Nexia TS
Listening, Thinking, Growing, Asia.

In association with Smith & Williamson

Barramundi Group Ltd.
(formerly known as Barramundi Group Pte. Ltd.)
and its Subsidiary Corporations

(Incorporated in the Republic of Singapore)
(Company Registration No. 200722778K)

Interim Report for the Financial Period Ended 30 June 2021

In the opinion of the directors,

(a) the condensed consolidated interim financial statements of the Group as set out on pages 4 to 44 are drawn up so as to give a true and fair view of the financial position of the Group as at 30 June 2021 and the financial performance, changes in equity and cash flows of the Group for the financial period covered by the consolidated financial statements; and

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

The Board of Directors, has on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

DocuSigned by:
Tristan Sjoberg
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....
Sjoeberg Tristan Nenne
Director

DocuSigned by:
4430F34C92034A0...
....
Andrew Kwan Kok Tiong
Director

27 September 2021

Independent Auditor's Report to the Members of
Barramundi Group Ltd.
(formerly known as Barramundi Group Pte. Ltd.)

Report on the review of the interim financial information as of and for the six months financial period ended 30 June 2021

We have reviewed the accompanying interim financial information of Barramundi Group Ltd. (formerly known as Barramundi Group Pte. Ltd.) (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group as at 30 June 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months period ended, and a summary of significant accounting policies and other explanatory notes ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standards (International) 1-34 Interim Financial Reporting ("SFRS(I) 1-34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 30 June 2021 are not prepared, in all material respects, in accordance with SFRS(I) 1-34.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
27 September 2021

Nexia TS Public Accounting Corporation
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	Note	For the financial period from 1 January 2021 to 30 June 2021	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited)
		$	$
Revenue	3	17,104,383	14,476,747
Other income	4	1,349,516	3,962,884
Raw materials and consumables		(10,948,784)	(11,186,963)
Farm and production personnel expenses		(4,515,204)	(4,355,891)
Fair value (loss)/gain on biological assets		(50,649)	4,994,230
Fish mortalities		(1,254,897)	(636,982)
Depreciation expenses		(1,863,043)	(1,681,272)
Amortisation expenses		(282,150)	(260,722)
Administrative expenses		(3,074,426)	(3,075,984)
Distribution expenses		(1,241,063)	(1,146,299)
Finance expenses	7	(1,241,896)	(721,082)
(Loss)/profit before tax	5	(6,018,213)	368,666
Income tax credit	8	-	63,417
Net (loss)/profit for the financial year		(6,018,213)	432,083
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation loss on translating foreign operations		(502,400)	(123,358)
Total comprehensive (loss)/income for the financial year		(6,520,613)	308,725
(Loss)/income attributable to:			
Owners of the Company		(6,420,460)	432,083
Non-controlling interests		402,247	-
		(6,018,213)	432,083
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(6,922,860)	308,725
Non-controlling interests		402,247	-
		(6,520,613)	308,725

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

	Note	Group 30 June 2021 $	Group 31 December 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	9	27,354,041	29,327,259
Trade and other receivables	10	6,861,056	6,408,439
Inventories	11	3,096,347	1,966,222
Biological assets	12	22,886,826	21,883,238
		60,198,270	59,585,158
Non-current assets			
Plant and equipment	13	27,523,071	24,916,033
Intangible assets	15	13,957,533	14,239,683
Biological assets	12	1,162,866	1,049,366
Other assets		-	330,108
Deferred income tax assets	20	2,697,033	2,604,377
		45,340,503	43,139,567
Total assets		105,538,773	102,724,725
LIABILITIES			
Current liabilities			
Trade and other payables	16	9,549,495	20,496,590
Employee benefits		564,931	525,210
Borrowings	17	35,858,182	17,410,568
Deferred capital grants	18	75,290	127,999
		46,047,898	38,560,367
Non-current liabilities			
Employee benefits		112,415	112,854
Borrowings	17	26,630,009	24,945,798
Deferred capital grants	18	5,129,724	5,244,249
Provision for reinstatement	19	55,980	55,980
Deferred income tax liabilities	20	4,050,756	3,958,100
		35,978,884	34,316,981
Total liabilities		82,026,782	72,877,348
Net assets		23,511,991	29,847,377
EQUITY			
Share capital	21	105,154,252	105,154,252
Other reserves	22	(326,470)	79,024
Accumulated losses		(85,735,353)	(79,403,214)
Non-controlling interests		4,419,562	4,017,315
Total equity		23,511,991	29,847,377

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

Consolidated Statement of Changes in Equity
For the six months financial period ended 30 June 2021

	Attributable to equity holders of the Group					
	Share capital	**Other reserves**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**
30 June 2021						
Balance at 1 January 2021	105,154,252	79,024	(79,403,214)	25,830,062	4,017,315	29,847,377
Total comprehensive loss for the period:						
Loss for the period	-	-	(6,420,460)	(6,420,460)	402,247	(6,018,213)
Other comprehensive loss	-	(502,400)	-	(502,400)	-	(502,400)
	-	(502,400)	(6,420,460)	(6,922,860)	402,247	(6,520,613)
Transactions with owners, recognised directly in equity:						
Employee share option scheme	-	96,906	88,321	185,227	-	185,227
	-	96,906	88,321	185,227	-	185,227
Balance at 30 June 2021	105,154,252	(326,470)	(85,735,353)	19,092,429	4,419,562	23,511,991
30 June 2020 (Unaudited)						
Balance at 1 January 2020	105,259,252	4,735,231	(71,199,601)	38,794,882	-	38,794,882
Total comprehensive income/(loss) for the year:						
Profit for the year	-	-	432,083	432,083	-	432,083
Other comprehensive loss	-	(123,358)	-	(123,358)	-	(123,358)
	-	(123,358)	432,083	308,725	-	308,725
Transactions with owners, recognised directly in equity:						
Cancellation of new shares	(105,000)	-	-	(105,000)	-	(105,000)
Employee share option scheme	-	(78,029)	302,815	224,786	-	224,786
Balance at 30 June 2020	105,154,252	4,533,844	(70,464,703)	39,223,393		39,223,393

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

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited) $
Cash flows from operating activities		
(Loss)/profit before tax	(6,018,213)	368,666
Adjustments for:		
- Fair value adjustment on biological assets	50,649	(4,994,230)
- Amortisation of government grant	(167,234)	(63,962)
- Depreciation of		
- plant and equipment and right-of-use assets	1,809,154	1,649,666
- biological assets	53,889	31,606
- Amortisation of intangible assets	282,150	260,722
- Employee share option expenses	185,226	224,786
- Interest expense	1,241,896	721,082
- Interest income	(53,090)	(17,898)
- Provision for employee benefits	16,340	986
- Gain on bargain purchase	-	(1,283,470)
	(2,599,233)	(3,102,046)
Changes in working capital:		
- Biological assets	(686,228)	81,542
- Inventories	(1,119,604)	(547,475)
- Trade and other receivables	(49,271)	(914,599)
- Trade and other payables	114,141	128,681
Cash used in operations, representing cash used in operating activities	(4,340,195)	(4,353,897)
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	-	(3,637,400)
Additions to property, plant and equipment	(3,828,203)	(1,438,913)
Interest income received	53,090	17,898
Net cash used in investing activities	(3,775,113)	(5,058,415)

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

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited) $
Cash flows from financing activities		
Payment from cancellation of ordinary shares	-	(105,000)
Proceeds from borrowings	9,381,634	7,172,431
Principal payment of lease liabilities	(643,842)	(365,579)
Decrease in fixed deposit pledged	-	5,132,530
Interest paid	(1,241,896)	(721,082)
Proceeds from capital grants	-	4,547,400
Redemption of redeemable convertible preference shares	(1,234,223)	-
Net cash provided by financing activities	6,261,673	15,660,700
Net (decrease)/increase in cash and cash equivalents	(1,853,635)	6,248,388
Cash and cash equivalents		
Beginning of the financial period	29,327,259	22,043,889
Effects of currency translation on cash and cash Equivalents	(119,583)	(282,113)
End of the financial period	27,354,041	28,010,164

Reconciliation of liabilities arising from financing activities

			Non-cash changes		
	1 January 2021 $	Financing cash flows [1] $	Addition during the period $	Foreign exchange movement $	30 June 2021 $
Loans and borrowings	38,828,283	12,621,634	6,516,275	1,298,482	59,264,674
Lease liabilities	3,528,083	(643,842)	252,401	86,875	3,223,517

			Non-cash changes		
	1 January 2020 $	Financing cash flows [1] $	Addition during the period $	Foreign exchange movement $	30 June 2020 $
Loans and borrowings	20,381,924	7,172,431	-	159,524	27,713,879
Lease liabilities	3,475,063	(365,579)	107,750	543,251	3,760,485

[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. (formerly known as Barramundi Group Pte. Ltd.) ("the Company") is incorporated and domiciled in Singapore. The address of its registered office is 35 Fishery Port Road, 116 New Fish Merchant Building, Singapore 619742. These condensed consolidated interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiary corporations (together referred to as "the Group").

With effect from 6 August 2021, the name of the Company was changed from Barramundi Group Pte. Ltd. to Barramundi Group Ltd.. On 12 August 2021, the Company was listed on Euronext Growth Oslo.

The principal activities of the Company are those of commercial farming, distribution and sale of sea water barramundi.

The Company's immediate holding corporation is Barramundi Asia Holdings Pte. Ltd., incorporated in Singapore. The ultimate holding corporation is Commonwealth Harvests Pte. Ltd., incorporated in Singapore. Subsequent to the listing of the Company on 12 August 2021, Barramundi Asia Holdings Pte. Ltd. and Commonwealth Harvests Pte. Ltd. ceased to be the immediate and ultimate holding corporation of the Company and Group respectively.

Coronavirus (COVID-19) Impact

On 30 January 2020, the World Health Organisation declared the outbreak a Public Health Emergency of International Concern. The outbreak was subsequently characterised as a pandemic on 11 March 2020.

In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus. As a result, there has been disruption to global trade due to restrictions for cross-border movement, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are Singapore and Australia, all of which have been affected by the spread of COVID-19 in 2021.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the period ended 30 June 2021:

- *The Group has assessed that the going concern basis of preparation for this set of interim financial information remain appropriate.*

- *In 2021, border closures, production stoppages and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted business production and volume in 2021, resulting in a negative impact on the Group's financial performance for 2021.*

- *The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 30 June 2021.*

Continuous assessment is made for each reporting period on whether there is any indication that the Group's assets and liabilities may be impacted adversely. If any such indication of uncertainties exists, an estimate is made of the fair value of the account balances.

2. Significant accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the financial year ended 31 December 2020. 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 accounting policies and basis of preparation adopted in the preparation of this unaudited interim financial information is consistent with those adopted in the annual consolidated financial statements for the financial year ended 31 December 2020 except for the changes in accounting policies made thereafter in adopting the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s"), which became effective for the first time for the current period's financial information, as further detailed below. The financial information of the subsidiary corporations is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiary corporations are consolidated from the date on which the Group obtains control. The interim financial information is presented in Singapore Dollars ("$"). The financial information herein contains condensed consolidated interim financial information and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual consolidated financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with SFRS(I)s. The financial information relating to the financial year ended 31 December 2020 that is included in this unaudited interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. The financial information relating to the financial period ended 30 June 2020 that is included in this unaudited interim financial information as comparative information has not been reviewed or audited.

The interim financial information has been prepared on a going concern basis which contemplates that the Group will be able to pay its debts as and when they fall due and payable and realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts included in the financial statements.

During the financial period ended 30 June 2021, the Group recorded a net loss before tax of $6,018,213 and net cash used in operating activities of $4,340,197. The Group's financial results were impacted by biological asset losses of approximately $8.6 million (AUD$9.1 million) due to the outbreak of an algae bloom in the previous financial year. These events and conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

To ensure sufficient and adequacy of funds to meet its debt obligations and working capital, management had cleared out certain financial liabilities and in August 2021 successfully fundraised $18,225,000 (Note 27) by way of issuing ordinary shares and a listing on Euronext Growth Oslo. Management has prepared and presented a 12 months cash flow forecast to the Board of Directors which demonstrates that the Group will have sufficient funds available to continue as a going concern for at least the next 12 months.

Accordingly, the directors believe the use of the going concern assumption in preparing this interim financial information is appropriate.

2. Significant accounting policies

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Company 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 Company'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 Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

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. Significant accounting policies

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 presented in the balance sheet as deferred income and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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.

2 Significant accounting policies (continued)

2.4 Group accounting (continued)

(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.

(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 Standard.

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 Significant accounting policies (continued)

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.

(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	30 years

2 Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) *Depreciation* (continued)

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.

2.6 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.

2 Significant accounting policies (continued)

2.6 Intangible assets (continued)

(b) Acquired trademarks

Trademarks acquired from business acquisition are capitalised at fair value at the date of acquisition. After initial recognisiton, 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 Significant 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.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying 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 accumulated 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 Significant 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 of cash and cash equivalents and trade and other receivables.

The following is the prescribed subsequent measurement category, depending on the Group's business model in 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 10 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-months 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 Significant 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 proceed 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 reporting date, in which case they are presented as non-current liabilities.

(a) Borrowings

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.

(b) Convertible loans

The total proceeds from convertible loans issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible loans. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

2 Significant accounting policies (continued)

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.

Redeemable convertible preference shares

Preference shares capital which are mandatory redeemable on a specific date are classified as financial liabilities. The dividends on these preference shares are recognised as finance expenses.

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 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.

2 Significant accounting policies (continued)

2.14 Leases (continued)

When the Group is the lessee: (continued)

- Lease liabilities (continued)

  Lease liability is measured at amortised cost using the effective interest method. Lease liability 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 liability is 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.

- Short-term and low-value leases

  The Group has elected to not recognise 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 inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. 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. The amount of any write-down of inventories to net realizable value shall be recognised as an expense in the period the write-down occurs. The amount of any reversal of write-down of inventories, arising from an increase in net realizable value, shall be recognised as a reduction in the amount of inventories recognised or an expense in the period in which the reversal occurs.

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.

2 Significant accounting policies (continued)

2.16 Biological assets (continued)

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.

2.17 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 subsidiaries, 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 Significant accounting policies (continued)

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 made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised 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.

2.19 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 Significant accounting policies (continued)

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.

(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 Significant 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.

3. Revenue

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

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited) $
Sales of goods	17,104,383	14,476,747

4. Other income

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited) $
Interest income from bank deposits	53,090	17,898
Amortisation of capital grants	167,234	63,962
Insurance claim funds	5,357	399
Grants received [(1)]	233,812	786,506
Net foreign exchange gain	875,074	1,795,456
Gain on bargain purchase	-	1,283,470
Others	14,949	15,193
	1,349,516	3,962,884

(1) Grant income of $142,287 (30.6.2020: 398,309) was recognised during the financial period 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.

For the financial period ended 30 June 2020, grant income of $268,742 was recognised during the financial year under the Jobkeeper Grant. The Jobkeeper Grant is a program introduced in Australia, which broadly comprises a wage subsidy to help businesses keep staff employed. Under the Jobkeeper Grant, eligible employers will receive cash grants in relation to the wages of eligible employees.

5. Loss before tax

The Group's loss before income tax is arrived at after charging the following:

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited) $
Employee compensation (Note 6)	7,126,919	5,964,526
Advertisement and promotion	510,839	302,711
Legal and professional fees	350,320	262,860

6. Employee compensation

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited) $
Wages and salaries	5,777,263	4,669,513
Employer's contribution to defined contribution plans	125,511	223,517
Share-based payments	185,226	224,786
Other benefits	1,038,919	846,710
	7,126,919	5,964,526

7. Finance expenses

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited) $
Interest expenses:		
- *Bank borrowings*	632,446	422,449
- *Lease liabilities*	76,436	48,433
- *Convertible loans*	533,014	250,200
	1,241,896	721,082

8. Income tax credit

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 (Unaudited) $
Current income tax credit	-	63,417

9. Cash and cash equivalents

	30 June 2021 $	31 December 2020 $
Cash at bank and on hand	14,346,839	13,360,354
Short-term bank deposits	13,007,202	15,966,905
	27,354,041	29,327,259

Bank deposits are pledged in relation to the security granted for certain borrowings.

10. Trade and other receivables

	30 June 2021 $	31 December 2020 $
Current		
Trade receivables:		
- Non-related parties	3,882,420	3,783,009
- Affiliated company of the Group	37,108	69,281
	3,919,528	3,852,290
Less: Loss allowance	(123,846)	(91,683)
	3,795,682	3,760,607
Other receivables- Non-related parties	573,024	467,784
Advances to customers	9,418	11,932
Deposits	597,158	613,661
Prepayments	1,167,567	1,554,455
Deferred expenses	718,207	-
	6,861,056	6,408,439

During the financial period ended 30 June 2021 and financial year ended 31 December 2020, the Group had recognised a loss allowance of $32,163 and $91,683 respectively against trade receivables. There is no utilisation of loss allowance for the financial period ended 30 June 2021 and financial year ended 31 December 2020.

10. Trade and other receivables (continued)

In assessing the loss allowance for trade receivables, the Group has applied the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit loss (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.

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.

11. Inventories

	30 June 2021 $	**31 December 2021 $**
Finished goods	2,633,389	1,693,446
Feed and medication	462,958	272,776
	3,096,347	1,966,222

The cost of inventories recognised as an expense and included in "raw materials and consumables" amounted to $9,697,048 (31 December 2020: $12,052,277).

There is no write down of inventories during the financial period ended 30 June 2021 and financial year ended 31 December 2020.

12. Biological assets

	30 June 2021 $	31 December 2020 $
Mature fish at sea at fair value	22,886,826	21,873,722
Immature fish at sea at cost	435,363	222,887
Immature fish in nursery at cost	53,892	108,495
Broodstock	673,611	727,500
	24,049,692	22,932,604

Biological assets are presented in the balance sheet as follows:

	$	$
Current	22,886,826	21,883,238
Non-current	1,162,866	1,049,366
Total	24,049,692	22,932,604

Reconciliation of carrying amounts of biological assets

At the beginning of the year	22,932,605	16,661,855
Acquisition via business combination	-	812,995
Fish mortalities	(1,254,897)	(2,511,709)
Cost of fingerlings, feed and medication	6,622,657	11,345,571
Cost of fish harvested	(4,735,421)	(8,514,959)
Fair value adjustment on biological assets	(50,649)	4,256,197
Exchange rate movement	535,397	882,654
At the end of the year	24,049,692	22,932,604

At 30 June 2021, the Group held 2,228,132kg (31 December 2020: 2,278,757kg) of fish in cages at sea.

Broodstock

	30 June 2021 $	31 December 2020 $
Cost		
Beginning of financial year	970,000	-
Acquisition through business combinations	-	970,000
End of financial year	970,000	970,000
Accumulated depreciation		
Beginning of financial year	242,500	-
Acquisition through business combinations	-	157,005
Depreciation charge	53,889	85,495
End of financial year	296,389	242,500
Book value		
End of financial year	673,611	727,500

Refer to fair value measure Note 25 for disclosure on fair value measurement.

13. 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 property	Capital work in progress	Total
	$	$	$	$	$	$	$	$	$
30 June 2021									
Cost									
Balance at 1 January 2021	2,764,532	34,178,172	2,811,885	382,963	409,046	3,166,776	5,800,000	2,025,431	51,538,805
Additions	-	1,771,465	16,062	15,904	35,575	778,685	-	1,462,913	4,080,604
Transfer from capital work in progress	-	551,171	-	-	-	155,971	-	(707,142)	-
Written-off	-	-	-	-	-	(16,476)	-	-	(16,476)
Exchange differences	-	797,718	-	-	-	74,020	-	-	871,738
Balance at 30 June 2021	2,764,532	37,298,526	2,827,947	398,867	444,621	4,158,976	5,800,000	2,781,202	56,474,671
Accumulated depreciation and impairment									
Balance at 1 January 2021	774,341	22,359,048	1,656,875	357,509	385,411	923,874	165,714	-	26,622,772
Depreciation charge	127,688	1,122,662	85,600	10,350	10,297	369,702	82,855	-	1,809,154
Written-off	-	-	-	-	-	(16,476)	-	-	(16,476)
Exchange differences	-	510,569	-	-	-	25,581	-	-	536,150
Balance at 30 June 2021	902,029	23,992,279	1,742,475	367,859	395,708	1,302,681	248,569	-	28,951,600
Net book value									
Balance at 30 June 2021	1,862,503	13,306,247	1,085,472	31,008	48,913	2,856,295	5,551,431	2,781,202	27,523,071

13. 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 property	Capital work in progress	Total
	$	$	$	$	$	$	$	$	$
Group									
31 December 2020									
Cost									
Balance at 1 January 2020	2,735,160	26,184,099	2,865,429	195,139	58,000	1,934,495	-	1,695,306	35,667,628
Additions	29,372	2,636,841	27,090	8,879	15,328	1,171,710	-	907,951	4,797,171
Acquisitions through business combinations	-	3,637,350	-	296,898	335,718	376,857	5,800,000	-	10,446,823
Transfer from capital work in progress	-	596,914	-	-	-	-	-	(596,914)	-
Written-off	-	(202,728)	(80,634)	(117,953)	-	(426,884)	-	-	(828,199)
Exchange differences	-	1,325,696	-	-	-	110,598	-	19,088	1,455,382
Balance at 31 December 2020	2,764,532	34,178,172	2,811,885	382,963	409,046	3,166,776	5,800,000	2,025,431	51,538,805
Accumulated depreciation and impairment									
Balance at 1 January 2020	520,195	16,441,888	1,557,945	145,019	37,838	610,735	-	-	19,313,620
Depreciation charge	254,146	1,867,680	179,089	65,275	23,060	661,879	165,714	-	3,216,843
Acquisitions through business combinations	-	3,356,421	-	257,975	324,513	42,316	-	-	3,981,225
Written-off	-	(176,177)	(80,159)	(110,760)	-	(426,884)	-	-	(793,980)
Exchange differences	-	869,236	-	-	-	35,828	-	-	905,064
Balance at 31 December 2020	774,341	22,359,048	1,656,875	357,509	385,411	923,874	165,714	-	26,622,772
Net book value									
Balance at 31 December 2020	1,990,191	11,819,124	1,155,010	25,454	23,635	2,242,902	5,634,286	2,025,431	24,916,033

14. Leases – The Group as a lessee

Nature of the Group's leasing activities

Leasehold land, sea and buildings, and motor vehicles

The Group leases several assets including leasehold land, sea and buildings, and motor vehicles 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 leases plant and equipment for the purpose of daily operation. The leases have varying terms and are renegotiated upon renewal.

(a) Carrying amounts

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

	30 June 2021 $	31 December 2020 $
Leasehold land, sea and buildings	2,147,006	2,242,911
Plant equipment and boats	1,168,867	1,292,469
Motor vehicles	32,610	-
	3,348,483	3,535,380

(b) Depreciation charge during the period/year

	30 June 2021 $	31 December 2020 $
Leasehold land, sea and buildings	360,724	661,867
Plant equipment and boats	131,469	358,005
Motor vehicles	2,965	-
	495,158	1,019,872

(c) Interest expense

	30 June 2021 $	31 December 2020 $
Interest expense on lease liabilities	76,436	306,207

(d) Lease expense not capitalised in lease liabilities

	30 June 2021 $	31 December 2020 $
Lease expenses - short-term leases	22,160	86,167

14. Leases – The Group as a lessee (continued)

(e) Total cash outflow for all the leases during the financial period ended 30 June 2021 was $742,438 (30 June 2020: $365,579)

(f) Addition of ROU assets during the financial period ended 30 June 2021 was $252,401 (31 December 2020: $1,171,709)

(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 options. 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.

15. Intangible assets

	Protocol asset $	Club membership $	Goodwill $	Trademark $	Total $
Group					
30 June 2021					
Cost					
Balance at 1 January 2021 and 30 June 2021	600,000	15,300	8,726,194	6,104,904	15,446,398
Accumulated amortisation					
Balance at 1 January 2021	192,860	-	-	1,013,855	1,206,715
Amortisation charge	42,857	-	-	239,293	282,150
Balance at 30 June 2021	235,717	-	-	1,253,148	1,488,865
Carrying amounts					
Balance at 30 June 2021	364,283	15,300	8,726,194	4,851,756	13,957,533

15. Intangible assets (continued)

	Protocol asset $	Club membership $	Goodwill $	Trademark $	Total $
Group					
<u>31 December 2020</u>					
Cost					
Balance at 1 January 2020	-	15,300	2,240,496	4,424,904	6,680,700
Acquisition through business combinations	600,000	-	6,485,698	1,680,000	8,765,698
Balance at 31 December 2020	600,000	15,300	8,726,194	6,104,904	15,446,398
Accumulated amortisation and impairment					
Balance at 1 January 2020	-	-	-	535,269	535,269
Acquisition through business combinations	128,574	-	-	-	128,574
Amortisation charge	64,286	-	-	478,586	542,872
Balance at 31 December 2020	192,860	-	-	1,013,855	1,206,715
Carrying amounts					
Balance at 31 December 2020	407,140	15,300	8,726,194	5,091,049	14,239,683

The useful life of the club membership is indefinite.

Goodwill of S$2,240,496 and S$6,485,698 belong to cash generating units ("CGUs") of Marine Produce Australia Pty Ltd and its subsidiary corporations and Barramundi Group Ltd (formerly known as Barramundi Group Pte. Ltd.) and Allegro Aqua Pte. Ltd. respectively. The Directors and management have considered and assessed reasonably possible changes for the key assumptions used for impairment assessment and have not identified any instances that could cause the carrying amount of the CGUs to exceed its recoverable amount. There are no internal and external triggering events that indicate an impairment of goodwill.

16. Trade and other payables

	30 June 2021 $	31 December 2020 $
Trade payables		
- Non-related parties	5,367,133	5,833,558
- Affiliated companies of the Group	86,323	187,319
	5,453,456	6,020,877
Other payables – Non-related parties	1,432,282	12,243,545
Advances	12,821	18,633
Accruals	2,650,936	2,213,535
	9,549,495	20,496,590

Trade payables are normally settled on 30 to 90 days terms.

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

For the financial year ended 31 December 2020, included in other payables are redeemable convertible preference shares of $8,430,000. During the financial period ended 30 June 2021, $1,234,000 was redeemed, $6,186,000 was converted to convertible loans and remaining of $1,072,000 was payable to preference shareholders.

17. Borrowings

	30 June 2021 $	31 December 2020 $
Non-current liabilities:		
Secured bank loans	24,905,862	22,863,487
Lease liabilities	1,724,147	2,082,311
	26,630,009	24,945,798
Current liabilities:		
Secured bank loans	4,962,359	6,581,144
Lease liabilities	1,499,370	1,445,772
Convertible loans	29,396,453	9,383,652
	35,858,182	17,410,568
	62,488,191	42,356,366

17. Borrowings (continued)

Terms and debt repayment schedule

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

				30 June 2021		31 December 2020	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Group							
Secured bank loans	SGD	ABS SIBOR + 2%	2025	5,000,000	5,000,000	5,000,000	5,000,000
Secured bank loans	SGD	ABS SIBOR + 3%	2023	5,000,000	5,245,000	5,000,000	5,245,000
Secured bank loans	SGD	ABS SIBOR + 1.75%	2023	4,000,000	3,615,000	4,000,000	4,000,000
Money Market Line	SGD	Floating rate	-	2,000,000	1,400,000	2,000,000	2,000,000
Money Market Line	SGD	ABS SIBOR + 2%	-	1,000,000	1,000,000	1,000,000	1,000,000
Third party loan	SGD	4%	2023	2,000,000	2,000,000	2,000,000	2,000,000
Secured bank loans	AUD	BBSY + 3.55%	2027	4,600,000	4,396,489	5,150,000	5,014,489
Factoring facility	AUD	5.38%	2021	3,000,000	562,609	3,000,000	1,219,708
Equipment financing	AUD	4.41–5.51%	2024	6,622,763	4,874,279	4,870,339	4,274,024
Convertible loans	SGD	10%, 15%	2020, 2021	29,396,453	29,396,453	9,383,652	9,383,652
Factoring facility	SGD	ABS SIBOR + 3%	-	3,000,000	234,046	-	-

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

- the fixed deposit (Note 9), 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; and

- a subsidiary corporation's all present and after-acquired property and a mortgage over the aquaculture license.

17. Borrowings (continued)

Convertible loans

30 June 2021
The loans were issued in October 2020, February 2021 and May 2021 and mature in October 2021 and August 2021 respectively.

The loans are unsecured and the principal and accrued interest are convertible, at the option of the lenders, into ordinary shares of the Company 7 days before any loan redemption period or at the maturity of the loans at a 20% discount of the latest fundraise. Interest of 10%, 15% per annum is payable quarterly in arrears and interest-free.

The convertible loans are regarded as derivative financial liabilities as they do not meet the “fixed-for-fixed” criterion.

31 December 2020
The loans were issued in May and October 2020 and mature in May and October 2021 respectively.

The loans are unsecured and the principal and accrued interest are convertible, at the option of the lenders, into ordinary shares of the Company 7 days before any loan redemption period or at the maturity of the loans at a 20% discount of the latest fundraise. Interest of 10% and 15% per annum is payable quarterly in arrears.

The convertible loans are regarded as derivative financial liabilities as they do not meet the “fixed-for-fixed” criterion.

Refer to fair value measure Note 25 for disclosure on fair value measurement.

18. Deferred capital grants

	30 June 2021	**31 December 2020**
	$	**$**
Beginning of financial year	5,372,248	437,037
Grants received	-	5,063,134
Amortisation of deferred capital grants	(167,234)	(127,923)
End of financial year	5,205,014	5,372,248

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:

	$	**$**
Current	75,290	127,999
Non-current	4,050,756	3,958,100
Total	5,205,014	5,372,248

19. 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.

20. 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:

	30 June 2021 $	31 December 2020 $
Deferred tax assets	(2,697,033)	(2,604,377)
Deferred tax liabilities	4,050,756	3,958,100
Net deferred tax liabilities	1,353,723	1,353,723

21. Share capital

	30 June 2021 Number of shares	31 December 2020 Number of shares	30 June 2021 $	31 December 2020 $
Group and Company				
Issued and paid up capital				
End of financial period /year	16,069,228	241,038,420	105,154,252	105,154,252

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The following table shows a reconciliation from the beginning balances to the ending balances for share capital:

	30 June 2021 Number of shares	31 December 2020 Number of shares	30 June 2021 $	31 December 2020 $
Group and Company				
Fully paid up ordinary shares				
Beginning of financial period /year	241,038,420	241,238,420	105,154,252	105,259,252
Share consolidation [(a)]	(224,969,207)	-	-	-
Cancellation of shares	-	(200,000)	-	(105,000)
End of financial period /year	16,069,213	241,038,420	105,154,252	105,154,252

(a) On 5 April 2021, the Company completed a shares consolidation of every fifteen existing ordinary shares in the capital of the Company into one ordinary share (the “Share Consolidation”).

21. Share capital (continued)

Capital management

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, Group companies may issue new shares, return capital to shareholders, make dividend payments, increase/decrease shareholders' loans or increase/reduce bank borrowings.

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

22. Other reserves

Composition:

	30 June 2021	**31 December 2020**
	$	**$**
Equity reserve (Note (a))	2,854,500	2,854,500
Employee share option reserve (Note (b))	1,972,960	1,876,054
Currency translation reserve (Note (c))	(1,561,367)	(1,058,967)
Capital reserve (Note(d))	(3,592,563)	(3,592,563)
	(326,470)	79,024

(a) Equity reserve

- the equity component of convertible loans received in previous years that have been converted to paid-up ordinary shares; and
- warrants issued in 2018.

22. Other reserves (continued)

(a) Equity reserve (continued)

Reconciliation of outstanding warrants

The number and weighted-average exercise prices of warrants are as follows:

	Weighted average exercise price 30 June 2021	**Number of options 30 June 2021**	**Weighted average exercise price 31 December 2020**	**Number of options 31 December 2020**
Beginning of the period/year	$0.55	31,409,633	$0.55	31,409,633
Share consolidation	NA	(29,315,657)	NA	-
End of the period/year	$0.55	2,093,976	$0.55	31,409,633
Exercisable at the end of the period/year	$0.55	31,409,633	$0.55	31,409,633

Under the terms of the issuance of warrants in 2018, holders of the warrants are entitled to purchase shares at $0.55 per share, at any time within a period of 3 years from the issue of the warrants. The fair value of the warrants has been measured using the residual method. All warrants are held by shareholders of the Company.

(b) Employee share option reserve

	30 June 2021 $	**31 December 2020 $**
Beginning of financial period/year	1,876,054	2,143,928
Vested during the period/year	185,227	337,757
Cancelled during the period/year	(88,321)	(605,631)
End of financial period/year	1,972,960	1,876,054

Employee share option reserve represents the equity-settled share options granted to employees. The reserve made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options

(c) Currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

(d) Capital reserve

Capital reserve represents excess of deemed consideration received by equity owners of the Company resulting from deemed disposal of interests in a subsidiary corporation.

23. Commitments

Capital commitments

	Group 30 June 2021 $	Group 31 December 2020 $
Acquisition of plant and equipment	773,724	109,279

24. Related party transactions

(a) *Sales and purchases of goods and services*

	For the financial period from 1 January 2021 to 30 June 2021 $	For the financial period from 1 January 2020 to 30 June 2020 $
Management fee to ultimate holding corporation	62,500	62,500

Outstanding balances as at 30 June 2021 and 30 June 2020 are unsecured and receivable/payable within 12 months from the end of the reporting period and are disclosed in Notes 10 and 16 to financial statements respectively.

(b) *Key management personnel compensation*

	30 June 2021 $	30 June 2020 $
Salaries and bonuses	744,070	496,033
Employer's contribution to Central Provident Fund	6,010	1,868
Share-based payments	185,227	224,786
	935,307	722,687

25. Fair value measurement

Fair value hierarchy

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 $
30 June 2021				
Derivative financial instruments				
Convertible loans	-	29,396,453	-	29,396,453
Non-financial assets				
Consumable biological assets	-	24,049,692	-	24,049,692
31 December 2020				
Derivative financial instruments				
Convertible loans	-	9,383,652	-	9,383,652
Non-financial assets				
Consumable biological assets	-	22,932,604	-	22,932,604

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.

26. New or revised accounting standards and interpretations

Below are the mandatory standards and amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 July 2021 and which the Group has not early adopted.

Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I) 16: Property, plant and equipment - proceeds before intended use
- Amendments to SFRS(I) 1-37: Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to SFRS(I)s 2018 - 2020

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

Effective for annual periods beginning on or after 1 January 2023

• Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
• Amendments to SFRS(I) 17 Insurance Contracts
• Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
• Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
• Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date: to be determined*

• Amendments to SFRS(I) 10 and SFRS(I) 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore (“ASC”) in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.

27. Events occurring after balance sheet date

a) On 5 July 2021, the Group’s subsidiary corporation, Fassler allotted and issued 20,408,163 ordinary shares of which the Company subscribed to 10,000,000 ordinary shares for a cash consideration of $980,000 and an affiliated company subscribed to the remaining 10,408,163 of ordinary shares for a cash consideration of $1,020,000. There is no change in Group’s percentage of ownership in Fassler.

b) On 6 August 2021, a total of $235,000 convertible loans were redeemed. The remaining amounts of $29,161,453 were converted to ordinary shares.

c) On 11 August 2021, the Company issued 8,100,000 ordinary shares for a total consideration $18,225,000 for cash to provide funds for expansion of the Company’s operations.