

INFORMATION DOCUMENT

BARRAMUNDI GROUP LTD. – EXTRACT FROM PROPOSED SCHEME OF ARRANGEMENT

IMPORTANT NOTICE

THIS DOCUMENT CONTAINS EXTENSIVE AND DETAILED INFORMATION AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD CONSULT YOUR SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR IMMEDIATELY.

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On [28 May] 2025, Barramundi Group Ltd. (the "**Company**"), with its shares listed on the Euronext Growth Oslo Exchange the (the "**Shares**"), circulated a proposal to certain unsecured creditors for a pre-packaged scheme of arrangement (the "**Scheme**" or the "**Scheme of Arrangement**" or the "**Scheme Document**") pursuant to section 71(1) of the Singapore Insolvency, Restructuring and Dissolution Act 2018 (the "**IRDA**"). Subject to the requisite votes being obtained from said creditors within the set deadline, being 4.00pm (Singapore Time), 11 June 2025, the Company will apply to the General Division of the High Court of Singapore (the "**Court**") for the Scheme to be approved.

This information document (the "**Information Document**") contains an extract from the Scheme Document for the purposes of facilitating that information in that document which may be of relevance for investors in the Shares is made public, thereby also securing compliance with the Euronext Growth Oslo listing rules' provisions on equal treatment of shareholders and the obligation to make public any inside information regarding the Shares.

This Information Document does not constitute a prospectus within the meaning of the prospectus regulations of the European Union and has not been reviewed by any authority. The Information Document has been drawn up under the responsibility of the Company.

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1. BARRAMUNDI GROUP LTD – THE COMPANY

- 1.1 The Company, Barramundi Group Ltd., was incorporated in Singapore on 10 December 2007, with UEN 200722778K. The registered office of the Company is 35 Fishery Port Road, 116 New Fish Merchant Building, Singapore 619742. Its shares are listed on the Euronext Growth Oslo Exchange.
- 1.2 The Company is an aquaculture company. The Company, together with its subsidiaries (the “**Group**”), produces responsibly grown barramundi through an end-to-end aquaculture model.
- 1.3 The Group previously owned and operated both sea and land farms in Australia and Singapore with sales and distribution at over 1,600 restaurants, hotels and retailers around the world. The Group currently operates a land nursery and sea farms in Brunei. The Group also possesses comprehensive in-house capabilities including fish vaccine development, end-product innovation and processing, and hatchery facilities.
- 1.4 The directors of the Company are presently as follows:
- 1.4.1 Mr Andrew Kwan Kok Tiong;
- 1.4.2 Dato Khairuddin Abd Hamid; and
- 1.4.3 Mr Tsang Eric Fan Zee.
- 1.5 As of 13 May 2025, the top 20 shareholders of the Company are as follows:

S/N	Name	Stake
1	The Bank of New York Mellon SA/NV	11.15%
2	Warif Holdings Limited	10.82%
3	Saxo Bank A/S	8.39%
4	The Bank of New York Mellon	6.26%
5	Citibank, N.A.	6.11%
6	Brown Brothers Harriman & Co.	5.79%
7	Sandquist, Patricia Rodrigues Da Costa	5.25%
8	Southern Capital Management Ltd	4.78%
9	Swedbank AB	4.20%
10	Louis Dreyfus Company Asia Pte Ltd	3.67%

S/N	Name	Stake
11	Skandinaviska Enskilda Banken AB	3.10%
12	Brown Brothers Harriman & Co.	2.75%
13	Corby, Mitka	2.61%
14	Den Bieman, Johannes Cornelis Antonius	2.22%
15	Deutsche Bank Aktiengesellschaft	2.20%
16	Ling, Tok Hong	2.00%
17	UBS Switzerland AG	1.90%
18	Brown Brothers Harriman & Co.	1.44%
19	Barramundi Group Holdings Pte. Ltd	1.21%
20	Chlorophil S.A	1.14%

- 1.6 The Company's sole secured creditor is United Overseas Bank Limited (the "**Secured Creditor**"), which has extended to the Company 1 money market line facility (the "**MML Facility**"), and 3 temporary bridging loans under the Singapore Enterprise Financing Scheme (the "**TBL ESG Facilities**") (collectively, the "**Secured Creditor Loans**"). As of 10 April 2025, the unpaid principal on the Secured Creditor Loans is S\$10,076,804. The Secured Creditor Loans are secured by fixed and floating charges over all of the Company's assets, including its shares in the Company's subsidiaries.

- 1.7 As of 28 February 2025, the Company's liabilities are as follows:

S/N	Creditor	Amount (S\$)
Current liabilities		
1	Amounts owing to the Secured Creditor	10,076,804
2	Loans and borrowings - third parties	117,988
3	Loans and borrowings - related parties	8,512,541
4	Interim Rescue Financing Loan	300,000
5	Trade and other payables - third parties	1,682,189
6	Trade and other payables - related parties	3,035,636
7	Deferred capital grants	75,290
8	Sub-Total:	S\$ 20,200,094
Non-current liabilities		

9	Loans and borrowings - third parties	6,720
10	Loans and borrowings - related parties	3,462,541
11	Deferred capital grants	3,376,695
12	Sub-Total:	6,845,956
13	Total loans and borrowings:	S\$27,046,050

2. THE GROUP'S BUSINESS

2.1 The Group is involved in the entire value chain of barramundi fish production through an end-to-end aquaculture model. Barramundi fish has been described in news media as having the potential to become the "salmon of the tropics", because they grow well in tropical waters and can be cooked in various styles across different cuisines.

2.2 The Company has been recognised for successfully applying agri-technology to boost production and productivity in its farms. Some examples of the Company's technologically-assisted farming methods include:

2.2.1 the use of a semi-automated fish grading machine, which sorts fish according to their size (a process previously done completely by hand) by sending them through flexible steel bars; and

2.2.2 the use of a semi-automated vaccination machine, which vaccinates 9,000 fish in an hour, compared to 600 fish an hour if done by hand.

2.3 The key business of the Group is as follows:

2.3.1 Barramundi Group (B) Sdn Bhd ("BGL Brunei"): BGL Brunei is involved in barramundi farming and operates a land nursery and sea farms in Brunei. BGL Brunei was incorporated following a Memorandum of Understanding signed between the Company and Brunei's Ministry of Primary Resources and Tourism to develop a 6,600 hectare fish farm in Brunei, and to export fish to Singapore. BGL Brunei has existing sea leases for two farm sites in Brunei.

2.3.2 Fassler Gourmet Pte Ltd ("Fassler"): Fassler is a leading seafood processor and Singapore's first seafood smoking house. It produces a wide range of fresh and frozen seafood products, sold through online platforms, supermarket chains, retailers, hotels, restaurants and caterers. The Company owns a minority 49% stake in Fassler. The Group retains operational control over Fassler and thus consolidates Fassler into its financial results.

2.3.3 Allegro Aqua Pte. Ltd. ("Allegro Aqua"): Allegro Aqua was acquired by the Company from Temasek Life Sciences Laboratory in 2020, through which the

Company obtained ownership of 240 pieces of barramundi broodstock (i.e. mature barramundi fish used for aquaculture breeding purposes) from a breeding programme that began around 2003 or 2004. The broodstock is housed at the Singapore Food Agency's ("**SFA**") Marine Aquaculture Centre on St John's Island, and is part of a selective breeding programme developed by scientists from the Temasek Life Sciences Laboratory and the SFA to produce genetically superior barramundi broodstock that tastes better, is healthier for consumers, and is easier for farmers to rear. The programme aims to breed superior strains of barramundi for desirable genetic traits like fast growth, greater disease resilience and higher Omega-3 oil content. Save for holding the title to the broodstock and the maintenance of the broodstock, Allegro Aqua has no other commercial activity.

- 2.3.4 UVAXX Pte. Ltd. ("**UVAXX**"): UVAXX is an industry leader in research and development of proprietary autogenous (i.e. custom-made) vaccines for fish (including vaccines developed specifically for barramundi), developed and produced in-house for the Group as well as for commercial sale. UVAXX also provides health monitoring services to the Group across its fish farms in Brunei and Singapore (when the farms in Singapore were operating). UVAXX has a total of 33 autogenous and dip vaccines approved by the Singapore Agri-Food and Veterinary Authority (now the SFA), with more undergoing the approval process and in development. UVAXX does not have significant commercial operations at present.
- 2.3.5 Barramundi Asia (Shanghai) Co. Ltd. ("**BGL Shanghai**"): BGL Shanghai is engaged in the importing and trading of fish. However, its operations have been limited and revenue minimal since around March 2020 due to the extensive coronavirus disease 2019 ("**COVID-19**") lockdowns measures which limited trade in China. BGL Shanghai has been dormant since the second half of 2023.
- 2.3.6 Marine Produce Australia Pty Ltd (i.e., MPA): MPA and its subsidiaries MPA Fish Farms Pty Ltd ("**MPAFF**") and MPA Marketing Pty Ltd ("**MPAM**"), were involved in the seafood and aquaculture industry including the farming of barramundi in sea farms out of Cone Bay in Kimberley, Western Australia, under the "Cone Bay Ocean Barramundi" brand name. MPA and its subsidiaries were Australia's only producer and supplier of ocean-grown barramundi. MPA, MPAFF and MPAM were placed into voluntary administration in Australia in May 2023. In July 2023, MPAFF and MPAM were acquired by Tassal Group Limited ("**Tassal**"). On 18 September 2023, the creditors of MPA voted for MPA to be wound up. MPA was accordingly placed under creditors' voluntary liquidation on 18 September 2023.

3. CIRCUMSTANCES LEADING UP TO THE RESTRUCTURING

3.1 The Company has experienced financial difficulties as a result of several factors.

A. Reduced revenue and operating cashflows

3.2 In Singapore, there has been an increasing trend of sporadic incidences of mortalities in barramundi fish in the past 5 years. A viral outbreak in December 2021 led to a substantial mortality event which lasted through to 2022, wiping out a significant population of the Company's fish farms in Singapore. These outbreaks were caused by the scale drop disease virus ("**SDDV**"), which is a viral infection that is endemic in Southeast Asia and affects barramundi fish, causing them to shed scales and develop skin lesions. Mortality rates for SDDV can be as high as 70%.

3.3 In May 2023, the Company assessed and determined that without an efficacious vaccine, it was not justifiable to continue stocking and production in the Singapore farms. The Company therefore focused on its plans to pivot to its existing operations into Brunei (i.e., 'BGL 2.0', described further below). SDDV has not been reported in Bruneian waters.

3.4 By June 2023, the Company ceased farm operations in all its three fish farm sites in Singapore. There are currently no plans for operations to resume in the Singapore farm sites.

B. Constraints around monetising the Company's barramundi broodstock

3.5 The Company has endeavoured to monetise its naturally-selected, genetically superior broodstock (held through Allegro Aqua), but concerns surrounding possible biosecurity breaches (e.g. potential for SDDV infection) have dampened interest from potential buyers.

3.6 The Company is also unable to engage in commercial activity that would allow for the production and sale of juveniles (fry and fingerling) derived from the broodstock, because of lease conditions for its broodstock and hatchery facilities on St John's Island, which restrict use of the premises to research and development.

3.7 The Company continues to incur monthly costs to maintain this broodstock, which is unable to be monetised at this time, placing strain on the cashflows of the Company.

C. Financial constraints on the Company's subsidiaries

3.8 The Company's subsidiaries are also, at present, unable to pay any dividends to the Company as shareholder, or to repay the intercompany loans provided by the Company.

(1) MPA

- 3.9 The Company acquired MPA in 2018 and took over its operations on 2 July 2018. Shortly after the acquisition, MPA's farm experienced a mortality event in which almost 40% of its total biomass died due to a hazardous algal bloom.
- 3.10 The COVID-19 pandemic brought further challenges for MPA's business. Global travel restrictions and nationwide lockdowns severely impacted MPA's revenues as the hotels, restaurant and catering sector in Australia largely collapsed overnight.
- 3.11 Global disruptions in labour, supply chains and raw materials also resulted in an increase in the cost of fish feed (which is fish farming's largest cost component) and feed freight costs.
- 3.12 Despite efforts to explore areas of investment and to increase MPA's profitability through securing new sea leases for fish farming sites in Australia, these fundraising opportunities did not materialise and MPA's business remained loss-making.
- 3.13 As a result, the Company provided significant financial resources to MPA to support its operations, primarily by way of intercompany loans which amounted to approximately A\$41,149,005 ("**BGL-MPA Intercompany Loans**") (approximately S\$36.4 million) by the end of the pandemic.
- 3.14 In light of their financial difficulties, MPA, MPAM and MPAFF were placed into voluntary administration in Australia on 24 May 2023. MPAM and MPAFF were sold to Tassal as part of the voluntary administration process in July 2023. The recovery of amounts owing from the process was minimal, amounting to A\$16,000 (approximately S\$14,000) of the trade amounts owed by the MPAFF and MPAM to the Company of A\$2,010,249.99 (approximately S\$1,773,203).
- 3.15 On 18 September 2023, the creditors of MPA voted for MPA to be wound up, and MPA was placed into a creditors' voluntary liquidation in Australia.
- 3.16 The BGL-MPA Intercompany Loans were not repaid at the time of MPA's liquidation and remained owing. The Company does not expect to receive any recoveries from the liquidation of MPA, as MPA's liquidators have indicated that there will be no return on the BGL-MPA Intercompany Loans in MPA's liquidation. The BGL-MPA Intercompany Loans have been written off in the Company's financial accounts during the financial year ended 31 December 2023.

(2) Other subsidiaries

- 3.17 The Company's other subsidiaries are also unable to provide financial support to the Company.
 - 3.17.1 While Fassler runs an established business in seafood products, existing debt obligations at Fassler prohibit issuance of dividends to Fassler's shareholders

until those debt obligations are fully repaid. Accordingly, the Company does not anticipate any dividends from Fassler.

3.17.2 Allegro Aqua exists as a vehicle to hold and maintain the broodstock currently housed at the SFA's Marine Aquaculture Centre on St John's Island facility as biological assets, but does not otherwise have commercial operations and therefore does not generate cash.

3.17.3 UVAXX is in a net liabilities position and currently relies on the Company for some working capital. Despite a recently announced clinical breakthrough of a new T-cell epitope vaccine, some 3 to 5 years of field and safety trials are required before the product can be commercialised. While the Company has approached potential investors, many have cited the uncertainty of the Company's debt-ridden balance sheet, the Secured Creditor's security over the assets of the Company (including its shareholdings of UVAXX) and BGL Brunei's lack of production volume as barriers to more concrete outcomes. UVAXX is not in a financial position to make repayment of its intercompany loans from the Company, or pay out any dividends to the Company as shareholder.

3.17.4 BGL Shanghai is currently dormant. It is not in a financial position to make repayment of its intercompany loans from the Company, or pay out any dividends to the Company as shareholder.

D. 'BGL 2.0'

3.18 As part of 'BGL 2.0', the Company has pivoted its farming business to Brunei, shut down its farm operations in Singapore, and sold its Australian farm operations. The Company continues to operate the Group's sales and marketing activities in Singapore.

3.19 BGL Brunei operates the Group's business in Brunei, which has significant potential for growth, due to the large areas of sea and land leases (now in excess of 8,000 hectares) in Brunei that the Group has managed to secure from the Bruneian Department of Fisheries since 2021. It also enjoys the support of the Bruneian government, which is a significant (second largest) shareholder of the Company (approximately 10.82% shareholding in the Company held through Warif Holdings Limited), and which is looking to strategically build up its nascent farming and aquaculture sector as a means of diversifying away from reliance on its oil and gas sector.

3.20 In February 2024, BGL Brunei secured a facility offer of B\$15 million from a Bruneian financial institution, Perbadanan Tabung Amanah Islam Brunei. This facility is intended to fund:

- 3.20.1 the construction of a Recirculating Aquaculture System (“**RAS**”) broodstock and hatchery centre, complementing the BGL Brunei’s existing RAS nursery operations in Brunei. RAS is a close-looped system that utilises a series of water treatment processes to ensure water quality and increase biosecurity by reducing the risk of disease outbreaks. The RAS broodstock and hatchery centre will allow BGL Brunei to supply a steady stream of barramundi for year-round stocking and harvest;
- 3.20.2 deployment of sea cages at BGL Brunei’s existing deep sea lease site at Pelong Rocks; and
- 3.20.3 operating expenditures, including fish feed.
- 3.21 The construction of the RAS broodstock and hatchery centre and the deployment of the sea cages at Pelong Rocks is part of the first phase of the BGL Brunei farming project, which will equip BGL Brunei’s Brunei farming sites with the ability to produce 1,100 tonnes of fish annually. It is expected that this will increase the Group’s annual revenue by an estimated SG\$15 million.
- 3.22 BGL Brunei successfully commissioned its RAS land-based nursery that allows it to produce over 2 million fry (i.e. young fish which are capable of feeding by themselves) annually to stock the Brunei farming sites. BGL Brunei has successfully harvested fish from its sea nursery cages beginning from 2022.
- 3.23 BGL Brunei is in the early stages of developing its full operational and production capabilities, and it is not yet generating sufficient cashflows to support itself nor the Company. The fish currently housed in the Brunei farming site will also take time (approximately 18 or more months) to reach commercial harvest sizes. An ideal outcome for the Group would be where the Group successfully attracts investors and raises financing that is sufficient to support the operations of the Company’s subsidiaries for the short to medium term future, until the Bruneian farm achieves commercial production, expected in or around the second half of 2026.
- 3.24 One of the Group’s aims is to ultimately re-enter the China, Singapore and international markets with sale of the fish harvested from the Brunei farming site.
- 3.25 The Company will also continue manufacturing vaccines for its fish stock in Brunei as well as for sale to third party regional farms, and continue production of juvenile fry (i.e. young fish which are capable of feeding by themselves) and fingerlings (i.e. young fish that have developed scales and working fins) for sale to the region (through the Brunei farming operations).

E. The Moratorium

- 3.26 As significant time is required to increase the value of the subsidiaries (particularly BGL Brunei), the Company does not expect any significant equity returns from any sale of its subsidiaries in the short term. The Company also has limited cash resources on hand.
- 3.27 On 11 October 2024, the Company applied to the General Division of the High Court of the Republic of Singapore (the “**Court**”) for moratorium protection pursuant to section 64 of the IRDA. The purpose of the moratorium was to facilitate the reorganisation of the liabilities and business of the Group, to preserve the value of the Group's core business and maintain a sustainable capital structure. On 7 October 2024, the Court granted the moratorium order until 11 February 2025.
- 3.28 On 28 January 2025, the Company applied to the Court for the moratorium order to be extended until 11 May 2025. On 31 January 2025, the Court granted an interim extension of the moratorium order until the hearing of the extension application. On 19 February 2025, the Court granted an extension of the moratorium order until 11 May 2025. On 25 April 2025, the Company applied to the Court for the moratorium order to be extended until 11 July 2025. On 5 May 2025, the Court granted an extension of the moratorium order until 11 July 2025.
- 3.29 The Company has been working with its advisors to formulate a comprehensive debt restructuring proposal which will benefit all its creditors at large. It has resulted in the proposed restructuring via the Private Placement (as defined in paragraph 5.1 below), the Shareholders’ Convertible Loans (as in paragraph 6.1 below), and the Scheme of Arrangement for which the vote of the Scheme Creditors (as defined in paragraph 4.1 below) is sought.
- 3.30 In the meantime, the Company received a S\$400,000 loan from an existing shareholder, Mr Andrew Kwan Kok Tiong, as interim rescue financing (the “**Interim Rescue Financing Loan**”). This sum has been applied as follows:

S/N	Description	Amount
1	The Company’s general working capital purposes	S\$19,995.17
2	Payment of fees and disbursements of the Company’s legal advisors in the restructuring, Allen & Gledhill LLP (“ A&G ”)	S\$195,004.83
3	Payment to A&G as a deposit to be held in A&G’s client account for the purposes of its professional services and related disbursements in connection with the restructuring	S\$35,000
4	Payment of fees and disbursements of the Company’s financial advisors, KordaMentha Pte Ltd (“ KM ”)	S\$50,000

S/N	Description	Amount
	Total:	S\$300,000.00

4. THE PROPOSED RESTRUCTURING - OVERVIEW

- 4.1 For the purposes of the Scheme, every creditor of the Company, save for the Excluded Creditors as defined in paragraph 8.17 below, is a scheme creditor (each a "**Scheme Creditor**" and together the "**Scheme Creditors**").
- 4.2 The restructuring of the Company will take place by way of a fund-raising exercise via a private placement and shareholders' convertible loans, coupled with a debt restructuring of the Scheme Creditors' debts under the Scheme. The intended Scheme is contingent on the injection of S\$4,200,000 of fresh capital (the "**Scheme Funds**"), to be raised via the private placement and shareholders' convertible loans.
- 4.3 Further details of the private placement, the shareholders' convertible loans and the Scheme are set out below.

5. THE PRIVATE PLACEMENT

- 5.1 S\$3,400,000 of the Scheme Funds will be raised via a private placement (the "**Private Placement**") by the Company of 135,032,761 new ordinary Shares (inclusive of the Shares to be issued to the Secured Creditor under the Debt-Equity Swap, as defined in paragraph 8.4 below) in the capital of the Company (such new Shares to be issued pursuant to the Private Placement, the "**Subscription Shares**") at a price of S\$0.0289 per Share (the "**Issue Price**").
- 5.2 Two existing shareholders, Mr Andrew Kwan Kok Tiong (who is a substantial shareholder in the Company through his approximately 10.97% shareholding in the Company held through his nominee, The Bank of New York Mellon SA/NV) and Warif Holdings Limited, have agreed to participate in the Private Placement (Mr Andrew Kwan Kok Tiong through his nominee The Bank of New York Mellon SA/NV), with an investment amount of up to S\$1,196,304.25 each (that is, an aggregate investment amount of up to S\$2,392,608.50). Both Mr Andrew Kwan Kok Tiong and Warif Holdings Limited have confirmed to the Company that they are not acting in concert to obtain or consolidate effective control of the Company.
- 5.3 Selected existing shareholders of the Company (the "**Initial Investors**") who indicated expressions of interest to provide funding to the Company during bilateral canvassing efforts by the Company were invited to participate in the Private Placement. To date, nine (9) other shareholders have agreed to participate in the Private Placement.

- 5.4 A subsequent offering with similar terms may be offered to the remaining shareholders of the Company to comply with the applicable listing rules of the Euronext Growth Oslo Exchange, in line with market practice and subject to available exemptions.
- 5.5 At the closing of the Private Placement, the expected shareholding of Mr Andrew Kwan Kok Tiong (through his nominee, The Bank of New York Mellon SA/NV), Warif Holdings Limited, and the Initial Investors (collectively, the “**Subscribers**”) will be 26.09%, 26.06%, and 23.23%, respectively. The shareholding percentages of Mr Andrew Kwan Kok Tiong (through his nominee, The Bank of New York Mellon SA/NV), Warif Holdings Limited, and the Initial Investors may be reduced in the event new Shares are allotted and issued to the remaining shareholders pursuant to the subsequent offering referred to in paragraph 5.4.
- 5.6 The Private Placement is expected to complete, and the S\$3,400,000 injected into the Company, after the approval of the Scheme by the Court under section 71(1) of the IRDA. The Private Placement is conditioned on the following being satisfied or waived in accordance with the terms of the Subscription Agreement (briefly summarised):
- 5.6.1 the entry into of a Subscription Agreement in respect of the Private Placement amongst the Subscribers, the Secured Creditor and the Company;
 - 5.6.2 a copy of the Order of Court approving the Scheme being lodged with the Registrar of Companies in accordance with section 71(10) of the IRDA;
 - 5.6.3 the passing of a board resolution by the directors of the Company approving, *inter alia*, (i) the entry into and performance by the Company of the Subscription Agreement; and (ii) the allotment and issuance of the Subscription Shares to the Subscribers in accordance with the terms of the Subscription Agreement;
 - 5.6.4 the passing of a shareholders’ resolution by the shareholders of the Company granting the directors of the Company the authority pursuant to section 161(1) of the Companies Act to allot and issue the Subscription Shares to the Subscribers in accordance with the terms of the Subscription Agreement; and
 - 5.6.5 the transactions contemplated by the Subscription Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority in Singapore or any other jurisdiction which is applicable to the Company.
- 5.7 The closing steps for the Private Placement are described briefly as follows:

5.7.1 On the completion date under the Subscription Agreement, each Subscriber shall pay the amount equivalent to its respective number of Subscription Shares multiplied by the Issue Price.

5.7.2 On the completion date under the Subscription Agreement, the Company shall:

- (i) allot and issue the Subscription Shares to the Subscribers (or their respective nominee or custodian holding Shares on such Subscriber's behalf as bare nominee (a "**Nominee**"), if applicable);
- (ii) procure that the Subscribers (or their respective Nominee, if applicable) be registered in the register of members of the Company as the holder of their respective Subscription Shares; and
- (iii) procure that the relevant return of allotment in relation to the Subscription Shares be filed with all relevant authorities in Singapore or elsewhere (if required) within the applicable deadlines stipulated under applicable law.

6. THE SHAREHOLDERS' CONVERTIBLE LOANS

6.1 The remaining S\$800,000 in Scheme Funds will be raised via convertible shareholders' loans (collectively, the "**Shareholders' Convertible Loans**", and each, a "**Shareholders' Convertible Loan**") by each of Mr Andrew Kwan Kok Tiong and Warif Holdings Limited to the Company for up to S\$400,000 each. Each Shareholders' Convertible Loan is provided to the Company in the form of a loan facility under which the Company may from time to time utilise such loan facility by delivering to Mr Andrew Kwan Kok Tiong or Warif Holdings Limited (as the case may be) a utilisation request for such amount which must be in multiples of S\$50,000 and, when added to the aggregate amount of all outstanding loans prior to the relevant utilisation date and all loans that are due to be made on or before the relevant utilisation date, does not exceed S\$400,000.

6.2 The availability of the Shareholders' Convertible Loans is conditioned on the following being satisfied or waived in accordance with the terms of the Convertible Loan Agreements (as defined below) (briefly summarised):

6.2.1 the entry into the convertible loan agreements in respect of the Shareholders' Convertible Loans amongst (i) Mr Andrew Kwan Kok Tiong and the Company and (ii) Warif Holdings Limited and the Company (collectively, the "**Convertible Loan Agreements**");

6.2.2 a copy of the Order of Court approving the Scheme being lodged with the Registrar of Companies in accordance with section 71(10) of the IRDA;

- 6.2.3 the passing of a shareholders' resolution by the shareholders of the Company authorising the directors of the Company to allot and issue shares upon conversion of the Shareholders' Convertible Loans in accordance with the terms of the Shareholders' Convertible Loans;
 - 6.2.4 the passing of a board resolution by the directors of the Company approving the execution and performance by the Company of the Shareholders' Convertible Loans; and
 - 6.2.5 the release and discharge of any and all security over the assets of the Company provided by the Company to the Secured Creditor (as set out in further detail at paragraph 8.9 below).
- 6.3 The term of each Shareholders' Convertible Loan will be for 1 year, subject to renewal on an annual basis to be agreed (on the one hand) by Mr Andrew Kwan Kok Tiong or Warif Holdings Limited (as the case may be) and (on the other hand) the Company. Interest will accrue on each Shareholders' Convertible Loan at a rate of 5.3% per annum. The principal amount and all interest accrued under each Shareholders' Convertible Loan is payable in a single lump sum on the maturity date of such Shareholders' Convertible Loan (taking into account any extension(s) as may be agreed as described in this paragraph 6.3).
- 6.4 At any time prior to the full repayment of the Shareholders' Convertible Loan by Mr Andrew Kwan Kok Tiong or Warif Holdings Limited (as the case may be), Mr Andrew Kwan Kok Tiong or Warif Holdings Limited (as the case may be) may in its sole discretion elect to convert all or any part of the principal amount and accrued interest under its Shareholders' Convertible Loan into such number of Shares as determined by the conversion price, which shall be the lower of: (a) S\$0.0289; and (b) the five days' moving average of the price per share listed on Euronext (EURONEXT: "BARRA") as of the conversion date, based on the applicable exchange rate for NOK:SGD. Any conversion of the debt under the Shareholders' Convertible Loans is subject to all laws, by-laws, rules, regulations, binding notifications, orders, ordinances, protocols, codes, decrees, directions or judgments of any national, supranational or supervisory or other government, governmental (whether trade, administrative, statutory or regulatory) body, agency, commission or authority or any court, tribunal, arbitral or judicial body ("**Governmental Authorities**"), in force from time to time, and receipt by the Company of any approvals required from Governmental Authorities or the Euronext Growth Oslo Exchange.
- 6.5 The debt owing by the Company under the Shareholders' Convertible Loans shall rank and will at all times rank in all respects senior to all other present and future unsecured and unsubordinated debts of the Company.

7. UTILISATION OF SCHEME FUNDS

- 7.1 The S\$4,200,000 in Scheme Funds raised through the Private Placement and the Shareholders' Convertible Loans are envisioned to be applied as follows:

Details	Amount (S\$)
Scheme Funds	4,200,000
Less:	
16 months' working capital for the Company (inclusive of payment to operational suppliers and service providers who are Excluded Creditors)	925,280
12 months' maintenance for the Company's sea and land leases in Singapore (inclusive of payment to operational suppliers and service providers who are Excluded Creditors)	12,000
Payment to the Excluded Creditors (other than fees incurred in connection with the Scheme)	855,660
Payment to the Excluded Creditors as fees incurred in connection with the Scheme	940,000
Repayment of Interim Rescue Financing Loan	400,000
Envisaged Surplus	1,067,060
Distributions to Scheme Creditors (other than the Secured Creditor and the Related Party Creditors, as defined at paragraph 8.16 below) under the Scheme	60,000
Distributions to the Secured Creditor under the Scheme	1,000,000

8. DEBT RESTRUCTURING UNDER THE SCHEME

- 8.1 Under the Scheme, the debts owed by the Company to the Scheme Creditors will be restructured. A brief description of the debt restructuring is set out in this section.
- 8.2 The Scheme takes effect on the date on which all of the following conditions have been satisfied (the "**Scheme Effective Date**"):
- 8.2.1 the approval of the Court being obtained, with or without modification, additions or conditions imposed by the Court, pursuant to section 71(1) of the IRDA; and
 - 8.2.2 a copy of the Order of Court approving the Scheme being lodged with the Registrar of Companies in accordance with section 71(10) of the IRDA.

- 8.3 The payments to the Scheme Creditors (other than the Secured Creditor and the Related Party Creditors (as defined at paragraph 8.16 below)) are triggered upon the date on which all of the following conditions have been satisfied (the “**Restructuring Effective Date**”):
- 8.3.1 the completion of the Private Placement in accordance with the terms of the Subscription Agreement; and
 - 8.3.2 there are no pending appeals against the Scheme, and no injunction or other order has been issued by any court of competent jurisdiction or any other legal restraint or prohibition preventing consummation of the Scheme or the transactions arising out of or in relation to the Scheme (including the Private Placement).

Debt-Equity Swap with the Secured Creditor

- 8.4 The Secured Creditor will be a party to the Subscription Agreement under which the Secured Creditor will agree to subscribe for 17,540,274 Shares (being 10% of the total issued Share capital of the Company after closing of the Debt-Equity Swap, as defined below) at the price of S\$0.0289 per Share (i.e., the same price as the Issue Price) in consideration of the partial discharge, release and settlement of the amounts owed by the Company to the Secured Creditor under the TBL ESG Facilities on a proportionate basis based on the outstanding principal under each facility (“**Debt-Equity Swap**”). Completion of the Debt-Equity Swap will take place simultaneously with completion of the Private Placement.
- 8.5 A notional value has been attributed to the Shares which the Secured Creditor will receive under the Debt-Equity Swap. This value was attributed solely to facilitate the mechanics of the Scheme and the entry into of related documents including the Share Subscription Agreement. Such valuation is not intended to, and shall not, constitute a representation of the market value of the Shares or the actual amount of recovery by the Secured Creditor should it decide to dispose of its Shares. Until and unless the Secured Creditor (in its sole discretion) disposes of its interest in the Shares, the value of its Shares shall be zero.
- 8.6 The Debt-Equity Swap is conditioned on the same conditions for the Private Placement as set out in paragraph 5.6 above.
- 8.7 The closing steps for the Debt-Equity Swap are the same conditions for the Private Placement as set out in paragraph 5.7 above.

Payment to the Secured Creditor

- 8.8 Within 5 months from the Scheme Effective Date, the Company shall make payment of S\$1,000,000 to the Secured Creditor. This sum will be applied solely towards the

partial discharge, release, and settlement of the sums owed by the Company to the Secured Creditor under the MML Facility. This sum of S\$1,000,000 shall not be applied towards any of the TBL ESG Facilities.

Release of the Secured Creditor's security

- 8.9 Payment of the sum of S\$1,000,000, the Debt-Equity Swap and issuance of the SJI Undertaking (as defined at paragraph 8.12 below) shall be accepted by the Secured Creditor in full and final settlement of all amounts owing by the Company to the Secured Creditor.
- 8.10 Upon receipt of the sum of S\$1,000,000 the allotment and issuance of Shares to the Secured Creditor under the Debt-Equity Swap, and receipt of the SJI Undertaking, the Secured Creditor will release and discharge any and all security over the assets of the Company as provided for in applicable agreements and undertakings.
- 8.11 The Scheme shall not operate to release any obligations or liabilities owing to the Secured Creditor by any of the Company's subsidiaries or any security held by the Secured Creditor over the assets of the Company's subsidiaries.

Undertaking to pay net proceeds from potential lease or sale of the SJI assets to the Secured Creditor

- 8.12 The Company shall pay to the Secured Creditor 50% of any net proceeds from any potential lease or sale of any or all of the Company's assets located on the farm site and foreshore and seabed off St. John's Island in Singapore to any person (the "**SJI Counterparty**") (each, an "**SJI Transaction**"), after the deduction of any reasonable costs and expenses incurred by the Company incurred in connection with the relevant SJI Transaction (each, an "**SJI Payment Sum**"). Each SJI Payment Sum shall be paid to the Secured Creditor within 5 working days of each corresponding payment that is received by the Company from the SJI Counterparty under the relevant SJI Transaction (each, an "**SJI Receipt Sum**").
- 8.13 Within 4 weeks from the Scheme Effective Date, the Company shall provide an undertaking in writing to the Secured Creditor to make the payments contemplated at paragraph 8.11 above. This undertaking must be in substance and form acceptable to the Secured Creditor ("**SJI Undertaking**").
- 8.14 The entry into any SJI Transaction is conditioned on the Secured Creditor consenting to the relevant SJI Transaction.

Payments to Scheme Creditors (other than the Secured Creditor and the Related Party Creditors)

- 8.15 Within 8 weeks from Restructuring Effective Date, the Company will distribute a total of S\$60,000 to all Scheme Creditors (save for the Secured Creditor and the Related Party Creditors), *pari passu* to their admitted claims.

Related Party Creditors

- 8.16 Certain related party creditors of the Company as specified in the Scheme Document (the "**Related Party Creditors**") will not receive any payments or distributions under the Scheme.

Excluded Creditors

- 8.17 Certain creditors, being generally the Company's professional advisors, service providers, key operational suppliers and the creditor under the Interim Rescue Financing Loan (the "**Excluded Creditors**"), are excluded from the Scheme. The debts owed to these creditors are to be dealt with in accordance with the table set out at paragraph 7.1 above.
- 8.18 As the Excluded Creditors are excluded from the Scheme, their Claims will not be compromised under the Scheme, and they will not receive any payments or distributions under paragraph 7.1 above.

9. DILUTION

- 9.1 The Company has currently issued 40,369,983 Shares. As a result of the issuing of the 135,032,761 new Shares in connection with the Private Placement and the Debt-Equity Swap, the Company will have issued a total of 175,402,744 Shares, which implies that existing shareholders in the Company who are not participating in the Private Placement will be diluted by 77%.
- 9.2 Further dilution will occur in case of conversion of the Shareholders' Convertible Loans. If these loans are converted in full at a conversion price of S\$0.0289 per new Share, taking into consideration, for illustration purposes, one year's interest, an additional 29,148,789 new Shares will be issued. The total number of Shares in the Company will in such case be 204,551,533 Shares, implying that existing shareholders in the Company who are not participating in the Scheme will be diluted in total by 80%. If the loans are converted at a lower conversion price, the dilution will increase accordingly, cf. section 6.4 above.

10. BOARD OF DIRECTORS' RECOMMENDATION AND LIQUIDATION ANALYSIS

- 10.1 The directors of the Company are of the opinion that the Private Placement, the Shareholders' Convertible Loans, and the Scheme will be of benefit to the Scheme Creditors. It is anticipated that under the Scheme, the Scheme Creditors will receive a

better return over time on the amount owed to them than they would if the Company were to enter liquidation, which is the next most likely alternative.

10.2 Based on a liquidation analysis prepared on behalf of the Company:

10.2.1 the return to the Secured Creditor under the Scheme is estimated at 20.21%, compared to 3.00% in a liquidation scenario; and

10.2.2 the return to each Scheme Creditor (other than the Secured Creditor and the Related Party Creditors) under the Scheme is estimated at 1.18%, compared to 0.00% in a liquidation scenario.

10.3 Accordingly, the directors of the Company have recommend that the Scheme Creditors vote in favour of the Scheme.

11. RISK FACTORS

Introduction

11.1 The Scheme Document sets out certain risk factors to be considered by the Scheme Creditors. The following is a selection of the risk factors which are considered to be of general relevance to the Company's investors and other stakeholders of the Company.

11.2 The risks and uncertainties described below are not the only risks facing the Company and/or the Group, especially given the inherent difficulties of anticipating future trading and macroeconomic conditions. Additional risks and uncertainties which are currently unidentified or believed to be immaterial may also affect the business, financial condition and results of operations of the Company and/or the Group. If any of the possible events described below were to occur, the business, financial condition and results of operations of the Company and/or the Group could be materially and adversely affected.

Risks relating to the restructuring generally

11.3 Adverse publicity

11.3.1 Adverse publicity relating to the restructuring contemplated via the Private Placement and the Scheme or the financial condition of the Company or of other related companies within the Group or of participants in the market(s) in which the Company and/or the Group operates may have a material adverse effect on the Company's and/or the Group's customer and supplier relationships (including financial and insurance institutions) and/or the market perception of its business.

11.3.2 Existing suppliers may choose not to continue doing business with the Company and/or the Group, may demand quicker payment terms and/or may not extend normal trade credit. The Company and/or the Group may find it difficult to obtain new or alternative suppliers. Ongoing negative publicity may have a long-term negative effect on the brand names owned or used in the Group.

11.4 The Scheme process

11.4.1 Even if the appropriate level of support is obtained from the Scheme Creditors (which cannot be assured), approval of the Scheme is at the discretion of the Court. Whilst the Company believes that the relevant statutory formalities have been complied with, the Court could determine that the information contained in the Scheme Document is inadequate, that the solicitation of votes was improper due to the inadequacy of disclosure or for other reasons, and/or could determine that the Scheme fails to meet various other requirements, and require amendments or modifications which might not be acceptable to the Company or the Scheme Creditors or may not be accomplished in a timely manner. There can be no assurance as to the Court's decision in this regard.

11.4.2 The Court may also differ from the Company on the selection and/or classification of Scheme Creditors. There can be no assurance as to the Court's decision in this regard.

11.4.3 Appeals or requests for other reviews in respect of the Scheme and appeals against the order of Court approving the Scheme could delay the commencement of the Scheme.

11.5 Delays and/or non-occurrence of the Scheme Effective Date and/or the Restructuring Effective Date

11.5.1 Factors currently unknown to the Company may result in delays to the Scheme Effective Date and/or the Restructuring Effective Date. There is no guarantee that the Scheme Effective Date and/or the Restructuring Effective Date will occur as described in the Scheme.

11.5.2 Even if the Scheme is approved by the Court and the Scheme Effective Date occurs, in order for Restructuring Effective Date to occur there are other conditions that need to be fulfilled. No payments will be made under the Scheme if the Restructuring Effective Date does not occur.

11.5.3 There is a risk that the Private Placement will not be completed and the Shareholders' Convertible Loans will not be disbursed if certain conditions required in respect thereof are not fulfilled or waived in accordance with the terms of the Subscription Agreement or the Convertible Loan Agreements (as

the case may be). If the Private Placement is not completed or the Shareholders' Convertible Loans are not disbursed, the Company will not benefit from the Scheme Funds to be raised under the Private Placement and Shareholders' Convertible Loans, and the Company will not be able to make the payments and/or distributions envisioned under the Scheme.

11.6 Risk of Insolvency Proceedings

11.6.1 If the Scheme Effective Date and/or the Restructuring Effective Date does not occur or is materially delayed, the directors of the Company may have to take steps to put the Company into insolvency proceedings or other forms of rescue proceedings.

11.6.2 The Board of Directors of the Company has been able to permit the Company to continue to conduct business largely due to both the continued support of certain of its creditors and its reasonable belief that the restructuring is likely to be implemented in a timely manner. Without the support of certain of its creditors, the Company may determine that it has no choice but to put itself into some form of insolvency procedure, in the best interests of the company by reference to the interests of its creditors.

11.6.3 If the restructuring does not occur and the Company is forced to enter into an insolvency procedure, the proceeds available to Scheme Creditors may be reduced to a level considerably less than the potential value of the consideration they would receive under the Scheme.

11.7 Dilution of the Shares

11.7.1 The issuance of new Shares in connection with the transactions contemplated in the Scheme will increase the total number of outstanding Shares, which will result in dilution to the ownership interests of the Company's existing shareholders who do not participate in the Scheme, see paragraph 9 above for further details. Following the completion of the Private Placement, the Debt-Equity Swap and any conversion of the Shareholders' Convertible Loans, such existing shareholders will experience a reduction in their proportional ownership and voting power in the Company.

11.7.2 If the market value of the Shares at the time of conversion is higher than the conversion price as set out in the terms of the Shareholders' Convertible Loan, then the share price of the Shares may decrease.

11.7.3 Furthermore, if completion of the Scheme does not lead to an increase in the Company's earnings or share value corresponding to the capital raised in the Private Placement and the debt converted under the Debt-Equity Swap and upon conversion (if any) of the Shareholders' Convertible Loans, the dilution

may adversely impact the earnings per Share and the market value of the Shares.

Risks Relating to the Private Placement

11.8 Market price of the Shares may fluctuate following the Private Placement

11.8.1 The market price of the Shares may fluctuate as a result of, among others, the following factors, some of which are beyond the Company's or the Group's control:

- (i) a change in conditions affecting the Group's industry, general economic and stock market conditions, stock market sentiments or other events or factors;
- (ii) variations in the results of operations of the Group;
- (iii) results of operations that vary from the expectations of securities analysts and investors;
- (iv) results of operations that vary from those of the Group's competitors;
- (v) changes in expectations as to the Group's future financial performance, including financial estimates by research analysts and investors;
- (vi) new laws and governmental regulations applicable to the Group's industry;
- (vii) changes in exchange rates; and
- (viii) success or failure of the Group's management team in implementing business and growth strategies.

11.9 Constraints on paying dividends on the Shares following the Private Placement

11.9.1 The Company's ability to declare dividends in relation to the Shares will depend on the future financial performance of the Group that, in turn, depends on the Company's subsidiaries' ability to make distributions to the Company as well as the Group successfully implementing its strategies and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices of the Group's products, and other factors specific to the Group's industry, many of which are beyond the control of the Group.

11.10 Use of proceeds from Private Placement may not materialise

11.10.1 The Company intends to use the proceeds from the issue of the Subscription Shares for the purposes and in the manner set out above in section 7.1. The Company does not currently have definite and specific commitments for the entire proceeds due to the Company from the issue of the Subscription Shares, and the Company's current intentions may not materialise and may be prohibited. As a result of the uncertainty that determine the Company's use of the proceeds from the issue of the Subscription Shares, the actual uses may vary substantially from the current intentions. In such event, as the Company has broad discretion in the way the Company invests or spends the proceeds from the issue of the Subscription Shares.

11.11 Increase in shareholding of selective shareholders

11.11.1 Certain existing shareholders may participate in the Private Placement, which could result in an increase in their ownership percentage and further concentration of shareholding in the Company. This increased concentration may provide such shareholders with greater influence over matters requiring shareholder approval, including the election of directors or other significant corporate transactions. The concentration of ownership could limit the ability of other shareholders to influence corporate decisions and may result in decisions that are not aligned with the interests of all shareholders. In addition, the presence of significant shareholders may deter potential investors or limit the liquidity of the Shares.

Risks Relating to the Shareholders' Convertible Loans

11.12 Risk on Scheme implementation

11.12.1 There is a risk that the Shareholders' Convertible Loans will not be made available, and accordingly the amounts thereunder will not be disbursed, if certain conditions required in respect thereof are not fulfilled or waived. If the Shareholders' Convertible Loans are not made available, the Company will not benefit from the Scheme Funds to be raised under the Shareholders' Convertible Loans, and the Company may not be able to make the payments and/or distributions envisioned under the Scheme.

11.13 There is no certainty of conversion

11.13.1 Under the terms of the Shareholders' Convertible Loans, the lenders are conferred the option (the "**Conversion Rights**") to convert all or any part of the principal and any accrued interest into such number of Shares as determined by the conversion price as set out in the terms of the Shareholders' Convertible Loans (the "**Conversion**"). There is no certainty that the lenders will exercise their Conversion Rights.

- 11.13.2 Additionally, the Conversion Rights are subject to the Company obtaining the required approvals under law, including the approval of the Company's shareholders for the allotment and issuance of the relevant Shares pursuant to section 161 of the Companies Act.
- 11.13.3 Further, the Securities and Futures Act 2001 and the Singapore Code on Take-overs and Mergers contain certain provisions that may delay, deter or prevent a future take-over or change in control of the Company. A party (taken together with shares held or acquired by persons acting in concert with him) intending to (i) acquire 30% or more of the voting rights of a company; or (ii) holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six-months additional shares carrying more than 1% of the voting rights should make a general offer for such company. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of the Company, including the exercise the lenders' Conversion Rights.

11.14 Default risk

- 11.14.1 In the event the Conversion Rights are not exercised, there is no assurance that the Company's cash flows in the future will be sufficient to cover the required principal and interest payments on the Shareholders' Convertible Loans as they fall due. A failure to comply with any of the repayment terms and other undertakings given by the Company under the Shareholders' Convertible Loans may require the Company to seek amendments, waivers, or alternative borrowing arrangements. There is no assurance that the lenders would consent to such an amendment or waiver in the event of non-compliance, or that such consent would not be conditional upon cash payment, revised pay-out terms, increased interest rates, or that the lenders would not exercise rights that would be available to them, including among other things, calling an event of default and demanding immediate payment of outstanding borrowings. There is also no assurance that the Company will be able to roll over or refinance the Shareholders' Convertible Loans on commercially acceptable terms, or at all, as a result of prevailing market conditions, the Company's financial position, and other factors beyond its control. If a demand for payment is made and appropriate forbearance or refinance arrangements could not be reached, the Company may not have sufficient available funds to meet that demand and may need to restructure its obligations, which could have a material adverse effect on the Company's financial condition and/or prospects.

11.15 Increase in shareholding of the lenders

- 11.15.1 The exercise of the Conversion Rights by the lenders will result in an increase of the lenders' ownership percentage and further concentration of their shareholding in the Company. The consequences of such increase in shareholding are described in paragraph 11.11 above.

Risks Relating to the Company and/or the Group's business and the industry in which it operates

11.16 Biomass, including diseases and escape

- 11.16.1 The Group's operations are subject to several biological risks which could have a negative impact on future profitability and cash flows. Biological risks include for instance oxygen depletion, diseases, viruses, bacteria, parasites, algae blooms and other contaminants, which may have adverse effects on fish survival, health, growth and welfare and result in reduced harvest weight and volume, downgrading of products and claims from customers. An outbreak of a significant or severe disease represents a cost for the Group through e.g. direct loss of fish, loss of biomass growth, accelerated harvesting and poorer quality on the harvested fish and may also be followed by a subsequent period of reduced production capacity and loss of income. The most severe diseases may require culling and disposal of the entire stock, disinfection of the farm and a long subsequent fallow period as preventative measures to stop the disease from spreading. Market access could be impeded by strict border controls, not only for barramundi from the infected farm, but also for products originating from a wider geographical area surrounding the site of an outbreak. Continued disease problems may also attract negative media attention and public concerns. Fish farming has historically experienced several episodes with extensive disease problems and no assurance can be given that this will not also happen in the future. Incidents of significant fish escapes could result in substantial loss of biomass as well as repair costs, spreading of diseases to and genetic interaction with wild barramundi, negative publicity and penalties or other sanctions from governmental authorities, which could affect the licences held by the Group as well as cash flows and profitability. The Group is not fully insured against fish death events concerning their biomass but has put in place a risk mitigation plan to reduce the risk of fish death events. Epidemic outbreaks of diseases may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

11.17 Technology and young industry

- 11.17.1 Large-scale barramundi farming is a relatively new industry and is subject to the inherent risks associated with a less mature industry, as well as the risk that the Group's commercialisation and expansion strategies may fail.

Therefore, it is of high importance that the Group holds the ability to implement routines and safety measures to protect its production line and develop its biomass. The Group is partly reliant on third-party suppliers of technical production equipment, as well as sufficient maintenance routines for its production facilities. Despite the security and maintenance measures in place, the Group's facilities and systems, and those of its third-party service providers, may be vulnerable to technical errors, limits in capacity, breaches in routines, lack of surveillance, acts of vandalism, human errors or other similar events.

11.18 Significant construction projects

11.18.1 The Group's future construction projects are decisive for the Group's business as well as significant and complex. Such projects will be subject to numerous risks, including shortages or delays in equipment, materials or skilled labour, failure of the equipment to meet quality and/or performance standards, inability to obtain required permits and approvals, unanticipated cost increases, design or engineering changes, labour disputes or any events of force majeure, all of which may cause delays or cost overruns. Significant cost overruns or delays, and other aforementioned risks, could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

11.19 Recirculating Aquaculture System

11.19.1 The Group's Brunei farm uses RAS for the Group's nurseries. It is susceptible to human errors and technical failures, which may lead to mortalities within the system. There are inherent risks in the technology, such as faults in production, operations and maintenance, and the risk that the equipment may fail to meet the quality and/or performance standards.

11.20 Feed costs and supply

11.20.1 Feed costs account for a significant portion of the Group's total production costs, and an increase in feed prices could have a major impact on the Group's profitability. The feed industry is characterised by large, global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. Increases in the prices of these raw materials will accordingly result in an increase in feed prices. The Group may not be able to pass on increased feed costs to its customers. As the main feed suppliers normally enter into fixed contracts and adapt their production volumes to prevailing supply commitments, there is limited excess of fish feed available in the market. If

one or more of the Group's feed contract partners were to terminate the relationship, the Group may not be able to find alternative suppliers in the market. The Group has not entered into long term agreements for feed supply and any shortage in feed supply may lead to starving fish, accelerated harvesting, loss of biomass and reduced income.

11.21 Barramundi prices

- 11.21.1 The Group's financial position and future prospect depend on the price of farmed barramundi. No assurance can be given that the demand for farmed barramundi will not decrease in the future.

11.22 Regulatory environment

- 11.22.1 The Group's current activities are subject to national regulations, in particular relating to environmental protection, food safety, hygiene and animal welfare. The Group's sale of its products is also subject to trade policies between Singapore and Brunei, with an expectation to reach more countries in the future. Further, barramundi farming is strictly regulated by licences and permits granted by the authorities in Brunei. Future changes in the domestic and international laws and regulations applicable to the Group can be unpredictable and are beyond the control of the Group. Breach of terms under farming and export licences may also cause withdrawal of licences, partly or entirely. Some of the licences are subject to governmental approval in case of change of ownership/shareholder structure. The Group's failure to keep and obtain the necessary licences and permits and to comply with such laws and regulations could have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group. The ambition for growth is also dependent on the Group managing to obtain new sites or expand existing sites.

- 11.22.2 Additionally, the Group's leases in Brunei are subject to specific use of land and sea restrictions, which limit our operations to farming Barramundi species and housing ancillary activities for commercial purposes. Any deviation from these activities, such as pivoting to the farming of other species, would require approval from the relevant authorities. There is no guarantee that such approval will be granted, and the process may involve delays or additional regulatory scrutiny, which could impact our ability to diversify or expand our operations in the future. As a result, any change in the scope of our business activities may be subject to regulatory challenges, restrictions, or unforeseen costs, all of which could have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

11.23 Dependence on qualified and experienced personnel

- 11.23.1 The Group's senior management and key employees are important to the development and prospects of the Group. Further, the Group's performance is to a large extent dependent on highly qualified personnel and management, and the continued ability of the Group to compete effectively and implement its strategy depends on its ability to attract new and well qualified employees and retain and motivate existing employees. Any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Group's business, results of operation, financial condition and/or prospects.

11.24 Intellectual property rights

- 11.24.1 The Group's success depends in large part on its proprietary technology and patents, trade secrets, trademarks and other intellectual property rights. The brand names used for marketing and sales in the various countries and the proprietary technology from the Group's vaccines are very important to the Group. The Group relies on, and expects to continue to rely on, a combination of trademark, copyright, trade secret and patent laws, as well as confidentiality and licence agreements with its employees, contractors, consultants and third parties with whom it has relationships, to establish and protect its business and intellectual property rights. The Group's long-term competitive advantage depends, in part, on its ability to protect its intellectual property rights. However, there can be no assurance that the Group's intellectual property rights will be sufficient to protect against other facilities that are substantially similar to the Group's and that compete with its business.
- 11.24.2 The Group's intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. In order to protect the Group's intellectual property rights, the Group may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce the Group's intellectual property rights could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of its intellectual property. Furthermore, the Group's efforts to enforce its intellectual property rights may be met with defences, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. The Group's failure to secure, protect and enforce its intellectual property rights could seriously damage its business.

11.25 Insurances coverage for losses and liabilities

- 11.25.1 The Group's insurance may not be adequate to cover all losses or liabilities that it might incur in its operations. Furthermore, the Group's insurance may not adequately protect it against liability from all of the hazards of its business.

In addition, for certain of these risks, such as the loss of biomass, there are limited insurance carriers in the market. As a result of market conditions, premiums and deductibles for certain of the Group's insurance policies may substantially increase. In some instances, certain insurances could become unavailable or available only for reduced amounts of coverage. The Group also is subject to the risk that it may be unable to maintain or obtain insurance of the type and amount it desires at a reasonable cost. If the Group was to incur a significant liability for which it was uninsured or for which it was not fully insured, it could have a material adverse effect on the Group's financial position, results of operations and cash flows.

11.26 Restrictive covenants and debt financing agreements

11.26.1 The Group will from time to time adhere to certain financing agreements and arrangements with various lenders. Such agreements and arrangements contain terms, such as capital adequacy ratios, annual reviews of companies for continuance of facilities, and approval requirements for the event that the Group wishes to enter into debt or financing arrangements with other banks or financial institutions. Such conditions and covenants may be challenging to comply with, and restrict the Group's freedom to obtain new debt or other financing and/or restrict the Group's freedom to operate. Any non-compliance with debt financing agreements may thus have an adverse effect on the Group's business, financial condition and prospects.

11.26.2 The Group's indebtedness could furthermore affect the Group's future operations, since a portion of the Group's cash flow from operations will be dedicated to the payment of interest and principal on such debt and will not be available for other purposes. Financial covenants require the Group to meet certain financial tests and non-financial tests, which may affect the Group's flexibility in planning for, and reacting to, changes in its business or economic conditions, may limit the Group's ability to dispose of assets or place restrictions on the use of proceeds from such dispositions, withstand current or future economic or industry downturns, and compete with others in the Group's industry for strategic opportunities, and may limit the Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes.

11.27 Exchange rate fluctuation

11.27.1 The Group operates internationally and is exposed to changes in foreign currency exchange rates. Both revenues and expenses are primarily in Singapore and Bruneian dollars (pegged currencies). However, some fees are invoiced in US dollars. Future variations in the exchange rates could therefore have an impact on the Group's reported financial results.

11.28 Health epidemics, pandemics and other outbreaks of contagious diseases

- 11.28.1 The Group's business, results of operations or financial condition could be adversely affected by epidemics, pandemics or other outbreaks of contagious diseases. An outbreak of contagious diseases could result in a widespread health crisis that could adversely affect the economies and financial markets of Singapore and globally. For example, the global pandemic of the COVID-19 has been one of the most significant global health crises in recent times. The COVID-19 pandemic and measures taken to mitigate the spread of COVID-19 (including restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses) severely impacted economic activity in Singapore and globally, and caused a global recession in 2020. Such consequences have impacted the Group and its current and planned operations, as well as its suppliers of goods and services, including the Group's ability to raise further capital or secure financing, future customers' ability to buy the Group's products at attractive prices or at all, and transportation of the Group's products. Border closures and workplace closures have resulted in periods where the Group's sales, production and operations were impacted to adhere to the respective governments' movement control measures.
- 11.28.2 The occurrence of an epidemic or pandemic is beyond the Group's control, and there is no assurance that any future outbreak of COVID-19 or other contagious diseases occurring in areas in which the Group or its suppliers, partners or customers operate, or even in areas in which the Group do not operate, will not seriously interrupt the Group's business, including planned expansion / constructions or those of the Group's suppliers or customers. Such event could have a material adverse effect on the Group business, results of operations or financial condition.

CONTACT DETAILS

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