and MPA was placed into a creditor's voluntary liquidation. Therefore, no reversal of impairment loss is required at the end of reporting period. Accordingly, the cost of investment and accumulated impairment losses of $19,575,265 has been written off.

Barramundi Asia (Shanghai) Co Ltd.

In the financial year ended 31 December 2022, management assessed the recoverable of investment in Barramundi Asia (Shanghai) Co Ltd.. In view of the subsidiary corporation's operations had been significantly impacted by the COVID-19 pandemic which resulted in continued border closures, workplace closures and movement controls and the subsidiary corporation was not able to operate as usual. Therefore, the management decided to cease the operations in China. Consequently, a full impairment loss of $194,460 was recognised to the carrying amount of the investment.

During financial year ended 31 December 2023, management considered various estimates and assumptions, including but not limited to, the financial health and future prospects of the investment and is of the view that no change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. Therefore, no reversal of impairment loss is required at the end of reporting period.

Allegro Aqua Pte Ltd

In the financial year ended 31 December 2022, management assessed the recoverable of investment in in Allegro Aqua Pte. Ltd. ("Allegro"). Allegro was acquired in view of the skill and technical expertise owned by Allegro and synergies was expected to be achieved from integrating Allegro into the Group's business. However, the financial and operational performance of Allegro, as well as the expected synergy effect has not been achieved. Consequently, a full impairment loss of $10,630,000 was recognised to the carrying amount of the investment.

During financial year ended 31 December 2023, management considered various estimates and assumptions, including but not limited to, the financial health and future prospects of the investment and is of the view that no change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. Therefore, no additional or reversal of impairment loss is required at the end of reporting period.

14. Investments in subsidiary corporations (continued)

Carrying amount of non-controlling interests

	2023 $	2022 $
Fassler Gourmet Pte Ltd	5,094,757	5,488,807

Summarised financial information of subsidiary with material non-controlling interests

Set out below is the summarised financial information for Fassler that has non-controlling interests ("NCI") that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

	2023 $	2022 $
Current		
Assets	5,260,708	13,524,413
Liabilities	(5,774,316)	(8,252,289)
Total current net assets	(513,608)	5,272,124
Non-current		
Assets	7,065,435	5,872,401
Liabilities	(2,783,185)	(1,194,736)
Total non-current net assets	4,282,250	4,677,665
Net assets	3,768,642	9,949,789
Accumulated NCI	5,300,019	5,488,807

Summarised income statement

	2023 $	2022 $
Revenue	13,161,547	13,800,434
Loss before tax	(6,755,975)	(312,877)
Total comprehensive loss for the year	(777,000)	(312,877)
Total comprehensive loss allocated to NCI	(188,788)	(159,567)

Summarised cash flows

	2023 $	2022 $
Net cash generated from/(used in) operating activities	1,474,838	(2,419,159)
Net cash (used in)/generated from investing activities	(149,217)	44,314
Net cash used in financing activities	(1,840,724)	(242,004)

15. Property, plant and equipment

	Leasehold improvements	Plant, equipment and boats	Nets, cages and moorings	Office and computer equipment	Motor vehicles	Leasehold land, sea and buildings	Leasehold land and building	Capital work in progress	Total
	$	$	$	$	$	$	$	$	$
Group									
2023									
Cost									
Beginning of financial year	2,042,889	34,074,348	2,937,133	436,493	1,213,018	2,949,598	5,829,400	3,871,875	53,354,754
Additions	76,020	1,217,657	36,689	48,181	511,150	129,575	16,100	205,256	2,240,628
Modification of lease liabilities	-	-	-	-	774,116	50,180	157,635	-	981,931
Transfer from capital work in progress	-	146,318	40,544	1,390	-	-	-	(188,252)	-
Disposals	-	(247,766)	-	-	(216,810)	(166,706)	-	-	(631,282)
Deconsolidation of subsidiary corporations	-	(21,866,569)	-	-	-	(2,017,902)	-	(397,243)	(24,281,714)
Exchange differences	-	(697,388)	-	-	-	(64,823)	-	(12,761)	(774,972)
Revaluation surplus	-	-	-	-	-	-	574,828	-	574,828
Revaluation adjustment	-	-	-	-	-	-	(777,963)	-	(777,963)
End of financial year	2,118,909	12,626,600	3,014,366	486,064	2,281,474	879,922	5,800,000	3,478,875	30,686,210
Accumulated depreciation									
Beginning of financial year	291,401	21,763,618	168,917	369,201	699,207	1,707,513	497,376	-	25,497,233
Depreciation charge	167,310	1,528,403	371,929	38,533	661,648	305,405	280,587	-	3,353,815
Disposals	-	(233,128)	-	-	(189,709)	(85,916)	-	-	(508,753)
Deconsolidation of subsidiary corporations	-	(15,593,129)	-	-	-	(1,560,812)	-	-	(17,153,941)
Exchange differences	-	(496,813)	-	-	-	(48,993)	-	-	(545,806)
Revaluation adjustment	-	-	-	-	-	-	(777,963)	-	(777,963)
End of financial year	458,711	6,968,951	540,846	407,734	1,171,146	317,197	-	-	9,864,585
Net book value									
End of financial year	1,660,198	5,657,649	2,473,520	78,330	1,110,328	562,725	5,800,000	3,478,875	20,821,625

15. Property, plant and equipment (continued)

	Leasehold improvements	Plant, equipment and boats	Nets, cages and moorings	Office and computer equipment	Motor vehicles	Leasehold land, sea and buildings	Leasehold land and building	Capital work in progress	Total
	$	$	$	$	$	$	$	$	$
Group									
2022									
Cost									
Beginning of financial year	1,792,175	34,670,216	2,895,934	423,612	485,677	2,970,581	5,800,000	2,958,322	51,996,517
Additions	153,647	409,537	182,693	36,496	727,341	766,786	29,400	5,298,726	7,604,626
Transfer from capital work in progress	108,447	1,627,189	2,592,652	34,805	-	-	-	(4,363,093)	-
Written off	(11,380)	(946,544)	(2,734,146)	(58,420)	-	(631,061)	-	-	(4,381,551)
Exchange differences	-	(1,686,050)	-	-	-	(156,708)	-	(22,080)	(1,864,838)
End of financial year	2,042,889	34,074,348	2,937,133	436,493	1,213,018	2,949,598	5,829,400	3,871,875	53,354,754
Accumulated depreciation									
Beginning of financial year	132,252	21,429,871	1,837,095	382,232	394,446	1,556,465	331,424	-	26,063,785
Depreciation charge	159,149	2,240,103	291,030	42,746	304,761	753,858	165,952	-	3,957,599
Written off	-	(736,823)	(1,959,208)	(55,777)	-	(499,726)	-	-	(3,251,534)
Exchange differences	-	(1,169,533)	-	-	-	(103,084)	-	-	(1,272,617)
End of financial year	291,401	21,763,618	168,917	369,201	699,207	1,707,513	497,376	-	25,497,233
Net book value									
End of financial year	1,751,488	12,310,730	2,768,216	67,292	513,811	1,242,085	5,332,024	3,871,875	27,857,521

15. Property, plant and equipment (continued)

	Leasehold improvements	Plant, equipment and boats	Nets, cages and moorings	Office and computer equipment	Motor Vehicles	Leasehold land, sea and buildings	Capital work in progress	Total
	$	$	$	$	$	$	$	$
Company								
2023								
Cost								
Beginning of financial year	364,776	4,671,749	2,822,353	194,162	458,620	196,504	345,653	9,053,817
Additions	-	167,215	36,689	5,792	-	84,067	111,842	405,605
Modification of lease liabilities	-	-	-	-	415,622	45,934	-	461,556
Written off	-	(223,766)	-	-	(216,810)	(152,491)	-	(593,067)
Transfer from capital work in progress	-	77,292	40,544	1,390	-	-	(119,226)	-
End of financial year	364,776	4,692,490	2,899,586	201,344	657,432	174,014	338,269	9,327,911
Accumulate depreciation								
Beginning of financial year	116,629	1,604,605	135,794	158,055	196,641	84,803	-	2,296,527
Depreciation charge	50,792	427,200	343,997	18,318	321,465	55,590	-	1,217,362
Written off	-	(212,328)	-	-	(189,709)	(71,701)	-	(473,738)
End of financial year	167,421	1,819,477	479,791	176,373	328,397	68,692	-	3,040,151
Net book value								
End of financial year	197,355	2,873,013	2,419,795	24,971	329,035	105,322	338,269	6,287,760

15. Property, plant and equipment (continued)

	Leasehold improvements	Plant, equipment and boats	Nets, cages and moorings	Office and computer equipment	Motor Vehicles	Leasehold land, sea and buildings	Capital work in progress	Total
	$	$	$	$	$	$	$	$
Company								
2022								
Cost								
Beginning of financial year	267,936	4,147,636	2,819,517	226,979	25,000	251,521	2,327,084	10,065,673
Additions	4,040	42,264	144,330	21,758	433,620	216,287	2,078,280	2,940,579
Written off	(11,380)	(881,030)	(2,734,146)	(54,575)	-	(271,304)	-	(3,952,435)
Transfer from capital work in progress	104,180	1,362,879	2,592,652	-	-	-	(4,059,711)	-
End of financial year	364,776	4,671,749	2,822,353	194,162	458,620	196,504	345,653	9,053,817
Accumulated depreciation								
Beginning of financial year	78,360	1,906,207	1,827,054	188,976	25,000	102,238	-	4,127,835
Depreciation charge	38,269	408,530	267,948	21,011	171,641	140,163	-	1,047,562
Written off	-	(710,132)	(1,959,208)	(51,932)	-	(157,598)	-	(2,878,870)
End of financial year	116,629	1,604,605	135,794	158,055	196,641	84,803	-	2,296,527
Net book value								
End of financial year	248,147	3,067,144	2,686,559	36,107	261,979	111,701	345,653	6,757,290

15. Property, plant and equipment (continued)

(a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16(a).

During the financial year, the Company renegotiated and modified existing lease contracts by extending the lease term at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets, classified under "Property, plant and equipment". The corresponding remeasurement to lease liabilities is recorded under "Borrowings" (Note 19).

(b) The leasehold property of the Group was valued by an independent professional valuer based on the direct comparison method with transactions of similar properties or comparable localities.

(c) If leasehold land and building stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book value would be:

	2023 $	2022 $
Leasehold land and building	187,880	276,758

(d) The leasehold land and building are mortgaged and/or pledged to banks for borrowings granted to the Company (Note 19).

16. Leases – The Group and Company as a lessee

<u>Nature of the Group's leasing activities</u>

Leasehold land, sea and buildings

The Group and the Company lease several assets including leasehold land, sea and buildings for the purpose of commercial farming and back-office operations. The leases have varying terms and are renegotiated upon renewal.

Plant and equipment

The Group and the Company lease plant and equipment for the purpose of daily operations. The leases have varying terms and are renegotiated upon renewal.

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment

	Group		Company	
	2023 $	2022 $	2023 $	2022 $
Leasehold land, sea and buildings	562,725	1,150,345	105,322	111,702
Leasehold land and building	43,898	67,843	-	-
Plant equipment and boats	-	385,771	-	32,727
Motor vehicles	1,030,153	420,603	329,035	261,979
	1,636,776	2,024,562	434,357	406,408

16. Leases – The Group and Company as a lessee (continued)

(b) Depreciation charge during the year

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Leasehold land, sea and buildings	305,405	729,914	55,590	140,163
Leasehold land and building	23,944	23,944	-	-
Plant equipment and boats	32,728	344,566	32,728	43,637
Motor vehicle	661,648	280,353	321,465	171,641
	1,023,725	1,378,777	409,783	355,441

Included in the depreciation charge for the financial year ended 31 December 2023 is $146,830 (2022: $767,938) belong to discontinued operations and presented in this note for disclosure purposes.

(c) Interest expense

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Interest expense on lease liabilities	155,728	125,450	8,675	12,431

(d) Lease expense not capitalised in lease liabilities

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Lease expenses-short-term leases	165,296	140,183	161,632	103,858

Included in the lease expense not capitalized in lease liabilities for the financial year ended 31 December 2023 is $Nil (2022: $Nil) belong to discontinued operations and presented in this note for disclosure purposes.

(e) Total cash outflow for all the leases in 2023 was $1,191,422 (2022: $1,312,310).

(f) Addition of ROU assets during the financial year 2023 was $1,608,877 (2022: $1,440,627).

(g) Future cash outflow which are not capitalised in lease liabilities

Extension options

The leases for certain leasehold land, sea and buildings contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

17. Intangible assets

	Protocol asset $	Club membership $	Goodwill $	Trademark $	Total $
<u>**Group**</u>					
2023					
Cost					
Beginning of financial year	600,000	15,300	8,726,194	6,104,904	15,446,398
Deconsolidation of subsidiary corporations	-	-	(2,240,496)	(4,424,904)	(6,665,400)
End of financial year	600,000	15,300	6,485,698	1,680,000	8,780,998
Accumulated amortisation and impairment					
Beginning of financial year	364,288	-	8,726,194	4,790,119	13,880,601
Amortisation charge	85,714	-	-	121,739	207,453
Deconsolidation of subsidiary corporations	-	-	(2,240,496)	(4,424,904)	(6,665,400)
End of financial year	450,002	-	6,485,698	486,954	7,422,654
Net book value					
End of financial year	149,998	15,300	-	1,193,046	1,358,344
<u>**Group**</u>					
2022					
Cost					
Beginning and end of financial year	600,000	15,300	8,726,194	6,104,904	15,446,398
Accumulated amortisation and impairment					
Beginning of financial year	278,574	-	2,500,000	1,492,441	4,271,015
Amortisation charge	85,714	-	-	478,586	564,300
Impairment charge	-	-	6,226,194	2,819,092	9,045,286
End of financial year	364,288	-	8,726,194	4,790,119	13,880,601
Carrying amounts					
End of financial year	235,712	15,300	-	1,314,785	1,565,797

17. Intangible assets (continued)

	Club membership **$**
<u>Company</u>	
2023 and 2022	
Cost	
Beginning and end of financial year	15,300

The useful life of the club membership is indefinite.

(a) Goodwill

<u>Allocation of goodwill</u>

FY2023

As at the financial year ended 31 December 2023, goodwill of $6,485,698 belongs to cash generating units ("CGUs") of Allegro Aqua Pte. Ltd.

FY2022

As at the financial year ended 31 December 2022, goodwill of $2,240,496 and $6,485,698 belongs to cash generating units ("CGUs") of Marine Produce Australia Pty Ltd and its subsidiary corporations ("MPA Group") and Allegro Aqua Pte. Ltd. respectively.

<u>Impairment test on goodwill</u>

In assessing whether an impairment is required for goodwill, the carrying amount of the CGU is compared with its recoverable amount. The recoverable amount of the CGU was determined based on value-in-use calculations.

(i) Goodwill attributable from MPA Group

During the financial year ended 31 December 2022, management has adopted discounted cash flow approach to determine the value-in-use. The cash flow projection is based on budgets approved by management. Cash flows beyond the approved period were extrapolated using terminal growth rate of 0%. These cash flows were discounted using a pre-tax discount rate that reflected current market assessment of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development.

Key assumptions used in value-in-used calculations:

2022	
Growth rate (1)	2% to 25%
Discount rate (2)	14.4%

(1) Revenue growth rate used for extrapolation of future revenue
(2) Pre-tax discount rate applied to the pre-tax cash flows projections

Accordingly, the Group recognised an impairment loss on goodwill attributable to MPA Group amounting to $2,240,496.

17. Intangible assets (continued)

(a) Goodwill (continued)

Impairment test on goodwill (continued)

(i) Goodwill attributable from MPA Group (continued)

During the financial year ended 31 December 2023, as disclosed elsewhere in the financial statements, MPA Group filed for voluntary administration to restructure and recapitalise the business and subsequently MPA's subsidiary corporations were disposed of to a third party, and MPA was placed into a creditor's voluntary liquidation. Accordingly, goodwill attributable to MPA Group of $2,240,496 has been written off upon deconsolidation of MPA Group.

(ii) Goodwill attributable from Allegro Aqua Pte. Ltd.

The Company has encountered an incident-based mortality at the Singapore farm (viral outbreak) towards the end of financial year ended 31 December 2021 and in the financial year ended 31 December 2022. As a result, the management has adopted expected cash flow approach (probability-weighted average cash flows projections) to determine the value-in-use due to the significantly higher degree of estimation uncertainty and wider range of possible cash flow projections arising from the impact of the viral outbreak. Management believes that the probability-weighted scenarios present a reasonable assessment of the future outcomes, taking into account a more comprehensive outlook for the recovery of the Company's production from this incident.

In determining the cashflow projection, the management has applied different factors to accommodate the possible expectation on the Company's recovery from this incident. The factors include, but are not limited to, the extent of the incident on the CGU, rate of recovery from the incident, as well as probability of success in vaccine trials. During the financial year ended 31 December 2023, the vaccine trials had proven to be inconclusive after 2 batches at St. John's Island.

The cash flow projection is based on budgets approved by management. Cash flows beyond the approved period were extrapolated using terminal growth rate of 0%. These cash flows were discounted using a pre-tax discount rate that reflected current market assessment of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development after adjusting for the effect of the above-mentioned incident on the Company.

Key assumptions used in value-in-used calculations:

2022	
Growth rate (1)	0% to 6%
Discount rate (2)	10.0%

(1) Revenue growth rate used for extrapolation of future revenue.
(2) Pre-tax discount rate applied to the pre-tax cash flows projections

Under the fair value hierarchy, level 3 inputs were used.

17. Intangible assets (continued)

(b) Trademark

During the financial year ended 31 December 2022, management performed an impairment test for the trademark attributable to the brand Cone Bay by MPA Group. As a result of the impairment assessment, an impairment loss of $2,819,092 was recognised to write down the trademark to its recoverable amount, after taking into account the operations and financial conditions of the subsidiary corporations associated with this trademark.

During the financial year ended 31 December 2023, as disclosed elsewhere in the financial statements, MPA Group filed for voluntary administration to restructure and recapitalise the business and subsequently MPA's subsidiary corporations were disposed of to a third party, and MPA was placed into a creditor's voluntary liquidation. Accordingly, management assessed the impairment for trademark of $4,424,904 associated with MPA Group remained appropriate during the financial year ended 31 December 2023 and has been written off upon deconsolidation of MPA Group.

18. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Trade payables				
- Non-related parties	1,797,228	6,059,344	623,257	451,641
- Subsidiary corporations	-	-	1,153,652	2,338,279
	1,797,228	6,059,344	1,776,909	2,789,920
Other payables				
- Non-related parties	48,561	247,470	46,803	10,298
- Subsidiary corporations	-	-	1,731,925	1,737,525
Advances	44,970	394,672	-	-
Accruals	749,605	1,232,094	349,480	599,434
	2,640,364	7,933,580	3,905,117	5,137,177

Trade payables are normally settled on 30 to 90 days terms. Trade and other payables due to subsidiary corporations are unsecured and interest-free.

The carrying amounts of trade and other payables approximate their fair values.

19. Borrowings

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Current				
Secured bank loans	5,740,666	13,627,519	3,731,994	6,834,597
Unsecured loan from subsidiary corporation	-	-	5,000,000	5,000,000
Unsecured loan from third party	2,000,000	2,000,000	-	-
Lease liabilities	942,859	835,043	291,592	374,268
	8,683,525	16,462,562	9,023,586	12,208,865
Non-current				
Secured bank loans	9,269,751	14,885,468	6,742,754	8,472,852
Unsecured loan from subsidiary corporation	-	-	3,323,552	-
Lease liabilities	775,518	992,847	145,218	31,049
	10,045,269	15,878,315	10,211,524	8,503,901
	18,728,794	32,340,877	19,235,110	20,712,766

19. Borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

				2023		2022	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Group							
Secured bank loans	SGD	2.00%	2025	5,000,000	2,132,247	5,000,000	3,068,731
Secured bank loans	SGD	3.50%	2025	5,000,000	2,732,352	5,000,000	3,690,059
Secured bank loans	SGD	3.50%	2027	5,000,000	4,610,149	5,000,000	5,000,000
Secured bank loans	SGD	ABS SIBOR + 1.75%	2026	4,000,000	2,520,000	4,000,000	2,985,000
Money Market Line	SGD	Floating rate	-	1,000,000	1,000,000	1,000,000	1,000,000
Money Market Line	SGD	Floating rate	-	1,000,000	900,000	1,000,000	1,000,000
Third party loan	SGD	5.00%/4.00%	2024/2023	2,000,000	2,000,000	2,000,000	2,000,000
Factoring facility	SGD	ABS SIBOR + 3.00%	-	-	-	3,000,000	2,548,659
Secured bank loans	SGD	3.00%	2026	2,000,000	1,115,669	2,000,000	1,606,669
Secured bank loans	AUD	BBSY + 3.55%	2027	-	-	4,600,000	3,929,809
Factoring facility	AUD	5.38%	2021	-	-	3,000,000	1,290,449
Equipment financing	AUD	4.41% – 5.51%	2024	-	-	6,622,763	2,393,611
					17,010,417		30,512,987

19. Borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	2023 Face value	2023 Carrying amount	2022 Face value	2022 Carrying amount
Company							
Secured bank loans	SGD	2.00%	2025	5,000,000	2,132,247	5,000,000	3,068,731
Secured bank loans	SGD	3.50%	2025	5,000,000	2,732,352	5,000,000	3,690,059
Secured bank loans	SGD	3.50%	2027	5,000,000	4,610,149	5,000,000	5,000,000
Money Market Line	SGD	Floating rate	-	1,000,000	1,000,000	1,000,000	1,000,000
Subsidiary loan	SGD	5.00%/4.00%	2024/2023	6,000,000	5,000,000	6,000,000	5,000,000
Subsidiary loan	SGD	4.00%	2026	3,323,552	3,323,552	-	-
Factoring facility	SGD	ABS SIBOR + 3.00%	-	-	-	3,000,000	2,548,659
					18,798,300		20,307,449

19. Borrowings (continued)

Secured bank loans

a) The secured bank loans of the Group are secured over the following:

- the fixed deposit (Note 10), new debentures over the Company's fixed and floating assets and new assignment of all the Company's rights, title, benefits and interest in connection with any insurance policies (including but not limited to the Company's commercial aquaculture stock) with respect to the Company's assets;
- new debentures over a subsidiary corporation's fixed and floating assets and new assignment of all the subsidiary corporation's rights, title, benefits and interest in connection with any insurance policies, leases, tenancy agreements and/or sale and purchase agreements with respect to the subsidiary corporation's leasehold property;
- first all-monies legal mortgage over the leasehold property (Note 15);
- corporate guarantees from the Company;
- all the issued shares (present and future) in a subsidiary corporation incorporated in Singapore held by the Company; and
- a subsidiary corporation's all present and after-acquired property and a mortgage over the aquaculture license.

b) One of the Group's loan agreements is subject to covenant clauses, whereby the Group is required to meet certain key financial ratios. The subsidiary did not fulfil the interest coverage ratio as required in the contract for a term loan of 1.5 times. The interest coverage is calculated as EBITDA divided by interest. EBITDA is defined as total profit before interest, tax, depreciation and amortisation.

Accordingly, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of $4,536,827. Subsequent to the financial year ended 31 December 2023, the subsidiary has obtained approval of waiver in-principal for interest coverage ratio breach as of the date these financial statements are authorised for issue.

As at the date of these financial statements, the subsidiary has not received any notice of event of default and/or early repayment of the borrowings from the bank.

c) Third party loan of $2,000,000 has a tenure of 1 year with maturity in December 2023 (2022: $2,000,000). Subsequent to the financial year ended 31 December 2023, the Group entered into several extension agreements for the loan from director. Under the latest extension agreement, the loan from director is unsecured, bears interest at 8% per annum with maturity on 31 October 2024 (Note 31).

d) On 24 October 2023, the Company obtained support from the bank for a 6-month moratorium on principal repayments for the secured bank loans, deferring the principal repayment up to 20 April 2024.. On 23 May 2024, the Company had obtained a further moratorium on the principal repayment of the secured bank loans. This extended moratorium expired on 20 August 2024, and no further extension has been provided. (Note 31(b)).

Unsecured loans from subsidiary corporation

During the current financial year, the Company obtained unsecured loans of $3,300,000 from a subsidiary corporation, Barramundi Group (B) Sdn Bhd, at an interest rate of 4% per annum over 3 years.

20. Deferred capital grants

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Beginning of financial year	6,355,914	4,984,963	6,262,303	4,839,069
Grants received	2,643,702	1,800,360	2,643,702	1,800,360
Reimbursement of expenses	(3,787,581)	-	(3,787,581)	-
Amortisation of deferred capital grants	(616,983)	(429,409)	(570,494)	(377,126)
End of financial year	4,595,052	6,355,914	4,547,930	6,262,303

Deferred capital grants relate to government grants received for the acquisition of plant and equipment to promote productivity and innovation. There are no unfulfilled conditions or contingencies attached to these grants.

Deferred capital grants are presented in the Balance Sheet as follows:

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Current	591,441	127,924	576,134	75,290
Non-current	4,003,611	6,227,990	3,971,796	6,187,013
Total	4,595,052	6,355,914	4,547,930	6,262,303

21. Provisions

Provision for reinstatement costs relates to the estimated costs of reinstating leased premises to its original condition upon vacating the premises at the end of the lease term.

22. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2023	2022
	$	$
Deferred tax assets	-	(2,040,548)
Deferred tax liabilities	231,598	2,292,840
Net deferred tax liabilities	231,598	252,292

22. Deferred income taxes (continued)

Movement in deferred tax balances

	Property, plant and equipment	Intangible assets	Inventory	Employee benefits	Unutilised tax losses	Other items	Net deferred tax (assets)/ liabilities
	$	$	$	$	$	$	$
Group							
2023							
Beginning of financial year	264,585	260,787	3,918,192	(226,211)	(1,971,573)	(1,993,488)	252,292
Recognised in profit or loss	-	(20,696)	-	-	-	-	(20,696)
Exchange differences	(8,234)	(268)	(121,950)	7,042	61,365	62,045	-
Deconsolidation of subsidiary corporations	(256,351)	(8,227)	(3,796,242)	219,169	1,910,208	1,931,443	-
End of financial year	-	231,598	-	-	-	-	231,598
2022							
Beginning of financial year	194,608	1,341,520	1,936,188	(108,686)	(972,939)	(1,057,665)	1,333,026
Recognised in profit or loss	76,764	(1,080,733)	2,118,901	(125,540)	(1,067,503)	(1,002,623)	(1,080,734)
Exchange differences	(6,787)	-	(136,897)	8,015	68,869	66,800	-
End of financial year	264,585	260,787	3,918,192	(226,211)	(1,971,573)	(1,993,488)	252,292

Unrecognised temporary differences

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Unabsorbed allowances carried forward	10,772,386	1,870,466	4,599,939	1,870,466
Unutilised tax losses	67,055,094	93,193,103	55,431,546	66,102,897
Total unrecognised temporary differences	77,827,480	95,063,569	60,031,485	67,973,363

No deferred tax assets have been recognised in respect of these items because it is uncertain that future taxable profits will be available to utilise the benefits.

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The unrecognised tax losses and capital allowances at the balance sheet date can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry date. The capital allowances will expire between 2022 and 2023.

23. Share capital

	No. of ordinary shares $	Amount $
Group and Company		
Beginning and end of financial year	40,369,983	153,913,373

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

24. Other reserves

Composition:

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Equity reserve (Note (a))	(741,536)	(741,536)	(754,421)	(754,421)
Employee share option reserve (Note (b))	1,895,990	1,825,445	1,895,990	1,825,445
Currency translation reserve (Note(c))	(88,614)	1,214,970	-	-
Capital reserve (Note(d))	(3,592,563)	(3,592,563)	-	-
Revaluation reserve (Note (e))	281,665	-	-	-
	(2,245,058)	(1,293,684)	1,141,569	1,071,024

(a) Equity reserve

The amount relates to:

- the equity component of convertible loans received in prior financial years that have been converted to paid-up ordinary shares; and

(b) Employee share option reserve

	Group and Company 2023 $	Group and Company 2022 $
Beginning of financial year	1,825,445	2,286,047
Vested during the year	93,273	182,047
Cancelled during the year	(22,728)	(642,649)
End of financial year	1,895,990	1,825,445

24. Other reserves (continued)

(c) Currency translation reserve

	Group	
	2023	2022
	$	$
Beginning of financial year	1,214,970	(751,509)
Net currency translation differences of financial statements of foreign subsidiary corporation	808,981	1,966,479
Reclassification on disposal of subsidiary corporations	(2,112,565)	-
End of financial year	(88,614)	1,214,970

(d) Capital reserve

Capital reserve represents the excess of deemed consideration received by equity owners of the Company resulting from deemed disposal of interests in a subsidiary corporation, Fassler Gourmet Pte Ltd, without loss of control in the financial year ended 31 December 2020.

(e) Revaluation reserve

Revaluation reserve represents the fair value adjustment to leasehold property carried at revalued amount during the financial year ended 31 December 2023

25. Commitments

Capital commitments

	Group and Company	
	2023	2022
	$	$
Acquisition of property, plant and equipment	69,000	156,772

26. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties

Sales of goods and services

	Group	
	2023	2022
	$	$
Sales to related parties	157,787	1,067,367

Outstanding balances as at 31 December 2023 and 2022 are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 11, 18 and 19 to the financial statements.

26. Related party transactions (continued)

Key management personnel compensation

	Group	
	2023	2022
	$	$
Salaries and bonuses	608,553	1,067,367
Employer's contribution to Central Provident Fund	46,279	15,900
Share-based payments	65,614	-
	720,446	1,083,267

27. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

Financial risk management is carried out by the Group's finance department in accordance with the policies set. The financial personnel identifies and evaluates financial risks in close co-operation with the Group's operating units. The financial personnel measures actual exposures against the limits set and prepares daily reports for review by the Chief Financial Officer. Regular reports are also submitted to the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates in Asia and Oceania with dominant operations in Singapore, China, Brunei and Australia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

During the financial year ended 31 December 2023, as disclosed elsewhere in the financial statements, MPA Group with a dominant operation in Australia has been deconsolidated on 24 May 2023.

Currency risk arises when transactions are denominated in foreign currencies other than functional currency.

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided is as follows:

	USD	AUD	Others	Total
	$	$	$	$
Group				
2023				
Financial assets				
Cash and bank balances	95,127	83,411	-	178,538
Financial liabilities				
Trade and other payables	(372,386)	-	(17,236)	(389,622)
Currency exposure of net financial (liabilities)/assets	**(277,259)**	**83,411**	**(17,236)**	**(211,084)**
2022				
Financial assets				
Cash and bank balances	129,363	40,993	-	170,356
Trade and other receivables	394,910	618,455	-	1,013,365
	524,273	659,448	-	1,183,721
Financial liabilities				
Trade and other payables	(1,044,149)	(1,080,482)	-	(2,124,631)
Currency exposure of net financial liabilities	**(519,876)**	**(421,034)**	**-**	**(940,910)**

The Company's currency exposure based on the information provided is as follows:

	USD	AUD	Others	Total
	$	$	$	$
Company				
2023				
Financial assets				
Cash and bank balances	16,403	9,435	-	25,838
Financial liabilities				
Trade and other payables	(39,320)	-	(17,105)	(56,425)
Currency exposure of net financial (liabilities)/assets	**(22,917)**	**9,435**	**(17,105)**	**(30,587)**

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided is as follows: (continued)

	USD $	AUD $	Others $	Total $
Company				
2022				
Financial assets				
Cash and bank balances	36,128	9,564	-	45,692
Trade and other receivables	394,910	38,276,798	-	38,671,708
	431,038	38,286,362	-	38,717,400
Financial liabilities				
Trade and other payables	(829,416)	(1,066,950)	-	(1,896,366)
Currency exposure of net financial (liabilities)/assets	**(398,378)**	**37,219,412**	**-**	**36,812,034**

A 5% (2022: 5%) strengthening of SGD against the following currencies at balance sheet date would decrease/(increase) the (loss)/profit after income tax by the amounts shown below. This analysis assumes that all other variables being held constant.

	Group 2023 $	Group 2022 $
USD	13,863	21,575
AUD	21,052	17,473

	Company 2023 $	Company 2022 $
USD	1,146	16,533
AUD	472	1,544,606

(ii) Equity price risk

The Group does not have exposure to equity price risk as it does not hold equity financial assets.

27. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's policy is to maintain 80 – 90% of its borrowings in fixed rate instruments. The Group's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from bank borrowings and deposits at fixed rates.

A 1 % increase or decrease in interest rate at the reporting date of each interest bearing financial asset and liability, assuming that all other variables remain constant, would not have a material effect on the Group's results and equity.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk; and

- High credit quality counterparties of at least an 'A' rating by external credit rating companies.

The exposure to credit risks is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the management.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Cash and cash equivalents are measured at the 12-month expected credit losses and is subject to immaterial credit loss.

27. Financial risk management (continued)

(b) Credit risk (continued)

The movements in credit allowance are as follows:

	Group	
	2023	**2022**
	$	**$**
<u>Trade receivables</u>		
Beginning of financial year	35,501	28,910
Loss allowance recognised in profit or loss during the financial year	709,935	6,591
Written off	(720,773)	-
End of financial year	24,663	35,501
<u>Other receivables</u>		
Beginning of financial year	28,667	30,875
Written off	(28,667)	(2,208)
End of financial year	-	28,667

	Company	
	2023	**2022**
	$	**$**
<u>Trade receivables</u>		
Beginning of financial year	2,980,765	28,910
Loss allowance recognised in profit or loss during the financial year	648,993	2,951,855
Written off	(2,639,793)	-
	989,965	2,980,765
<u>Other receivables</u>		
Beginning of financial year	36,013,375	1,276,473
Loss allowance recognised in profit or loss during the financial year	-	34,736,902
Written off	(34,339,891)	-
End of financial year	1,673,484	36,013,375

(i) Trade receivables

The trade receivables are subject to the expected credit loss (“ECL”) model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At each balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

27. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

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

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and the Company. The Management considers a financial asset as default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

During the financial year ended 31 December 2023, the Group and the Company had respectively recognised a loss allowance of $709,935 and $648,993 (2022: $6,591 and $2,951,855) against trade receivables and wrote off $720,773 and $2,639,793. The management has identified a group of debtors to be credit impaired as these customers experienced significant financial difficulties. Hence, management has assessed the recoverability of the outstanding balances separately.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

(ii) Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost are mainly comprised of other receivables, i.e. non-trade amount due from non related parties, subsidiary corporations and deposits.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of these other financial assets. For the purpose of impairment assessment, impairment loss is generally measured at an amount equal to 12-month ECL as there is low risk of default and strong capability to meet contractual cash flows. When the credit quality deteriorates and the resulting credit risk of other financial assets increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL. Other financial assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of other receivables to engage in a repayment plan with the group, and a failure to make contractual payments.

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

27. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Other financial assets, at amortised cost (continued)

As at 31 December 2023, the Company held non-trade receivables from its subsidiary corporations amounting to $4,335,417 (2022: $57,738,003). These balances are amounts funded to subsidiary corporations as working capital. The Company used general approach for assessment of ECLs for these receivables. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, impairment on these balances has been measured on the lifetime ECL basis. During the financial year ended 31 December 2023, the Company had recognised a loss allowance $Nil (2022: $34,736,902) against non-trade receivables from its subsidiary corporations and wrote off $34,339,891 ($2022 $Nil) as these subsidiary corporations respectively filed for voluntary administration, placed under Creditors' Voluntary Liquidation and ceased their operations. (Notes 11, 14 and 29).

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

(c) Liquidity risk

As disclosed in Note 3.1, the Board of Directors of the Company believes that the Group and the Company will be able to pay their debts as and when they fall due. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and the ability to close out market positions at a short notice and support from the Group's bankers. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuation in cash flows. The Group also ensures the availability of funding through committed bank facilities.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $	**Between 1 and 5 years $**	**More than 5 years $**
Group			
2023			
Trade and other payables	2,603,859	-	-
Borrowings	8,683,525	10,327,197	139,744
2022			
Trade and other payables	7,933,580	-	-
Borrowings	16,462,562	17,826,899	225,063

27. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year $	Between 1 and 5 years $	More than 5 years $
Company			
2023			
Trade and other payables	3,905,117	-	-
Borrowings	9,023,586	10,769,418	-
2022			
Trade and other payables	5,137,177	-	-
Borrowings	12,208,865	8,503,901	-

(d) Capital risk

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure in order to finance its operations, support business growth and maximise shareholder value.

Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risk associated with each class of capital. To maintain or adjust the capital structure, the Group may issue new shares, return capital to shareholders, make dividend payments, increase/decrease shareholders' loans or increase/reduce bank borrowings.

Management monitors capital based on gearing ratio and interest coverage ratio. The Group is also required under the terms of its major borrowing facilities to maintain a gearing ratio of not exceeding 1 time (2022: 1 time) and consolidated interest coverage ratio of at least 1.5 times (2022: 3 times).

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt. Interest coverage is calculated as EBITDA divided by interest. EBITDA is defined as total profit before interest, tax, depreciation and amortisation.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2023 and 2022, except for the breach of financial covenants for the financial year ended 31 December 2023 which is disclosed in Note 19 to the financial statements.

The Group's overall strategy remains unchanged from the previous financial year.

27. Financial risk management (continued)

(e) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Financial assets, at amortised cost	6,104,402	17,594,768	4,525,803	26,179,807
Financial liabilities, at amortised cost	21,285,925	39,879,785	23,103,722	25,849,943

(f) Fair value measurements

The table below analyses recurring non-financial assets and financial instruments carried at fair value, by the levels in the fair value hierarchy based on the inputs to valuations techniques. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Group				
2023				
Non-financial assets				
Consumable biological assets	-	1,359,882	-	1,359,882
2022				
Non-financial assets				
Consumable biological assets	-	14,829,276	-	14,829,276
Company				
2023				
Non-financial assets				
Consumable biological assets	-	116,759	-	116,759
2022				
Non-financial assets				
Consumable biological assets	-	436,639	-	436,639

27. Financial risk management (continued)

(f) Fair value measurements (continued)

The following table summarises the quantitative information about the significant inputs used in Level 2 fair value measurements:

Type	Input
Consumable biological assets	Based on closing biomass at observable market prices less costs to sell. Observable market prices are based on historical selling prices. Consumable biological assets at the end of the financial period are valued based on historical selling price less costs to sell.

28. Share-based payments

The Company has the following share-based payment arrangements:

Employee Share Option Scheme (Equity settled)

The Company has adopted a share option scheme for qualifying employees of the Group and the Company (the "2020 Scheme") on 30 September 2020. The scheme is administered by the Board of Directors or its Committee. Options may be exercised during the exercise period applicable to those options and in accordance with a vesting schedule to be determined by the Board of Directors or its Committee on the date of the grant. If the options remain unexercised after exercised period, the options will lapse. Share options are forfeited/cancelled if the employee leaves the Group before the share options vest. Share options previously vested would be lapsed immediately if the employee leaves the Group, unless the Board of Directors or its Committee otherwise approved.

The details of the share options granted under the 2020 Scheme are as follows:

Grant date	Vesting period	Exercise period	Exercise price
24 May 2019	18/8/2021 to 1/5/2023	2/5/2023 to 1/5/2026	$2.25 (1)
18 June 2020	18/8/2021 to 1/5/2024	2/5/2024 to 1/5/2027	$2.25 (1)
18 August 2021	18/8/2021 to 1/5/2025	2/5/2025 to 1/5/2028	$2.25
1 May 2022	1/5/2022 to 1/5/2026	2/5/2026 to 1/5/2029	$1.45

(1) The vesting period, exercise period and exercise price were adjusted pursuant to the share consolidation exercise and initial public offering exercise.

Perpetual Call Option

The perpetual call option was approved and commenced on 1 January 2017. The option is administered by the Board. The options granted were vested on 1 January 2017 and may be exercised at any time without an expiry date.

28. Share-based payments (continued)

Measurement of fair values

The fair values of the 2019, 2020, 2021 and 2022 Options and Perpetual Call Option have been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measure of the fair values at grant date of the Perpetual Call Option were as follows:

	Perpetual Call Option granted on 1 January 2017
Fair value at grant date	\$0.19
Share price at grant date	\$0.43
Exercise price	\$0.28
Expected volatility (weighted-average)	27.7%
Expected life (weighted-average)	4 years
Expected dividend yield	0.0%
Risk-free interest rate (based on government bonds)	1.67%

The inputs used in the measure of the fair values at grant date of the 2019, 2020, 2021 and 2022 Options were as follows:

Grant date	**1 May 2022**	**18 August 2021**	**18 June 2020**	**24 May 2019**
Fair value at grant date	\$0.11	\$1.12	\$0.25/\$0.19	\$0.14
Share price at grant date	\$1.45	\$2.25	\$0.60	\$0.60
Exercise price	\$1.45	\$2.25	\$0.39/\$0.50	\$0.50
Expected volatility (weighted-average)	56.36%	49.11%	33.7%	23.4%
Expected life (weighted-average)	7 years	6-7 years	3 years	2 years
Expected dividend yield	0.0%	0.0%	0.0%	0.0%
Risk-free interest rate (based on government bonds)	2.76%	0.79%	0.50%	1.75%

Expected volatility has been based on an evaluation of historical volatility in the daily share price of comparable companies over the historical period commensurate with the expected term.

28. Share-based payments (continued)

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the Employee Share Option Scheme are as follows:

	Weighted average exercise price 2023	**Number of options 2023**	**Weighted average exercise price 2022**	**Number of options 2022**
Outstanding at the beginning of the year	$.078/2.25	1,018,667	$2.25	989,999
Forfeited during the year	$$1.73	(130,000)	$0.39/$2.25	(971,332)
Granted during the year	NA	-	$0.78	1,000,000
Outstanding at the end of the year	$.078/2.25	888,667	$.078/2.25	1,018,667
Exercisable at the end of the year	$.078/2.25	162,417	NA	-

Details of the call options outstanding during the year are as follows:

	Weighted average exercise price 2023	**Number of options 2023**	**Weighted average exercise price 2022**	**Number of options 2022**
Outstanding at the beginning an the end of the year	$4.20	466,667	$4.20	466,667
Exercisable at the end of the year	$4.20	466,667	$4.20	466,667

29. Discontinued operations and disposal group

On 24 May 2023, the Group announced that Marine Produce Australia Pty Ltd (“MPA”) and its subsidiary corporations, MPA Fish Farms Pty Ltd (“MPAFF”) and MPA Marketing Pty Ltd (“MPAM”) (collectively, the “MPA Group”), had filed for voluntary administration.

Resulting from the administration, the Group announced on 1 August 2023 that MPAFF and MPAM had been disposed of to a third party. The Group further announced on 19 September 2023 that MPA had been placed under creditors’ voluntary liquidation.

Based on the control assessment in accordance with SFRS(I) 10 *Consolidated Financial Statements*, the Group has no control over the MPA Group following the commencement of the voluntary administration.

Accordingly, the entire assets and liabilities related to the MPA Group are deconsolidated and the results for the current financial period was presented separately on the consolidated statement of comprehensive income as “Discontinued operations”. The MPA Group was not previously presented as discontinued operations for financial year ended 31 December 2022. Thus, the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

29. Discontinued operations and disposal group (continued)

(a) The results of the discontinued operations are as follows:

	For the financial period from 1 January 2023 to 24 May 2023 $	For the financial year ended 31 December 2022 $
Revenue	6,551,373	15,533,109
Other income	3,981	7,663
Raw materials and consumables	(4,146,650)	(8,461,310)
Farm personnel expenses	(2,008,718)	(4,847,084)
Fair value gain/(loss) on biological assets	1,686,598	(5,062,286)
Fish mortalities	(1,109,593)	(1,169,419)
Depreciation expenses	(671,797)	(1,768,508)
Amortisation expenses	-	(356,847)
Impairment loss on goodwill and intangible assets	-	(5,059,588)
Expected credit loss on financial assets, net	-	-
Administrative expenses	(1,254,078)	(1,738,968)
Distribution expenses	(111,203)	(330,343)
Finance expenses	(285,798)	(445,615)
Loss before income tax from discontinued operations	(1,345,885)	(13,699,196)
Income tax credit	-	1,060,038
Loss after tax from discontinued operations	(1,345,885)	(12,639,158)

(b) The impact of the discontinued operations on the cash flows of the Group was as follows:

	2023 $	2022 $
Operating cash outflows	(303,343)	(3,662,770)
Investing cash outflows	(645,512)	(522,046)
Financing cash inflows/(outflows)	443,407	(1,948,548)
Total cash (outflows)/inflows	(505,448)	(6,133,364)

29. Discontinued operations and disposal group (continued)

(c) On 24 May 2023, the Group disposed of its entire 100% owned subsidiary corporation, MPA, to a non-related party. The effects of the disposal on the cash flows of the Group were:

	2023 $
Carrying amount of assets and liabilities of MPA as at the date of disposal:	
Cash and cash equivalents	96,910
Trade and other receivables	1,808,525
Inventories	136,252
Biological assets	14,603,761
Deferred tax assets	1,950,541
Property, plant and equipment	7,127,773
Total assets	25,723,762
Trade and other payables	9,690,284
Employee benefits	487,145
Deferred tax liabilities	1,950,541
Borrowings	4,312,146
Total liabilities	16,440,116
Net assets derecognised, representing net assets disposed of	9,283,646
Cash outflows arising from disposal:	
Net assets disposed of (as above)	(9,283,646)
Reclassification of currency translation reserve	2,112,565
Carrying value of the assets and liabilities	(7,171,081)
Loss from discontinued operations, net of tax	(1,345,885)
Loss on disposal	8,516,966
Cash proceeds on disposal	-
Less: Cash and cash equivalents in subsidiary corporation disposed of (as above)	(96,910)
Net cash outflow on disposal	(96,910)

30. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements:
Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)
Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures:
Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

30. New or revised accounting standards and interpretations (continued)

Amendments to SFRS(I) 16 Leases:
Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

31. Events occurring after balance sheet date

a) On 28 February 2024, a subsidiary corporation, Barramundi Group (B) Sdn Bhd ("BGBN"), received a facility offer of BND 15 million (S$ 15 million) for the expansion of operations in Brunei Darussalam. The facility was executed on 13 August 2024, which allowed BGBN to deploy sea cages in Pelong Rocks. The facility is for a period of 7 years and bears an interest at 5.3% per annum.

b) On 23 May 2024, the Company had obtained a further moratorium on the repayment of the principal of secured loans (Note 19). The extended moratorium expired on 20 August 2024, and no further extension has been provided.

c) Subsequent to the financial year ended 31 December 2023, the Group entered into several extension agreements for third party loan amounting to S$ 2,000,000. Under the latest extension agreement, the third party loan is unsecured, bears interest at 8% per annum with maturity on 31 January 2025 (Note 19).

d) On 11 October 2024 (the "Application Date"), the Company made an application to the General Division of the High Court of the Republic of Singapore (the "Court") under Section 64 of the Insolvency, Restructuring and Dissolution Act 2018 ("IRDA") for a moratorium order ("Moratorium Order"):

Under the Moratorium Order, the following key reliefs applied for are:

i. no resolution for the winding up of the Company shall be passed;
ii. no receiver or manager shall be appointed over any property or undertaking of the Company;
iii. no proceedings (other than proceedings under sections 210 and 212 of the Companies Act 1967, and under sections 66, 69 or 70 of the IRDA) shall be commenced or continued against the Company, except with the leave of the Court and subject to such terms as the Court imposes;
iv. no execution, distress or other legal process against any property of the Company shall be commenced, continued, or levied, except with the leave of the Court and subject to such terms as the Court imposes; and
v. no enforcement of any security over any property of the Company, or repossession of any goods held by the Company under any chattels leasing agreement, hire-purchase agreement or retention of title agreement, shall be taken, except with the leave of the Court and subject to such terms as the Court imposes.

31. Events occurring after balance sheet date (continued)

d) (continued)

The Company requires the reliefs provided by the Moratorium Order to protect it from creditor enforcement action, while giving it breathing space to carry on negotiations for a restructuring including a proposed scheme of arrangement and/or compromise of its debts with its creditors. In support of the Moratorium Order and the ongoing restructuring, the Company has obtained a bridging loan of S$400,000 from a shareholder. The loan will aid the Company with operational runway into the Moratorium Order and finalisation of the restructuring plans including the costs and expenses of professional services associated with the restructuring.

On 7 November 2024, the Court granted the Moratorium Order for a period of 4 months from the Application Date, i.e., until 11 February 2025.

e) In support of the above Moratorium Order and ongoing restructuring, the Company has on 8 October 2024 obtained a bridging loan of S$ 400,000 from a shareholder. The shareholder loan is for a period of 180 days and bears interest of 15% per annum. The loan will aid the Company with operational runway into the Moratorium Order and finalisation of the restructuring plans.

32. Authorisation of financial statements

These financial statements were authorised for issued in accordance with a resolution of Board of Directors of Barramundi Group Ltd. on 14 November 2024.