

INFORMATION MEMORANDUM

FOR RESTRICTED CIRCULATION ONLY



ALPHA OCEAN RESOURCES BERHAD

(Registration No. 201901034353 (1343683-K))

(Incorporated in Malaysia under the Companies Act, 2016)

www.aorb.com.my



PROPOSED PLACEMENT OF 10,000,000 NEW ORDINARY SHARES IN ALPHA OCEAN RESOURCES BERHAD AT AN ISSUE PRICE OF RM0.30 PER SHARE TO SOPHISTICATED INVESTORS IN CONJUNCTION WITH OUR PROPOSED LISTING ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD

APPROVED ADVISER, PLACEMENT AGENT
AND CONTINUING ADVISER

think@

THINKAT ADVISORY SDN BHD
(Registration No. 201701005337 (1219502-A))

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED COMPARED TO OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD. IT IS A QUALIFIED MARKET INTENDED FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION AND IF APPROPRIATE, CONSULTATION WITH THEIR STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

THIS INFORMATION MEMORANDUM IS DATED 27 OCTOBER 2021

IMPORTANT NOTICE

NO PERSON IS AUTHORISED IN CONNECTION WITH OUR PROPOSED PLACEMENT (AS DEFINED HEREIN) AND PROPOSED LISTING (AS DEFINED HEREIN) TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS INFORMATION MEMORANDUM, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY ALPHA OCEAN RESOURCES BERHAD (“**AORB**” OR “**COMPANY**”) OR THINKAT ADVISORY SDN BHD (“**THINKAT ADVISORY**”) AS OUR APPROVED ADVISER, PLACEMENT AGENT AND CONTINUING ADVISER. THE DELIVERY OF THIS INFORMATION MEMORANDUM SHALL NOT, UNDER ANY CIRCUMSTANCES, IMPLY OR CONSTITUTE A REPRESENTATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OR FINANCIAL POSITION OF OUR COMPANY AND/OR SUBSIDIARIES SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THE PURPOSE OF THIS INFORMATION MEMORANDUM IS TO PROVIDE INFORMATION ON THE BUSINESS AND AFFAIRS OF OUR COMPANY AND SUBSIDIARIES (COLLECTIVELY “**GROUP**”) ONLY. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, OR SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE OF THE ORDINARY SHARES IN OUR COMPANY (“**SHARES**”), NOR IS IT INTENDED TO INVITE OR PERMIT THE MAKING OF OFFERS BY THE PUBLIC TO SUBSCRIBE FOR OR PURCHASE OUR SHARES.

THIS INFORMATION MEMORANDUM IS INTENDED FOR CIRCULATION ONLY TO PERSONS WHOM AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES OR AN ISSUE OF SECURITIES WOULD CONSTITUTE AN EXCLUDED ISSUE WITHIN THE MEANINGS OF SECTION 230 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“**CMSA**”).

THIS INFORMATION MEMORANDUM, IF FURNISHED TO YOU, IS STRICTLY FOR YOUR OWN USE AND IS NOT TO BE CIRCULATED TO ANY OTHER PARTY. INFORMATION IN THIS DOCUMENT IS SUBJECT TO CHANGE FROM TIME TO TIME AS WE AND/OR THINKAT ADVISORY SHALL DEEM FIT.

THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM AND THE OFFERING OF OUR SHARES MAY, IN CERTAIN JURISDICTIONS, BE RESTRICTED BY LAW. WE REQUIRE PERSONS INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES INTO, TO INFORM THEMSELVES OF AND OBSERVE ALL SUCH RESTRICTIONS.

RESPONSIBILITY STATEMENTS

OUR BOARD OF DIRECTORS, HAVING MADE ALL REASONABLE ENQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS INFORMATION MEMORANDUM CONTAINS ALL RELEVANT INFORMATION WITH REGARDS TO OUR GROUP WHICH IS MATERIAL IN THE CONTEXT OF OUR PROPOSED PLACEMENT AND PROPOSED LISTING AS AT THE DATE HEREOF, THAT THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM IS TRUE AND ACCURATE IN ALL MATERIAL RESPECTS AND IS NOT MISLEADING AS AT THE DATE HEREOF, THAT THE OPINIONS AND INTENTIONS OF OUR GROUP EXPRESSED HEREIN ARE HONESTLY HELD, AND THAT THERE ARE NO OTHER FACTS OR OMISSION, WHICH WOULD, IN THE CONTEXT OUR PROPOSED PLACEMENT AND PROPOSED LISTING, MAKE THIS INFORMATION MEMORANDUM AS A WHOLE OR ANY INFORMATION HEREIN OR EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS FALSE OR MISLEADING IN ANY MATERIAL RESPECTS.

THINKAT ADVISORY, BEING THE APPROVED ADVISER, PLACEMENT AGENT AND CONTINUING ADVISER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS INFORMATION MEMORANDUM CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR PROPOSED PLACEMENT AND PROPOSED LISTING.

STATEMENT OF DISCLAIMER

THIS INFORMATION MEMORANDUM HAS BEEN DRAWN UP IN ACCORDANCE WITH THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") ("**LISTING REQUIREMENTS**") FOR OUR PROPOSED LISTING.

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED UNDER THE LAWS OF MALAYSIA. IT DOES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA.

A COPY OF THIS INFORMATION MEMORANDUM HAS BEEN DEPOSITED WITH THE SECURITIES COMMISSION MALAYSIA ("**SC**").

THE SC AND BURSA SECURITIES TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS INFORMATION MEMORANDUM. THE SC AND BURSA SECURITIES DO NOT MAKE ANY ASSESSMENT ON THE SUITABILITY, VIABILITY OR PROSPECTS OF OUR GROUP. EXISTING SECURITIES HOLDERS ("**HOLDERS**") AND SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ARE EXPECTED TO MAKE THEIR OWN ASSESSMENT ON OUR GROUP OR SEEK APPROPRIATE ADVICE BEFORE MAKING THEIR INVESTMENT DECISIONS IN OUR COMPANY. THINKAT ADVISORY, AS OUR APPROVED ADVISER, HAS ASSESSED THE SUITABILITY OF OUR COMPANY FOR ADMISSION TO THE LEAP MARKET OF BURSA SECURITIES AS REQUIRED UNDER RULE 4.10 OF THE LISTING REQUIREMENTS.

AN APPLICATION HAS BEEN MADE TO BURSA SECURITIES FOR THE ADMISSION OF OUR COMPANY AND THE PROPOSED LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED SHARE CAPITAL OF OUR COMPANY ON THE LEAP MARKET OF BURSA SECURITIES. APPROVAL FROM BURSA SECURITIES OF THE SAME IS NOT AN INDICATION OF THE MERITS OF OUR PROPOSED LISTING, OUR COMPANY AND OUR SHARES. THIS INFORMATION MEMORANDUM CAN BE VIEWED OR DOWNLOADED FROM THE WEBSITE OF BURSA SECURITIES AT www.bursamalaysia.com.

THERE ARE CERTAIN RISK FACTORS WHICH SOPHISTICATED INVESTORS AND HOLDERS SHOULD CONSIDER. PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 5 OF THIS INFORMATION MEMORANDUM.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE INFORMATION MEMORANDUM THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE INFORMATION MEMORANDUM OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE GROUP.

SHARES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE OFFERING, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

OUR PROPOSED PLACEMENT IS SUBJECT TO THE RECEIPT OF APPROVAL-IN-PRINCIPLE FOR OUR PROPOSED LISTING FROM BURSA SECURITIES, WHO MAKES NO ASSESSMENT ON THE SUITABILITY, VIABILITY OR PROSPECTS OF OUR GROUP OR THE MERITS OF INVESTING IN OUR SHARES.

TERMS AND CONDITIONS BINDING ALL RECIPIENTS

By accepting this confidential Information Memorandum, you hereby agree and undertake to be bound by the following terms and conditions:

1. This Information Memorandum is issued by our Company, and distributed by us as well as Thinkat Advisory as our Approved Adviser, Placement Agent and Continuing Adviser. The distribution of this Information Memorandum shall be in paper/printed copy and/or electronic copy upon request by interested investors who are recipients of this Information Memorandum ("**Recipient(s)**"), free of charge. This Information Memorandum is distributed to interested Recipients for information purposes only and upon the express understanding that such Recipients will use it only for the purposes set forth below.
2. The information contained in this Information Memorandum, including any statement or fact or opinion, has been provided by us or on our behalf. It is being furnished solely for use by a limited number of prospective Sophisticated Investors (as defined herein) for the purpose of evaluating their interest in investing in our Company ("**Proposed Investment**"). Nothing contained herein shall be taken as a recommendation or invitation by us and/or Thinkat Advisory to undertake the Proposed Investment or as a commitment on our part to accept your Proposed Investment.
3. This Information Memorandum may include certain statements provided by us or on our behalf with respect to the anticipated future performance of our Group. These statements, although believed to be reasonable, are based on estimates and assumptions made by us that are subject to risks and uncertainties that may cause actual events and our future results to be materially different from that expected or indicated by such statements or estimates and no assurance can be given that any of such statements or estimates will be realised. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by us or Thinkat Advisory that our plans and strategies as disclosed herein will be achieved.
4. We and Thinkat Advisory each reserve the right (without notice or recourse) to alter, amend, terminate or suspend the process in respect of the Proposed Investment ("**Investment Process**") without providing any reason therefor. All costs incurred by you during the Investment Process are for your account only and under no circumstances will we or Thinkat Advisory be responsible for any part of such costs, notwithstanding any alteration, amendment, termination or suspension of the Investment Process or the reasons thereof.
5. Any documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum.
6. Subject to the provisions of any laws, regulations and guidelines ("**Applicable Laws**"), we and Thinkat Advisory each reserve the right to negotiate with one or more prospective Sophisticated Investors at any time. Subject to the Applicable Laws, we and Thinkat Advisory each also reserve the right (without notice or recourse) to terminate, at any time, further participation in the Investment Process by all or any Recipients without assigning any reasons thereof.
7. You are solely responsible for your investment decision and are advised to seek independent financial, legal, tax or such other professional advice at your own cost and expense when making your independent appraisal, assessment, review and evaluation of our business, financial position, financial performance and prospects, the right and obligations attaching to our Shares, the merits of investing in our Shares and the extent of the risk involved in doing so.
8. Neither the receipt of this Information Memorandum by any Recipient nor any information made available in connection with the Proposed Investment is to be taken as constituting the giving of investment advice by Thinkat Advisory. Thinkat Advisory shall not advise you on the merits or risks of the Proposed Investment or potential valuations for the Proposed Investment.

TERMS AND CONDITIONS BINDING ALL RECIPIENTS (cont'd)

9. You shall not copy, reproduce, distribute, summarise, excerpt from, publicly refer to or pass on any part of the Information Memorandum to any person at any time without written consent from us or Thinkat Advisory.

10. This Information Memorandum may not be distributed in any jurisdiction outside Malaysia except in accordance with the legal requirements applicable in such jurisdiction. No Recipient in any jurisdiction outside Malaysia may take any action upon this Information Memorandum if, in the relevant jurisdiction, such action cannot be taken by the Recipient without contravention of any relevant legal requirements. It is the sole responsibility of any Recipient wishing to take any action upon this Information Memorandum to satisfy themselves as to the full observance of the laws of the relevant jurisdiction and/or Malaysia in connection therewith, including without limitation, the receipt of our Shares or cash payments upon the sale of our Shares by the Recipients, the repatriation of any money by the Recipients out of Malaysia, the obtaining of any governmental, exchange control or other consents which may be required, and the payment of any tax or duty due in such jurisdiction. Such Recipients shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and we and Thinkat Advisory shall be entitled to be fully indemnified by such Recipients for any tax or payment as the Recipients may be required to pay. We and Thinkat Advisory shall not accept any responsibility or liability in the event that any action taken by any recipient in any jurisdiction outside Malaysia or it shall become illegal, unenforceable, voidable or void in such jurisdiction for subscription of our Shares.

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PRIVACY NOTICE

The Personal Data Protection Act 2010 (“**PDPA**”) was introduced to regulate the processing of personal data in commercial transactions. The PDPA requires us to inform you of your rights in respect of your personal data that is to be collected and processed by us.

Consequently, please be informed that the personal data and other information (collectively “**Personal Data**”) that you provide will be used and processed by us in connection with our Proposed Placement only (“**Purpose**”), and not for any other purpose.

If required for the Purpose, you hereby give consent that your Personal Data may be disclosed to our related corporations or our advisers who provide services to us, including our placement agent. Save for the foregoing, your Personal Data will not be knowingly transferred to any place outside Malaysia or be knowingly disclosed to any other third party.

Without prejudice to the Terms and Conditions of our Proposed Placement as contained in this Information Memorandum, you may at any time hereafter make inquiries, complaints and, upon payment of a prescribed fee, request in writing for access to, or correction of, your Personal Data or limit the processing of your Personal Data (as described above) by submitting such request to the following:

Postal address: **Alpha Ocean Resources Berhad**
Unit SO-33A-1 & SO-33A-8,
Menara 1, Strata Offices, KL Eco City,
No.3, Jalan Bangsar,
59200 Kuala Lumpur

Kindly be informed that we will assume that you have consented and we will continue to process your Personal Data in accordance with this Privacy Notice unless we hear otherwise from you. You may exercise your rights in respect of your Personal Data in the manner described above.

This Privacy Notice may be amended from time to time and would be in effect on the date as determined by us. Any amendment to this Privacy Notice shall be published on any medium as we deem fit.

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DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Information Memorandum:

Act	:	Companies Act 2016
AORB or our Company	:	Alpha Ocean Resources Berhad (Registration no.: 201901034353 (1343683-K))
AORB Group or Group	:	Collectively, AORB and our Subsidiaries
AORB Share(s) or Share(s)	:	Ordinary share(s) in our Company
AORSB	:	Asia Ocean Resources Sdn Bhd (Registration no. 201901012244 (1321572-U))
ATI	:	ATI International Ltd (Registration no.: LL15604)
ATM	:	Asia Tank Marine Sdn Bhd (Registration no. 201901032444 (1341774-V))
ATT	:	Asia Tank Tuna Sdn Bhd (Registration no.: 201001019695 (903405-V))
Board	:	Board of Directors of AORB
Bursa Securities	:	Bursa Malaysia Securities Berhad
CEO	:	Chief Executive Officer cum Executive Director
China	:	People's Republic of China
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of AORB
Covid-19	:	Coronavirus disease
CUSTOMS	:	Royal Malaysian Customs Department
Dato' Pua	:	Dato' Pua Woon Kee, CEO, Promoter and substantial shareholder of our Group as well as the spouse of Datin Teng
Datin Teng	:	Datin Teng May Loon, the spouse of Dato' Pua, Promoter and substantial shareholder of our Group as well as the spouse of Dato' Pua
DBKL	:	Dewan Bandaraya Kuala Lumpur
Director(s)	:	Member(s) of our Board
DOF	:	Department of Fisheries Malaysia, Ministry of Agriculture & Food Industry
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EPS	:	Earnings per Share
FYE	:	Financial year(s) ended/ ending 30 June
GP	:	Gross profit

DEFINITIONS (cont'd)

GM	:	General Manager cum Executive Director
Government	:	Government of Malaysia
IMR	:	Providence Strategic Partners Sdn Bhd, the independent market researchers
IMR Report	:	Independent market research report dated 30 September 2021 prepared by the IMR
Information Memorandum	:	This Information Memorandum dated 27 October 2021 in relation to our Proposed Placement and Proposed Listing
IOTC	:	Indian Ocean Tuna Commission, the intergovernmental organisation responsible for the management of tuna and tuna-like species in the Indian Ocean
Issue Price	:	RM0.30 per Issue Share, the price at which each Issue Share is to be issued
Issue Shares	:	New Shares to be issued pursuant to the Proposed Placement
LAT	:	Loss after taxation
LBT	:	Loss before taxation
LEAP Market	:	Leading Entrepreneur Accelerator Platform (LEAP) Market of Bursa Securities
Listing Requirements	:	LEAP Market Listing Requirements of Bursa Securities
LPD	:	30 September 2021, being the latest practicable date prior to the date of this Information Memorandum
MAQIS	:	Malaysian Quarantine and Inspection Services, Ministry of Agriculture & Food Industry
Market Day	:	Any day between Mondays and Fridays (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
MCO	:	Movement control order
NA	:	Net assets
Official List	:	The list specifying all securities listed on Bursa Securities
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Periods under Review	:	FYE 2019, FYE 2020 and FYE 2021 collectively
Promoters	:	Collectively, Dato' Pua, Datin Teng and Simon Pua

DEFINITIONS (cont'd)

Proposed Listing	:	Proposed listing of and quotation for our entire enlarged share capital comprising 100,000,000 Shares on the LEAP Market
Proposed Placement	:	Proposed placement of 10,000,000 Issue Shares within the meanings of Section 230 of the CMSA to Sophisticated Investors at the Issue Price
Public	:	All persons or members of the public but excluding directors of our Group, our substantial shareholders and persons associated with them (as defined in the Listing Requirements)
RM and sen	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
SC	:	Securities Commission Malaysia
SPA	:	Sales and purchase agreement
sq ft	:	Square feet
Sophisticated Investors	:	Investors who fall within Part I of Schedules 6 or 7 of the CMSA
Subsidiaries	:	Collectively, AORSB, ATI and ATT
Taiwan	:	Republic of China (Taiwan)
Thinkat Advisory	:	Thinkat Advisory Sdn Bhd, our Approved Adviser, Placement Agent and Continuing Adviser for the Proposed Placement and Proposed Listing
USD	:	United States Dollar
YTM Dato' Muhammed Abdullah	:	Yang Teramat Mulia Dato' Johan Pahlawan Lela Perkasa Setiawan Muhammed Bin Haji Abdullah, our Non-Independent Non-Executive Chairman

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GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain terms used throughout this Information Memorandum in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

bait	:	Fish food (e.g. frozen squid, mackerel or other small fish) that is placed on a hook to lure or catch fish
blast freezers	:	A device/facility that is used to rapidly freeze tuna, tuna-like and other deep-sea fishes up to minus 40°C to minimise spoilage
by-product (tuna)	:	Incidental or secondary products made during or resulted from the processing of tuna fishes
catch yield	:	The total amount of fish caught while carrying out fishing operations
cold-room	:	Low temperature freezers that can maintain temperatures of up to minus 35°C to maintain the freshness of fishes
fresh tuna	:	Tuna fish that is kept chilled and is not frozen after they are captured
frozen tuna	:	Tuna fish that has been processed and kept frozen at a temperature of approximately minus 35°C after they are captured
GMDSS	:	Global Maritime Distress and Safety System, an internationally recognised automated ship to shore distress and radio communication system using satellites and digital selective calling technology
landing	:	Docking of fishing vessels at port for the unloading of catches
longline fishing technique	:	A fishing technique that uses a main line that has been fitted with shorter branch fishing lines with baited hooks
longliner	:	A fishing vessel that is equipped with longline fishing apparatus
neritic tuna fishes	:	Tuna fishes which are smaller in size, lower in price and usually found in coastal waters
oceanic tuna fishes	:	Tuna fishes which are larger in size, higher in price and usually found in deep-sea
school of fish	:	A group of the same fish species swimming together
tuna landing port	:	Landing ports approved by the IOTC for the landing of tuna fishes. In Malaysia, there are only 2 tuna landing ports, namely in Penang and Langkawi
tuna migratory patterns	:	Tuna migratory paths and timeframe of the regular seasonal movement of tuna species
vessel management team	:	A team that is responsible for technical management of the vessel which includes fishing operations, fishing location, crew management, technical maintenance as well as sales of the catch

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PROPOSED PLACEMENT SUMMARY

Summary of the Proposed Placement

	No. of Shares	RM
Existing issued share capital as at LPD	90,000,000	18,250,080
Issue Shares	10,000,000	3,000,000
Enlarged issued share capital upon the Proposed Listing	100,000,000	21,250,080
Percentage of the enlarged issued share capital represented by the Issue Shares		10.0%
Issue Price		0.30
Gross proceeds to be raised pursuant to the Proposed Placement		3,000,000
Market capitalisation upon the Proposed Listing		30,000,000

Summary of the proposed utilisation of proceeds

Based on the Issue Price, the estimated gross proceeds to be raised from the Proposed Placement of RM3.0 million shall accrue entirely to us and are planned to be utilised within 12 months from the date of the Proposed Listing in the following manner:

No.	Utilisation of proceeds	Estimated timeframe for utilisation	RM'000	%
(i)	Purchase of vessel	Within 12 months	1,720	57.3
(ii)	Estimated listing expenses	Immediately	1,280	42.7
	Total		3,000	100.0

Further details of the proposed utilisation of proceeds of our Proposed Placement are set out in Section 2.1.4 of this Information Memorandum.

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INDICATIVE TIMETABLE OF PRINCIPAL EVENTS

The indicative timetable for our Proposed Placement is set out below for your reference:

Date of Information Memorandum	27 October 2021
Allotment of Issue Shares	*End November 2021
Listing of our Company on the LEAP Market	*End November 2021

Note:

- * Subject to receipt of approval-in-principle from Bursa Securities for our Proposed Listing. An announcement for the key relevant dates will be made after obtaining Bursa Securities' approval-in-principle for our Proposed Listing.

These dates are indicative and are subject to changes which may be necessary to facilitate the implementation procedures. Our Directors and Promoters may, in their absolute discretion, decide to extend the dates for allotment of the Issue Shares and our Proposed Listing on the LEAP Market of Bursa Securities. We will inform you in writing of any changes to these dates.

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PRESENTATION OF INFORMATION

All references to “our Company” in this Information Memorandum are to Alpha Ocean Resources Berhad, while references to “our Group” are to our Company and our Subsidiaries, collectively. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key management personnel as disclosed in this Information Memorandum, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include companies and corporations.

Any reference to provisions of statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to dates and times shall be a reference to dates and times in Malaysia.

Any discrepancies in the tables between the amounts listed and the totals in this Information Memorandum are due to rounding.

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FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements, which include all statements other than those of historical facts including, amongst others, those regarding our expected financial position, business strategies, plans, prospects and objectives of our Management for future operations. These statements can be identified by forward-looking terminology terms as “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. These forward-looking statements, including but not limited to statements as to our Group’s revenue and profitability, prospects, future plans, expected industry trends and other matters discussed in this Information Memorandum regarding matters that are not historic facts, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors beyond our control that could cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, amongst others:

- changes in the political, social and economic conditions and the regulatory environment in Malaysia; and
- our future capital needs and the availability of financing and capital to fund such needs.

Some of these factors are discussed in more detail in Section 5 - Risk Factors of this Information Memorandum.

These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As such, we cannot assure you that the forward-looking statements in this Information Memorandum will be realised.

These forward-looking statements are based on information available to us as at the date of this Information Memorandum. Subject to the provisions of Section 238 of the CMSA, we expressly disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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1. CORPORATE DIRECTORY

- Board of Directors** : YTM Dato' Johan Pahlawan Lela Perkasa Setiawan Dato'
Muhammad Bin Hj Abdullah
Non-Independent Non-Executive Chairman
- YBhg Dato' Pua Woon Kee
CEO cum Executive Director
- Simon Pua
GM cum Executive Director
- Ng Chong Kiat
Non-Independent Non-Executive Director
- Loh Seong Yew
Independent Non-Executive Director
- Head Office** : Unit SO-33A-1 & SO-33A-8
Menara 1, Strata Offices, KL Eco City
No.3, Jalan Bangsar
59200 Kuala Lumpur
- Tel. No.: +603 - 2202 1441
Fax No.: +603 - 2201 8448
Website: www.aorb.com.my
Email: general@aorb.com.my
- Branch Office** : Suite #02, Unit No. 3A-15
Labuan Times Square
Jalan Merdeka
87000 Federal Territory of Labuan
- Tel. No.: +6087-430 068
- Registered Office** : 39 Irving Road
10400 Georgetown
Penang
- Tel. No.: +604-210 9828
Fax No.: +604-210 9827
- Company Secretary** : Ooi Yoong Yoong SSM PC No. 202008002042
(MAICSA 7020753)
39 Irving Road
10400 Georgetown
Penang
- Tel. No.: +604-210 9828
Fax No.: +604-210 9827
- Approved Adviser, Placement Agent and Continuing Adviser** : Thinkat Advisory Sdn Bhd
C-2-4, Plaza Damas
60, Jalan Sri Hartamas 1
Sri Hartamas
50480 Kuala Lumpur
- Tel. No.: +603-6211 8812
Fax No.: +603-6211 8824
Website: www.thinkat.my
Email: admin@thinkat.my

1. CORPORATE DIRECTORY (cont'd)

- Auditors and Reporting Accountants** : STYL Associates PLT (LLP0019500-LCA & AF 001929)
No 1-4-8, Level 5
I-Avenue, Medan Kampung Relau 1
11900, Bayan Lepas
Penang

Tel. No.: +604-634 1030
Fax No.: +604-638 0301
- Legal Adviser for the Proposed Listing** : Christina Chia Law Chambers
Mezzanine Floor
Menara Goldstone (Holiday Inn Express)
No 84, Jalan Raja Chulan
50200 Kuala Lumpur

Tel. No.: +603-2166 6711
Fax No.: +603-2166 9219
- Independent Market Researcher** : Providence Strategic Partners Sdn Bhd
67-1, Block D, Jaya One
No. 72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor Darul Ehsan

Tel. No.: +603-7625 1769
- Share Registrar** : Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel. No.: +603-2783 9299
Fax No.: +603-2783 9222
- Listing Sought** : LEAP Market of Bursa Securities

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2. DETAILS OF OUR PROPOSED LISTING

2.1 Listing scheme

The Proposed Listing is subject to the receipt of approval-in-principle from Bursa Securities. We have made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM21,250,080 comprising 100,000,000 Shares on the LEAP Market. Bursa Securities' decision for the said application is pending.

2.1.1 Proposed Placement

Pursuant to the Proposed Listing, we intend to issue 10,000,000 Issue Shares, representing 10.0% of our enlarged issued share capital at RM0.30 per Issue Share to Sophisticated Investors, raising gross proceeds of RM3.0 million.

In accordance with the Listing Requirements:

- (i) AORB undertakes to open a trust account with a financial institution licensed by Bank Negara Malaysia ("**Trust Account**") where all monies received from the Sophisticated Investors pursuant to subscription of the Issue Shares will be deposited therein. The Trust Account will be jointly operated by AORB and Thinkat Advisory. Thinkat Advisory will approve transfers or co-sign cheques for all payments from the Trust Account;
- (ii) AORB and Thinkat Advisory undertake that all monies deposited in the Trust Account will not be withdrawn until the date of listing of our Shares on the LEAP Market; and
- (iii) AORB undertakes to repay without interest all monies received from the Sophisticated Investors if:
 - (a) the Proposed Listing does not take place within 6 months from the date of Bursa Securities' approval for our Proposed Listing on the LEAP Market or such further extension of time as Bursa Securities may allow ("**Period**"); or
 - (b) the Proposed Listing is aborted by AORB.

In such event, the monies will be repaid within 14 days from the end of the Period or the date when we notify Bursa Securities of our decision to abort our Proposed Listing. Should we fail to do so, in addition to our Company's liability, our Board shall be jointly and severally liable to repay such money with interest at the rate of 10% per annum from the end of the 14-day period or such other rate as Bursa Securities may prescribe until full refunds are made.

2.1.2 Share capital

	No. of Shares	RM
Existing issued share capital as at LPD	90,000,000	18,250,080
Issue Shares	10,000,000	3,000,000
Enlarged issued share capital upon the Proposed Listing	100,000,000	21,250,080
Percentage of enlarged share capital represented by the Issue Shares		10.0%
Issue Price		0.30
Gross proceeds to be raised pursuant to the Proposed Placement		3,000,000
Market capitalisation upon the Proposed Listing		30,000,000

2. DETAILS OF OUR PROPOSED LISTING (cont'd)

We have only one class of shares in our Company, namely ordinary shares. The Issue Shares will, upon allotment and issuance, rank *pari-passu* in all respects with our existing Shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attached to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid up on the Shares held by them, be entitled to share in the profits paid out by us as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to any surplus in accordance with our Constitution.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by duly authorised representative. Each shareholder shall be entitled to appoint one (1) or more proxy to attend and vote at any general meeting of our Company. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. On a poll, each shareholder present either in person or by proxy or by attorney or by other authorised representative shall have one (1) vote for each Share held.

2.1.3 Basis of arriving at the issue price

Our Board, together with Thinkat Advisory, determined and agreed on the Issue Price of RM0.30 per Issue Share after taking into consideration the following factors:

- (i) the prospects and potential of our business, taking into consideration of our competitive strengths as set out in Section 4.8 of this Information Memorandum;
- (ii) our future plans and business strategies as well as prospects as set out in Sections 4.16 and 4.17 of this Information Memorandum respectively;
- (iii) our financial history and performance as set out in Sections 7 and 8 of this Information Memorandum. The Issue Price represents an implied price-earnings multiple of approximately 11.54 times based on our diluted EPS of approximately 2.60 sen derived from the audited consolidated PAT of approximately RM2.60 million for the FYE 2021; and
- (iv) the level of dilution on our Promoters' shareholdings.

Prior to the Proposed Listing, there has been no public market for our Shares within or outside Malaysia. You should note that the market price of our Shares after the Proposed Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You are reminded to carefully consider the risk factors as set out in Section 5 of this Information Memorandum and form your own views on the valuation of our Shares before deciding to invest in them.

2.1.4 Utilisation of proceeds

Based on the Issue Price, we expect to raise gross proceeds of RM3.0 million from our Proposed Placement, which is intended to be utilised as follows:

Utilisation of proceeds	⁽¹⁾Estimated timeframe for utilisation	RM'000	%
Purchase of fishing vessel ⁽²⁾	Within 12 months	1,720	57.3
Estimated listing expenses ⁽³⁾	Immediately	1,280	42.7
Total		3,000	100.0

2. DETAILS OF OUR PROPOSED LISTING (cont'd)

Notes:

- (1) From the date of the listing of our Shares on the LEAP Market.
- (2) To partly finance the purchase consideration of a fishing vessel for the expansion of our fleet. ATT had on 13 August 2021, entered into a SPA with E-Fish Maldives Pvt Ltd for the acquisition of a longliner vessel for a total cash consideration of USD530,000. Upon completion of the acquisition, the longliner vessel will be renamed Ibu Wira 7. The fishing vessel has a storage capacity of 84 gross tonnes and will be equipped with blast freezing capabilities. The said fishing vessel is expected to cost a total of approximately RM2.9 million, of which the purchase consideration is approximately RM2.3 million and a further RM0.6 million for upgrading and refurbishment of the vessel. The remaining amount required for the purchase, upgrading and refurbishment of the vessel will be funded out of internally generated funds. Please refer to Section 4.16(i) of this Information Memorandum for further details of the vessel identified.
- (3) Approximately RM1.28 million is allocated to meet the estimated cost of our Proposed Listing. If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of internally generated funds. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be reallocated to the amount earmarked for the purchase of a fishing vessel. The following summarises the estimated expenses incidental to our Proposed Listing to be borne by our Group:

Estimated listing expenses	RM'000
Professional fees (includes Approved Adviser, Legal Adviser, Reporting Accountants and Independent Market Researcher)	1,100
Placement fees for the Proposed Placement	100
Miscellaneous expenses (fees payable to the relevant authorities, printing, out-of-pocket expenses etc)	80
Total	1,280

Pending the deployment of the proceeds from the Proposed Placement, the funds will be placed in short-term deposits with financial institutions.

2.1.5 Purpose of the Proposed Listing

The purpose of the Proposed Listing is to:

- (i) enable us to tap the capital markets to fund the expansion of our operations;
- (ii) enhance the corporate profile of our Group locally and internationally;
- (iii) provide Sophisticated Investors with an opportunity to participate in the equity of our Company;
- (iv) establish liquidity for our Shares; and
- (v) provide our Group with an option in the future to remunerate employees and promote staff retention via employee share option schemes.

2.2 Approvals and condition

The Proposed Listing is subject to the following:

- (i) Approval from Bursa Securities for the admission of AORB to the Official List of the LEAP Market and the listing of and quotation for our entire enlarged share capital on the LEAP Market; and
- (ii) Successful completion of the Proposed Placement.

2. DETAILS OF OUR PROPOSED LISTING (cont'd)

2.3 Moratorium

Pursuant to Rule 3.07 of the LEAP Listing Requirements, the Shares held by the Promoters, amounting to 53,299,970 Shares (representing approximately 53.3% of the enlarged share capital upon the Proposed Listing) are to be placed under moratorium.

Our Promoters, who hold our Shares directly and indirectly upon the Proposed Listing, have fully accepted the moratorium where they will not be permitted to sell, transfer or assign any part of their interest in the Shares placed during the moratorium period as follows:

- (i) The moratorium applies to the entire shareholdings of our Promoters for a period of 12 months from the date of our listing on the LEAP Market; and
- (ii) Upon expiry of the 12-month period stated above, our Company must ensure that our Promoters shall maintain an aggregate shareholding amounting to 45,000,000 Shares representing 45% of our enlarged share capital upon the Proposed Listing for further period of 36 months.

In this respect, moratorium shall be imposed according to the following:

	Shares under moratorium for the first 12 months upon the Proposed Listing		Shares under moratorium for the subsequent 36 months	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Promoters				
Dato' Pua	4,800,000	4.8	4,052,536	4.1
Datin Teng	48,499,970	48.5	40,947,464	40.9
	53,299,970	53.3	45,000,000	45.0

Note:

- (1) Based on the enlarged share capital of 100,000,000 Shares after the Proposed Placement.

In addition, our existing shareholders, other than the Promoters, have undertaken to place 36,700,030 Shares (representing approximately 36.7% of the enlarged share capital upon the Proposed Listing) under a 12-month moratorium as follows:

	12-month shareholder moratorium	
	No. of Shares	% ⁽¹⁾
Other Shareholders		
YTM Dato' Muhammed Abdullah	3,850,000	3.8
Badrul Hisham Bin Zainal Abidin	8,750,000	8.8
Lin Yuan-Hung	3,000,000	3.0
Ng Chong Kiat	7,400,015	7.4
Lim Poay Cheng	13,700,015	13.7
	36,700,030	36.7

Note:

- (1) Based on the enlarged share capital of 100,000,000 Shares after the Proposed Placement.

2. DETAILS OF OUR PROPOSED LISTING (cont'd)

Our Promoters and existing shareholders have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium periods mentioned above.

2.4 Dividend policy

We may declare dividends by ordinary resolution to be approved by our shareholders at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. Our Board may also declare an interim dividend without the approval of our shareholders. In making recommendations for dividends for approval by our shareholders, our Board will consider various factors, amongst others, our financial performance, retained earnings, expected future earnings, operations, cash flow, capital requirements, general business and financing conditions, availability of distributable reserves as well as other factors which our Board may determine appropriate.

We currently do not have a fixed dividend policy. After the Proposed Listing, it is the Board's intention to adopt a stable and sustainable dividend policy to reward our shareholders for participating in our Group's growth, while maintaining an optimal capital structure and ensuring sufficient funds for our future growth. As we are an investment holding company, our income and therefore, our ability to pay dividends depends on the dividends we receive from our Subsidiaries. The payment of dividends by our Subsidiaries will in turn depend on their distributable profits, financial performance, financial condition and capital expenditure plans.

2.5 Previous application

AORB previously deposited an information memorandum with the SC on 24 June 2020 which was issued on the same day in connection with our proposed listing on the LEAP Market ("**Previous Information Memorandum**"). We also submitted a listing application to Bursa Securities on 24 June 2020 which was subsequently withdrawn on 14 September 2020. As an information memorandum only has a validity period of 12 months from the date of its deposit with the SC, the Previous Information Memorandum has now been replaced by this Information Memorandum.

The reason for the withdrawal of the abovementioned listing application and deferment of the said listing proposal was to implement a restructuring exercise for our shareholders. The restructuring involved the divestment of the entire shareholdings of 3 previous shareholders to 2 new shareholders.

Following the said restructuring exercise, this Information Memorandum incorporates updates in respect of our business operations, group structure, future plans and financial information since the issuance of the Previous Information Memorandum. As mentioned in Section 2.1 of this Information Memorandum, an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM21,250,080 comprising 100,000,000 Shares on the LEAP Market has been made, the decision of which is pending.

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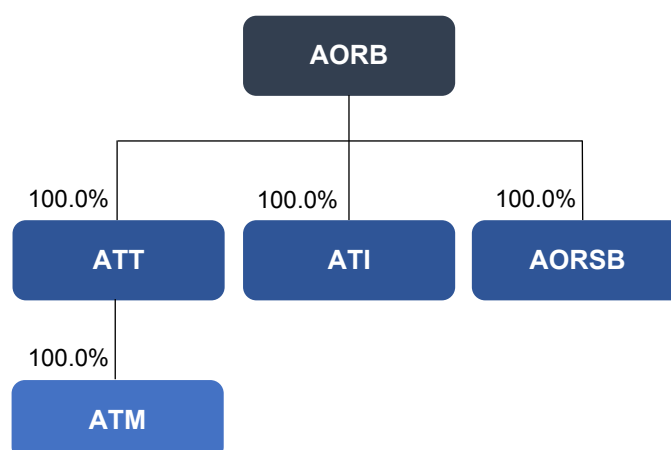
3. OVERVIEW OF OUR GROUP

3.1 Incorporation and history

Our Company was incorporated in Malaysia on 24 September 2019 under the Act as a private limited company under the name, Alpha Ocean Resources Sdn Bhd. On 18 May 2020, our Company converted into a public limited company and adopted our present name. Our Company was incorporated to facilitate the Proposed Listing and is an investment holding company.

Our Group, through our subsidiaries, is principally involved in commercial deep-sea fishing and trading of tuna, tuna-like and other deep-sea fishes and seafood products. During the Period Under Review, we have sold our fish and seafood products to seafood retailers and wholesalers and/or seafood processors based in China, Japan, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam. Please refer to Section 4.10 of this Information Memorandum for further information on our principal markets. During the FYE 2021, there were no sales to our customers to Japan due to the temporary disruptions caused by the Covid-19 pandemic on air freight to Japan.

Our Group's structure as at LPD is as follows:



ATT was incorporated in 2010 by Datin Teng and another shareholder (who is no longer involved with our Group) and remained dormant until we commenced operations in 2016. In 2016, our CEO, Dato' Pua, joined ATT as Vice President to spearhead the company's business for commercial deep-sea fishing. Prior to joining ATT, Dato' Pua accumulated more than 10 years of experience servicing tuna fishing companies and subsequently a further 6 years of experience in the tuna fishing industry.

We acquired our first fishing vessel, Ibu Wira 3, a longliner-type vessel in December 2016, and obtained the necessary authorisations from the DOF and the IOTC in April 2017. We began to undertake commercial deep-sea fishing activities when Ibu Wira 3 embarked on its maiden voyage in May 2017.

In October 2017, we secured our first sale to export tuna fishes that we caught to Thailand, and in 2018, to Singapore and Vietnam.

Leveraging on the network of our key senior management, we began sourcing for tuna, tuna-like and other deep-sea fishes as well as seafood products for customers. As a result, we incorporated ATI in February 2019 and commenced our trading activities when approached by our existing customers from our deep-sea fishing segment to source for other seafood products. In 2019, we supplied tuna fishes to a Japan-based seafood and consumer product trader. This was a breakthrough for us and a testament to our product quality as customers in Japan typically have strict requirements on quality of tuna fishes.

3. OVERVIEW OF OUR GROUP (cont'd)

In October 2019, we sought to expand our commercial deep-sea fishing operations by acquiring an additional 3 fishing vessels through our indirect wholly-owned subsidiary, ATM. In July 2020, the ownership of the said 3 fishing vessels were transferred to ATT, ATM's holding company.

In November 2019, we increased the paid-up capital of ATT by approximately RM12.00 million through the capitalisation of advances from Directors (RM10.18 million) and shareholders (RM1.82 million), as well as the paid-up capital of AORSB and ATM via additional cash injection of RM2.00 million and RM5.00 million respectively to fund our business expansion including the purchase of 3 additional vessels and our office in KL Eco City.

In 2020, our vessels namely Ibu Wira 2 and Ibu Wira 1 obtained authorisation from DOF and the IOTC and in January 2021 and June 2021 embarked on their maiden voyages respectively.

3.2 Key achievements and milestones

The table below sets out our key achievements and milestones since our establishment:

Year	Key Achievements and Milestones
2016	<ul style="list-style-type: none"> ATT commenced operations
2017	<ul style="list-style-type: none"> Obtained authorisation from DOF and the IOTC for our first fishing vessel, Ibu Wira 3, and commenced commercial deep-sea fishing activities Secured first sale to a customer based in Thailand
2018	<ul style="list-style-type: none"> Secured first sale to customers based in Singapore and Vietnam
2019	<ul style="list-style-type: none"> Secured first sale to a customer based in Japan Set up ATI to commence the seafood trading business of the Group Acquired 3 additional vessels through ATM to expand our deep-sea fishing activities
2020	<ul style="list-style-type: none"> Obtained authorization from DOF and the IOTC for our other vessels, namely Ibu Wira 1 and Ibu Wira 2
2021	<ul style="list-style-type: none"> Ibu Wira 1 and Ibu Wira 2 commenced commercial deep-sea fishing activities in June 2021 and January 2021 respectively

3.3 Information on our Group

Please find below the background information of the companies within our Group.

3.3.1 Information on AORB

AORB was incorporated in Malaysia under the Act on 24 September 2019 as a private limited company under the name Alpha Ocean Resources Sdn Bhd and commenced operations on the same date. On 18 May 2020, we converted into a public limited company by shares and adopted our present name. We are an investment holding company. Our Group structure is illustrated in Section 3.1 of this Information Memorandum.

3. OVERVIEW OF OUR GROUP (cont'd)

Our share capital as at LPD is RM18,250,080 comprising 90,000,000 Shares. Changes in our share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issuance	Cumulative share capital (RM)
24 September 2019	100	RM100/ Subscriber's shares	100
15 May 2020	9,999,900	RM1,999,980/ Issued in relation to the acquisition of AORSB	2,000,080
15 May 2020	10,000,000	RM2,000,000/ Issued in relation to the acquisition of ATI	4,000,080
15 May 2020	67,500,000	RM13,500,000/ Issued in relation to the acquisition of ATT	17,500,080
15 May 2020	2,500,000	RM750,000/ Cash	18,250,080

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in our Company. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment of our Shares.

Upon completion of the Proposed Placement, our enlarged share capital will be RM21,250,080 comprising 100,000,000 Shares.

3.3.2 Information on AORSB

AORSB was incorporated in Malaysia under the Act on 10 April 2019 as a public limited company under the name Asia Ocean Resources Berhad and commenced operations on the same date. On 8 November 2019, the company converted to a private limited company and adopted its present name. AORSB is principally involved in the research and development of seafood products.

As at LPD, the share capital of AORSB is RM2,000,000 comprising 2,000,000 ordinary shares.

AORSB is our wholly-owned subsidiary. As at LPD, AORSB does not have any subsidiary or associate companies. The changes in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issuance	Cumulative share capital (RM)
10 April 2019	2	RM2/ Subscriber's shares	2
25 November 2019	1,999,998	RM1,999,998/ Cash	2,000,000

As at LPD, AORSB does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

3.3.3 Information on ATI

ATI was incorporated in Labuan, Malaysia under the Labuan Companies Act 1990 on 19 February 2019 as a private limited company under its present name and commenced operations on 24 October 2019. ATI is principally involved in the management of trade for seafood products.

As at LPD, the share capital of ATI is USD500,100 comprising 500,100 ordinary shares.

3. OVERVIEW OF OUR GROUP (cont'd)

ATI is our wholly-owned subsidiary. As at LPD, ATI does not have any subsidiary or associate companies. The changes in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issuance	Cumulative share capital (USD)
19 February 2019	100	USD100/ Subscriber's shares	100
14 November 2019	500,000	USD500,000/ Cash	500,100

As at LPD, ATI does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

3.3.4 Information on ATT

ATT was incorporated in Malaysia under the Act on 4 June 2010 as a private limited company under the name Asia Tank Trading (M) Sdn Bhd and subsequently changed its name on 13 September 2019 to its present name. ATT commenced operations on 16 December 2016 and is principally involved in deep-sea fishing and owns 4 fishing vessels.

As at LPD, the share capital of ATT is RM13,000,000 comprising 13,000,000 ordinary shares.

ATT is our wholly owned subsidiary. ATT has a 100.0% owned subsidiary, namely ATM, for which further details can be found in Section 3.3.5 below. The changes in ATT's share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issuance	Cumulative share capital (RM)
4 June 2010	2	RM2/ Subscriber's shares	2
8 September 2010	999,998	RM999,998/ Cash	1,000,000
21 November 2019	12,000,000	RM12,000,000/ Capitalisation of Directors'/shareholders' advances	13,000,000

As at LPD, ATT does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

3.3.5 Information on ATM

ATM was incorporated in Malaysia under the Act on 10 September 2019 as a private limited company under its present name and commenced deep-sea fishing and selling of deep-sea fishes on 10 September 2019. However, the operations of ATM have since been transferred to ATT and as such ATM is currently dormant.

As at LPD, the share capital of ATM is RM5,000,100 comprising 5,000,100 ordinary shares.

ATM is a wholly owned subsidiary of ATT. As at LPD, ATM does not have any subsidiary or associate companies. The changes in ATM's share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital (RM)
10 September 2019	100	RM100/ Subscriber's shares	100
30 November 2019	5,000,000	RM5,000,000/ Cash	5,000,100

As at LPD, ATM does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

4. OVERVIEW OF OUR BUSINESS

4.1 Principal activities

We are principally involved in the following business activities.

(i) Commercial deep-sea fishing

We are 1 of the 3 tuna fishing companies in Malaysia that have been authorised by the DOF and IOTC to commercially fish for tuna (and tuna-like species) in the Indian Ocean. Tuna and tuna-like species found in the Indian Ocean generally consist of the following types of fishes:

Tuna species	Tuna-like species
(a) Albacore tuna;	(a) Black marlin;
(b) Bigeye tuna;	(b) Blue marlin;
(c) Bullet tuna;	(c) Indo-Pacific sailfish;
(d) Frigate tuna;	(d) King mackerel;
(e) Kawakawa tuna;	(e) Shortbill spearfish;
(f) Longtail tuna;	(f) Spanish mackerel;
(g) Skipjack tuna;	(g) Striped marlin; and
(h) Southern bluefin tuna; and	(h) Swordfish
(i) Yellowfin tuna	

Whilst fishing for tuna and tuna-like species in the Indian Ocean, other deep-sea fishes which are commonly caught as bycatch (which fall under the purview of the DOF and IOTC) are as follows:

- (a) Atlantic pomfret;
- (b) Mahi-mahi;
- (c) Escolar;
- (d) Great barracuda;
- (e) Rainbow runner;
- (f) Rough triggerfish;
- (g) Oilfish; and
- (h) Wahoo;

We target oceanic tuna fishes such as the yellowfin, bigeye and albacore tuna that swim in deeper water columns. In addition, during the Period Under Review, we have also caught tuna-like species such as black marlin, blue marlin, sailfish, striped marlin and swordfish as well as other deep-sea fishes such as mahi-mahi, oilfish and wahoo. We exclusively employ the 'longline fishing' technique which entails the use of a main line that has been fitted with shorter branch fishing lines with baited hooks (see illustration in Section 4.3.1(ii) of this Information Memorandum).

As at LPD, we own 4 fishing vessels, of which 3 are fully operational. The fourth vessel is currently pending the necessary permits, approvals and authorisation from the DOF and IOTC. Details of our fishing vessels are elaborated in Section 4.5 of this Information Memorandum.

Our fishing vessels are equipped with:

- blast freezers that are able to rapidly freeze the fishes to a temperature of minus 40°C;
- cold-rooms that can maintain temperatures of up to minus 35°C to maintain the freshness of our catch for up to 6 months;
- equipment for monitoring ocean water temperature, current movements and other environmental factors relevant to fish migration; and

4. OVERVIEW OF OUR BUSINESS (cont'd)

- electronic fish-finding equipment to measure the size and density of schools of fish.

The fishes caught by our vessels are sold to our customers who are mainly wholesalers, traders or food manufacturers.

(ii) Trading of tuna, tuna-like and other deep-sea fishes as well as other seafood products

We trade in fresh and frozen tuna, tuna-like and other deep-sea fishes as well as other seafood products that we source from external suppliers based on demand from our customers. Our trading segment is a complementary business to our deep-sea fishing segment whereby customers request for us to supply tuna, tuna-like and other deep-sea fishes as well as other seafood products in conjunction or independent from their orders for our catches. We believe that our reputation as a reliable supplier of high quality seafood products and industry expertise attract customers to source for seafood products from us.

Our trading segment is focused on tuna, tuna-like and other deep-sea fishes and seafood products which are of higher value and margins. The tuna species that we primarily trade in are yellowfin, bigeye and albacore. We also trade tuna-like fishes such as swordfish, marlin and sailfish, and other seafood products such as crabs, shrimp, cuttlefish and others. These fish are mainly procured from suppliers in other countries such as Sri Lanka and Maldives. We identify and select suppliers based on our industry knowledge and the network of our management, taking into account the following:

- (a) type of tuna, tuna-like and other deep-sea fishes or other seafood products ordered;
- (b) delivery location requested compared with the location of the corresponding supply; and
- (c) quantity and quality of tuna, tuna-like and other deep-sea fishes or other seafood products requested.

4.2 Products

Our core products are tuna, tuna-like and other deep-sea fishes, which are delivered in the following forms:

(i) Frozen tuna

Frozen tuna refers to tuna fishes, either obtained from our commercial deep-sea fishing activities or external suppliers, which have been processed and frozen at a temperature of up to minus 40°C, after they are captured.

This is our core product for our commercial deep-sea fishing activities. We supply and trade these frozen tuna fishes globally.



4. OVERVIEW OF OUR BUSINESS (cont'd)

(ii) Fresh tuna

Fresh tuna refers to tuna fishes, obtained from external suppliers, that are chilled but not frozen at extreme low temperatures after they are captured. Typically, fresh tuna fishes are delivered to a tuna landing port within 2 weeks from capture.



Fresh tuna fetches higher price as compared to frozen tuna, and are considered a premium product. It requires a fast turnaround from fishing location to delivery to end customers in order to preserve its freshness. We can source and supply fresh tuna via our commercial deep-sea fishing activities. However, it has not been our focus due to location and geographical factors such as the distance between our fishing area in the Indian Ocean to our identified tuna landing port in Penang. In the past, we have sold fresh tuna via our trading operations only.

(iii) Tuna-like and other deep-sea fishes

We also supply frozen tuna-like fishes such as marlin, mackerel, swordfish and sailfish and other deep-sea fishes such as mahi-mahi, wahoo, oilfish, snapper and ribbonfish both through our commercial deep-sea fishing operations and our trading business.

The prices of these fishes are based on their species and quality.



In addition to our core products of tuna, tuna-like and other deep-sea fishes, we also sell other seafood products such crabs, shrimp and cuttlefish via our trading segment. For clarity, these other seafood products are generally not available via our commercial deep-sea fishing segment.

An analysis of our main products supplied and factors influencing them during the Period Under Review, are as follows:

Business activity	Commercial deep-sea fishing	Trading
Products	<p>With our fishing vessels, we have caught and processed:</p> <ul style="list-style-type: none"> • Frozen tuna • Frozen tuna-like and other deep-sea fishes 	<p>From our trading partners and network, we have supplied:</p> <ul style="list-style-type: none"> • Frozen tuna • Fresh tuna • Frozen tuna-like and other deep-sea fishes • Other seafood such as crabs, shrimp and cuttlefish

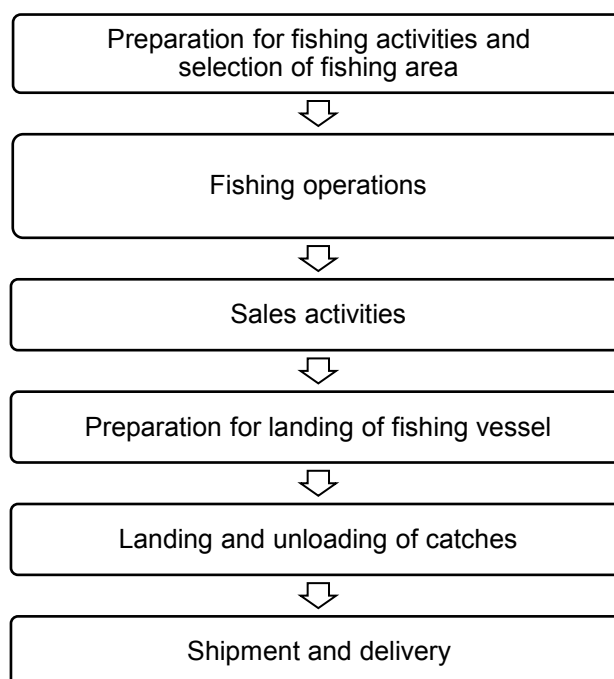
4. OVERVIEW OF OUR BUSINESS (cont'd)

Business activity	Commercial deep-sea fishing	Trading
Factors influencing our product focus	<p>Whilst fresh tuna can fetch premium prices, the feasibility/practicality of supplying 'fresh' catches is dependent on location/ geographical factors.</p> <p>As we currently only land our fishing vessels at the tuna landing port in Penang, it is not feasible to fish for fresh tuna due to the long distance between our fishing areas in the Indian Ocean and Penang. As such, our commercial deep-sea fishing activities is focused on supplying frozen tuna, tuna-like and other deep-sea fishes.</p>	<p>Availability of supply, quality and prices of catches affect the level of our trading activities for tuna fishes.</p> <p>Frozen tuna, tuna-like and other deep-sea fishes and seafood products are the most common products available for trading.</p> <p>Fresh tuna is relatively scarce due to the distance between fishing zones and port locations as well as the duration taken for fishing trips.</p>

4.3 Process flow

The process flow for our commercial deep-sea fishing and trading business segments are illustrated in the sections below:

4.3.1 Commercial deep-sea fishing segment



(i) Preparation for fishing activities and selection of fishing area

The target fishing area will be determined by our vessel management team and captain before our fishing vessel begins its voyage. Our vessel management team is led by our Chief Operations Officer. In determining the target fishing area, this team will assist the captain in analysing data collected from our previous fishing trips and industry network on fishing areas, tuna migratory patterns and trajectories as well as data gathered from satellite imaging technology prepared by the team to identify areas with higher ocean productivity based on temperature and amount of plankton present in the ocean.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Before setting off to the target fishing area, the fishing vessel will be fitted with supplies such as bunker fuel, fishing gear, bait and consumables sourced from various suppliers which are recognised in our financial statements as inventories prior to the fishing voyage and reclassified to cost of sales after completion of the fishing voyage.

The captain will also gather the crew members who will undertake the fishing trip. Typically, for our fishing vessel, we will have at most 15 crew members on board. Prior to departing for the voyage, our appointed agent will be responsible for the submission of the requisite documentation, such as port clearance and crew list, to the relevant authorities.

As at LPD, we have completed 9 fishing trips with our fishing vessel Ibu Wira 3, since 2017, 2 fishing trips with Ibu Wira 2 and 1 fishing trip with Ibu Wira 1 since 2021.

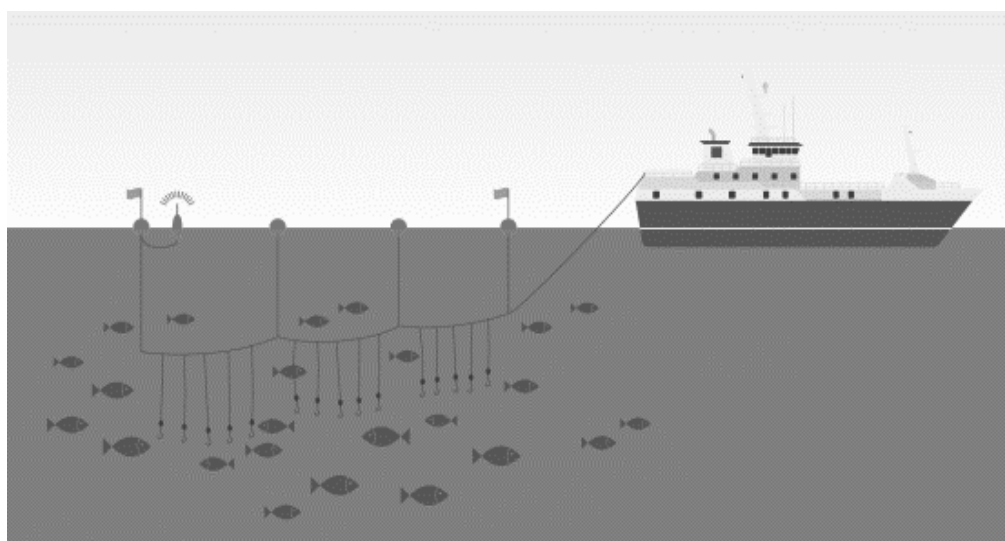
(ii) Fishing operations

Once the voyage begins, the captain and its crew will head to the target fishing area. This journey typically takes 5 to 6 days depending on the distance to the target fishing zone within the Indian Ocean, as per our fishing license obtained from DOF. The vessel would fish and may change fishing areas within our permitted zone throughout the journey, until the vessel reaches its carrying capacity or a maximum of 6 months.

The captain will utilise the equipment on board to locate the tuna schools to start fishing activities. Environmental factors such as ocean water temperature, currents and tuna migration and fishing spots data are used to locate the tuna schools. The captain will make necessary adjustments or changes to the target fishing area, as the ideal area can only be determined when they are closer.

We use the longline fishing method to catch our tuna fishes. This entails the use of a main line which can be up to 100 nautical miles (approximately 185 kilometers) in length. The length of the main line depends on the capacity of the vessel. The main line will be attached with branch lines that branches out every 60 meters to 100 meters apart, which are tipped with baited hooks.

The diagram below illustrates the longline fishing technique:



4. OVERVIEW OF OUR BUSINESS (cont'd)

Fishing operations are generally carried out daily, subject to weather conditions, while at the target fishing ground. Our fishing operations are as follows:

- (1) **Baiting** – the process involves attaching suitable hooks and baits to the branch lines, which are then clipped to the main line. Commonly used baits are frozen squid, mackerel or other small fish.
- (2) **Shooting** – is the process of releasing the main line, attached with the secondary or branch line, to the sea. The main line is released into the sea using a shooter device, which launches the longline at a speed slightly faster than the boat. A transmitter buoy and a high flyer (a large buoy equipped with a radar reflector on top) are attached to the furthest end of the main line. Transmitter buoys are also deployed at regular interval to mark the position of our main line (especially if our main line gets cut by other ships), as well as to regulate fishing depth.

The shooting operations typically take between 3 to 4 hours. When fully operational, there will be 800 to 2,000 hooks fishing, depending on the capacity of the vessel and the number of crew on board. Once the main line is fully deployed, our vessel will drift in the vicinity, waiting to haul the longline. We normally allow a few hours before hauling in the main line, depending on the condition and fish concentration at our target fishing area.

- (3) **Hauling** – is the process of drawing up the main line. The main line is hauled using an automatic line hauler and the branch lines are coiled on the deck for storage. Caught fishes are detached from the hooks on the branch lines and placed on the deck for on board processing and storage. Branch lines are then detached and stored separately.
- (4) **Processing and storage** – when the fishes are on deck, they are processed on board by crew members such as cleaning the fish by bleeding the tuna, a process whereby the blood is removed from the fish, and also removing its guts and gills. The on-board processing is a key operation as it affects the grade of product, and ultimately the price, when we deliver to customers. We comply with set industry practices and various customer requirements for the on-board processing prior to the storage of the fishes.

After on board processing, the crew members will then load the processed fishes into the blast freezer to rapidly freeze the fishes at a temperature of up to minus 40°C. Blast freezing of fishes has to be done immediately after the on-board processing to avoid contamination and preserve the quality and freshness of the fishes. The fishes will be transferred from the blast freezer to a cold-room where fishes are stored at up to minus 35°C.

Throughout the entire voyage, the captain is required by the DOF to keep a daily log of information such as vessel position, water temperature, number of hooks used, number and weight of the catch, handling of by-catch, species of the catch as well as size and frequency of the species we catch. They are required by the DOF to report every fortnight to the vessel management team which will then be forwarded to the DOF.

(iii) Sales activities

The captain will inform the vessel management team on the estimated arrival date and approximate catch volume approximately 2 weeks before returning to the tuna landing port in Penang.

4. OVERVIEW OF OUR BUSINESS (cont'd)

With information on the approximate catch volume, the vessel management team will work with our key management team to inform potential buyers and receive their confirmation on the volume and type of fishes required. Our catches are fully sold before our vessels land at the said tuna landing port and as such we have not maintained inventories of any catches since commencing business.

(iv) Preparation for landing of fishing vessel

As soon as the captain informs the vessel management team of the estimated arrival date (which is approximately 2 weeks before landing), the vessel management team will issue an application letter to the DOF to apply for landing approval.

Once the application has been approved and the date and time of arrival of the fishing vessel has been established, the vessel management team will arrange for shipping agent(s) and forwarding agent(s) to deliver our tuna fishes from the Penang tuna landing port for export to our customers according to the volume of tuna stored on board. Meanwhile, the appointed forwarding agent(s) will apply for the bunkering as well as import and export permits with MAQIS and CUSTOMS.

(v) Landing and unloading of catches

On the day the fishing vessel lands at the tuna landing port in Penang, the necessary equipment and resources for the unloading of catches such as cranes, forklifts, unloading platform and weighing machines will be prepared by the Company. Forwarding agent(s) will also arrange for container trucks to be on standby for the shipment.

Upon arrival of the fishing vessel, the appointed shipping agent(s) will invite the relevant authorities, i.e. the DOF, MAQIS and CUSTOMS to conduct an inspection on the vessel's daily log of information such as vessel position, water temperature, number of hooks used, number and weight of the catch, handling of by-catch, species of the catch as well as size and frequency of the species we catch. After inspection, the crew members and personnel will start to unload the catches in batches to the unloading platform with a crane.

The catches will be sorted in accordance to the type of fish, size and customer's booking. The catches will then be weighed, and the weight will be recorded before it is loaded to the refrigerated container. We ensure that the containers provided by the appointed forwarding agent(s) are refrigerated at a temperature of up to minus 35°C. A random sample of every species of our catches will be selected and sent to DOF and a certified laboratory for the testing of heavy metals, parasites, histamine and others.

(vi) Shipment and delivery

The fishes caught will be segregated by size and species, and sent to the relevant container terminals in a refrigerated container by our appointed forwarding agents before being shipped to our customers. The fishes will be delivered to our customers either by air or sea shipment depending on the type of products sold.

Our appointed forwarding agents are responsible for the transportation, shipping and handling of the refrigerated containers until it is delivered to our customers. Once the fishes are loaded into the relevant containers and taken by our appointed forwarding agents, the respective delivery orders/bill of lading or air waybill will be issued as part of the export process. Revenue for our commercial deep-sea fishing segment will be recognised upon the completion of the transaction when the fishes and/or seafood products are delivered to our customers.

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.3.2 Trading segment



(i) Selecting external suppliers

External suppliers, comprising of both fishermen and wholesalers, typically sell their catch through traders. We are able to secure quality suppliers due to our network and reputation in the market. Our Group identifies and selects suppliers through our industry knowledge of the suppliers and through the network of management, to ensure they can meet and deliver the tuna, tuna-like and other deep-sea fishes or seafood products that meets the quality standards of our customers.

Please refer to Section 4.4 of this Information Memorandum for further information on our efforts to control the quality of tuna, tuna-like and other deep-sea fishes and seafood products purchased from external suppliers.

(ii) Sales and trading activities

The external suppliers will inform our CEO and/or GM and provide them with information on their approximate catch volume. Our CEO and/or GM will subsequently inform potential buyers to get their confirmation on the volume and type of fishes they require at this stage.

Similar with our Group's deep-sea fishing activities, our suppliers' catches are fully sold even before their vessel lands at their respective tuna landing ports in the countries which they are based. Please refer to Section 4.12 of this Information Memorandum for further information of which tuna landing port our suppliers are based at. As such we have not maintained inventories of suppliers' catches since commencing business.

(iii) Shipment and delivery

Once our suppliers' fishing vessels land at the tuna landing port in their respective countries, they will then segregate the fishes or other seafood products caught by size and species, which will then be sent to the relevant container terminal in a refrigerated container by the supplier's appointed forwarding agent(s). Our Group periodically sends our personnel to perform random inspections on the quality of fish and seafood products ordered when the supplier's ship lands at their respective tuna landing ports, prior to the loading of the shipment order onto the containers. However, with the travel restrictions since the Covid-19 pandemic, we have not been able to conduct inspections. In efforts to ensure our customers' quality requirements are met during the pandemic, we have enhanced communication to increase the frequency of feedback requests from our customers. In addition, during this period, all our purchases for our trading segment are repeat purchases from known suppliers. As such, we believe that the risk of poor-quality seafood products should be minimal. As at LPD, we have not received any complaints from our customers in relation to the quality of fish and seafood products sold via our trading segment.

4. OVERVIEW OF OUR BUSINESS (cont'd)

The fishes and/or seafood products will be delivered by our suppliers directly to our customers either by air or sea shipment depending on whether the products are alive, fresh or frozen. Once the shipment is loaded into the containers and taken by their appointed forwarding agents, the respective delivery orders/bill of lading or air waybill will be issued as part of the export process. Revenue for our trading segment will be recognised upon completion of the transaction when the fishes and/or seafood products are delivered to our customers.

4.4 Quality control and assurance

It is vital for us to establish and adhere to quality control and assurance procedures in order to ensure that we operate efficiently and sell fishes that meet our customers' quality requirements.

We have established and implemented the following quality control measures to carry out our commercial deep-sea fishing operations or trading operations:

(i) Processing and handling of tuna, tuna-like and other deep-sea fishes

We have a standard handling and processing procedure for tuna, tuna-like and other deep-sea fishes on board to avoid contamination and minimise superficial damage such as bruising, as these are important in determining the price of the fishes.

(ii) Inspection of temperature of on-board blast freezer and storage cold-rooms

To maintain the freshness of our catch for up to 6 months, the fishes are rapidly frozen using the blast freezers to a temperature of minus 40°C. The crew will then check that the fishes has been frozen to the desired temperature before storing in the cold-room.

In order to ensure the temperature is maintained at desired level, the crew members will monitor and record the temperature of the cold-rooms every 2 to 3 hours. Should there be a failure in one of the cold-rooms, the fishes will be shifted to a functioning cold-room located on the same vessel while the faulty cold-room is fixed by our on-board engineer.

(iii) Controlling quality of seafood purchased from external suppliers

We recognise the importance of controlling the quality of seafood purchased from external suppliers for onward sale to our customers. The quality of seafood determines its price range, and failure to deliver the required quality could damage our industry reputation.

In order to ensure and control the quality, our suppliers will share with us for our inspection purpose their onboard cold room temperature records to ensure proper onboard storage. We also perform random checks on our external suppliers by enquiring with them and assessing the location of fishing activities, and also send our personnel to inspect and grade the fishes on a random sampling basis when the fishing vessels lands at their respective tuna landing ports.

In addition, we also ensure that we only procure from reputable suppliers in the tuna industry, as described in Section 4.3.2 above.

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.5 Details of our fishing vessels

Details of the fishing vessels we own as at LPD are as follows:

	Ibu Wira 1	Ibu Wira 2	Ibu Wira 3	Ibu Wira 6
Acquisition cost (RM' mil)	1.97	2.01	0.98	1.76
Cost of refurbishing or upgrading vessel (RM' mil)	0.18	0.17	0.07	0.10
Month / year Acquired	October 2019	October 2019	December 2016	October 2019
Month/Year of issuance of authorisation from authorities	December 2020	December 2020	April 2017	Pending approval
Vessel age*	52	23	26	33
Month/Year of last overhaul / upgrade / refurbishment	October 2020	October 2020	April 2017	Not applicable
Remaining operational lifespan*	25	25	21	(in the midst of refurbishment)
Status / usage	In-use	In-use	In-use	Pending approval from the relevant authorities
Length (m)	27.30	27.50	24.25	23.90
Storage capacity (tonnes)	85	87	83	79
No. of crew	15	15	15	15
Type of freezing equipment	Blast freezer	Blast freezer	Blast freezer	Blast freezer
No of cold rooms	13	10	8	Pending final report on ship survey

Note:

* The operational lifespan/economic useful life of the vessels is approximately 25 years after every satisfactory overhaul/upgrade/refurbishment.

ATT had on 13 August 2021, entered into a SPA with E-Fish Maldives Pvt Ltd for the acquisition of a fishing vessel, to be renamed as Ibu Wira 7, with a storage capacity of 84 tonnes for a total cash consideration of USD530,000. The said acquisition is pending completion. Please refer to Section 4.16(i) of this Information Memorandum for further details of the vessel.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Maintenance of fishing vessels and its facilities

The fishing vessel's engine, blast freezers and cold-rooms are inspected and maintained after each fishing trip. An independent calibration laboratory is engaged to calibrate and test the cold-rooms and will provide a certificate of calibration to signify that the cold-rooms are functioning at the level required. The other fishing equipment such as main lines, branch lines, shooter and haulers are physically inspected to check for any signs of wear and tear prior to and after each fishing operation.

4.6 Operating capacity and utilisation rates

As at LPD, we own 4 fishing vessels, of which 3 vessels, namely Ibu Wira 1, Ibu Wira 2 and Ibu Wira 3 are fully operational and have obtained all necessary approvals and authorisation for their fishing activities. The remaining vessel is pending approvals from DOF and IOTC.

Our first vessel, namely Ibu Wira 3, has been operational since May 2017 and has embarked on 9 fishing trips as at LPD. Our second vessel, namely Ibu Wira 2, began deep-sea fishing operations in January 2021 and has completed 2 fishing trips as at the LPD. Our third vessel, Ibu Wira 1, embarked on its maiden voyage in June 2021 which it completed in September 2021. It is expected to embark on its second fishing trip at the end of October 2021.

Since commencing business, our vessels have landed exclusively at the Penang tuna landing port for logistical efficiency and expediency due to its proximity to established sea and air freight for shipment and delivery of our catches.

Please refer to Section 4.5 of this Information Memorandum for details of our vessels.

As the ability to ensure proper storage of fishes on-board our vessels is important in ensuring the quality of catch, the capacity of our vessels are determined by the size of the storage cold-room(s) on-board. Our vessels have storage capacities ranging between 79 tonnes to 87 tonnes as detailed out in Section 4.5 of this Information Memorandum.

During the FYE 2019 and FYE 2020, we only had 1 vessel in operation, namely Ibu Wira 3. As such, its historical utilisation rates of Ibu Wira 3 for the FYE 2019 and FYE 2020 are as follows:

	Storage capacity (tonnes)	Actual catch volume (tonnes)	Utilisation rate (%)
FYE 2019	166	133	80.1
FYE 2020	166	145	87.3

The storage capacity shown above was calculated based on the following assumptions:

- (i) The fishing vessel has a capacity of 83 tonnes; and
- (ii) The fishing vessel makes 2 fishing trips per year.

During the FYE 2021, we had 3 vessels in operation, namely Ibu Wira 1, Ibu Wira 2 and Ibu Wira 3. The historical utilisation rates of Ibu Wira 1, Ibu Wira 2 and Ibu Wira 3 for the FYE 2021 are as follows:

FYE 2021	Note	Storage capacity (tonnes)	Actual catch volume (tonnes)	Utilisation rate (%)
Ibu Wira 1	(1)	85	-	-
Ibu Wira 2	(2)	87	55	63.2
Ibu Wira 3	(3)	166	143	86.1

4. OVERVIEW OF OUR BUSINESS (cont'd)

Notes:

- (1) Ibu Wira 1 has a capacity of 85 tonnes. However, Ibu Wira 1 only embarked on its maiden voyage from June 2021 to September 2021, i.e. after the FYE 2021. As such, no actual catch volume and utilisation rate was reflected for the FYE 2021.
- (2) Calculated on the assumption that Ibu Wira 2 has a capacity of 87 tonnes and only made 1 fishing trip during the FYE 2021 as it only began deep-sea fishing operations in January 2021; and
- (3) Calculated on the assumption that Ibu Wira 3 has a capacity of 83 tonnes and makes 2 fishing trips per year.

Based on the above assumptions, once all 4 of our vessels are operational, it is expected that our Group will have an aggregate annual gross storage capacity of approximately 668 tonnes.

It should be noted that the utilisation rate is, to a certain extent, dependent on factors that is not within our control – such as availability of fishes, weather conditions and any unscheduled repair and maintenance required. Under favourable conditions, our vessels can make up to 3 fishing trips each per year.

4.7 Seasonality

We have not experienced any seasonality in our business as fishing activities can be carried out in the Indian Ocean whole year round. Typically, sales activities for our commercial deep-sea fishing activities commence approximately 2 weeks before our vessels return to the Penang tuna landing port from their fishing trips. As our revenue is only recognised after delivery to our customers is completed, sales for this segment can be lumpy as it depends on the duration of the voyage and timing of landing as mentioned above.

4.8 Our competitive strengths

We believe that our competitive strengths stated below are the main factors for our Group's success thus far and will be drivers for our Group's future growth.

4.8.1 We have the technical expertise and know-how to perform commercial deep-sea tuna fishing

We have the technical expertise and know-how in the operation and management of fishing vessels, which we have accumulated since we commenced commercial deep-sea fishing in 2017 and through the experience of our key management team, captain and crew members.

This technical expertise includes, amongst others:

- (i) handling, processing and freezing our catch on board our fishing vessel. We have developed handling and processing procedures to avoid contamination and minimise damage to the fishes caught such as bruising. This minimises spoilage and protects the external appearance of the fishes, which is an important factor in determining the grade and price of fishes upon sale; and
- (ii) analysis of data collected from our ocean survey work to identify location of fishing grounds, fish migration patterns and seasonal variations.

We believe that our technical expertise and know-how in the deep-sea fishing business is key to improving catch yields and operating efficiency as well as maintaining the fish's quality which directly impacts its selling prices.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Also, from experience, we are able to reliably evaluate and price the supplies that we buy from external suppliers for onward sale to our customers. This is important in order to minimise any disputes in quality and ultimately the buying and selling price, which will consequently affect our profitability. Our industry reputation depends on the quality assurance that we can give to our customers, whether the products are from our own commercial fishing activities or sourced from external suppliers.

4.8.2 We have a wide network of customers and suppliers

In the most recent financial year, our customers are mainly seafood retailers, wholesalers and/or seafood product manufacturers based in China, Taiwan and Vietnam. Our suppliers for deep-sea fishes and seafood products are from various countries such as Madagascar, Sri Lanka, Peru and Thailand as well as suppliers of bunker fuel and other supplies such as fishing gear, bait and consumable items and forwarding agents which are mainly based in Malaysia.

Through our CEO and key management team's industry experience and network, we were able to establish our reputation and present network of customers and external suppliers.

4.8.3 We are one of the 3 tuna fishing companies in Malaysia that have been authorised to operate in the Indian Ocean

As at LPD, based on the IMR Report, there are only 3 tuna fishing companies in Malaysia, including us, which have been authorised by the DOF and IOTC to commercially fish for tuna and tuna-like fishes in the Indian Ocean.

The tuna fishing industry is highly regulated and as a result, it has high barriers to entry. In order to carry out commercial deep-sea fishing activities, tuna fishing companies in Malaysia must have fishing vessels that are authorised by the DOF and registered with the IOTC.

As there are few competitors operating in the tuna fishing industry in Malaysia, we believe we are well-positioned as a licenced/authorised tuna fishing company in Malaysia to leverage on the growing global tuna market.

4.8.4 Our fleet of fishing vessels are equipped with equipment and employ a longline fishing technique to maximise yields

Our fleet of fishing vessels utilise blast freezers which can freeze fishes at minus 40°C and cold-rooms which can maintain temperatures of minus 35°C. This allows us to maintain the freshness of frozen fishes on board for up to 6 months. This also enables the fishing vessel to operate further from the tuna landing port in Penang which we operate from, to perform deep-sea fishing in the appropriate areas.

In addition, our fleet of fishing vessels are also equipped with vessel monitoring systems to measure ocean water temperature, current movements and other environmental factors relevant to tuna migration, and are also equipped with fish finding technology to identify the size and density of fishing schools while at its location. These technologies enable us to optimise our catch volume and size.

In order to extend the service life of our fishing vessels, we ensure our crew members follow stringent maintenance standards. They regularly inspect and maintain key equipment and parts for the fishing vessels during each voyage and engage an independent calibration laboratory to certify that the cold-rooms are functional. We believe this will also contribute to our operating efficiency as it reduces downtime.

In order to maximise our yield of tuna fishes, while ensuring sustainable fishing, we employ the longline fishing technique, which typically catches tuna fishes of larger size compared to other types of fishing techniques. Apart from optimising the catch yield of tuna fishes, longline fishing is perceived to be a more sustainable and environmentally friendly fishing method than purse seine fishing, the other principal tuna fishing method. This is because the purse seine fishing

4. OVERVIEW OF OUR BUSINESS (cont'd)

method employs a large wall net deployed around an entire area or school of fish and hauled aboard. This is a non-selective fishing method that captures everything that it surrounds, which may include protected species as well as immature or juvenile fishes. On the other hand, longline fishing is less likely to result in by-catches of immature and juvenile tuna fishes, which causes serious damage to fishery resources.

4.8.5 Experienced and dedicated key management team, captains and crew members

Our key management team has extensive technical and managerial expertise in the longline tuna fishing industry as well as valuable business relationships with customers and suppliers. Our CEO, Dato' Pua, is responsible for the overall strategic direction and business development of our Group. He has 6 years of experience in the tuna fishing industry and has spent 12 years servicing the tuna fishing industry prior to that. In doing so, he has built an extensive network of contacts in the industry, comprising retailers, fisherman, wholesalers and seafood product manufacturers as well as other suppliers such as suppliers of bunker fuel, fishing equipment and forwarding agents.

Dato' Pua is supported by Simon Pua, our GM, Lim Kay Siong, our Chief Financial Officer and Goh Pei San, our Chief Operations Officer. Lim Kay Siong has 45 years of experience in finance and accounting. Meanwhile, Goh Pei San has been with our Group since 2016, and has since assisted our CEO in overseeing daily operations. For further details regarding the educational qualifications and experience of our Directors and our key management team, please refer to Sections 6.1.2 and 6.2.2 of this Information Memorandum.

We also engage experienced captains and crew members who can competently operate our fishing vessels and perform fishing activities. Our CEO, through his experience and network in the industry, will headhunt for vessel captains. The respective captains will then gather his own crew members who will assist him in each fishing trip. Moving forward, our Group may also engage crewing agencies to assist in the hiring process.

Their technical expertise and know-how have also been vital to our success. We believe that the combination of our key management team's experience and expertise in the longline tuna fishing industry have been integral to our success, and will continue to be a key growth factor in our future development.

4.9 Sales and marketing strategies

During the Period Under Review, we have had customers which comprise seafood retailers and wholesalers and/or seafood processors based in Sri Lanka, Taiwan, Thailand and Vietnam.

Our marketing activities are led by our CEO, Dato' Pua, and GM, Simon Pua, with the assistance of our Chief Operations Officer, Goh Pei San. Prior to the landing of our vessels, the vessel captain will inform the head office of the total quantity and type of catch. Our CEO as well as GM will then inform our network of customers and receive their orders for our catch.

We primarily secure our business from the following:

- (i) the business network of our CEO and key management team; and
- (ii) referrals from existing customers.

As our marketing efforts leverage on our CEO and key management team's industry experience and marketing network and our existing customers, we understand the importance of delivering quality fishes to our customers to ensure repeat and new businesses from existing customers and potential referrals.

4. OVERVIEW OF OUR BUSINESS (cont'd)

According to the IMR Report, global tuna consumption is estimated to have grown from 3.2 million tonnes in 2014 to 3.5 million tonnes in 2019. Demand for tuna has been growing on the back of globalisation which has led to assimilation of cultures from countries which have higher fish consumption per capita such as Japan, increasing affluence resulting from greater spending power as well as population growth. Furthermore, countries such as Japan and the USA are net importers of tuna. They collectively consume close to 90.0% of the world's raw and cooked tuna, and over 30.0% of the world's canned tuna. Due to the available demand from international markets, coupled with the limited catches our vessels can produce, we do not enter into long-term contracts with customers to enable us to secure orders at competitive prices. This will allow us to optimise our profitability.

4.10 Principal markets

During the Period Under Review, we exported all our products to international markets where our customers are based. Our revenue by geographical segment for the Period Under Review indicated:

Overall

Country	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Singapore	1,904	67.8	3,757	13.5	1,157	4.1
Thailand	304	10.8	-	-	67	0.3
China	12	0.4	18,670	67.1	22,214	78.6
Taiwan	231	8.2	1,680	6.0	2,274	7.7
Vietnam	237	8.5	3,213	11.5	2,514	8.9
Japan	119	4.3	395	1.4	-	-
Sri Lanka	-	-	126	0.5	87	0.3
Malaysia	-	-	-	-	(1)65	0.1
	2,807	100.0	27,841	100.0	28,378	100.0

Note:

- (1) The revenue generated from Malaysia was derived from the management of trade services provided by our Group to third parties such as carrying out import and export declarations or for outsourcing of activities such as repackaging, sizing, sorting and labelling. These services are distinct from our Group's commercial deep-sea fishing or trading activities.

Commercial deep-sea fishing

Country	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Singapore	1,394	74.9	1,201	61.0	1,157	53.9
Thailand	-	-	-	-	68	3.1
Taiwan	231	12.4	574	29.1	386	18.0
Vietnam	237	12.7	68	3.5	450	20.9
Sri Lanka	-	-	126	6.4	87	4.1
	1,862	100.0	1,969	100.0	2,148	100.0

4. OVERVIEW OF OUR BUSINESS (cont'd)

Trading

Country	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Singapore	510	54.0	2,557	9.9	-	-
Thailand	304	32.1	-	-	-	-
China	12	1.3	18,670	72.6	22,214	85.5
Taiwan	-	-	940	3.7	1,712	6.6
Vietnam	-	-	3,145	12.3	2,063	7.9
Japan	119	12.6	395	1.5	-	-
	945	100.0	25,707	100.0	25,989	100.0

4.11 Major customers

Details of the revenue contribution from our top 5 customers for the FYE 2019, FYE 2020 and FYE 2021 respectively are as follows:

Name of customer	Business Segment	Country	⁽¹⁾ Length of business relationship as at LPD (years)	FYE 2019		FYE 2020		FYE 2021	
				RM'000	⁽²⁾ %	RM'000	⁽²⁾ %	RM'000	⁽²⁾ %
Customer A ⁽⁶⁾	Commercial deep-sea fishing and trading	Singapore	3	1,904	67.8	3,758	13.5	⁽³⁾ 1,157	4.1
Customer B ⁽⁶⁾	Trading	Thailand	3	304	10.8	-	-	-	-
Customer C ⁽⁶⁾	Commercial deep-sea fishing	Vietnam	3	237	8.4	-	-	-	-
Customer D ⁽⁶⁾	Commercial deep-sea fishing	Taiwan	3	182	6.5	-	-	-	-
Customer E ⁽⁶⁾	Trading	Japan	3	119	4.2	⁽³⁾ 395	1.4	-	-
Customer F ⁽⁶⁾	Trading	China	2	-	-	6,638	23.8	2,794	9.9
Customer G ⁽⁶⁾	Trading	China	2	-	-	5,206	18.7	-	-
Customer H ⁽⁶⁾	Commercial deep-sea fishing and trading	Vietnam	2	-	-	3,213	11.5	2,513	8.9
Customer I ⁽⁶⁾	Trading	China	2	-	-	1,700	6.1	15,035	53.2
Customer J ⁽⁶⁾	Trading	China	>1	-	-	⁽³⁾ 582	2.1	4,385	15.5
Customer K ⁽⁶⁾	Trading	Taiwan	>1	-	-	⁽³⁾ 940	3.4	1,712	6.1
Total				2,746	97.7	⁽⁴⁾ 20,515	⁽⁴⁾ 73.6	⁽⁵⁾ 26,439	⁽⁵⁾ 93.6

Notes:

- (1) Calculated by comparing the year of the first transaction with the respective customers as the base year against 2021.
- (2) Percentage derived based on our Group's revenue for the respective financial years.
- (3) Not within the top 5 customers of our Group during the financial year under review.
- (4) Does not include the revenue derived from Customer E, Customer J and Customer K as it is not within the top 5 customers of our Group during the FYE 2020.
- (5) Does not include the revenue derived from Customer A as it is not within the top 5 customers of our Group during the FYE 2021.

4. OVERVIEW OF OUR BUSINESS (cont'd)

(6) The principal activities of our customers are as follows:

Customer	Principal activity
A	Principally involved in processing, curing and preserving fish and other seafood. The main products produced by this customer includes swordfish, tuna and wahoo in fillet, loin, slice, steak and/ or chunks which are mainly exported.
B	Principally a seafood wholesaler mainly catering to its local restaurants, eateries and end consumers
C	Principally a seafood processor and exporter, focused on the export market
D	Principally a wholesaler of seafood, fishing gear and equipment as well as fruits and vegetables for its local and export markets
E	Principally an importer of seafood, fruits and vegetables, plant related products and other products as well as the export of marine products
F	Principally involved in the import, export and trading of various commodities and products, including but not limited to agricultural, food and seafood products which are sold locally or re-exported
G	Principally involved in the import, export and trading of agriculture products which are sold locally or re-exported
H	Principally involved in the import, export and trading of seafood products which are sold locally or re-exported
I	Principally involved in the import and trading of various types of goods, products and material which are sold locally
J	Principally involved in the import, export and trading of various products, including but not limited to agriculture products which are sold locally or re-exported
K	Private individual who is in the business of seafood wholesaling locally

The change in our top 5 customers year to year reflects that we are not reliant on any one major customers. Further, 4 out of our top 5 customers for FYE 2020 are new customers. We do not enter into long-term sales contracts with our customers and our orders are on a purchase order basis. This allows us to negotiate the terms of sale, i.e. type of grade of fishes, weight and price, and secure orders at competitive prices.

The credit terms given to our customers for our commercial deep-sea fishing and trading segments are 90 days. Please refer to Section 8.8(i) of this Information Memorandum for further information on our trade receivables turnover period.

4.12 Major suppliers

Our Group's top 5 suppliers for the FYE 2019, FYE 2020 and FYE 2021 are as follows:

Supplier	Country	⁽¹⁾ Length of business relationship as at LPD (years)	FYE 2019		FYE 2020		FYE 2021	
			RM'000	⁽²⁾ %	RM'000	⁽²⁾ %	RM'000	⁽²⁾ %
Supplier A ⁽⁶⁾	The Maldives	3	366	22.0	⁽³⁾ 2	⁽⁴⁾ -	-	-
Supplier B ⁽⁶⁾	Sri Lanka	3	320	19.2	4,269	17.5	1,755	8.4
Supplier C ⁽⁶⁾	Japan	3	204	12.2	-	-	-	-
SS Oil and Gas Sdn Bhd ⁽⁶⁾	Malaysia	3	156	9.4	⁽³⁾ 252	1.0	298	1.2
Supplier D ⁽⁶⁾	Malaysia	3	149	8.9	-	-	-	-
Supplier E ⁽⁶⁾	Peru	2	-	-	4,743	19.4	2,598	12.4
Supplier F ⁽⁶⁾	Spain	2	-	-	4,687	19.1	-	-
Supplier G ⁽⁶⁾	Thailand	2	-	-	1,631	6.7	1,401	6.7
Supplier H ⁽⁶⁾	Madagascar	2	-	-	1,620	6.6	13,782	65.9
			1,195	71.7	⁽⁵⁾16,950	⁽⁵⁾69.3	19,834	94.6

4. OVERVIEW OF OUR BUSINESS (cont'd)

Notes:

- (1) Calculated by comparing the year of the first transaction with the respective suppliers as the base year against 2021.
- (2) Percentage derived based on our Group's total cost of sales for the respective financial year/financial period.
- (3) Not within the top 5 suppliers of our Group during the financial year under review.
- (4) Negligible
- (5) Does not include the purchases from Supplier A and SS Oil and Gas Sdn Bhd as it is not within the top 5 suppliers of our Group during the FYE 2020.
- (6) The type of goods provided by suppliers as mentioned in the above table are as follows:

Supplier	Business activity	Tuna landing port (for fishing supplier)	Type of goods provided
Supplier A	Fisherman and seafood processor	Male, Maldives	Tuna, tuna-like and other deep-sea fishes and seafood products
Supplier B	Fisherman	Colombo, Sri Lanka	Tuna, tuna-like and other deep-sea fishes and seafood products
Supplier C	Trader	-	Tuna, tuna-like and other deep-sea fishes and seafood products
SS Oil and Gas Sdn Bhd	-	-	Diesel
Supplier D	-	-	Diesel
Supplier E	Farming operator & seafood processor	-	Tuna, tuna-like and other deep-sea fishes and seafood products
Supplier F	Trader	-	Tuna, tuna-like and other deep-sea fishes and seafood products
Supplier G	Fisherman	Phuket, Thailand	Tuna, tuna-like and other deep-sea fishes and seafood products
Supplier H	Trader	-	Tuna, tuna-like and other deep-sea fishes and seafood products

Based on the table above, we have mainly sourced tuna, tuna-like and other deep-sea fishes and seafood products and diesel from our top 5 suppliers during the FYE 2019, FYE 2020 and FYE 2021. Nonetheless, it should also be noted that we are not dependent on any of our suppliers for tuna, tuna-like and other deep-sea fishes and seafood products and diesel as supply of these products are readily available from various sources. We do not enter into long-term agreements with any of our suppliers to enable us to obtain our supplies at the most competitive rate in the market

The credit terms given by our suppliers for our commercial deep-sea fishing and trading segments is 90 days. Please refer to Section 8.8(ii) of this Information Memorandum for further information on our trade payables turnover period.

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.13 Major approvals, permits and licenses

We are subject to numerous legislative and regulatory requirements, which include authorisations from DOF and the IOTC, export, environment, occupational health and safety requirements. Our commercial deep-sea fishing business activities are dependent on us being able to maintain our existing legislative and regulatory requirements as well as obtain new legislative and regulatory approvals should we plan to expand our fleet. Most of our permits and licenses are subject to conditions being imposed.

As at LPD, the major approvals, permits and licenses obtained by our Group for us to carry out our operations are as follows:

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(i)	AORB	Jabatan Pelesenan Dan Pembangunan Perniagaan-DBKL	Business Premise License File No.: DBKL.JPPP/PR01/5562/09/2020	16/10/2021 to 15/10/2022	To renew the License on a yearly basis within 60 days from the date of expiry of the License without the formal notice from the Mayor of Kuala Lumpur.	Complied	Active
(ii)	ATT	DOF	Certificate of Approval for vessel permit/fishing gear for tuna (Zone C3) Reference No. Prk.ML.41/53/7 (T) 64 Jld 4 (18) Serial No. 0072T	Valid until 15/1/2022	The grant of the permit will be in two (2) stages as follows: First Stage: 1 tuna longline Second stage: 4 tuna longline	Complied	Active
(iii)	ATT	IOTC	Authorised IBU WIRA 3 to operate in the IOTC area. IOTC No. 14017	19/2/2021 to 18/2/2022	-	Complied	Active

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(iv)	ATT	IOTC	Authorised IBU WIRA 2 to operate in the IOTC area. IOTC No. 17592	17/12/2020 to 16/12/2021	-	Complied	Active
(v)	ATT	IOTC	Authorized IBU WIRA 1 to operate in the IOTC area. IOTC No. 17591	17/12/2020 to 16/12/2021	-	Complied	Active
(vi)	ATT	Jabatan Pelesenan Dan Pembangunan Perniagaan – DBKL	Business Premise License File No.: DBKL.JPPP/PR01/0043/09/2020	21/9/2021 to 20/9/2022	To renew the License on a yearly basis within 60 days from the date of expiry of the License without the formal notice from the Mayor of Kuala Lumpur.	Complied	Active
(vii)	ATT	Fisheries Development Authority of Malaysia	Licence for Dealing, Import, Export and Processing of Fish License Serial No.: C00778	Valid until May 2022	-	Complied	Active
(viii)	ATT	Malaysian Communications and Multimedia Commission	Apparatus Assignment issued by Malaysian Communications and Multimedia Commission Station Location: IBU WIRA 3 Apparatus Assignment no. 46558 / 0717225_001 / 2017	12/10/2017 to 31/12/2021	(i) Authorised to use frequencies in the band allocated to maritime mobile service or maritime mobile satellite service. (ii) User of radio apparatus on board ship stations (with GMDSS) requires a valid radiotelephone operator's (Maritime) Certificate of Proficiency.	Complied	Active

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(ix)	ATT	Malaysian Communications and Multimedia Commission	Apparatus Assignment issued by Malaysian Communications and Multimedia Commission Station Location: IBU WIRA 6 Apparatus Assignment no. 46558 / 1330860_001 / 2020	3/9/2020 to 31/12/2024	(i) Authorised to use frequencies in the band allocated to maritime mobile service or maritime mobile satellite service. (ii) User of radio apparatus on board ship stations (with GMDSS) requires a valid radiotelephone operator's (Maritime) Certificate of Proficiency.	Complied	Active
(x)	ATT	Malaysian Communications and Multimedia Commission	Apparatus Assignment issued by Malaysian Communications and Multimedia Commission Station Location: IBU WIRA 1 Apparatus Assignment no. 46558 / 1330854_001 / 2020	3/9/2020 to 31/12/2024	(i) Authorised to use frequencies in the band allocated to maritime mobile service or maritime mobile satellite service. (ii) User of radio apparatus on board ship stations (with GMDSS) requires a valid radiotelephone operator's (Maritime) Certificate of Proficiency.	Complied	Active

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(xi)	ATT	Malaysian Communications and Multimedia Commission	Apparatus Assignment issued by Malaysian Communications and Multimedia Commission Station Location: IBU WIRA 2 Apparatus Assignment no. 46558 / 1330858_001 / 2020	3/9/2020 to 31/12/2024	(i) Authorised to use frequencies in the band allocated to maritime mobile service or maritime mobile satellite service. (ii) User of radio apparatus on board ship stations (with GMDSS) requires a valid radiotelephone operator's (Maritime) Certificate of Proficiency.	Complied	Active
(xii)	ATT	DOF (Pulau Pinang)	Vessel and Fishing Gear Licence for IBU WIRA 3 Vessel and Fishing Gear License Serial No: Q 000425	Valid Until 18/2/2022	100% Malaysian crew vessel unless otherwise approved by Director General of Department of Fisheries Malaysia	Complied (Note 1)	Active
(xiii)	ATT	DOF (Pulau Pinang)	Vessel and Fishing Gear Licence for IBU WIRA 1 Vessel and Fishing Gear License Serial No: Q 000426	Valid Until 16/12/2021	100% Malaysian crew vessel unless otherwise approved by Director General of Department of Fisheries Malaysia	Complied (Note 1)	Active
(xiv)	ATT	DOF (Pulau Pinang)	Vessel and Fishing Gear Licence for IBU WIRA 2 Vessel and Fishing Gear License Serial No: Q 000427	Valid Until 16/12/2021	100% Malaysian crew vessel unless otherwise approved by Director General of Department of Fisheries Malaysia	Complied (Note 1)	Active

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(xv)	ATT	DOF	Fish Quality Certificate (Ibu Wira 3) Certificate No. 1266-V5 and Serial No. 000609	22/4/2021 – 2/4/2022	-	-	Active
(xvi)	ATT	DOF	Fish Quality Certificate (Ibu Wira 2) Certificate No. 1279-V5 and Serial No. 000623	4/5/2021 – 3/5/2022	-	-	Active
(xvii)	ATT	DOF	Authorisation to carry out fishing activity outside the Malaysian EEZ To IBU WIRA 3 Serial No. 0083M	17/2/2021 – 18/2/2022	(i) This vessel is authorised only to fish (ATF) for tuna and tuna-like species in the Indian Ocean Area of Competence using longline / purse seine gear. (ii) This ATF is only valid with a valid local Fishing License	Complied	Active

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(xviii)	ATT	DOF	Authorisation to carry out fishing activity outside the Malaysian EEZ To IBU WIRA 1 Serial No. 0081M	17/12/2020 – 16/12/2021	(i) This vessel is authorised only to fish (ATF) for tuna and tuna-like species in the Indian Ocean Area of Competence using longline / purse seine gear. (ii) This ATF is only valid with a valid local Fishing License	Complied	Active
(xix)	ATT	DOF	Authorisation to carry out fishing activity Outside the Malaysian EEZ To IBU WIRA 2 Serial No. 0082M	17/12/2020 – 16/12/2021	(i) This vessel is authorised only to fish (ATF) for tuna and tuna-like species in the Indian Ocean Area of Competence using longline / purse seine gear. (ii) This ATF is only valid with a valid local Fishing License	Complied	Active
(xx)	ATI	Fisheries Development Authority of Malaysia	Licence for Dealing, Importing, Exporting and Processing of Fish License Serial No.: C00618	November 2021 -		Complied	Active

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(xxi)	ATI	Jabatan Pelesenan Dan Pembangunan Perniagaan–DBKL	Business Premise Licence File No. DBKL.JPPP/PR01/1322/11/2019	21/11/2020 to 20/11/2021	To renew the License on a yearly basis within 60 days from the date of expiry of the License without the formal notice from the Mayor of Kuala Lumpur.	Complied	Active
(xxii)	AORSB	Jabatan Pelesenan Dan Pembangunan Perniagaan–DBKL	Business Premise Licence File No.: DBKL.JPPP/PR01/6920/09/2020	16/10/2021 to 15/10/2022	To renew the License on a yearly basis within 60 days from the date of expiry of the License without the formal notice from the Mayor of Kuala Lumpur.	Complied	Active
(xxiii)	ATM	Jabatan Pelesenan Dan Pembangunan Perniagaan–DBKL	Business Premise Licence File No.: DBKL.JPPP/PR01/5560/09/2020	16/10/2021 to 15/10/2022	To renew the License on a yearly basis within 60 days from the date of expiry of the License without the formal notice from the Mayor of Kuala Lumpur.	Complied	Active
(xxiv)	ATT	Malaysian Communications and Multimedia Commission	Apparatus Assignment issued by Malaysian Communications and Multimedia Commission Station Location: IBU WIRA 7 Apparatus Assignment no. 46558 / 1582865_001 / 2021	13/7/2021 to 31/12/2021	(i) Authorised to use frequencies in the band allocated to maritime mobile service or maritime mobile satellite service. (ii) User of radio apparatus on board ship stations (with GMDSS) requires a valid radiotelephone operator's (Maritime) Certificate of Proficiency.	Complied	Active

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(xxv)	ATT	DOF	Fish Quality Certificate (Ibu Wira 1)	4/8/2021 to 3/8/2022	-	-	Active
(xxvi)	ATT	Food Safety and Quality Division, Ministry of Health Malaysia	Certificate No. 1299-V5 and Serial No. 000658 Approval of IBU WIRA 3 (PPF 1033) listed in National List of Approved Freezer Vessels	-	Subject to the approval of Directorate-General For Health and Food Safety (DG SANTE)	-	Active
(xxvii)	ATT	DOF	Ref No. KKM.600-10/8/1 jld 3(11) Certificate of Approval for vessel permit/fishing gear for tuna (Zone C3)	Valid until 1/8/2022	The grant of 5 permits for Tuna Longline (Zone 3)	-	Active
(xxviii)	AORSB	Fisheries Development Authority of Malaysia	Reference No. Prk.ML.41/53/7 (T) 64 Jld 4(21) Serial No. 0081T Licence for Dealing, Importing, Exporting and Processing of Fish Licence Serial No. C00805	August 2022	-	-	Active

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Company	Issuing Authority	Type of licence, permit/ approval, certification or reference no.	Effective Date / Expiry Date / Renewal Date	Salient conditions	Compliance status	Status of licence
(xxix)	ATM	DOF	Certificate of Approval for vessel permit/fishing gear for tuna (Zone C3)	Valid until 1/8/2022	The grant of 5 permits for Tuna Longline (Zone 3)	-	Active
			Reference No. Prk.ML.41/53/7 (T) 75 (3)				
			Serial No. 0082T				


Note:

(1) ATT has received a letter from DOF dated 8 June 2021 approving the engagement of foreign crews on its vessels as it holds a vessel permit for the Zone C3.

Please refer to Section 5.1.4 of this Information Memorandum for further information on our risk factors faced in relation to the obtaining or maintaining of new and/or existing legislative and regulatory requirements.

4.14 Intellectual properties

As at LPD, we have registered/applied for the following patent/ trademark:

Registered owner/ Applicant	Trademark	Issuing authority	Trademark/ Application no. / Class No.	Description	Validity period / Status
AORB		Intellectual Property Corporation of Malaysia	TM2019041615/ Class 29	See note (1)	Ten (10) years from 12/11/2019 - 12/11/2029
			TM2019041618/ Class 35	See note (2)	Ten (10) years from 12/11/2019 - 12/11/2029

4. OVERVIEW OF OUR BUSINESS (cont'd)

Registered owner/ Applicant	Trademark	Issuing authority	Trademark/ Application no. / Class No.	Description	Validity period / Status
AORSB		Intellectual Property Corporation of Malaysia	TM2019041561/ Class 29	See note (1)	Ten (10) years from 12/11/2019 - 12/11/2029
ATT		Intellectual Property Corporation of Malaysia	TM2019041557/ Class 29	See note (1)	Ten (10) years from 12/11/2019 - 12/11/2029
ATI		Intellectual Property Corporation of Malaysia	TM2019041621/ Class 29	See note (1)	Ten (10) years from 12/11/2019 - 12/11/2029
ATM		Intellectual Property Corporation of Malaysia	TM2019041627/ Class 35	See note (3)	Ten (10) years from 12/11/2019 - 12/11/2029
AORSB		Intellectual Property Corporation of Malaysia	TM2019041560 /Class 29	See note (1)	Ten (10) years from 12/11/2019 - 12/11/2029
AORSB		Intellectual Property Corporation of Malaysia	TM2021006999/ Class 29	See note (4)	Pending registration
			TM2021006998/ Class 43	See note (5)	Pending registration
			TM2021007001/ Class 29	See note (4)	Pending registration
			TM2021007002/ Class 43	See note (5)	Pending registration

4. OVERVIEW OF OUR BUSINESS (cont'd)

Notes:

- (1) Class 29 - Burgers (fish patties): Burgers (meat patties): Canned fish: Chilled foods consisting predominantly of fish: Deep frozen fish: Dried fish: Farmed fish: Farmed fish products: Fish (not live): Fish products: Food products made of fish: Fresh fish (not live): Frozen fish: Frozen seafood: Prepared meals consisting principally of fish: Prepared meals consisting principally of seafood: Preserved fish: Processed fish: Processed meat products: Processed seafood: Salt water fish: Seafood (not live): Seafood products: Tuna (not live)
- (2) Class 35 - Advertising, Advice relating to business management, Advice relating to business organisation, Business accounts management; Business administration; Business management; Business planning; Company data information services; Company management (for others); Company monitoring; Company record-keeping; Distribution of goods (not being transport services) and wholesale of goods; Export services, not being transport services; Holding company for varieties of businesses, business management and administration; Import services, not being transport services; Intermediary business services relating to the commercialising of goods (wholesaling); Management of a retail enterprise for others; Marketing; Office functions; Project business management and administration; Promotion (advertising) of business; Retail services; Retailing of goods (by any means); Services of a holding company, including the managing and controlling of companies; Trading services relating to fishes, tuna, seafood, deep sea fishes, food products made of fish; Wholesaling of goods (by any means)
- (3) Class 35 - Advertising, Advice relating to business management, Advice relating to business organisation, Business accounts management; Business administration; Business management; Business planning; Company data information services; Company management (for others); Company monitoring; Company record-keeping; Distribution of goods (not being transport services) and wholesale of goods; Export services, not being transport services; Import services, not being transport services; Intermediary business services relating to the commercialising of goods (wholesaling); Management of a retail enterprise for others; Marketing; Office functions; Project business management and administration; Promotion (advertising) of business; Retail services; Retailing of goods (by any means); Trading services relating to fishes, tuna, seafood, deep sea fishes, food products made of fish; Wholesaling of goods (by any means)
- (4) Class 29 - Fish, not live; food products made from fish; fish meal for human consumption; frozen seafood; preserved fish; tinned fish; tuna, not live; salmon, not live; fish burger patties; hamburger patties; canned meat; cooked meat; fresh meat; meat; meat burger patties; prepared meals consisting primarily of meat, fish, poultry or vegetables; processed seafood; processed fish products; frozen fish; processed meat products; processed fish; seafood, not live
- (5) Class 43 - Restaurant services; cafeteria services; café services; canteen services; snack-bar services; take away food and drink services; provision of food and beverages; Japanese restaurant services; fast-food restaurant services; Okonomiyaki restaurant services; ramen restaurant services; self-service restaurants; sushi restaurant services; udon and soba restaurant services; bistro services; bar services; catering services

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.15 Principal place of business

As at LPD, we own 2 properties that we utilise as our head office and rent 1 property which we use as our Labuan branch office. Details of these properties are as follows:

Location	Owner/ Landlord	Description / Existing use	Built-up area (sq ft)	Period of tenancy/ Monthly rental
SO 33A-1, Menara 1 Strata Offices, KL Eco City, No.3, Jalan Bangsar, 59200 Kuala Lumpur	Owned by ATT	One unit of business suite / Part of our head office	1,370	Not applicable
SO 33A-8, Menara 1 Strata Offices, KL Eco City, No.3, Jalan Bangsar, 59200 Kuala Lumpur	Owned by ATT	One unit of business suite / Part of our head office	1,459	Not applicable
Suite #02, Unit No. 3A-15, Labuan Times Square, Jalan Merdeka, 87000 Federal Territory of Labuan	TopBorneo Venture Sdn Bhd	One unit of business suite / Corporate office of ATI	25	12 months/ RM5,000 per annum

As at LPD, there is no breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations.

4.16 Future plans and business strategies

Our business objectives are to maintain sustainable growth in our business and create long-term shareholders value. To achieve our business objectives, we will implement the following business plans:

(i) We plan to grow our existing commercial deep-sea fishing business segment

Based on the past 3 FYE 2019, FYE 2020 and FYE 2021, as illustrated in Section 8.4 of this Information Memorandum, the GP margins from the commercial deep-sea fishing operations is higher than the trading segment. Therefore, we intend to continue expanding our commercial deep-sea fishing business segment. In order to do so, we will be seeking to acquire additional fishing vessels to expand our capacity.

We believe that by expanding our capacity, we will be able to achieve economies of scale through the reduction of supply costs and shipment costs. With a larger fleet, we will be able to negotiate for more favorable prices for supplies such as bunker fuel, fishing gear, bait and consumable items. In addition, we believe we will also be able to negotiate more favourable terms with shipping agent(s) and forwarding agent(s) providing us with shipment services.

As at LPD, our Group has 3 operational vessels which are fit for deep-sea fishing while another vessel is pending registration with DOF. We aim to grow our fleet to a total of 10 operational seaworthy vessels by acquiring additional 6 vessels by 2023. As such, our key management team are constantly identifying fishing vessels to be acquired. We are pending the necessary permits, approvals and authorisation for 1 more vessel and collectively, these 4 fishing vessels have an aggregate annual gross storage capacity of approximately 668 tonnes.

4. OVERVIEW OF OUR BUSINESS (cont'd)

On 13 August 2021, we have entered into a SPA with E-Fish Maldives Pvt Ltd for the acquisition of a used fishing vessel for a total cash consideration of USD530,000. The said acquisition is pending completion. Details of the vessel are as follows:

Ibu Wira 7	
Acquisition Cost	Approximately RM2.3 million
Vendor	E-Fish Maldives Pvt Ltd
Vessel age	27
Length (m)	20.59
Storage capacity (gross tonnage)	84
No. of crew	15
Type of freezing equipment	Blast freezer
Estimated cost to upgrade/ refurbish the vessel to cater to the Company's use	RM0.6 million

The purchase consideration of approximately RM2.3 million for the vessel will mainly be funded via the proceeds raised from the Proposed Placement with the balance from internal generated funds. In addition, the vessel is expected to require approximately RM0.6 million for upgrading and refurbishment which will be funded via internally generated funds.

Upon completion of the acquisition of the said vessel, our annual capacity will increase to 836 tonnes, which is expected to increase our Group's revenue and improve profitability.

(ii) We intend to venture downstream into the processing and retail of food and snacks

Our management intends to sell and distribute food and snacks made from tuna and tuna-like fishes such as burger patties. This will be carried out via online or e-commerce platforms to gauge the response of the market and consumers. As at LPD, our Group has engaged a third party to conduct research and development and have finalised on 3 flavours for tuna burger patties. We have also identified a manufacturer to outsource commercial production of these patties and will be signing an agreement with them by December 2021. As at LPD, our Group has incurred approximately RM0.07 million on research and development which has been funded via internally generated funds and expects to incur approximately another RM0.39 million on miscellaneous expenses such as branding, marketing and advertising to bring these products such as the burger patties to market. We are in the midst of setting up our online sales platforms and anticipate the soft launch of our online sales and distribution of tuna-based burger patties to be by end of 2021 in order to build up sufficient sales data prior to the targeted commercial production as mentioned above.

Depending on the demand and response from selling these products via e-commerce platforms, we may consider venturing downstream to set up a tuna processing facility to include food processing of tuna-based food and snacks. Previously, as mentioned in the Previous Information Memorandum, we intended to set up our own facility to venture into processing of tuna burger patties, balls and nuggets. While we believe this will be synergistic with our existing businesses, we have decided to delay this and outsource this function while focusing on the retail and marketing aspects in order to create market awareness for our brand and product offerings.

In addition to tuna-based burger patties, we intend to sell and distribute tuna and marlin blocks used mainly in sashimi as well as various cuts, such as loins, steaks, slices, ground meat and poke meat, of tuna, marlin, swordfish and mahi-mahi. We also intend to sell and distribute tuna fish floss as a snack. As with the burger patties, we plan to begin by selling and distributing these products via online or e-commerce platforms to gauge initial market response. Our management intends to embark on this venture by end of 2021.

4. OVERVIEW OF OUR BUSINESS (*cont'd*)

4.17 Industry outlook and prospects of our group

The tuna fishing industry size in Malaysia, as measured by tonnage of tuna catches, increased from 68,908 tonnes in 2014 to 91,899 tonnes in 2019, registering a CAGR of 5.9%. Moving forward, the IMR estimates that the total annual catch of tuna in Malaysia will reach 104,756 tonnes by 2022, registering a CAGR of 5.1% between 2020 and 2022.

Despite contributing less than 8.0% to total tuna catch volume in Malaysia, catches of oceanic tuna fishes (which are deep-sea tuna fishes such as albacore, bigeye, bluefin, skipjack and yellowfin, tuna fishes) have been growing at a faster CAGR of 22.1% between 2014 and 2019, as compared to catches of neritic tuna fishes (which are found in coastal waters such as bullet, frigate, kawakawa and longtail tuna fishes) which have been growing at a CAGR of 5.7% during the period. This indicates there is growth in commercial deep-sea fishing activities for oceanic tuna fishes in the country. The tonnage of oceanic tuna catches in the Indian Ocean increased from 851 tonnes in 2014 to 2,313 tonnes in 2019.

Exports play a large role in supporting Malaysia's tuna fishing industry. Malaysia exports a large proportion of its tuna fishes, particularly oceanic tuna fishes. The exports of unprocessed fresh and frozen tuna fishes (particularly for oceanic tuna fishes) from Malaysia has grown from 497 tonnes in 2014 to 6,346 tonnes in 2020. Meanwhile, imports of unprocessed fresh and frozen tuna fishes (particularly for oceanic tuna fishes) into Malaysia increased from 1,466 tonnes in 2014 to 1,717 tonnes in 2020.

The growth of the tuna fishing industry in Malaysia is expected to be driven by the following factors:

- (i) Increasing global demand for tuna fishes, which is driven by:
 - Globalisation, which has led to an increasing number of countries being exposed to other cuisines where tuna is an important ingredient;
 - Global economic growth, leading to greater consumer spending power; and
 - Growing global population, which will lead to a growth in tuna consumption.
- (ii) Favourable Government initiatives to encourage commercial deep-sea tuna fishing in Malaysia will encourage the growth of the tuna fishing industry in Malaysia;
- (iii) Development of the tuna processing industry in Malaysia which will further support the tuna fishing industry in the country; and
- (iv) Advancement in technology which allows tuna to be available all year round to meet demand.

(Source: IMR Report)

Our Board is of the view that our Group's prospects in the long term will continue to be favourable. We believe that we have established ourselves in a niche market, namely deep-sea fishing for tuna, tuna-like and other deep-sea fishes as well as the trading of tuna, tuna-like and other deep-sea fishes as well as other seafood products. By leveraging on our competitive strengths as disclosed in Section 4.8 above as well as the experience, know-how and business acumen of our Promoters, we believe that we will be able to capture future opportunities as they present themselves.

In line with our expansion plans, we are seeking a listing on the LEAP Market to facilitate our future growth and strengthen our position within the industry which we currently operate in. In addition, we believe we are well-positioned to undertake our future plans and business strategies as disclosed in Section 4.16 above which will place us in a position to continue our long-term growth and ensure our sustainability in the industry.

(Source: Our Management)

Notwithstanding the above, investors should take note of the risk factors relating to our Group as set out in Section 5 of this Information Memorandum.

4. OVERVIEW OF OUR BUSINESS (*cont'd*)

4.18 Impact of Covid-19 and MCO

The MCO announced by the government of Malaysia, which came into effect on 18 March 2020 entailed the closure of all Government and private premises except those involved in essential services (water, electricity, energy, telecommunications, postal, transportation, irrigation, oil, gas, fuel, lubricants, broadcasting, finance, banking, health, pharmacy, fire, prison, port, airport, safety, defence, cleaning, retail and food supply). As we are involved in the business of food supply, which is considered as essential services, we are permitted to operate during the MCO period.

The MCO was uplifted on 4 May 2020 and replaced with conditional MCO (“**CMCO**”) and further replaced with recovery MCO on 7 June 2020, with relatively more relaxed regulations that entails the reopening to of most economic sectors and business activities. Most of our suppliers in Malaysia have resumed operation during the CMCO period and all of these suppliers resumed operations when the recovery MCO was introduced from 10 June 2020 to 31 August 2020, which was later extended to 31 December 2020. Due to a resurgence in number of new Covid-19 cases, the CMCO and enhanced MCO was implemented in several states and territories in the last quarter of 2020.

In addition, the Yang di-Pertuan Agong proclaimed a state of emergency nationwide with effect from 11 January 2021 until 1 August 2021 as a proactive measure to curb the spread of the Covid-19 pandemic. During this period, economic activities were allowed to operate.

MCO 2.0 which is the second round of movement control order was announced and implemented again from 13 January 2021, albeit a more relaxed regulation compared to the first MCO implemented in March 2020. MCO 2.0 was imposed starting from 13 January 2021 in Pulau Pinang, Selangor, Federal Territories (Kuala Lumpur, Putrajaya and Labuan), Melaka, Johor and Sabah from 13 January 2021 to 26 January 2021 which was subsequently extended to 4 February 2021 for all States in Malaysia (except for Sarawak) to 18 February 2021. Similar to the MCO implemented in March 2020, we were permitted to operate during this period as our business of food supply was considered as essential services.

MCO 2.0 was further extended from 19 February 2021 to 4 March 2021 for Kuala Lumpur, Pulau Pinang, Selangor and Johor. The State of Johor, Kedah, Kelantan, Negeri Sembilan, Pulau Pinang, Perak, Sarawak, Selangor and Kuala Lumpur have been subsequently placed under the CMCO, for the period from 5 March 2021 to 18 March 2021. CMCO was extended in Johor, Kelantan, Pulau Pinang, Selangor, Kuala Lumpur, some states in Kedah and some states in Negeri Sembilan until 31 March 2021 and Sarawak until 29 March 2021. CMCO was further extended in Johor, Kelantan, Pulau Pinang, Selangor, Kuala Lumpur, some states in Kedah and some states in Negeri Sembilan for the period from 1 April 2021 to 14 April 2021 and for Sarawak for the period from 30 March 2021 to 12 April 2021.

The CMCO was subsequently extended up to 28 April 2021 in Johor, Kelantan, Pulau Pinang, Selangor, Kuala Lumpur and Sarawak and further extended to 17 May 2021 in Johor, Pulau Pinang, Selangor, Kuala Lumpur, Sabah and Sarawak.

MCO 3.0 was reimposed in May 2021 and several standard operating procedures were further tightened. However, the number of cases was still on the rise and this prompted the government to implement a full MCO beginning 1 June 2021, which was another round of strict lockdown similar to the MCO implemented on 18 March 2020.

On 28 May 2021, the Government announced a full lockdown from 1 June 2021 to 14 June 2021 and further extended to 28 June 2021, where all sectors were not allowed to operate during this period except for those in the essential economic and service sectors. Other control measures implemented included restrictions on the movement of people within Malaysia and internationally, and restrictions of business, economic, cultural, and recreational activities. On 15 June 2021, the Government introduced a nationwide recovery plan which contains a four-phase exit strategy to transition out of the Covid-19 pandemic. On 27 June 2021, the Government further announced that the full lockdown will be extended indefinitely until daily cases fall below 4,000.

4. OVERVIEW OF OUR BUSINESS (cont'd)

The first phase of the nationwide recovery plan entails a full lockdown except for essential economic and service sectors. The second phase, which was implemented in stages in different states and federal territories beginning on 5 July 2021, allowed the reopening of some economic sectors that do not involve large gatherings of people and where physical distancing can be maintained. This was followed by the third phase, which was implemented in stages in different states and federal territories beginning 4 August 2021, allowed nearly all economic sectors to operate subject to strict SOPs and restrictions on the number of people allowed to be physically present at workplaces. The fourth phase, which was implemented in stages in different states and federal territories beginning on 26 August 2021, involved the opening of all economic activities with limited social activities allowed. All states in Malaysia have succeeded in fulfilling the first phase of the nationwide recovery plan with Labuan, Negeri Sembilan, Pahang, Kuala Lumpur, Selangor, Putrajaya and Melaka in the fourth phase as at LPD.

Our business operations were not affected as we are involved in the business of food supply and was permitted to operate during this period.

Impact to commercial deep-sea fishing segment

Despite being able to operate our fishing and trading businesses during the MCO and conditional MCO period, the MCO and conditional MCO have resulted in a longer waiting process in our application to reflag our 3 vessels acquired in 2019. This, in turn, resulted in a delay in the commissioning of the said vessels, leading to loss of potential revenues.

Apart from the delay in the commencement date of our 3 additional vessels, we have not experienced any other material interruptions/ impact for our commercial deep-sea fishing segment as a result of the MCO, conditional MCO, recovery MCO, MCO 2.0 as well as MCO 3.0. However, due to the MCO, we may incur higher costs such as labour cost due to the shortage of labour during the landing of our fishing vessel as well as higher shipping cost due to delays at ports as a result of the Covid-19 pandemic affecting all countries worldwide. In addition, our crew is also required to undergo mandatory quarantine of 14 days on the respective vessels after returning from the fishing trips. Despite the above, we do not expect the incremental cost to be significant.

Impact on trading segment

Our operation in trading segment was not materially impacted by the MCO, conditional MCO, recovery MCO, MCO 2.0 and MCO 3.0 amid a marginal increase in the logistic costs. We were able to secure supplies (landings) and customer orders not only in Malaysia, but also in Sri Lanka and Thailand.

In the short-term, we do not foresee any material impact from the Covid-19 pandemic, MCO and conditional MCO on the demand and price of tuna, and our margins.

Notwithstanding the above, the negative impact of the Covid-19 pandemic on global economies and its ripple effect is still yet to be reliably predicted at this juncture. In the event of any further escalation of the Covid-19 pandemic and stricter combative efforts are implemented by the government of Malaysia, or the government of the respective countries where our customers and suppliers are based, we could still experience disruptions/ impact in our business operations and financial performance.

5. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER, ALONG WITH OTHER MATTERS IN THIS INFORMATION MEMORANDUM, THE RISKS AND INVESTMENT CONSIDERATIONS BELOW.

5.1 Risks relating to our business, operations and industry

5.1.1 We are subject to risks associated with commercial deep-sea fishing

Among the uncertainties we may face during our commercial deep-sea fishing operations are adverse weather conditions, defects in our fishing vessels and/or equipment as well as the health of tuna stock. These factors differ during each fishing voyage and will affect the size and quality of our catch.

Our fishing vessels are at sea for up to 6 months. Weather conditions such as rough seas and strong winds may pose risks to our captain, crew, vessels and equipment. We are also unable to predict the health of tuna stock and may sometimes experience poor catches. We may travel to several different fishing areas and thus take a longer time to return to our landing port with our catch. This increases our opportunity cost of the vessel not being out at sea.

Besides that, there is no guarantee that our management team and ship captain will be able to accurately predict the location of the tuna fishes. As tuna, tuna-like and the other deep-sea fishes that we target are highly migratory fishes, the location of the tuna fishes frequently changes depending on weather conditions, currents and water temperature. Despite the availability of equipment to detect fishing schools, there is no guarantee that we may be able to accurately detect the location of the fish or that the fish detected are tuna or other targeted deep-sea fishes. Therefore, there is also a high possibility that the ship may be fishing in the wrong area or that the type of fish hooked may not be high value fishes such as tuna, swordfish, marlin and oilfish.

Although we perform periodical inspection and maintenance on our vessels, blast freezer, cold-room storage and equipment, there is no guarantee that the vessel or equipment will not breakdown due to wear and tear. Unforeseen breakdown and repair works may delay our vessels from going back out to sea for fishing operations and hence affect our revenue or result in increase in costs. Breakdown of equipment on board during fishing trips may also affect the fishing operations while the vessels is out at sea. Nevertheless, we have an on-board engineer to perform non-major repairs.

5.1.2 We are dependent on our key senior management, vessel captains and experienced crew for our continued success

We attribute our success to the leadership and continued contributions of our key management team, led by our CEO, Dato' Pua. We also acknowledge the importance of our vessel captains and skilled crew in undertaking commercial deep-sea fishing operations. We believe that our continued and future success is therefore dependent on our ability to retain our key management personnel, captains and crew who are responsible for formulating and implementing our business strategies, business development and daily management and operations.

The loss of any of our key management personnel simultaneously or within a short span of time may adversely impact our Group's operations, if there is lack of succession planning or timely replacement of these personnel. Similarly, the loss of any captain and crew will also affect our operations as there will be down-time until a replacement captain and crew are hired.

In order to mitigate this, we have a management succession plan which involves the training of key management personnel by the Promoters and the training of selected employees by our key management personnel. With the management succession plan, we aim to have qualified replacements for our Promoters and/or key management personnel. In addition, we have also put in place a competitive remuneration package to motivate, reward and retain our performing personnel. We retain our captains and crew by awarding them attractive commissions when the targeted catch volume is achieved.

5. RISK FACTORS (cont'd)

Through the Proposed Listing and with a strong corporate profile, we believe that we will be able to attract more qualified personnel to contribute to the growth and success of our Group.

Despite our efforts above, we cannot guarantee that we will be able to retain our key management and key personnel or ensure a smooth implementation of a management succession plan.

5.1.3 We are bound by fishing regulations set by the DOF and the IOTC

The tuna fishing industry is heavily regulated to reduce overfishing of tuna fishes. As such, fishing authorities take measures to maintain the health of tuna stock in the oceans by setting restrictions such as quota allocations and registration of vessels.

The DOF and the IOTC are the authorities responsible for maintaining the sustainability of tuna fisheries in Malaysia and the Indian Ocean, respectively. As our Group is a tuna fishing company based in Malaysia that undertakes commercial deep-sea fishing in the Indian Ocean, we may be adversely affected or our activities may be limited by any changes in allocated (country) quotas for fishing as well as vessel registrations.

Based on the approvals granted to us by the DOF and/or IOTC, we are only allowed to fish for tuna and tuna-like fishes and other fish species which are commonly caught as bycatch by vessels targeting tuna and tuna-like species in the Indian Ocean and prohibited from catching certain endangered species such as shark, ray, seabird and marine turtle. If accidentally caught, the captain is to record accordingly as part of the daily information log.

Failing to adhere to the license conditions above may result in our Group losing our license.

5.1.4 We may not be able to obtain or maintain new and/or existing legislative and regulatory requirements

We are subject to numerous legislative and regulatory requirements, which include authorisations from DOF and the IOTC, export, environment, occupational health and safety requirements. Our commercial deep-sea fishing business activities are dependent on us being able to maintain our existing legislative and regulatory requirements as well as obtain new legislative and regulatory approvals should we plan to expand our fleet.

Should we fail to obtain authorisation for the additional fishing vessels, we will face difficulty in the expansion of our business. In addition, any non-compliance with the regulations may lead to the revocation/non-renewal of existing authorisations and as such, would have a detrimental effect on our operations and revenue. As disclosed in Section 4.13, most of our permits and licenses are subject to conditions being imposed.

Failure to adhere to the conditions in the licenses and permits will result in our licenses and permits being withdrawn.

While there is no guarantee that we are able to obtain or maintain these legislative and regulatory requirements, we will take precautions to adhere to all legislative and regulatory requirements imposed on us in order to mitigate this risk. To date, our Group has not experienced any problems or difficulties in renewing our licenses and permits or had our any of our licenses and permits withdrawn.

5.1.5 We face competition from other industry players

The tuna fishing industry is a specialised industry and there are only 3 industry players in Malaysia. However, we face competition from these and other companies in the similar industry abroad. Some of these competitors have larger fleets of vessels and hence may be able to achieve better economies of scale such as purchase of equipment and diesel, on-board supplies and repair and maintenance of the vessels. Some of these competitors have greater

5. RISK FACTORS (cont'd)

financial resources enabling them to deploy better and more modern technological equipment than our Group or to employ captain with more experience and more skilled crew.

We may also face competition from new entrants to the industry, who will be able to operate provided they have the necessary approvals and licenses from DOF and IOTC.

5.1.6 Inherent risks in the deep-sea fishing industry

Our Group's product offerings are solely in deep-sea fishes and seafood products. The demand of tuna, tuna-like and other deep-sea fishes may be affected should there be any negative reports or news in relation to the consumption of tuna, deep-sea fishes and seafood products. Example of such negative news may be pollution that occur in the Indian Ocean or fishes and seafood products from the Indian Ocean may be found to contain high levels of heavy metals.

Besides that, the long-term inherent risk is that the number of tuna, tuna-like and other deep-sea fishes may deplete due to poor conservation efforts or overfishing by irresponsible or illegal fishermen.

5.1.7 We are exposed to foreign currency exchange risk

We market all our products to international markets and a large percentage of our purchases especially for our trading segment are procured from international suppliers. Our sales and purchases are thus mainly denominated in USD. As such, any future significant depreciation of the RM against USD or other foreign currencies may have a negative impact on our Group's reported operating profit.

As at LPD, we do not have any hedging policies. Our management constantly monitors our Group's foreign currency exposure and reviews our Group's need to hedge. Nonetheless, should the exposure become substantial, we will consider hedging our position.

5.1.8 We are subject to the volatility in diesel prices

Our Group's performance may be impacted by fluctuations in diesel prices, over which our Group has no control. Approximately 18.3%, 2.3% and 1.5% of our Group's cost of sales for FYE 2019, FYE 2020 and FYE 2021, respectively, was for the purchase of diesel as fuel for our fishing vessel. When all our 4 fishing vessels (after obtaining approvals and the necessary crew members) have commenced operations, our purchase of diesel as fuel for our vessels will increase. Generally, diesel prices are affected mainly by global crude oil price as well as demand and supply conditions. Any increase in the diesel price would have an adverse impact on our profitability if we are unable to pass on the increased cost to our customers.

5.1.9 We may be financially affected if our business is reduced

Our revenue, GP and GP margins for the FYE 2019, FYE 2020 and FYE 2021 are as below:

Revenue	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Commercial deep-sea fishing	1,862	66.3	1,969	7.1	2,147	7.6
Trading of tuna, tuna-like and other deep-sea fishes and seafood products	945	33.7	25,707	92.3	25,989	91.6
Management of trade	-	-	-	-	65	0.2
Service fee	-	-	165	0.6	177	0.6
Total	2,807	100.0	27,841	100.0	28,378	100.0

5. RISK FACTORS (cont'd)

	FYE 2019		FYE 2020		FYE 2021	
	GP RM'000	GP margin %	GP RM'000	GP Margin %	GP RM'000	GP Margin %
Commercial deep-sea fishing	1,151	61.8	412	20.9	818	38.1
Trading of tuna, tuna-like and other deep-sea fishes and seafood products	(12)	(1.3)	2,925	11.4	6,453	24.8
Management of trade	-	-	-	-	65	100.0
Service fee	-	-	59	36.1	11	6.5
Overall	1,139	40.6	3,396	12.2	7,348	25.9

As shown above, our revenue and gross profits for the FYE 2020 and FYE 2021 was contributed mainly by the trading segment. While the main focus of our business is commercial deep-sea fishing, our trading segment presently contributes a substantial portion of our Group revenue. Our trading segment is a complementary business as a result of customers approaching us to assist them in sourcing for fish supply due to our industry expertise and network. Nonetheless, our financial performance will be adversely affected in the event of a decrease in demand from our customers for tuna, deep-sea fishes and other seafood products. Nevertheless, our Group aims to maintain a good relationship with all our customers and suppliers.

5.1.10 We may not be able to diversify or expand our business into new segments, which may limit our ability to grow

As mentioned in Section 4.16 of this Information Memorandum, one of our future plans includes the expansion downstream into the tuna processing business. This will depend on the demand and response from the sales of tuna-based food and snacks such as tuna burger patties on e-commerce platforms. If successful, the Board of Directors and management will decide whether to expand into the tuna processing business. The costs involved in entering and establishing ourselves in new business may be higher than expected and we may face significant competition in from the existing industry players.

Our inability to manage our expansion and related growth in these new and emerging markets or regions may have an adverse effect on our business, results of operations and financial condition.

5.1.11 We may be faced with the risk of customer and/or supplier concentration

Certain major customers have contributed substantially to our revenue during the Period Under Review. During the FYE 2019, our single largest customer contributed 67.8% of our Group's revenue mainly from their purchase of our catches from our deep-sea fishing segment. In the FYE 2021, our single largest customer contributed 53.2% of our Group's revenue from their purchase of products from our trading segment. In addition, during the FYE 2021, our single largest supplier, from whom we purchased tuna, tuna-like and other deep-sea fishes and seafood products for our trading segment, accounted for 65.9% of our Group's total cost of sales.

Based on the above, our Group may be faced with the risk of customer and/or supplier concentration. However, we do not enter into any long-term sales or supply contracts with our customers and suppliers respectively in order to be able to negotiate for competitive terms. In addition, we are not reliant on any one major customer as our top 5 customers changes from year to year. We are also not dependent on any one major supplier as the supply of tuna, tuna-like and other deep-sea fishes and seafood products as well as other consumables are readily available from various sources.

5. RISK FACTORS (cont'd)

Please refer to Section 4.11 and 4.12 of this Information Memorandum for further information on our major customers and major suppliers respectively.

5.1.12 We are subject to political, socio-economic and regulatory risks

Our Group's financial and business operations may be adversely affected by developments in political, socio-economic and regulatory conditions in Malaysia. Political and socio-economic uncertainties include (but are not limited to) risks of war, change of governments, expropriation, nationalisation, renegotiation or nullification of existing contracts and methods of taxation, interest rate environment, currency exchange controls, as well as unforeseen virus pandemics such as the Covid-19 pandemic.

The Covid-19 pandemic has led to the implementation of national lockdown policies in many countries worldwide, including Malaysia, and this has adversely impacted many businesses.

Our Government has imposed the MCO throughout Malaysia which took effect from March to May 2020, followed by the conditional MCO from to June 2020 and recovery MCO or conditional MCO, as the case may be, from June 2020 to December 2020. The MCO was reimposed from January 2021 and a full MCO was reimposed in June 2021 due to the resurgence in number of infection cases.

Although we were not affected as we are involved in the business of food supply and still permitted to operate during these periods, there is no guarantee that unforeseen circumstances from the Covid-19 pandemic will not materially affect our Group. As all of our customers and most of the suppliers for our trading segment are based in different countries, any imposition of lockdowns by the respective governments which they are based could cause disruptions to our deep-sea fishing or trading operations.

5.2 Risks relating to investment in our Shares

5.2.1 We may not be able to proceed with or experience a delay in our Proposed Listing

Bursa Securities may not grant an approval-in-principle for our Proposed Listing or if granted, we may not be able to proceed with or experience a delay in our Proposed Listing due to, amongst others, the following reasons:

- (a) Sophisticated Investors fail to subscribe for the Issue Shares; or
- (b) the occurrence of any force majeure events, which are beyond our control, before our Proposed Listing.

If the Proposed Listing does not take place within 6 months from the date approval is received from Bursa Securities (or such extended period as Bursa Securities may allow), investors will be returned all monies paid in full, without interest, within 14 days. If we fail to do so, our Directors shall be jointly and severally liable to repay the monies with interest at the rate of 10.0% per annum or other rate as may be prescribed by Bursa Securities, upon expiration of that period until full refund is made.

Nevertheless, we will endeavour to ensure compliance with the Listing Requirements for our successful listing on the LEAP Market.

5.2.2 There may not be an active or liquid market for our Shares

The listing of and quotation for our Shares on the LEAP Market does not guarantee that an active market for the trading of our Shares will develop.

Trading on the LEAP Market is limited to Sophisticated Investors. As such, liquidity for shares listed on the LEAP Market is lower compared to other markets such as the Main Market and ACE Market.

5. RISK FACTORS (cont'd)

There can be no assurance that the Issue Price, which has been determined after taking into consideration the factors as set out in Section 2.1.3 of this Information Memorandum, will correspond to the price at which our Shares will be traded on the LEAP Market upon or subsequent to our Proposed Listing. Our Shares may be difficult to sell at an acceptable price or at all. We give no assurance that our Shares will be actively traded.

5.2.3 Our Promoters can exercise significant control over our Group

Upon listing, our Promoters will collectively hold 53.3% of our enlarged issued share capital. As a result, our Promoters will have significant influence on the outcome of certain matters requiring the vote of our shareholders, unless our Promoters are required to abstain from voting by law and/or as required by the relevant authorities.

Our Company has appointed Loh Seong Yew as our Independent Non-Executive Directors to play an active and independent role in our Board's deliberations to ensure, amongst others, that the interest of our minority shareholders are protected during any transactions involving related parties and are entered into on an arms' length basis and that good corporate governance practices are observed.

5.2.4 Our ability to pay dividends

Our Company, being an investment holding company, derives income mainly from dividends received from our subsidiaries. Hence, our ability to pay future dividends are largely dependent on the performance of our subsidiaries and the availability of distributable profits. In determining the amount of any dividends, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, future expansion plans, loan covenants and compliance with regulatory requirements.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

6.1 Promoters, substantial shareholders and Directors

6.1.1 Shareholdings

The shareholdings of our Promoters, substantial shareholders and Directors in our Company before and after the Proposed Listing are as follows:

Name	Designation / Role	As at LPD		After the Proposed Placement					
		Direct No. of Shares ('000)	(1)%	Direct No. of Shares ('000)	(2)%	Indirect No. of Shares ('000)	(2)%		
YTM Dato' Muhammed Abdullah	Non-Independent Non-Executive Chairman	3,850,000	4.3	-	-	3,850,000	3.9	-	-
Dato' Pua	Promoter / CEO/ Substantial shareholder	4,800,000	5.3	48,499,970	53.9	4,800,000	4.8	48,499,970	48.5
Simon Pua Ng Chong Kiat	Promoter / GM Non-Independent Non-Executive Director / Substantial shareholder	7,400,015	8.2	-	-	-	-	7,400,015	7.4
Loh Seong Yew	Substantial shareholder Independent Non-Executive Director	-	-	-	-	-	-	-	-
Datin Teng	Promoter/ Substantial shareholder	48,499,970	53.9	-	-	48,499,970	48.5	-	-
Badrul Hisham Bin Zainal Abidin	Substantial shareholder	8,750,000	9.7	-	-	8,750,000	8.8	-	-
Lim Poay Cheng	Substantial shareholder	13,700,015	15.2	-	-	13,700,015	13.7	-	-

Notes:

- (1) Based on the issued share capital of 90,000,000 Shares as at LPD.
(2) Based on the enlarged share capital of 100,000,000 Shares after the Proposed Placement.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

6.1.2 Profiles of promoters and Directors

The profiles of our Promoters and Directors are as follows:

(a) Profiles of promoters

(i) Dato' Pua

Dato' Pua, a Malaysian aged 51, is our Promoter and CEO cum Executive Director. He was appointed to our Board on 18 May 2020. He is responsible for the overall strategic direction and business development of our Group.

After completing his secondary education in 1985, he started his career as a Supervisor in a mechanical and electrical construction company. He was later promoted to Manager in 1987 responsible for managing projects.

In 1995, he left to set up UH Services (KL) Sdn Bhd, which was a construction company. In 1998, under UH Services (KL) Sdn Bhd, he ventured into the supply of diesel and lubricants, where he served the commercial deep-sea fishing and utility industries as well as the Kuala Lumpur City Council. The company was renamed to UH Engineering (KL) Sdn Bhd in year 2002 and subsequently renamed to SS Oil and Gas Sdn Bhd in year 2013.

While serving the commercial deep-sea fishing industry, Dato' Pua saw the potential prospects of the industry. Hence, he decided to build his technical know-how and experience in the industry and joined Sun City Technology Limited, a tuna fishing company based in Taiwan, as Manager in 2010. During his tenure there, he was responsible for overseeing all operational aspects of the commercial deep-sea fishing business. During his stint with Sun City Technology Limited, Dato' Pua learnt the technics and skills and gain the experience and industry knowledge in deep-sea fishing.

In 2016, he left his job in Sun City Technology Limited and was appointed Vice President in ATT where he spearheaded the business growth of the company. As the business expanded, he set up ATI to undertake the trading of tuna, tuna-like and other deep-sea fishes and seafood products in 2019. He was appointed to the Board and assumed his present role as CEO cum Executive Director of our Company when it was converted into a public company.

Dato' Pua is the spouse of Datin Teng and father of Simon Pua. He does not have any involvement in any businesses outside of our Group that could give rise to any conflicts of interest with our Group.

(ii) Datin Teng

Datin Teng, a Malaysian, aged 51, is our Promoter and substantial shareholder.

After completing her secondary education in 1986, she started her career in 1987 with an electronics company as an assistant secretary. In 1991, she joined a law firm as Litigation Clerk cum Secretary to the partner in the firm. In 1992, she joined a property company as Confidential Secretary to the General Manager and left in 1993. She later joined an electrical company in 1994 as Secretary to Director and left in 2001. In 2002, she joined UH Engineering Sdn Bhd as Head of Administration, Marketing and Finance before retiring in 2006.

Datin Teng is the spouse of Dato' Pua and mother of Simon Pua. Apart from her Directorship and shareholding in SS Oil and Gas Sdn Bhd which is disclosed in Section 6.4 of this Information Memorandum, she does not have any involvement in any businesses outside of our Group that could give rise to any conflicts of interest with our Group.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

(iii) Simon Pua

Simon Pua, a Malaysian, aged 25, is our Promoter and GM cum Executive Director. He was appointed to the Board on 24 September 2019. He supports our CEO in undertaking business development activities for our Group.

Simon Pua completed the Singapore Cambridge General Certificate of Education (Ordinary level) from Stalford Academy, Singapore in 2011. He completed his American Degree Program foundation studies in 2013 and subsequently enrolled in the Bachelor of Science in Petroleum Engineering program offered by the University of Oklahoma in the United States of America where he was a full-time student until 2017.

He began his career with ATT as a Relations and Marketing trainee in 2017. He later left ATT in 2018 to set up Alpha Newton Solutions Sdn Bhd, a company involved in carton box packaging and was appointed as Director later in the same year. He left his position in Alpha Newton Solutions Sdn Bhd in 2019 to assume his present role in our Group as our GM cum Executive Director in December 2019.

Simon Pua is the son of Dato' Pua and Datin Teng. He does not have any involvement in any businesses outside of our Group that could give rise to any conflicts of interest with our Group.

(b) Profiles of Directors

(i) YTM Dato' Muhammed Abdullah

YTM Dato' Muhammed Abdullah, a Malaysian aged 55, is our Non-Independent Non-Executive Chairman. He was appointed to the Board on 18 May 2020.

YTM Dato' Muhammed Abdullah graduated with a Diploma in Business (Insurance Business Management) from Universiti Teknologi MARA (UiTM) in 1990.

YTM Dato' Muhammed Abdullah started his career as a school teacher in from 1987 to 1990. In May 1991, he became a Clerk with Syarikat Takaful Malaysia Sendirian Berhad. Later during the same year, he joined Fauzi Ismail Trading Sdn Bhd as a Marketing Officer in August 1991. Subsequently, he left in 1992 to pursue a career as an entrepreneur where he ventured into various businesses involved in trading and marketing of products such as apparel, souvenirs and advertising material.

YTM Dato' Muhammed Abdullah was appointed the Dato Baginda Tan Mas Johol (Deputy Undang Luak Johol) on 13 July 2007. On 7 October 2016, YTM Dato' Muhammed Abdullah was appointed to become the 15th Undang Luak Johol.

YTM Dato' Muhammed Abdullah does not have any family relationship with any director and/or substantial shareholders of our Group, nor does any of his involvement in any businesses outside of our Group give rise to any conflict of interest with our Group.

(ii) Dato' Pua

Kindly refer to Section 6.1.2(a)(i) for the profile of Dato' Pua, who is also our Promoter.

(iii) Simon Pua

Kindly refer to Section 6.1.2(a)(iii) for the profile of Simon Pua, who is also our Promoter.

(iv) Ng Chong Kiat

Ng Chong Kiat, a Malaysian, aged 41, is our Non-Independent Non-Executive Director. He was appointed to the Board on 24 December 2020.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

He completed his Diploma in Interior Design from Modern Institute of Interior Design in 2000.

Upon completing his education, he began his career as an interior designer at Three A's Interior Design and Decor Sdn Bhd in 2000. He left the firm to join Woodforms Sdn Bhd in 2001 and subsequently left the company in 2002. Since then, he has been working as a freelance interior designer.

Ng Chong Kiat does not have any family relationship with any director and/or substantial shareholders of our Group, nor does any of his involvement in any businesses outside of our Group give rise to any conflict of interest with our Group.

(v) Loh Seong Yew

Loh Seong Yew, a Malaysian, aged 43, is our Independent Non-Executive Director. He was appointed to the Board on 18 May 2020.

He is a Practising Certificate Holder and Fellow Member of the Malaysian Institute of Accountants (MIA) since 2005, Fellow Member of Association of Chartered Certified Accountants (FCCA) since 2009, Professional Member of Institute of Internal Auditors Malaysia (CMIIA) since 2006, Member of Chartered Tax Institute of Malaysia (CTIM) since 2008, Member of ASEAN Chartered Professional Accountant Coordinating Committee (ACPACC), Affiliate Member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)(GCP) since 2017 and Member of Financial Planning Association of Malaysia (FPAM) since 2006. He is also a licensed company secretary by Companies Commission Malaysia.

He began his career in 2000 as an Audit Associate at Tan & Loh Chartered Accountant (Parker Randall Loh). He was later promoted to Audit Senior in 2001, Audit Supervisor in 2003, and Audit Manager in 2005. During his tenure in the company, he was involved in both internal and external auditing for a broad range of industries including manufacturing, retail and wholesale, construction, property development, investment, engineering, tourism and others. While working, he pursued his education on a part time basis and obtained his Association of Chartered Certified Accountants (ACCA) qualification in 2004.

In 2006, he set up his own firm, LSY & Associates, which provides professional services such as accounting, corporate secretarial, incorporation, liquidation, assurance, management consultancy, and financial planning. He later set up Total Coaching Sdn Bhd (provision of full corporate advisory services including mid-shore management, sales and services tax advisory and others related services) in 2015 and Total GS Taxation Sdn Bhd (licensed tax agent) in 2016.

He is presently the Non-Independent Non-Executive Director of Jade Marvel Group Berhad (formerly known as JMR Conglomeration Bhd) and Independent Non-Executive Director of CWG Holdings Berhad since March 2018 and September 2019 respectively, both of which are listed on the Main Market of Bursa Securities.

Loh Seong Yew does not have any family relationship with any director and/or substantial shareholders of our Group, nor does any of his involvement in any businesses outside of our Group give rise to any conflict of interest with our Group.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

6.1.3 Directors' remuneration and benefits

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 2019, FYE 2020 and FYE 2021 are as follows:

Remuneration band	FYE 2019	No. of Directors FYE 2020	FYE 2021
Executive Directors			
RM50,001 to RM100,000	1	1	1

Our Directors' remuneration includes salaries, bonuses, fees and allowances as well as other benefits and employer's statutory contributions, whereby pursuant to our Constitution, the fees and benefits are subject to approval by our shareholders in a general meeting.

For information purpose, save for our CEO who draws a salary, none of our other Directors currently draw any fees, salary, allowance or benefits-in-kind. However, the remuneration and compensation of the Directors will be reviewed by the Board after the Proposed Listing.

6.2 Key management personnel

6.2.1 Shareholdings

The shareholdings of our key management personnel in our Company before and after our IPO are set out below:

Shareholders	Position	As at LPD				After the Proposed Placement			
		Direct No. of Shares	% ⁽¹⁾	Indirect No. of Shares	% ⁽¹⁾	Direct No. of Shares	% ⁽²⁾	Indirect No. of Shares	% ⁽²⁾
Dato' Pua	CEO	4,800,000	5.3	⁽³⁾ 48,499,970	53.9	4,800,000	4.8	⁽³⁾ 48,499,970	48.5
Simon Pua	GM	-	-	-	-	-	-	-	-
Lim Kay Siong	Chief Financial Officer	-	-	-	-	-	-	-	-
Goh Pei San	Chief Operating Officer	-	-	-	-	-	-	-	-
Chin Sal-ly	Accounting and Finance Manager	-	-	-	-	-	-	-	-

Notes:

- (1) Based on the issued share capital of 90,000,000 Shares as at LPD.
- (2) Based on the enlarged share capital of 100,000,000 Shares upon completion of the Proposed Placement.
- (3) Deemed interested by virtue of his spouse, Datin Teng's shareholdings in AORB pursuant to Section 8 of the Act.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

6.2.2 Profiles of key management personnel

Save for the profiles of Dato' Pua and Simon Pua which are set out in Section 6.1.2(a) above, the profiles of the key management personnel are as follows:

(i) Lim Kay Siong

Lim Kay Siong, a Malaysian, aged 70, is our Chief Financial Officer. He is responsible for handling our Group's overall finance function including the monitoring of financial performance, budgeting, financial reporting, taxation and treasury management.

He obtained his Association of Chartered Certified Accountants (ACCA) and Associate of the Chartered Institute of Secretaries (ACIS) qualifications in 1978. He has been a member of the Malaysian Institute of Accountants (MIA) since 1979.

He began his career in the Ministry of Finance, Accountant General's Office as an Executive Accounting Officer in 1974. In the same year, he was seconded to the Ministry of Health as Executive Accounting Officer. In 1979, he joined the Kuala Lumpur City Council as Treasury Accountant. He was later promoted to Senior Treasury Accountant and Head of Internal Audit Department in 1982, and subsequently to Treasurer in 1998. Between 2006 and 2007, he left full time employment and worked on a contract basis as a consultant for the Kuala Lumpur City Council. In 2007, he joined UH Engineering (KL) Sdn Bhd (currently known as SS Oil and Gas Sdn Bhd) as an Accountant. He left SS Oil and Gas Sdn Bhd in 2019.

In 2016, while working as an Accountant for SS Oil and Gas Sdn Bhd, Lim Kay Siong joined ATT in 2016 and took on the role as Finance Manager to support the accounting and finance function of ATT following its commencement of business in the same year. He subsequently assumed his present role as Chief Financial Officer of our Group in 2019 after his resignation from SS Oil and Gas Sdn Bhd.

(ii) Goh Pei San

Goh Pei San, a Malaysian, aged 28, is our Chief Operations Officer. She is responsible for overseeing the overall operations of our Group.

She started her career in 2013 with Hong Leong Assurance Berhad as a financial advisor, where she was responsible for marketing life insurance products. While working, she pursued her education on a part time basis and graduated with a Diploma in Accounting from Pearson Education Limited in 2015.

Subsequently, she joined ATT in 2016 as a Personal Assistant to the Vice President, Dato' Pua, where she assisted the Vice President in overseeing daily operations. In 2019, she assumed her present role as Chief Operations Officer of our Group.

(iii) Chin Sal-ly

Chin Sal-ly, a Malaysian, aged 29, is our Accounting and Finance Manager. She is responsible for the preparation of our Group's financial and statutory reports and processing of the daily financial activities of our Group. She is also assisting our Chief Financial Officer, Lim Kay Siong in the monitoring of financial performance, budgeting, financial reporting, taxation and treasury management of the Group.

She graduated with a Bachelor of Accounting (Honours) from University Tunku Abdul Rahman in 2015. She obtained her Association of Chartered Certified Accountants (ACCA) qualification in January 2020.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

During the course of her studies in University Tunku Abdul Rahman, she worked as Vacation Trainee in the Assurance Department of KPMG Malaysia from 2013 to 2014, where she was involved in financial audit assignment for companies in Malaysia.

She started her career in 2015 as a Finance Executive in WOW Outdoor Sdn Bhd, where she was responsible in handling accounting related functions. She subsequently joined CW Integrated Consultancy Services Sdn Bhd in 2016 as Account cum Finance Executive where she was responsible for preparing accounts and financial reports, cash flows management, taxation and payroll function. She left and joined Capital Dynamic Sdn Bhd in January 2019 as Research Assistant to CEO/ Fund Manager where she was responsible in providing research support to CEO/ Fund Manager, handling of administrative matters and preparing investors newsletter.

She joined our Group and assumed her present role as Accounting and Finance Manager of our Group in December 2019.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

6.3 Involvement of our promoters, Directors, substantial shareholders and key management personnel in businesses/corporations outside our Group

Save as disclosed below, our Promoters, Directors, substantial shareholders, and key management personnel do not have any other directorships in other Malaysian corporations or any principal business activities performed outside our Group for the past 3 years prior to the LPD:

(i) Dato' Pua, our Promoter, CEO substantial shareholder.

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Real Region Sdn Bhd	Dissolved	Director	21 July 2008	-
Wonderful Journey Sdn Bhd	Dissolved	Shareholder	-	50.0

(ii) Datin Teng, our Promoter and substantial shareholder.

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
SS Oil & Gas Sdn Bhd	Procurement and supply of diesel	Director and shareholder	2 February 2010	40.0
Wonderful Journey Sdn Bhd	Dissolved	Director	5 August 1998 / (10 June 2020)	50.0

(iii) Simon Pua, our Promoter and GM

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Asia Global Packaging Sdn Bhd	Dormant	Director and shareholder	22 February 2019	100.0
Alpha Newtone Solutions Sdn Bhd	Packaging activities on a fee or contract basis, whether or not these involve an automated process	Director and shareholder	22 February 2019	60.0

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Vita Gemilang Sdn Bhd	Publishing of catalogues, photos, engraving and postcards, greeting cards, forms, posters, reproduction of works of art, advertising material and other printed matter not elsewhere classified ("N.E.C.")	Director and shareholder	24 July 2020	50.0
Virtual Outlook Sdn Bhd	Advertising, export and import of a variety of goods without any particular specialization N.E.C. activities of holding companies.	Director and shareholder	24 July 2020	60.0
(iv) YTM Dato' Muhammed Abdullah, our Non-Independent Non-Executive Chairman				
Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Air Kuning Resources Sdn Bhd	Property investment	Director and shareholder	26 April 2019	50.0
Amacel Construction Sdn Bhd	i) Business of logging, exporting and importing and trading of timber, ii) exporting and importing and trading of sand, gravel and all kinds of materials. Dissolved	Shareholder	-	30.0
Anugerah Asas Sdn Bhd		Director and shareholder	19 April 2011	41.0
Anugerah Berharga Sdn Bhd	General trading	Director and shareholder	24 March 2008	69.0

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Anugerah Galian Sdn Bhd	Other mining and quarrying N.E.C. Mining of ores valued chiefly for iron content. Mining of other non-ferrous metal ores N.E.C.	Director and shareholder	21 September 2020	100.0
APFT Berhad	Investment holding, flight education and training academy	Director	10 April 2018 / (26 July 2018)	-
Asia Freight Solutions Sdn Bhd	Forwarding of freight, warehousing and storage services	Director and shareholder	15 June 2021	51.0
Baiduri Megah Development Sdn Bhd	General contractors and other related activities	Director	29 May 2017 / (8 Oct 2020)	-
Balsa Malaysia Sdn Bhd	Dissolved	Director	23 January 2017	-
Biforst Healthcare Sdn Bhd	Other transportation support activities N.E.C. Wholesale of a variety of goods without any particular specialization N.E.C.	Director	15 March 2017	-
Biforst Logistics Sdn Bhd	Goods transport and warehousing services	Director	27 January 2017	-
Bina Sutera Sdn Bhd	Development of building projects for own operation, i.e. for renting of space in these buildings construction of buildings N.E.C. Carrying out part of the forestry and forest plantation operation on a fee or contract basis for forestry service activities	Director and Shareholder	5 August 2019 / (8 June 2020)	60.0
C & L Mine Venture Sdn Bhd	Support activities for other mining and quarrying Other mining and quarrying N.E.C.	Director and shareholder	14 November 2017	50.0
Cempaka Petroleum Sdn Bhd	Dissolved	Director	22 July 2011	40.0
Extrarich Marine Sdn Bhd	Dissolved	Director and Shareholder	10 March 2011 / (6 February 2013)	30.0
Health Plan Systems (M) Sdn Bhd	Marketing and distributing of electronic data products	Director	20 November 2017	-

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Jahura Berhad	Real estate activities with own or leased properties, construction of building, land subdivision and land improvement	Director	7 January 2019 / (16 January 2019)	-
JIC Fortune International Sdn Bhd	Freight and forwarding agents, logistics, transportation and haulage service warehouse and storage service importers, exporters, general merchants, commission agents, manufactures, distributors and dealers in general merchandise of all kinds and descriptions	Director and Shareholder	27 August 2019 / (1 December 2020)	10.0
Madac Sdn Bhd	Management and consultancy services in relation to dairy products	Director	14 March 2017	-
MBHKO Mekar Security Force Sdn Bhd	Dormant	Director and shareholder	4 May 2014	40.0
Mega Asiamas Sdn Bhd	Dormant	Director and shareholder	16 April 2013	40.0
Millennium Release Sdn Bhd	Contractors and marketing, import and export of road safety products	Director and shareholder	3 March 2014	25.0
NQ Holding Sdn Bhd	Activities of holding companies	Director and shareholder	6 September 2019	20.0
NS Infotech Sdn Bhd	Computer programming activities	Director and shareholder	6 March 2019	15.0
NS Winmax Sdn Bhd	Computer consultancy Business management consultancy services export and import of a variety of goods without any particular specialisation N.E.C. real estate activities with own or leased property N.E.C.	Director and shareholder	28 July 2017	33.0

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Nusa Quest Sdn Bhd	Dissolved	Director and shareholder	26 October 2009	10.0
Prosafe Technology (M) Sdn Bhd	Security systems	Director and shareholder	31 March 2021	30.0
Rakan Setia Holdings Sdn Bhd	Dissolved	Director	14 March 2014	-
Saling Percaya Sdn Bhd	Dissolved	Shareholder	-	40.0
Sarasutra Holdings Sdn Bhd	Property investment	Director	27 April 2017 / (22 October 2018)	-
Semi Irama Sdn Bhd	Civil and structural contractor, supply of building materials and shipping equipment	Director	9 March 2017 / (20 December 2018)	-
Super Green Technology Sdn Bhd	General trading	Director	14 June 2017	-
Tanjung Agas Resources Sdn Bhd	Activities of holding companies	Director and shareholder	1 October 2012	35.0
Tu-E Capital (ULJ) Sdn Bhd	Real estate activities with own or leased property N.E.C.	Director and shareholder	5 December 2017	51.0
UJ Ventures Sdn Bhd	The business of related to property and real estate, act as general merchant and business related to mines and quarries	Director and shareholder	10 July 2019	60.0
Usahawan Ibn Maju Sdn Bhd	Agricultural activities for crops production on a fee or contract basis	Director	28 September 2017	-
Victoria Sea Recreation Sdn Bhd	Export and import of fruits bearing vegetables i) Activities of recreation parks and beaches ii) Tour operator activities iii) Activities of holding companies	Director and shareholder	1 November 2019	80.0
WTW City Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate	Director	27 July 2017 / (22 July 2019)	-

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Z&S J Empire Sdn Bhd	Construction of buildings N.E.C. Investment advisory services Wholesale of other construction materials, hardware, plumbing and heating equipment and supplies N.E.C.	Director and shareholder	30 January 2019	50.0
(v) Loh Seong Yew, our Independent Non-Executive Director				
Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Total Mission Sdn Bhd	Property management services, property investment	Director and shareholder	25 March 2017	22.1
Total Coaching Sdn Bhd	Provision of corporate secretarial, accounting and management services	Director and shareholder	13 January 2021	17.7
Total GS Taxation Sdn Bhd	Tax agent	Director and shareholder	12 April 2016	30.0
CWG Holdings Berhad	Investment holding, manufacturing and selling of stationery and printing materials	Independent Non-Executive Director	19 September 2019	-
Jade Marvel Group Berhad	Investment holding and provision of management services	Non-Independent Non-Executive Director	13 March 2018	-
LSY & Associates	Corporate secretarial & accounting services	Principal	25 January 2006	100%

In his professional capacity as a licensed company secretary, he is also a company secretary for various companies.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

(viii) Goh Pei San, our Chief Operations Officer

Company	Principal activities	Involvement (Director/ Shareholder)	Directorship Appointment Date / (Resignation Date)	Equity interest (%)
Asia Global Packaging Sdn Bhd	Dormant	Director	4 December 2017 / (22 February 2019)	-
Asia Tuna Industries Sdn Bhd	Ceased operation and in the process of debt recovery	Director	4 December 2017 / (2 January 2020)	-

6.4 Relationships or associations

Other than the relationship between Dato' Pua, Datin Teng and Simon Pua, there are no family (the term "a member of the director's family" as defined in Section 197(2) of the Act) relationships or association between our Promoters, substantial shareholders, Directors and key management personnel.

6.5 Related party transactions

A "related party transaction" may be defined as a transaction entered into between the listed corporation or any of its subsidiaries and a related party. A "related party" of a listed issuer is:

- (i) a director having the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation or a chief executive of the listed corporation; or
- (ii) a major shareholder who has an interest of 10% or more of the total number of voting shares in a corporation; or
- (iii) a person connected with such director or substantial shareholder.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Save as disclosed below, our Board confirms that there are no existing or presently proposed related party transactions entered into between our Group and our Directors, substantial shareholders and/or persons connected with them for the FYE 2019, FYE 2020 and FYE 2021.

Transacting parties	Company within our Group	Nature of relationship	Nature of transaction	Value of transactions		
				FYE 2019 (RM'000)	FYE 2020 (RM'000)	FYE 2021 (RM'000)
Alpha Newtowne Solutions Sdn Bhd	ATI	Our Promoter and GM, Simon Pua is a director and substantial shareholder of Alpha Newtowne Solutions Sdn Bhd	Supply of packaging materials	-	11	-
SS Oil & Gas Sdn Bhd	ATT	Our Promoter and substantial shareholder, Datin Teng is a director and substantial shareholder of SS Oil & Gas Sdn Bhd	Purchase of diesel for fishing vessel	156	288	704
SS Oil & Gas Sdn Bhd	ATT	Our Promoter and substantial shareholder, Datin Teng is a director and substantial shareholder of SS Oil & Gas Sdn Bhd	Rental of office space to SS Oil & Gas Sdn Bhd ⁽¹⁾	-	-	17
Simon Pua	ATT	Our Promoter and GM, Simon Pua is also a Director and sole shareholder of Asia Global Packaging Sdn Bhd	Disposal of ATT's 35% shareholding in Asia Global Packaging Sdn Bhd	*(2)	-	-
Virtual Outlook Sdn Bhd	ATT	Our Promoter and GM, Simon Pua is a director and substantial shareholder of Virtual Outlook Sdn Bhd	Rental of office space to Virtual Outlook Sdn Bhd ⁽¹⁾	-	-	14
Virtual Outlook Sdn Bhd	ATT	Our Promoter and GM, Simon Pua is a director and substantial shareholder of Virtual Outlook Sdn Bhd	Purchase of billboard advertisement space for vessel launching ceremony	-	-	17

Notes:

- (1) The tenancy agreement of SS Oil & Gas Sdn Bhd will expire on 31 July 2022 while the tenancy agreement of Virtual Outlook Sdn Bhd will expire on 30 Sept 2022. Both the companies will not be extending the tenancy once it expires.
- (2) Represents RM/35.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

Having considered all aspects of the above related party transactions, including but not limited to the following:

- (i) terms of similar transactions which were assessed by comparing against third party quotes or published rates (for purchase of packaging materials from Alpha Newtowne Solutions Sdn Bhd, purchase of billboard advertisement space for vessel launching ceremony, rental of office space to SS Oil & Gas Sdn Bhd and Virtual Outlook Sdn Bhd);
- (ii) the market price of diesel (for purchase of diesel from SS Oil & Gas Sdn Bhd); and
- (iii) the then carrying cost and cost of investment of ATT's 35% equity interest in Asia Global Packaging Sdn Bhd of RM35 (for the disposal of the said equity interest to Simon Pua, our GM),

our Directors (save for the interested Directors who has abstained from expressing an opinion) are of the view that the above related party transactions were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties than those generally available to the public and not to the detriment of our non-interested shareholders.

Upon listing, in the event of a related party transaction, our Board will ensure that it will be carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not detrimental to our minority shareholders. In the event there are any proposed related party transactions that require the prior approval of our shareholders, the Directors and/or major shareholders who have an interest, direct or indirect, in the proposed related party transaction will abstain and also undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the proposed related party transaction at the general meeting.

6.6 Interests in similar business and other conflicts of interest

Save as disclosed below, none of our Promoters, substantial shareholders, Directors and key management personnel have any interest, direct or indirect, in other businesses or corporations carrying on a trade similar to that of our Group, or businesses or corporations which are also our customers or suppliers as at LPD.

Name of suppliers	Products supplied to our Group	Details
SS Oil & Gas Sdn Bhd	Diesel	Our Promoter and substantial shareholder, Datin Teng is a director and substantial shareholder of SS Oil & Gas Sdn Bhd
Alpha Newtowne Solution Sdn Bhd	Packaging materials	Our Promoter and GM, Simon Pua is a director and substantial shareholder of Alpha Newtowne Solutions Sdn Bhd
Virtual Outlook Sdn Bhd	Billboard advertisement space for vessel launching ceremony	Our Promoter and GM, Simon Pua is a director and substantial shareholder of Virtual Outlook Sdn Bhd

Notwithstanding the above, in the event of a potential conflict of interest situation, such Promoters, substantial shareholders, and Directors and/or persons connected with them are obliged, if required by law or regulations, to abstain from voting on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of their direct and indirect interests.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

6.7 Other transactions

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party of during the Period Under Review and up to the LPD.

There are no outstanding loans, including guarantees of any kind made by our Group to or for the benefit of related parties during the Period Under Review and up to the LPD.

6.8 Employees

A summary of our Group's total workforce by category as at 30 June 2021 and as at LPD is set out below:

Category	No. of employees	
	As at 30 June 2021	As at the LPD
Executive Directors	2	2
Key management personnel	3	3
Vessel management team	2	2
Finance and administration	2	3
Research and product development	1	1
Contract staff ⁽¹⁾	3	3
Total	13	14

Category	Length of Service (Years)			Total number of employees as at LPD
	Less than 1 year	More than 1 year but less than 5 years	More than 5 years	
Executive Directors	-	1	1	2
Key management personnel	-	1	2	3
Vessel management team	2	-	-	2
Finance and administration	1	2	-	3
Research and product development	1	-	-	1
Contract staff	2	1	-	3
Total	6	5	3	14

Note:

(1) We have engaged 3 contract staff, namely the captains of our vessels Ibu Wira 1, Ibu Wira 2 and Ibu Wira 3 respectively. The contracts with the captains have no expiry date. The recruitment of crew members are undertaken on a contractual basis by the captains. For information purposes, our captains, all of whom are foreigners, require a valid passport and seaman book (a log book required for seafarers to work onboard sea-going vessels pursuant to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) 1978), all of which they possess as at LPD, in order to be engaged by us. They do not require a Visit Pass (Temporary Employment) issued under Regulation 11 of the Immigration Regulations 1963 to be contracted. The captain's remuneration is a fixed monthly allowance for the duration of the voyage plus a variable compensation (calculated based on a pre-agreed rate on the weight of the fishes caught) by our Group. The captain is responsible for the remuneration of his crew members which range between 9 to 15 crew per voyage.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

We have a total of 11 permanent employees as at the LPD, including our CEO and GM, all of which are Malaysians. None of our employees belong to any trade unions and we enjoy good working relationship with our employees. Thus, we have not experienced or expect to experience any major turnover in our workforce.

All our contract staff do not fall under the definition of “foreign employee” as defined in the Employees Minimum Standards of Housing, Accommodations and Amenities (Employees Required to be Provided with Accommodations) Regulations 2021 who are required to be provided with accommodation pursuant to Part IIIA of the Employees’ Minimum Standards of Housing, Accommodations and Amenities Act 1990 which falls under the purview of the Department of Labour Peninsular Malaysia. As such, the accommodation of our contract staff when our vessels docked is their own responsibility.

As at LPD, there is no industrial dispute pertaining to our employees.

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7. FINANCIAL INFORMATION

AORB was incorporated on 24 September 2019 as an investment holding company to facilitate the Proposed Listing. As such, the historical financial information of our Group for FYE 2019 is presented based on the combined financial statements of AORSB, ATI and ATT only. The combined financial statements for the relevant periods were prepared in a manner as if AORB, AORSB, ATI and ATT (as the case may be) were under common control and were operating as a single economic enterprise from 1 July 2019.

The reorganisation of the Group whereby ATT, ATI and AORSB were acquired by AORB was completed on 15 May 2020. As such, financial information for FYE 2020 and FYE 2021 is presented based on the consolidated financial statements of AORB, ATT, ATI and AORSB.

The combined financial statements for FYE 2019 and the consolidated financial statement for FYE 2020 and FYE 2021 were audited by Messrs STYL Associates PLT. The financial statements for FYE 2019, FYE 2020 and FYE 2021 have been prepared in accordance with approved accounting standards issued by Malaysian Accounting Standards Board. The audited combined financial statements for FYE 2019 and the audited consolidated financial statement for FYE 2020 and FYE 2021 are set out in Appendix I.

7.1 Combined and consolidated statements of profit or loss and other comprehensive income

The following table sets out the audited combined statements of profit or loss and other comprehensive income for the FYE 2019 and the audited consolidated financial statements of profit or loss and other comprehensive income for the FYE 2020 and FYE 2021. The financial information below should be read in conjunction with the Management Discussion and Analysis in Section 8 of this Information Memorandum:

	<-----Audited----->		
	FYE 2019 RM	FYE 2020 RM	FYE 2021 RM
Revenue	2,807,112	27,840,980	28,378,222
Cost of sales	(1,667,678)	(24,444,760)	(21,030,645)
GP	1,139,434	3,396,220	7,347,577
Other operating income	27,215	170,891	264,508
Administrative expenses	(566,283)	(1,955,717)	(2,909,401)
Profit/(loss) from operations	600,366	1,611,394	4,702,684
Finance cost	-	(848)	(13,290)
Profit/(Loss) before taxation	600,366	1,610,546	4,689,394
Taxation	(195,384)	(99,624)	(2,090,881)
Profit/(Loss) after taxation	404,982	1,510,922	2,598,513
Other comprehensive (expense)/income			
Foreign currency translation	(161)	184,438	(112,360)
Total comprehensive income/(expense) for the year	404,821	1,695,360	2,486,153
Profit attributable to:			
Owner of the Company	404,982	1,688,941	2,598,513
Non-controlling interests	-	(178,019)	-
	404,982	1,510,922	2,598,513

7. FINANCIAL INFORMATION (cont'd)

	<-----Audited----->		
	FYE 2019 RM	FYE 2020 RM	FYE 2021 RM
EBITDA	703,051	2,005,859	5,743,535
GP margin (%) ⁽¹⁾	40.6	12.2	25.9
PBT margin (%) ⁽²⁾	21.4	5.8	16.5
PAT margin (%) ⁽³⁾	14.4	5.4	9.2
EPS (sen) ⁽⁴⁾	0.45	1.68	2.89

Notes:

- (1) Computed based on GP divided by revenue.
(2) Computed based on PBT/LBT divided by revenue.
(3) Computed based on PAT/LAT divided by revenue
(4) Computed based on PAT/LAT divided by 90,000,000 Shares.

7.2 Statements of financial position

The following table sets out the audited combined statement of financial position as at 30 June 2019 and the audited consolidated statements of financial position as at 30 June 2020 and 30 June 2021 as set out in Appendix I of this Information Memorandum respectively. The financial information below should be read in conjunction with the Management Discussion and Analysis in Section 8 of this Information Memorandum:

	<-----Audited----->		
	FYE 2019 RM	FYE 2020 RM	FYE 2021 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	779,835	9,692,926	9,257,902
Right-of-use assets	-	-	6,991
Intangible assets	-	-	68,656
Total Non-Current Assets	779,835	9,692,926	9,333,549
Current assets			
Trade receivables	-	2,818,851	5,697,461
Inventories	-	-	1,014,508
Other receivables and deposits	2,607,033	542,274	1,393,980
Current tax assets	-	-	179,828
Fixed deposits placed with licensed banks	-	1,500,000	1,545,511
Cash and bank balances	11,227,917	11,445,295	7,107,429
Total Current Assets	13,834,950	16,306,420	16,938,717
TOTAL ASSETS	14,614,785	25,999,346	26,272,266
EQUITY AND LIABILITIES			
Equity			
Share capital	1,000,411	18,250,080	18,250,080
Reserves	(161)	(315,294)	(427,654)
Retained earnings	221,091	1,910,032	4,330,526
Total Equity attributable to owners of the Company	1,221,341	19,844,818	22,152,952
Non-controlling interests	-	1,322,011	-
Total Equity	1,221,341	21,166,829	22,152,952

7. FINANCIAL INFORMATION (cont'd)

	<-----Audited----->		
	FYE 2019 RM	FYE 2020 RM	FYE 2021 RM
Non-Current Liabilities			
Deferred tax liabilities	138,001	130,000	69,728
Lease liabilities	-	51,746	40,145
Total Non-Current Liabilities	138,001	181,746	109,873
Current Liabilities			
Lease liabilities	-	13,502	19,456
Trade payables	34,140	292,789	485,494
Other payables & accruals	2,936,466	⁽¹⁾ 2,505,270	1,805,708
Amount due to directors/ shareholder	10,180,000	1,824,459	-
Bank overdrafts	-	-	524,264
Current tax liabilities	104,837	14,751	1,174,519
Total Current Liabilities	13,225,443	4,650,771	4,009,441
Total Liabilities	13,393,444	4,832,517	4,119,314
TOTAL EQUITY AND LIABILITIES	14,614,785	25,999,346	26,272,266

Notes:

- (1) Included in other payables is the remaining amount payable for the 3 fishing vessels that we acquired on credit during FYE 2020 (i.e. by means of instalment arrangement). We acquired these vessels for a total purchase price of approximately RM5.70 million and we made partial payment amounting to RM3.50 million as at 30 June 2020. In line with the instalment arrangement agreed between us and the vendor, the credit purchase was to be paid via monthly instalments of variable amounts, subject to a full settlement within 2 months from the successful registration of the said fishing vessels. As at LPD, we have made payments amounting to RM4.90 million.

The following table sets out a summary of the pro forma consolidated statement of financial position of our Group to show the pro forma effects after the Proposed Placement and the utilisation of proceeds raised based on the audited statements of financial position of our Group as at 30 June 2021:

	As at 30 June 2021 RM	(I) After the Proposed Placement RM	(II) After (I) and the utilisation of proceeds RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	9,257,902	9,257,902	10,977,902
Right-of-use assets	6,991	6,991	6,991
Intangible assets	68,656	68,656	68,656
Total Non-Current Assets	9,333,549	9,333,549	11,053,549
Current assets			
Trade receivables	5,697,461	5,697,461	5,697,461
Inventories	1,014,508	1,014,508	1,014,508
Other receivables and deposits	⁽¹⁾ 1,393,980	⁽¹⁾ 1,393,980	⁽¹⁾ 683,980
Current tax assets	179,828	179,828	179,828
Fixed deposits placed with licensed banks	1,545,511	1,545,511	1,545,511
Cash and bank balances	7,107,429	10,107,429	⁽²⁾ 7,817,429
Total Current Assets	16,938,717	19,938,717	16,938,717
TOTAL ASSETS	26,272,266	29,272,266	27,992,266

7. FINANCIAL INFORMATION (cont'd)

	As at 30 June 2021 RM	(I) After the Proposed Placement RM	(II) After (I) and the utilisation of proceeds RM
EQUITY AND LIABILITIES			
Equity			
Share capital	18,250,080	21,250,080	21,250,080
Reserves	(427,654)	(427,654)	(427,654)
Retained earnings	4,330,526	4,330,526	3,050,526
Total Equity attributable to owners of the Company	22,152,952	25,152,952	23,872,952
Non-controlling interests	-	-	-
Total Equity	22,152,952	25,152,952	23,872,952
Non-Current Liabilities			
Deferred tax liabilities	69,728	69,728	69,728
Lease liabilities	40,145	40,145	40,145
Total Non-Current Liabilities	109,873	109,873	109,873
Current Liabilities			
Lease liabilities	19,456	19,456	19,456
Trade payables	485,494	485,494	485,494
Other payables & accruals	1,805,708	1,805,708	1,805,708
Amount due to directors/ shareholder	-	-	-
Bank overdrafts	524,264	524,264	524,264
Current tax liabilities	1,174,519	1,174,519	1,174,519
Total Current Liabilities	4,009,441	4,009,441	4,009,441
Total Liabilities	4,119,314	4,119,314	4,119,314
TOTAL EQUITY AND LIABILITIES	26,272,266	29,272,266	27,992,266

Notes:

- (1) RM0.71 million of the expenses for the Proposed Listing incurred as at 30 June 2021 has been recorded as prepayments under "Other receivables and deposits". This amount will be expensed out immediate after the Proposed Listing.
- (2) Assuming RM1.72 million is used to purchase a vessel while RM0.57 million is used to defray the remaining expenses for the Proposed Listing that has yet to be incurred as at 30 June 2021 (out of the total estimated expenses for the Proposed Listing of RM1.28 million). The remaining proceeds of RM0.71 million (which was previously prepaid as explained in Note (1) above) out of the total RM1.28 million allocated to defray the expenses for the Proposed Listing will be utilised as general working capital.
- (3) Assuming RM1.28 million deducted for the estimated expenses of the Proposed Listing.

7. FINANCIAL INFORMATION (cont'd)
7.3 Statements of cash flows

The following table sets out the audited statements of cash flow for the FYE 2019, FYE 2020 and FYE 2021. The financial information below should be read in conjunction with the Management Discussion and Analysis in Section 8 of this Information Memorandum:

	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation	600,366	1,610,546	4,689,394
Adjustments for:			
Depreciation of property, plant and equipment	102,685	482,226	728,426
Depreciation of right-of-use assets	-	-	3,496
Impairment losses on:-			
- trade receivables	-	-	368,447
- other receivables	-	-	484
Write off of property, plant and equipment	-	-	6,750
Interest expenses	-	848	13,290
Interest income	-	(87,761)	(66,752)
Unrealised (gain)/loss on foreign exchange	(18,058)	151,530	(91,315)
Operating profit before working capital changes	684,993	2,157,389	5,652,220
Changes in working capital:			
Trade and other receivables	(1,070,010)	(754,092)	(4,261,616)
Trade and other payables	1,416,459	(669,685)	(455,851)
Inventories	-	-	(1,014,508)
Cash generated from operating activities	1,031,442	733,612	(79,755)
Tax paid	(2,046)	(197,711)	(1,171,213)
Net cash generated from/(used in) operating activities	1,029,396	535,901	(1,250,968)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(1,629)	(7,005,679)	(300,152)
Purchase of intangible assets	-	-	(68,656)
Acquisition of subsidiary	-	-	(1,500,030)
Placement of fixed deposits with licensed banks	-	(1,500,000)	-
Disposal of share in an associate	35	-	-
Interest received	-	87,761	21,241
Net cash used in investing activities	(1,594)	(8,417,918)	(1,847,597)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	-	(848)	(13,290)
Proceeds from issuance of ordinary shares	411	⁽¹⁾ 6,250,128	-
Advance from/(Repayment to) Directors	9,626,000	⁽²⁾ 1,824,459	(1,824,459)
Advance from/(Repayment to) shareholders	-	-	-
Repayment of lease liability	-	(7,252)	(16,134)
Net cash generated from/(used in) financing activities	9,626,411	8,066,487	(1,853,883)
Net increase/(decrease) in cash and cash equivalents	10,654,213	184,470	(4,952,448)
Effect of foreign exchange rates changes on cash and cash equivalents	17,897	32,908	90,318
Cash and cash equivalents at beginning of the financial year/period	555,807	11,227,917	11,445,295
Cash and cash equivalents at end of the financial year/period	11,227,917	11,445,295	6,583,165

7. FINANCIAL INFORMATION (cont'd)**Notes:**

- (1) The proceeds from issuance of ordinary shares stated in the cash flows from financing activities for the FYE 2020 above of RM6.25 million differs from that of the audited financial statements for the FYE 2020 of RM16.43 million. This was due to the recognition of the capitalisation of Directors' advances balance as at 30 June 2019 amounting to RM10.18 million mistakenly treated as a cash flow item in the audited financial statements for the FYE 2020.
- (2) The advance from Directors stated in the cash flows from financing activities for the FYE 2020 above of RM1.82 million differs from that of the audited financial statements for the FYE 2020 which reflects a repayment to Directors of RM8.36 million. This was due to the recognition of repayment to Directors for advances balance as at 30 June 2019 amounting to RM10.18 million as mentioned above via the issuance of ordinary shares and mistakenly treated as a cash flow item in the audited financial statements for the FYE 2020.

(i) Cash flows for operating activities**FYE 2019 vs FYE 2020**

Despite recording a higher PBT in FYE 2020, we recorded lower net cash from operating activities of RM0.54 million in FYE 2020 as compared to RM1.03 million in the FYE 2019. This mainly due to trade receivables of RM2.82 million recognised in the FYE 2020 as compared to no trade receivables recognised in the FYE 2019, corresponding with the increase in our revenue in FYE 2020. The trade receivables as at the end of FYE 2020 was mainly pertaining to the trade receivables due from new customers that we secured during FYE 2020. Our total revenue increased from RM2.81 million in FYE 2019 to RM27.84 million in FYE 2020. Please refer to Section 8.2 of this Information Memorandum for the discussion of our Group's revenue during the Period Under Review.

FYE 2020 vs FYE 2021

Despite recording a higher PBT in FYE 2021, we recorded a net cash used in operating activities of RM1.25 million in FYE 2021 as compared to net cash generated from operating activities of RM0.54 million in FYE 2020. This was mainly due to the increase in trade and other receivables of RM4.26 million. The increase in trade receivables for the FYE 2021 was mainly due to our Group extending credit periods to certain customers as they faced cashflow challenges due to the Covid-19 pandemic. Besides, we also recorded inventories of RM1.01 million which was mainly items purchased which are required for our vessels to operate fishing trips such as bunker fuel, bait and consumable items.

(ii) Cash flows for investing activities**FYE 2019 vs FYE 2020**

Our cash flows for investing activities were minimal for FYE 2019. In FYE 2020, we recorded cash flows used in investing activities of RM8.42 million mainly due to RM7.01 million utilised for the purchase of property, plant and equipment which comprises of installment payments for the credit purchase of 3 additional fishing vessels that we acquired during FYE 2020, purchase of 2 units of business suites located at KL Eco City, Kuala Lumpur that we currently utilise as our head office, motor vehicle, computer software and vessel tracking device. In addition, we also placed fixed deposits with licensed banks amounting to RM1.50 million.

7. FINANCIAL INFORMATION (cont'd)**FYE 2020 vs FYE 2021**

Our cash flows used in investing activities for the FYE 2021 had decreased to RM1.85 million from RM8.42 million in the FYE 2020. The cash flows used in investing activities for the FYE 2021 was mainly for the purchase of the minority interest representing 30% in ATM for RM1.5 million, which subsequently became an indirect wholly-owned subsidiary of the Group. Purchase of property, plant and equipment of RM0.30 million was for safety equipment and radio equipment, office renovation and office equipment such as server rack, internet & phone systems, projector, televisions as well as computer and computer software.

(iii) Cash flows for financing activities**FYE 2019 vs FYE 2020**

For the FYE 2019, cash generated from financing activities of RM9.63 million were mostly derived from Directors' advances of RM10.18 million and offset by a repayment to Director advances received in prior financial years of RM0.55 million which was previously utilised for working capital. The said Directors' advances of RM10.18 million were later capitalised as share capital in ATT during the FYE 2020. This amount was primarily used for purchase of vessels, upgrading/refurbishment of vessels and working capital purposes. As these advances received were utilised to finance our Group's capital expenditure and working capital, we have classified them as cash inflows from financing activities.

In FYE 2020, we recorded net cash generated from financing activities of RM8.07 million mainly due to proceeds from issuance of ordinary shares of RM6.25 million as follows:

- (i) RM0.75 million from the issuance of shares in AORB on 15 May 2020;
- (ii) RM2.00 million from the issuance of shares in AORSB on 25 November 2019;
- (iii) USD0.50 million or approximately RM2.00 million from the issuance of shares in ATI on 14 November 2019; and
- (iv) RM1.50 million from the issuance of shares ATM on 30 November 2019.

For clarification, while it is disclosed in Section 3.3.5 of this Information Memorandum that ATM had a cash injection of RM5.0 million on 30 November 2019 for the issuance of 5,000,000 new ordinary shares in ATM, it should be noted that as at 30 June 2020, ATM was a 70% subsidiary of ATT. As such, upon consolidation, RM3.5 million injected by ATT into ATM was eliminated.

In addition, we had also received RM1.82 million in advances from a previous Director of AORB in May 2020 which was utilised for the down payment of our Group's present head office.

FYE 2020 vs FYE 2021

We recorded a net cash used in financing activities of RM1.85 million for the FYE 2021 as compared to net cash generated from financing activities of RM8.07 million for the FYE 2020. For the FYE 2021, the net cash used in financing activities was mainly attributable to RM1.82 million which was utilised for the repayment of advances from a previous Director of which the amount was utilised for the down payment of our Group's present head office as mentioned above.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis of our past finances and results of operations should be read in conjunction with our audited combined financial statements for the FYE 2019, audited consolidated financial statements for the FYE 2020 and FYE 2021 as set out in the Appendix I of this Information Memorandum.

This discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below or elsewhere in this Information Memorandum, particularly in the section entitled “Risk Factors” set out in Section 5 of this Information Memorandum.

8.1 Overview

Our Group is principally involved in commercial deep-sea fishing and trading of tuna, tuna-like and other deep-sea fishes as well as other seafood products.

Our revenue from the commercial deep-sea fishing segment is correlated to the frequency of fishing vessel landing achieved during the financial years/period. Our catch is sold to our customers as soon as the vessel lands at the Penang tuna landing port which we operate from and are transferred to the carrier/ shipping liner with assistance from our appointed forwarding agents to be sent to our customers. The frequency of fishing vessel landing is dependent on, amongst others, the number of operating fishing vessels, travel distance to fishing area, availability of fishes and weather conditions.

As at LPD, we have 3 fishing vessels which are in operation (i.e. Ibu Wira 1, Ibu Wira 2 and Ibu Wira 3), and each fishing trip would typically take 2 to 6 months. As such, the revenue cycle for our commercial deep-sea fishing operations can be lumpy depending on the timing of the fishing vessels landing. This may result in significant fluctuation in our revenue, and hence the overall financial performance of our Group in any given financial year/period. For information purposes, the total number of landings for the respective periods under review is disclosed in Section 8.2 of this Information Memorandum below.

As for our trading activities, due to the contacts and network that our key senior management has, customers approach us to source for deep-sea fishes and other seafood products. We will source for the fishes and products requested from external suppliers as and when there is demand. Revenue for this segment is recognised upon completion of the transaction.

Occasionally we earn service fees in relation to port landing and other services rendered to foreign vessels landing in Malaysia.

Please refer to Section 4 of this Information Memorandum for our Group’s detailed business overview.

Please also refer to Section 5 of this Information Memorandum for risk factors that may affect our revenue and financial performance.

8.2 Revenue

Our Group's revenues for financial years/periods under review are generated from the following:

- (i) Commercial deep-sea fishing;
- (ii) Trading of tuna, tuna-like and other deep-sea fishes and seafood products;
- (iii) Management of trade; and
- (iv) Service fees

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods and acceptance by the customer or when the significant risks and rewards of ownership of the goods has been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. As such, our revenue is only recognised upon fulfilment of the order and issuance of a delivery order to our customer.

The breakdown of our revenue derived from commercial deep-sea fishing, trading of tuna, tuna-like and other deep-sea fishes and seafood products, management of trade and service fee during the financial years/ period under review are as follows:

Revenue	FYE 2019		<-----Audited-----> FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Commercial deep-sea fishing	1,862	66.3	1,969	7.1	2,147	7.6
Trading of tuna, tuna-like and other deep-sea fishes and seafood products	945	33.7	25,707	92.3	25,989	91.6
Management of trade ⁽¹⁾	-	-	-	-	65	0.2
Service fee ⁽²⁾	-	-	165	0.6	177	0.6
Total	2,807	100.0	27,841	100.0	28,378	100.0

Total number of boat landings for the commercial deep-sea fishing segment

Number of landings	2	2	3
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Notes:

- (1) For the FYE 2021, the management of trade service relates to services the Group provide to third parties such as traders to assist with certain activities such as performing import and export declarations or sourcing for service providers to assist them with activities such as repackaging, sizing, sorting and labelling.
- (2) For the FYE 2020 and FYE 2021, service fees were in relation to port landing services charged to foreign fishing vessels landing in Malaysia sourcing for supplies and managing certain activities such as shipping declarations, replenishment of general supplies for crew and onboard supplies, diesel inspection fees and insurance.

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our revenue increased by RM25.03 million or 891.8% from RM2.81 million recorded in FYE 2019 to RM27.84 million in FYE 2020.

The significant increase in our total revenue was mainly driven by the revenue generated from the trading segment which saw an increase of RM24.76 million in FYE 2020. This was due to the increased demand for frozen fishes from new international customers from China that we secured during FYE 2020. As a result, our trading volume increased from 33 tonnes in FYE 2019 to 1,697 tonnes in FYE 2020. In addition, revenue from this segment increased from RM0.95 million for FYE 2019 to RM25.71 million for FYE 2020, representing an increase of RM24.76 million or 2606.3%. This was because the abovementioned orders were received mainly in May and June 2020 which amounted to 1,195 tonnes, representing 70.4% of the total trading volume in FYE 2020.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

As for the commercial deep-sea fishing segment, revenue increased marginally from RM1.86 million in FYE 2019 to RM1.97 million in FYE 2020 due to higher catch volume in FYE 2020 (145 tonnes) as compared with FYE 2019 (133 tonnes) as well as the mix of catch in which higher value fishes such as swordfish as compared to certain species of tuna.

Other than the trading segment and commercial deep-sea fishing segment, we also recorded revenues of RM0.16 million in FYE 2020 pertaining to the service fees charged to 2 third-party fishing vessels for shipping declaration, replenishment of general supplies and other miscellaneous expenses during its landing in Malaysia.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, our revenue increased slightly by RM0.54 million or 1.9% from RM27.84 million recorded in FYE 2020 to RM28.38 million in FYE 2021. The increase in our total revenue was contributed by the increase in revenue recorded by our commercial deep-sea fishing and trading segments. The commercial deep-sea fishing segment recorded an increase in revenue of RM0.18 million or 9.1% in FYE 2021 from RM1.97 million in FYE 2020 to RM2.15 million. However, despite the volume of catch increasing in FYE 2021 to 198 tonnes from 145 tonnes in FYE 2020, representing an increase of 36.6%, the increase in revenue recorded from our commercial deep-sea fishing segment was dampened due to the overall lower selling price of fishes.

As for the trading segment, revenue increased slightly from RM25.71 million in FYE 2020 to RM25.99 in FYE 2021, representing an increase of RM0.28 million or 1.1%. This was due to increase in trading volume from 1,697 tonnes in FYE 2020 to 1,942 tonnes in FYE 2021, representing an increase of 14.4%. However, the revenue increase in our trading segment was dampened due to the overall lower selling price of seafood products and the product mix of seafood products sold which were of lower value.

Other than the commercial deep-sea fishing segment and trading segment, we also recorded a revenue of RM0.06 in FYE 2021 from management of trade services as explained in Note (1) above and RM0.18 million in FYE 2021 from service fees as explained in Note (2) above.

8.3 Cost of sales

The analysis of our cost of sales, and the year-on-year commentary for the financial years/period under review are as follows.

Cost of sales	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Commercial deep-sea fishing	711	42.6	1,558	6.4	1,329	6.3
Trading of tuna, tuna-like and other deep-sea fishes and seafood products	957	57.4	22,782	93.2	19,536	92.9
Management of trade	-	-	-	-	-	-
Service fee	-	-	105	0.4	165	0.8
Total	1,668	100.0	24,445	100.0	21,030	100.0

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our cost of sales increased by RM22.78 million or 1,365.8% from RM1.67 million in FYE 2019 to RM24.45 million in FYE 2020. The overall increase in the total cost of sales was mainly driven by the cost of sales of our trading segment, which saw a significant increase in trading volume in FYE 2020.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

On top of the increase in cost of sales from the trading segment, the overall increase was also contributed by higher cost of sales for commercial deep-sea fishing segment, which saw an increase of RM0.85 million or 119.3% for FYE 2020. This increase was mainly due to the following:

- Higher average crew wages (paid through vessel captain) which increased due to higher commission paid to the crew as we managed to achieve our targeted catch volume in a shorter period for our fishing trips in FYE 2020.
- Cost for the replenishment of onboard consumables, such as bunker fuel, fishing gear and bait to ensure its sufficiency after receiving feedback from the vessel captain based on previous fishing trips.
- Additional cost incurred (i.e. crew allowance and vessel docking fees) as we docked our fishing vessel and retained the crew (i.e. providing accommodation and food allowance) for 1 month while renewing our Vessel and Fishing Gear Licence, incurring RM0.15 million in additional expenses.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, our cost of sales decreased by RM3.42 million or 14.0% from RM24.44 million in FYE 2020 to RM21.03 million in FYE 2021.

The overall decrease in the total cost of sales was contributed by a decrease in cost of sales from the commercial deep-sea fishing segment and trading segment. Cost of sales for the commercial deep-sea fishing segment reduced by RM0.23 million or 14.7% from RM1.56 million in FYE 2020 to RM1.33 million in FYE 2021 due to lower cost of diesel and the economies of scale that the Group was able to achieve in sourcing for supplies due to our Group's increase in number of vessels during the financial year under review. Similarly, cost of sales for the trading segment also reduced by RM3.25 million or 14.2% from RM22.78 million in FYE 2020 to RM19.54 million in FYE 2021 due to our purchase in bulk from a supplier as a result of our end customer also purchasing in bulk from us, hence our ability to negotiate for better pricing. This is reflected in our largest customer and supplier which contributed to more than half of our sales and cost of sales for FYE 2021.

As for the management of trade segment, there is no cost of sales as it is just a service provided which is more of administrative in nature and hence no direct of cost involved. As for the service fee, cost of sales increased by RM0.06 million or approximately 56.8%. This is due to the different type of services provided in FYE 2021 as compared to FYE 2020. For the FYE 2020, the services provided were mainly for tuna landing services while for FYE 2021, the services provided were for activities such as provision of supplies such as diesel, food and bait, declaration to authorities, insurance and others.

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8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)**8.4 GP and GP margins**

The breakdown of our Group's GP and GP margins based on types of services rendered during the Period under Review are as follow:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	GP RM'000	GP margin %	GP RM'000	GP margin %	GP RM'000	GP margin %
Commercial deep-sea fishing	1,151	61.8	412	20.9	818	38.1
Trading of tuna, tuna-like and other deep-sea fishes and seafood products	(12)	(1.3)	2,925	11.4	6,453	24.8
Management of trade	-	-	-	-	65	100.0
Service fee	-	-	59	36.1	11	6.5
Overall	1,139	40.6	3,396	12.2	7,348	25.9

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our Group's overall GP margin decreased to 12.2% from 40.6% in FYE 2019. This was mainly because our Group recorded a lower GP margin for our commercial deep-sea fishing segment of 20.9% as compared with 61.8% in FYE 2019. The lower GP margin was mainly due to the increase in cost of sales as discussed in Section 8.3 above namely higher average crew wages, additional cost for the replenishment of onboard consumables and additional cost incurred such as crew allowance and vessel docking fees when we docked our fishing vessel and retained the crew while renewing our Vessel and Fishing Gear Licence. The increase in cost of sales outpaced the increase in revenue during FYE 2020, where cost of sales increased by 1,365.8% whereas revenue only increased by 891.8%.

Our GP margin for trading segment improved from a negative margin of 1.3% in FYE 2019 to a positive GP margin of 11.4% in FYE 2020. The negative GP margin for the FYE 2019 was due to unforeseen additional costs in handling fishes. We have since implemented additional standard operating procedures for our trading activities since March 2019 whereby we ensure our suppliers are fully aware that costs associated with our purchases are to be absorbed by them before the issuance of purchase orders by us.

The GP margin of 11.4% that we achieved in FYE 2020 for our trading segment was mainly due to our ability to source for fishes at more favourable pricing from our suppliers and coupled with higher selling prices offered to our customers due to increased market demand. Apart from that, we also benefited from economies of scale as our trading volume increased substantially during FYE 2020. Resulting from the increase in volume of tuna, tuna-like and other deep-sea fishes as well as other seafood products purchased, we were able to negotiate for better pricing from our suppliers with discounted rates for bulk purchases which translated into an improved GP margin. Besides that, we also traded more products in FYE 2020, whereby the sales mix consist of certain seafood products with higher margins such crabs, cuttlefish and shrimp.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, our Group's overall GP margin increased from 12.2% in FYE 2020 to 25.9%. This was mainly due to our commercial deep-sea fishing segment and trading segment recording a higher GP margin of 38.1% and 24.8% respectively in FYE 2021 as compared with 20.9% and 11.4% respectively in FYE 2020. The increase in GP margin for the commercial deep-sea fishing segment was mainly due to lower cost of diesel and the economies of scale that the Group was able to achieve in sourcing for supplies due to our Group having more vessels in FYE 2021.

The increase in GP margin for the trading segment was contributed mainly due to the trade of higher volume of seafood with higher margins such as crabs as well as lower average purchase cost as we were able to purchase in bulk as explained in Section 8.3 of this Information

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Memorandum above. As for the management of trade, there were no direct costs incurred as it is mainly administrative in nature.

For the service fee, our GP and GP margin reduced significantly due to different type of services provided to our customers whereby for FYE 2021, the services provided such as bunkering & replenishment of supplies have a lower margin as compared to FYE 2020 whereby activities related to vessel landing activities we were able to charge a higher margin.

8.5 Other operating income

The breakdown of our other operating income for the period under review is as follows:

Other operating income	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Unrealised foreign exchange gain	18	66.7	14	8.2	110	41.6
Realised foreign exchange gain	-	-	58	33.9	30	11.3
Interest income	9	33.3	88	51.5	55	20.7
Late payment interest income	-	-	-	-	12	4.5
Wage subsidy	-	-	11	6.4	11	4.3
Rental income	-	-	-	-	47	17.6
Total	27	100.0	171	100.0	265	100.0

Comparison between FYE 2019 and FYE 2020

In FYE 2020, we recorded a higher other operating income of RM0.17 million as compared to RM0.03 million recorded in FYE 2019 mainly due to the following:

- realised foreign exchange gain of RM0.06 million due to the currency translation difference between the issuance of our invoice and payment by our deep-sea fishing segment customers, which were denominated in USD;
- increase in interest income of RM0.09 million due to the interest earned from placement of our cash balances in fixed deposit with licensed financial institutions; and
- Subsidy of RM0.01 million pertaining to the one-off wage subsidy program introduced by the Government as part of the Covid-19 relief measures.

Comparison between FYE 2020 and FYE 2021

In FYE 2021, we recorded higher other operating income of RM0.27 million as compared to RM0.17 million recorded in FYE 2020 mainly due to the following:

- unrealised foreign exchange gain of RM0.11 million due to translation of accounts of our subsidiary, ATI which accounts are denominated in USD; and
- rental income of RM0.05 million from office space rented out to SS Oil and Gas Sdn Bhd and Virtual Outlook Sdn Bhd as disclosed in Section 6.5 of this Information Memorandum.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)**8.6 Administrative expenses**

The breakdown of our Group's administrative expenses for the Period under Review is as follows:

Administrative expenses	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	108	19.1	339	17.3	575	19.7
Professional fees ⁽²⁾	153	27.0	292	14.9	289	9.9
Depreciation of fixed assets	103	18.2	482	24.6	728	24.9
Depreciation of rights-of-use assets	-	-	-	-	3	0.1
Write-off of fixed assets	-	-	-	-	7	0.2
Secretarial expenses	36	6.5	6	0.3	-	-
Gift and donation	63	11.1	233	11.9	34	1.2
License and registration fee	1	*	25	1.3	22	0.8
Sales and marketing expenses	13	2.3	-	-	21	0.7
Realised loss on foreign exchange	18	3.2	25	1.3	15	0.5
Rental of machine	12	2.1	6	0.3	-	-
Rental of office	18	3.2	45	2.3	2	0.1
Unrealised loss on foreign exchange	-	-	166	8.5	19	0.6
Upkeep of vessel and other vessel related expenses	9	1.6	189	9.7	469	16.0
Impairment loss	-	-	-	-	369	12.6
Finance Cost	-	-	-	-	13	0.5
Others ⁽³⁾	32	5.7	148	7.6	357	12.2
Total	566	100.0	1,956	100.0	2,923	100.0

Notes:

* Less than 0.1%.

- (1) Staff costs comprise of salary and wages of the directors, marketing and sales as well as administrative employees.
- (2) Professional fees comprise of audit fees, business consultancy fee, tax agent fee as well as valuer's fee for the vessels.
- (3) Others comprise of expenses such as bank charges, printing cost, upkeep of office equipment, travelling expenses, payment of stamp duty and other miscellaneous expenses.

Comparison between FYE 2019 and FYE 2020

Our Group's administrative expenses increased by RM1.39 million or 245.6%, from RM0.57 million in the FYE 2019 to RM1.96 million in the FYE 2020. This was mainly attributable to higher staff costs, professional fees, fixed asset depreciation, gifts and donations, unrealised loss on foreign exchange and others for FYE 2020.

The higher staff cost for the FYE 2020 as compared to FYE 2019 was due to increase in staff headcount as there was an increase in business activities. Staff cost, which includes Executive Directors' remuneration is expected to increase in the future financial years as our CEO, Dato' Pua was drawing nominal remuneration during the financial years under review. The total proposed remuneration of key staff and our Executive Directors is budgeted at RM80,000 per month after the Proposed Listing. The proposed remuneration to key staff and our Executive Directors was determine based on their roles and responsibilities (e.g. running the operations and safeguarding the assets of the Group), and the expectation of their and the Group's future performance.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

The higher professional fees is mainly due to one-off expenses incurred pertaining to legal fees and valuation fee for the purchase of 2 unit of business suites in KL Eco City, Kuala Lumpur that we currently utilise as our head office and vessel valuation fees for the 3 additional fishing vessels that our Group acquired during FYE 2020.

The increase in fixed asset depreciation was due to depreciation charges on additional 3 fishing vessels acquired during FYE 2020.

Gifts and donations were towards construction/refurbishment of a Chinese temple located in Kuala Lumpur and donation in kind to various government agencies (i.e. face masks, goggles and protective gears) for Covid-19 relief efforts.

The unrealised loss on foreign exchange is due to the foreign currency translation difference from balance sheet items translated at month end rate due to ATI's accounts being denominated in USD.

The sharp increase in upkeep of vessel and other vessel related expenses was mainly due to expenses relating to the 3 vessels acquired while still under the registration period, such as crew and onboard supplies, diesel, repair works and documentation works.

Increase in other administrative expenses of RM0.11 million was mainly due to the stamp duty paid by AORB in relation to the acquisitions of AORSB, ATI and ATT which was completed 15 May 2020.

Comparison between FYE 2020 and FYE 2021

Our Group's administrative expenses increased by RM0.97 million or 49.4%, from RM1.96 million for FYE 2020 to RM2.92 million for FYE 2021. This was mainly attributable to higher staff cost, fixed asset depreciation, upkeep of vessel and other vessel related expenses, impairment loss and other expenses.

The higher staff cost for FYE 2021 as compared to FYE 2020 was due to increase in staff headcount which doubled during the FYE 2021 as there was an increase in business activities. As mentioned above, staff cost includes Executive Directors' remuneration and is expected to increase in the future as our CEO was drawing nominal remuneration during the financial periods under review.

The increase in fixed asset depreciation for the FYE 2021 as compared to FYE 2020 was due to depreciation charges on our office building and addition to office equipment in relation to our new head office which we commenced using in July 2020.

The increase in upkeep of vessel and other vessel related expenses was mainly due to expenses relating to the 3 vessels acquired, such as crew and onboard supplies, diesel, repair works, professional fees incurred for vessel measurement and documentation works that were incurred the vessels were still under the registration period. 2 of these vessels commenced operation and embarked on its first voyage in January 2021 and June 2021 respectively.

We also recorded impairment losses of RM0.37 million on our trade and other receivables for FYE 2021 in accordance with Malaysian Financial Reporting Standards (MFRS) 9 which establishes the requirements for recognising and measuring financial assets and liabilities. We have adopted an expected credit loss model which requires us to prudently impair a percentage of receivables based on our total receivables as a form of risk management.

Included in other expenses for the FYE 2021 is stamp duties paid for the purchase of our head office amounting to RM0.11 million and expenses amounting to RM0.05 million incurred when exploring the establishment of a physical outlet for our burger patties.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

8.7 PAT and PAT margins

PAT and PAT margins	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
PAT/ (LAT) (RM'000)	405	1,511	2,599
PAT margin (%)	14.4	5.4	9.2

Comparison between FYE 2019 and FYE 2020

Our Group's PAT and PAT margin increased from RM0.41 million and 14.4% to RM1.51 million but PAT margin decreased to 5.4% in the FYE 2019 and 2020. The increase in our Group's PAT of RM1.10 million was as a result of the increase in GP. However, the reduction in PAT margin was due to the decrease in the overall Group GP margin for the reasons as stated in Section 8.4 of this Information Memorandum and increase in administrative expenses as mentioned in Section 8.6 of this Information Memorandum.

Comparison between FYE 2020 and FYE 2021

Our Group recorded a PAT of RM2.60 million together with a PAT margin of 9.2% in the FYE 2021 as compared to a PAT of RM1.51 million together with a PAT margin of 5.4% in the FYE 2020. This was mainly due to an increase in the overall Group GP margin as explained in Section 8.4 of this Information Memorandum arising from better margins for our commercial deep-sea fishing segment and trading in seafood products with better margins.

8.8 Key financial ratios

The key financial ratios of our Group for the Period under Review are as follows:

	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
Trade receivables turnover period (days) ⁽¹⁾	-	18	55
Trade payables turnover period (days) ⁽²⁾	11	2	7
Current ratio (times) ⁽³⁾	1.04	3.51	4.22
Gearing ratio (times) ⁽⁴⁾	-	0.003	0.026

Notes:

- (1) Computed based on the average opening and closing trade receivables as at the respective FYE over total revenue for the year multiplied by 365 days.
- (2) Computed based on the average opening and closing trade payables as at the end of the respective FYE over total cost of sales for the year multiplied by 365 days.
- (3) Computed based on the total current assets over the total current liabilities as at the respective balance sheet date.
- (4) Computed based on our total borrowings over total equity attributable to the owners of the Company.

(i) Trade receivables turnover period

The normal credit period generally granted to our customers is between 30 days and 90 days from the date of the invoice. The credit terms given to both our commercial deep-sea fishing segment and trading segment customers are 90 days. Nonetheless, our credit terms to customers are assessed and approved on a case-by-case basis.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

We did not record any trade receivables as at 30 June 2019 as a result of our arrangement with our customers to make payment immediately upon receipt of shipment. For sea freight, the delivery ranges between 1 – 14 days for the shipment to reach our customers. As for air freight, the delivery takes at most 2 days for the tuna, tuna-like and other deep-sea fishes as well as other seafood products to be delivered to our customer. It is also our practice to review our trade receivables and follow up with our customers for payment on outstanding amount, if any, prior to the financial year end. For the FYE 2020, our trade receivables turnover period was 8 days.

Our trade receivables turnover period for the FYE 2021 had increased to 55 days. This was mainly attributable to the increase in trade receivables to RM5.70 million from RM2.82 million for the FYE 2020. While our trade receivables turnover period for the FYE 2021 was still within the credit period afforded by us to our customers, the increase in trade receivables was as a result of our Group extending credit periods to certain customers as they faced cashflow challenges due to the Covid-19 pandemic.

The ageing analysis of our trade receivables as at 30 June 2021 is as follows:

	(I) Trade receivables as at 30 June 2021		(II) Subsequent collection up to the LPD	(III) = (I) – (II) Balance trade receivables uncollected as at LPD
	RM	%	RM	RM
Within credit period	175,218	3.1	175,218	-
Exceed credit period:				
•1 to 30 days	412,548	7.2	-	412,548
•31 to 60 days	512,332	9.0	-	512,332
•61 to 90 days	752,019	13.2	84,491	667,528
•More than 90 days	3,845,344	67.5	1,687,711	2,157,633
Total	5,697,461	100.0	1,947,420	3,750,041

As at LPD, RM1.95 million or 34.2% of the total trade receivables outstanding of RM5.70 million as at 30 June 2021 have been collected while RM3.75 million or 65.8% remains outstanding. Our management is of the view that the remaining outstanding balances as at LPD of RM3.75 million is recoverable and no provision for impairment is required after taking into account the customers' credentials, payment track record and the good relationships with our customers.

(ii) Trade payables turnover period

The normal credit terms granted by our trade creditors to our Group ranges from 7 to 30 days from the date of tax invoice. The credit terms given by both our deep-sea fishing segment and trading segment suppliers is 90 days. Our trade payables turnover for FYE 2019 and FYE 2020 were 11 and 2 days respectively, while for FYE 2021 was 7 days which were within the normal credit terms granted by our trade creditors. The decrease in our trade payables turnover period since FYE 2021 was a result of a new policy implemented by our Group to expedite payments due to our suppliers in order to maintain good business relationships.

As at LPD, there are no disputes in respect of our trade payables and no legal action has been initiated by our suppliers to demand for payment.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

For illustrative purposes, the ageing analysis of our trade payables as at 30 June 2021 is as follows:

	(I) Trade payables as at 30 June 2021		(II) Subsequent payment up to the LPD	(III) = (I) – (II) Balance unpaid trade payables as at LPD
	RM	%	RM	RM
Within credit period	263,618	54.3	261,660	1,958
Exceed credit period:				
• 1 to 30 days	214,512	44.2	214,512	-
• 31 to 60 days	-	-	-	-
• More than 60 days	7,364	1.5	2,512	4,852
Total	485,494	100.0	478,684	6,810

As at LPD, RM0.48 million or 98.6% of the total trade payables as at 30 June 2021 have been paid. These are partial payments made to selected suppliers to secure the supply of in-demand fishes for our trading segment and consumables for our commercial deep-sea fishing activities. For the amount due for more than 60 days, we are pending certain clarification on the invoice from our supplier as at LPD.

(iii) Current ratio

Our current ratio for FYE 2019 and FYE 2020 were 1.04 times and 3.51 times respectively. The improvement in current ratio in FYE 2020 was mainly due to the reduction of amount owing to Directors of RM10.18 million in the FYE 2019 which was capitalised as earlier explained in Section 7.3(iii) of this Information Memorandum.

Our current ratio for FYE 2021 was 4.22 times. The improvement in current ratio in FYE 2021 was mainly due to the increase in trade receivables which was in line with the increase in revenue, increase in deposits and prepayments which consist mainly of prepayment for the registration of our trade mark, as well as decrease in cash and bank balances due to the instalment payment for the purchase of our vessel in the FYE 2020 as well as repayment of amount owed to our shareholders.

(iv) Gearing ratio

Our Group did not have any borrowings as at the end of FYE 2019. Our gearing ratio for FYE 2020 and FYE 2021 is 0.003 times and 0.026 times respectively. The gearing ratio is as a result of the lease liability taken up by our Group for the purchase of a motor vehicle as well as a loan obtained for the partial payment of acquisition of the 30% equity interest in ATM as described in Section 9.2(vii) of this Information Memorandum.

8.9 Significant factors affecting our financial position and results of operations

Please refer to Section 5 of this Information Memorandum for the risk factors in relation to our business, operations and industry in which we operate in. The risk factors mentioned therein represent significant factors which may affect our financial position and results of operations.

8.10 Impact of foreign currency exchange rates

We are subject to the risk of fluctuation in foreign exchange rates as the majority of our revenue are denominated in USD. On top of that, fishes purchased for our trading segment are also denominated in USD. We do not practice any hedging for our foreign currency transactions.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

However, our exposure to foreign currency exchange rates arising from our course of business is limited due to both our sales and purchases which are denominated in USD.

Our financial performance for FYE 2019, FYE 2020 and FYE 2021 were not materially affected by the impact of foreign exchange rates.

Our net foreign exchange gain/(loss) for the period under review are as follows:

	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Unrealised foreign exchange gain/(loss)	18	(152)	91
Realised foreign exchange gain/(loss)	(18)	34	15

The net unrealised foreign exchange loss of RM0.15 million in FYE 2020 was pertaining to the foreign currency translation difference for the amount payable for the acquisition of 3 additional fishing vessels during FYE 2020, which was denominated in USD.

The net unrealised foreign exchange gain of RM0.09 million for FYE 2021 was pertaining to the foreign currency translation difference for the translation of ATI's bank and creditor balances and remaining amount payable for the acquisition of 3 additional fishing vessels, all of which are denominated in USD.

8.11 Dividend policy

As we are a holding company, our Company's income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiary(ies), present or future. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there is no legal, financial, or economic restriction on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us.

If any, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

As at LPD, we do not have a dividend policy. It is our intention to pay dividends to shareholders in the future; however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board. The declaration of interim dividends and recommendation of final dividends are subject to our Board's discretion and any final dividends for the year are subject to shareholders' approval.

Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

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9. OTHER INFORMATION

9.1 Responsibility statements

Our Directors and the Promoters have seen and approved this Information Memorandum, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted, would make any statement in this Information Memorandum false or misleading.

Thinkat Advisory acknowledges that, based on all available information and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Proposed Listing.

9.2 Material agreements

Save as disclosed below, there are no agreements which are or may be material (not being agreements entered into in the ordinary course of business) which have been entered into by our Company or our subsidiaries within the 2 years immediately preceding the date of this Information Memorandum:

- (i) SPA dated 24 January 2020 entered into between ATT and Sungei Wang Resources Sdn Bhd pursuant to the purchase of a unit of strata office unit bearing postal address of No. SO-33A-1, Menara 1, Strata Offices, KL Eco City, No.3, Jalan Bangsar, 59200 Kuala Lumpur measuring approximately 1,370 sq ft for a cash consideration of RM1,514,740.50. The acquisition was completed on 29 May 2020;
- (ii) SPA dated 24 January 2020 entered into between ATT and Sungei Wang Resources Sdn Bhd pursuant to the purchase of a unit of strata office unit bearing postal address of No. SO-33A-8, Menara 1, Strata Offices, KL Eco City, No.3, Jalan Bangsar, 59200 Kuala Lumpur measuring approximately 1,459 sq ft for a cash consideration of RM1,601,325.45. The acquisition was completed on 27 May 2020;
- (iii) Share sale agreement dated 28 February 2020 entered into by AORB pursuant to the acquisition of 2,000,000 ordinary shares in AORSB, representing the entire equity interest in AORSB, from Datin Teng and Dato' Ng Chong Ching for a total purchase consideration of RM1,999,980 satisfied via the issuance of 9,999,990 new Shares at an issue price of RM0.20 per Share. The Acquisition of AORSB was completed on 15 May 2020;
- (iv) Share sale agreement dated 28 February 2020 entered into by AORB pursuant to the acquisition of 500,100 ordinary shares in ATI, representing the entire equity interest in ATI, from Dato' Pua, Badrul Hisham Bin Zainal Abidin, Dato' Ng Chong Ching, Beh Tze Wei and Lin Yuan-Hung for a total purchase consideration of RM2,000,000 satisfied via the issuance of 10,000,000 new Shares at an issue price of RM0.20 per Share. The Acquisition of ATI was completed on 15 May 2020;
- (v) Share sale agreement dated 28 February 2020 entered into by AORB pursuant to the acquisition of 13,000,000 ordinary shares in ATT, representing the entire equity interest in ATT, from Datin Teng, Badrul Hisham Bin Zainal Abidin, Ng Hong Ming, Dato' Ng Chong Ching, Beh Tze Wei and Yew Swee Tien for a total purchase consideration of RM13,500,000 satisfied via the issuance of 67,500,000 new Shares at an issue price of RM0.20 per Share. The Acquisition of ATT was completed on 15 May 2020;
- (vi) Subscription agreement dated 28 February 2020 entered into by AORB pursuant to the subscription by YTM Dato' Muhammed Abdullah of 2,500,000 new Shares in our Company at RM0.30 per Share, which was completed on 15 May 2020;
- (vii) Loan agreement dated 12 April 2021 between ATT and Lin Yuan-Hung for the loan amount of RM500,571.89. Lin Yuan-Hung was previously the minority shareholder of the 30% equity interest in ATM which was acquired by ATT for a total cash

9. OTHER INFORMATION (cont'd)

consideration of RM1,500,030.00 on 29 December 2020. From the purchase consideration, a partial payment of RM999,458.11 was made on 29 December 2020 with the remaining amount of RM500,571.89 converted to a loan from Lin Yuan-Hung to ATT. The terms for the loan involve repayment within 12 months of the agreement together with an agreed interest of 2% per annum on the loan amount; and

- (viii) SPA dated 13 August 2021 entered into between ATT and E-Fish Maldives Pvt Ltd pursuant to the purchase of a fishing vessel known as Mariner 7, Port of Registry in Male, Maldives with a registration of C5045B-01 (10-T) for a cash consideration of USD530,000. The acquisition is pending completion as at LPD.

9.3 Material litigation

As at LPD, we are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and our Board does not know of any pending or threatened proceedings or of any fact likely to give rise to any proceedings which might materially or adversely affect our position or business.

9.4 Material commitments and contingent liabilities

As at LPD, the Board is not aware of any material commitments or contingent liabilities incurred or known to be incurred by us, which upon becoming enforceable, may have material impact on our financial position.

9.5 Declaration by our advisers

9.5.1 Thinkat Advisory

Thinkat Advisory confirms that there is no existing or potential conflict of interest in relation to its capacity as the Approved Adviser, Placement Agent and Continuing Adviser for the Proposed Listing.

9.5.2 Christina Chia Law Chambers

Messrs. Christina Chia Law Chambers confirms that there is no existing or potential conflict of interests in its capacity as the Legal Adviser for the Proposed Listing.

9.5.3 STYL Associates PLT

Messrs. STYL Associates PLT confirms that there is no existing or potential conflict of interests in its capacity as the Auditors and Reporting Accountants for the Proposed Listing.

9.5.4 Providence Strategic Partners Sdn Bhd

Providence Strategic Partners Sdn Bhd confirms that there is no existing or potential conflict of interests in its capacity as the IMR for the Proposed Listing.

9.6 Mode of communication

In accordance with our Constitution, we may send notices and documents to our Holders by electronic means to the registered electronic mail address of our Holders which were last maintained with either our Company Secretary or Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**"), as the case may be. Our Holders have the right to request for a hard copy of such notices and documents should they wish to do so. In such event, we will forward a hard copy of the notices and documents to our Holders, as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail to the registered Malaysian address last maintained with either our Company Secretary or Bursa Depository, as the case may be, at their own risk.

9. OTHER INFORMATION (cont'd)

We may also publish notices and documents on our website as a form of electronic communication with our Holders. In such event, we will separately and immediately notify our Holders through the following by way of any of the following:

- (i) ordinary mail;
- (ii) electronic means to the Holders' registered email address;
- (iii) advertisements in an English daily newspaper in Malaysia; and/or
- (iv) announcements on Bursa Securities.

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Registration No.: 201901034353 (1343683-K)

APPENDIX I

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2020 AND FYE 2021

ALPHA OCEAN RESOURCES BERHAD
(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)
Company No: 201901034353 (1343683 - K)
(Incorporated in Malaysia)
and its subsidiaries

REPORTS AND FINANCIAL STATEMENTS
For the year ended 30 June 2020

ALPHA OCEAN RESOURCES BERHAD

(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)

Company No: 201901034353 (1343683 - K)

(Incorporated in Malaysia)

and its subsidiaries

REPORTS AND FINANCIAL STATEMENTS

For the year ended 30 June 2020

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ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

and its subsidiaries**Directors' Report for the financial year ended 30 June 2020**

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

Principal activities

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Change in Company's name

On 18 May 2020, the Company changed its name from ALPHA OCEAN RESOURCES SDN. BHD. to ALPHA OCEAN RESOURCES BERHAD.

Financial results

	Group RM	Company RM
Profit/(Loss) for the year attributable to:		
Owners of the Company	1,688,941	(183,311)
Non-controlling interest	(178,019)	-
	<u>1,510,922</u>	<u>(183,311)</u>

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Dividends

No dividend was paid since the end of the previous financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company and its subsidiaries

Directors who served since the date of incorporation to the date of this report are as follows:

Ng Chong Ching	(First Director)
Simon Pua**	(First Director)
Dato' Muhammed Bin Abdullah	(Appointed on 18.5.2020)
Dato' Pua Woon Kee**	(Appointed on 18.5.2020)
Loh Seong Yew	(Appointed on 18.5.2020)

** These Directors are also Directors of the subsidiaries.

Directors of the subsidiaries who served since the beginning of the financial year to the date of this report (not including those Directors listed above) are as follows:

Badrul Hisham Bin Zainal Abidin	
Teng May Loon	
Beh Tze Wei	(Appointed on 22.11.2019)
Goh Pei San	(Appointed on 26.11.2019)

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Numbers of ordinary shares

	At date of incorporation	Acquired	Disposed	As at 30.6.2020
The Company				
Dato' Muhammed Bin Abdullah	-	2,500,000	-	2,500,000
Dato' Pua Woon Kee	-	3,000,000	-	3,000,000
Ng Chong Ching	50	8,399,980	-	8,400,030

None of the other Directors holding office at 30 June 2020 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivables by Directors as shown in Note 16 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Auditors' remuneration

The auditors' remuneration is disclosed in Note 16 to the financial statements.

Issue of shares and debentures

At the date of incorporation, the Company issued 100 ordinary shares valued at RM1.00 each, for cash, as subscribers' shares.

During the financial year, the Company issued:

<u>Date</u>	<u>Unit</u>	<u>RM</u>	<u>Purpose</u>	<u>Consideration</u>
15-5-2020	2,500,000	750,000	Working capital	Cash
15-5-2020	87,499,900	17,499,980	Working capital	Non-cash

There were no other changes in the issued and paid-up capital of the Company and no debentures were issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

There were no indemnity given to or insurance effected for any Directors, officers or auditors of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the Directors:

- i) no contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- ii) the financial performance of the Group and of the Company for the financial year then ended have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

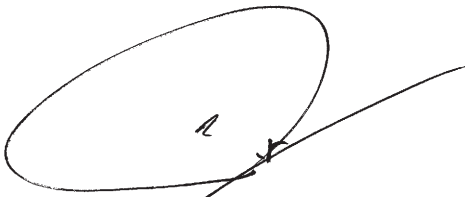
Significant event

Details of significant event occurred during the financial year are disclosed in Note 23 to the financial statements.

Auditors

The auditors, Messrs. STYL ASSOCIATES PLT have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Dato' Pua Woon Kee
Director



Dato' Muhammed Bin Abdullah
Director

Pulau Pinang

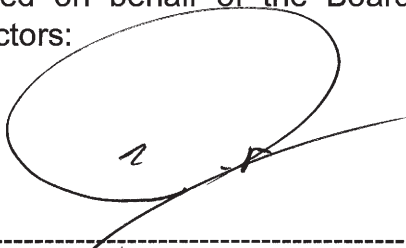
Date: 30 December 2020

ALPHA OCEAN RESOURCES BERHAD
(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)
(Incorporated in Malaysia)
and its subsidiaries

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Dato' Pua Woon Kee
Director



Dato' Muhammed Bin Abdullah
Director

Pulau Pinang

Date: 30 December 2020

Statutory Declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, Dato' Pua Woon Kee (NRIC No.: 691114-01-5549), being the officer primarily responsible for the financial management of ALPHA OCEAN RESOURCES BERHAD *(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*, do solemnly and sincerely declare that the financial statements are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed, Dato' Pua Woon Kee at Georgetown, Pulau Pinang on this date of 30 December 2020.



Dato' Pua Woon Kee

Before me,



No.65, Jalan Deva Pada
10400 Georgetown, Penang

COMMISSIONER FOR OATHS

**Independent Auditors' Report to the members of
ALPHA OCEAN RESOURCES BERHAD**
(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)
Company No: 201901034353 (1343683 - K)
(Incorporated in Malaysia)
and its subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ALPHA OCEAN RESOURCES BERHAD *(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*, which comprise the statements of financial position as at 30 June 2020, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 78.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Company No: 201901034353 (1343683 - K)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Key audit matter</u>	<u>How the matter was addressed in our audit</u>
<p>Revenue recognition (Refer to Note 14 to the financial statements)</p> <p>For the financial year ended 30 June 2020, the Group has significant revenue amounting to RM27,840,980 arising from deep-sea fishing, trading of seafood and port landing services.</p>	<p>Our audit procedures performed in this area included, among others:</p> <ul style="list-style-type: none"> • Obtained an understanding on how the Group recognise the revenue and their process activities relating to revenue recognition; • Tested the existence and accuracy of the sales to related documents; • Performed sales cut off test to ascertain the sales are properly recognised at correct accounting period; • Review major customers sales contracts (or purchase order if contract is not available) for MFRS 15 assessment; and • Assessed whether appropriate revenue recognition criteria have been applied and the transactions have been accounted for in accordance with the Group's accounting policies.

Company No: 201901034353 (1343683 - K)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Company No: 201901034353 (1343683 - K)

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Company No: 201901034353 (1343683 - K)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

Company No: 201901034353 (1343683 - K)

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



STYL ASSOCIATES PLT

Firm Number: LLP0019500-LCA & AF001929

Chartered Accountants



NG WENG SUM

Approval Number: 3344/12/2021J

Chartered Accountant

Date: 30 December 2020

Pulau Pinang

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

and its subsidiaries**Consolidated Statement of Financial Position****As at 30 June 2020**

	Note	2020 RM	2019 RM
ASSETS			
Non-current asset			
Property, plant and equipment	4	9,692,926	779,835
Total non-current asset		<u>9,692,926</u>	<u>779,835</u>
Current assets			
Trade and other receivables	6	3,361,125	2,607,033
Fixed deposits placed with licensed banks	7	1,500,000	-
Cash and cash equivalents	8	11,445,295	11,227,917
Total current assets		<u>16,306,420</u>	<u>13,834,950</u>
Total assets		<u><u>25,999,346</u></u>	<u><u>14,614,785</u></u>
Equity			
Share capital	9	18,250,080	1,000,411
Reserves	10	(315,294)	(161)
Retained earnings		1,910,032	221,091
Total equity attributable to owners of the Company		<u>19,844,818</u>	<u>1,221,341</u>
Non-controlling interests		1,322,011	-
Total equity		<u>21,166,829</u>	<u>1,221,341</u>
Non-current liabilities			
Deferred tax liabilities	11	130,000	138,001
Lease liability		51,746	-
Total non-current liabilities		<u>181,746</u>	<u>138,001</u>

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

and its subsidiaries**Consolidated Statement of Financial Position (continued)****As at 30 June 2020**

	Note	2020 RM	2019 RM
Current liabilities			
Lease liability		13,502	-
Trade and other payables	12	2,798,059	2,970,606
Amount due to Directors	13	1,824,459	10,180,000
Current tax liabilities		14,751	104,837
Total current liabilities		<u>4,650,771</u>	<u>13,255,443</u>
Total liabilities		<u>4,832,517</u>	<u>13,393,444</u>
Total equity and liabilities		<u><u>25,999,346</u></u>	<u><u>14,614,785</u></u>

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

ALPHA OCEAN RESOURCES BERHAD
(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Note	2020 RM	2019 RM
Revenue	14	27,840,980	2,807,112
Cost of sales		(24,444,760)	(1,667,678)
Gross profit		<u>3,396,220</u>	<u>1,139,434</u>
Other operating income		170,891	27,215
Administrative expenses		(1,955,717)	(566,283)
Profit from operations		<u>1,611,394</u>	<u>600,366</u>
Finance cost	15	(848)	-
Profit before taxation	16	<u>1,610,546</u>	<u>600,366</u>
Taxation	17	(99,624)	(195,384)
Profit for the year		<u>1,510,922</u>	<u>404,982</u>
Other comprehensive income, net of tax:			
Item that is or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		184,438	(161)
Total comprehensive income for the year		<u><u>1,695,360</u></u>	<u><u>404,821</u></u>
Profit attributable to:			
Owner of the Company		1,688,941	404,982
Non-controlling interests		(178,019)	-
Profit for the year		<u><u>1,510,922</u></u>	<u><u>404,982</u></u>

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

and its subsidiaries**Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)****For the year ended 30 June 2020**

	Note	2020 RM	2019 RM
Total comprehensive income/(expense) attributable to:			
Owner of the Company		1,873,379	404,821
Non-controlling interests		(178,019)	-
Total comprehensive income for the year		<u>1,695,360</u>	<u>404,821</u>
Basic earnings per ordinary share attributable to owners of the Company (sen):			
Basic earning per ordinary share (sen)	18	<u>14</u>	<u>40</u>

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

ALPHA OCEAN RESOURCES BERHAD
(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated Statement of Changes In Equity
For the year ended 30 June 2020

← ← Attributable to owners of the Company → →
← ← Non-distributable → → Distributable

	Share capital RM	Foreign currencies translation reserve RM	Merger reserve RM	(Accumulated losses)/Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
At 1 July 2018	1,000,000	-	-	(183,891)	816,109	-	816,109
Profit for the year	-	-	-	404,982	404,982	-	404,982
Other comprehensive expense for the year	-	(161)	-	-	(161)	-	(161)
Total comprehensive (expense)/income for the year	-	(161)	-	404,982	404,821	-	404,821
Issuance of share capital	411	-	-	-	411	-	411
At 30 June 2019	<u>1,000,411</u>	<u>(161)</u>	<u>-</u>	<u>221,091</u>	<u>1,221,341</u>	<u>-</u>	<u>1,221,341</u>

ALPHA OCEAN RESOURCES BERHAD
(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated Statement of Changes In Equity (continued)
For the year ended 30 June 2020

	← Non-distributable →		← Attributable to owners of the Company →		
	Non-distributable		Distributable		
	Share capital RM	Foreign currencies translation reserve RM	Merger reserve RM	(Accumulated losses)/Retained earnings RM	Total equity RM
At 1 July 2019	1,000,411	(161)	-	221,091	1,221,341
Transactions with owners:					
Incorporation of the Company Adjustment arising from restructuring exercise	100	-	-	-	100
Total transactions with owners	17,249,669	-	(499,571)	-	16,749,998
Profit/(Loss) for the year	-	-	-	1,688,941	1,688,941
Other comprehensive income for the year	-	184,438	-	-	184,438
Total comprehensive income/(expense) for the year	-	184,438	-	1,688,941	1,873,379
At 30 June 2020	<u>18,250,080</u>	<u>184,277</u>	<u>(499,571)</u>	<u>1,910,032</u>	<u>19,844,818</u>
					<u>1,322,011</u>
					<u>21,166,829</u>

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

ALPHA OCEAN RESOURCES BERHAD
(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 RM	2019 RM
Cash flow from operating activities			
Profit before taxation		1,610,546	600,366
Adjustments for:			
Depreciation of property, plant and equipment	4	482,226	102,685
Interest expense	15	848	-
Interest income	16	(87,761)	-
Unrealised loss/(gain) on foreign exchange	16	151,530	(18,058)
Operating profit before working capital changes		<u>2,157,389</u>	<u>684,993</u>
Changes in working capital:			
Trade and other receivables		(754,092)	(1,070,010)
Trade and other payables		(669,685)	1,416,459
Cash generated from operations		<u>733,612</u>	<u>1,031,442</u>
Tax paid		(197,711)	(2,046)
Net cash generated from operating activities		<u>535,901</u>	<u>1,029,396</u>
Cash flow from investing activities			
Purchase of property, plant and equipment	A	(7,005,679)	(1,629)
Placement of fixed deposits with licensed banks		(1,500,000)	-
Disposal of share in an associate		-	35
Interest received		87,761	-
Net cash used in investing activities		<u>(8,417,918)</u>	<u>(1,594)</u>
Cash flow from financing activities			
Interest paid		(848)	-
Proceeds from issuance of ordinary shares		16,430,128	411
(Repayment to)/Advance from Directors	B	(8,355,541)	9,626,000
Repayment of lease liability	B	(7,252)	-
Net cash generated from financing activities		<u>8,066,487</u>	<u>9,626,411</u>

ALPHA OCEAN RESOURCES BERHAD
(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated Statement of Cash Flows (continued)
For the year ended 30 June 2020

	Note	2020 RM	2019 RM
Net increase in cash and cash equivalents		184,470	10,654,213
Effect of foreign exchange rates changes on cash and cash equivalents		32,908	17,897
Cash and cash equivalents at the beginning of the year		11,227,917	555,807
Cash and cash equivalents at the end of the year	8	<u>11,445,295</u>	<u>11,227,917</u>

Note

A. Purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM9,395,317 (2019: RM1,629) of which RM2,317,138 (2019: NIL) were acquired by means of installment arrangements and RM72,500 (2019: NIL) were acquired through lease arrangement. The balance of RM7,005,679 (2019: RM1,629) were by way of cash.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 July RM	Addition RM	Net changes from financing cash flows RM	At 30 June RM
2020				
Lease liability	-	72,500	(7,252)	65,248
Amount due to Directors	10,180,000	-	(8,355,541)	1,824,459
	<u>10,180,000</u>	<u>72,500</u>	<u>(8,362,793)</u>	<u>1,889,707</u>
2019				
Amount due to Directors	<u>554,000</u>	<u>-</u>	<u>9,626,000</u>	<u>10,180,000</u>

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

and its subsidiaries**Consolidated Statement of Cash Flows (continued)****For the year ended 30 June 2020****Note (continued)****C. Cash outflows for lease as a lessee**

	Note	2020 RM	2019 RM
Included in net cash from operating activity:			
Interest paid in relation to lease liability	15	848	-
Included in net cash from financing activity:			
Payment of lease liability		7,252	-
Total cash outflows for lease		8,100	-

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

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

Statement of Financial Position**As at 30 June 2020**

	Note	2020 RM
ASSETS		
Non-current asset		
Investment in subsidiaries	5	17,499,980
Total non-current asset		<u>17,499,980</u>
Current assets		
Other receivables	6	480,049
Cash and cash equivalents	8	564,690
Total current assets		<u>1,044,739</u>
Total assets		<u><u>18,544,719</u></u>
Equity		
Share capital	9	18,250,080
Accumulated loss		(183,311)
Total equity		<u>18,066,769</u>
Current liabilities		
Other payables and accruals	12	477,640
Current tax liabilities		310
Total current liabilities		<u>477,950</u>
Total equity and liability		<u><u>18,544,719</u></u>

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

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

Statement of Profit or Loss and Other Comprehensive Income**For the period from 24 September 2019 (date of incorporation) to 30 June 2020**

	Note	Period from 24.9.2019 (date of incorporation) to 30.6.2020 RM
Other operating income		1,293
Administrative expenses		(184,294)
Loss before taxation	16	<u>(183,001)</u>
Taxation	17	(310)
Loss for the period representing total comprehensive expense for the period		<u><u>(183,311)</u></u>

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

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

Statement of Changes In Equity**For the period from 24 September 2019 (date of incorporation) to 30 June 2020**

	Attributable to owners of the Company		
	← Non-distributable →		
	Share capital RM	Accumulated loss RM	Total equity RM
At 24 September 2019 (date of incorporation)	100	-	100
Issuance of shares	18,249,980	-	18,249,980
Total comprehensive expense for the period	-	(183,311)	(183,311)
At 30 June 2020	<u>18,250,080</u>	<u>(183,311)</u>	<u>18,066,769</u>

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

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

Statement of Cash Flows**For the period from 24 September 2019 (date of incorporation) to 30 June 2020**

	Note	Period from 24.9.2019 (date of incorporation) to 30.6.2020 RM
Cash flow from operating activities		
Loss before taxation		(183,001)
Adjustment for:		
Interest income	16	(1,293)
Operating loss before working capital changes		<u>(184,294)</u>
Changes in working capital:		
Other receivables		(480,049)
Other payables and accruals		477,640
Net used in operating activities		<u>(186,703)</u>
Cash flow from investing activities		
Acquisition of subsidiaries		(17,499,980)
Interest received		1,293
Net cash used in investing activities		<u>(17,498,687)</u>
Cash flow from financing activity		
Proceeds from issuance of ordinary shares		18,249,980
Net cash generated from financing activity		<u>18,249,980</u>
Net changes in cash and cash equivalents		564,590
Cash and cash equivalents at date of incorporation		100
Cash and cash equivalents at the end of the period	8	<u><u>564,690</u></u>

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

ALPHA OCEAN RESOURCES BERHAD*(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)*

(Incorporated in Malaysia)

and its subsidiaries**Notes to the Financial Statements****1 Corporate information**

ALPHA OCEAN RESOURCES BERHAD *(formerly known as ALPHA OCEAN RESOURCES SDN. BHD.)* ("AORB") was incorporated on 24 September 2019 under the Companies Act, 2016 as a private limited liability company.

On 15 May 2020, there was a capital restructuring whereby AORB obtained full control of Asia Tank Tuna Sdn. Bhd. *(formerly known as Asia Tank Trading (M) Sdn. Bhd.)* ("ATT"), ATI International Ltd ("ATIL") and Asia Ocean Resources Sdn. Bhd. *(formerly known as Asia Ocean Resources Berhad)* ("AORSB") and 70% control of Asia Tank Marine Sdn. Bhd. ("ATM") through ATT by issuing 89,999,900 new ordinary shares of the Company for a total purchase consideration of RM18,249,980 to the original shareholders, in exchange for the shares in the Company. The original shareholders have the same interest in the Company as they had in ATT, ATIL, AORSB and ATM and there is no change to the assets and liabilities as a result of establishment of the Company.

On 18 May 2020, the Company was converted into a public company limited by shares and adopted its present name.

This is the first financial statements on the consolidated results for the financial year ended 30 June 2020. The comparative figures have been presented as if the combination has occurred from the date when the combining entities first came under common control.

The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

SO 33A-1 & SO 33A-8, Menara 1,
Strata Offices, KL Eco City,
No. 3, Jalan Bangsar,
59200 Kuala Lumpur.

Registered office

39, Salween Road,
10050 Georgetown,
Penang.

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

2 Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Lease (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

2 Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable, in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 - investments in subsidiaries
- Note 20 - measurement of expected credit loss ("ECL") and fair value of unquoted shares

3 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

Arising from the adoption of MFRS 16, *Leases*, there are changes to the accounting policies applied to lease contracts entered into by the Group entities as compared to those applied in previous financial statements. No financial impact on adoption of MFRS 16 on the Group's and the Company's financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto power* over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combination (continued)

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised profits and losses arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of an impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

3 Significant accounting policies (continued)

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3 Significant accounting policies (continued)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 3(g)(i)) where the effective interest rate is applied to the amortised cost.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 3(g)(i)) where the effective interest rate is applied to the amortised cost.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see note 3(g)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset within the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets (continued)

Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

- (a) the recognition of an asset on the day it is received by the Group or the Company, and
- (b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

3 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" and "other operating expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

	%
Renovation	10
Computer	10
Equipment	10 - 20
Vessels	8.33 - 10
Motor vehicle	20
Office building	2

3 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

(e) Leases

The Group has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented, as previously reported under MFRS 117, *Leases* and related interpretations.

Current financial year

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- (ii) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

3 Significant accounting policies (continued)

(e) Leases (continued)

Current financial year (continued)

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- (i) fixed payments, including in-substance fixed payments less any incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (iii) amounts expected to be payable under a residual value guarantee;
- (iv) the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- (v) penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3 Significant accounting policies (continued)

(e) Leases (continued)

Current financial year (continued)

(ii) Recognition and initial measurement (continued)

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is 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. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

3 Significant accounting policies (continued)

(e) Leases (continued)

Current financial year (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of “revenue”.

Previous financial year

As a lessee

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment, or as investment property if held to earn rental income or for capital appreciation or for both.

3 Significant accounting policies (continued)

(e) Leases (continued)

Previous financial year (continued)

As a lessee (continued)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(g) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

3 Significant accounting policies (continued)

(g) Impairment (continued)

(i) Financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-months expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

3 Significant accounting policies (continued)

(g) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

3 Significant accounting policies (continued)

(g) Impairment (continued)

(ii) Other assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(h) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(i) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3 Significant accounting policies (continued)

(i) Employee benefits (continued)

(iii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3 Significant accounting policies (continued)

(k) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(l) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3 Significant accounting policies (continued)

(l) Borrowing costs (continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

3 Significant accounting policies (continued)

(n) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(o) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the management of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(p) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4 Property, plant and equipment - Group

Cost	Renovation RM	Computer RM	Equipment RM	Vessels RM	Motor vehicle RM	Office building RM	Total RM
At 1 July 2018	45,000	1,488	1,500	977,313	-	-	1,025,301
Additions	-	-	1,629	-	-	-	1,629
At 30 June 2019/1 July 2019	45,000	1,488	3,129	977,313	-	-	1,026,930
Additions	423,716	6,053	2,600	5,756,210	90,672	3,116,066	9,395,317
At 30 June 2020	<u>468,716</u>	<u>7,541</u>	<u>5,729</u>	<u>6,733,523</u>	<u>90,672</u>	<u>3,116,066</u>	<u>10,422,247</u>
Accumulated depreciation							
At 1 July 2018	29,250	1,017	123	114,020	-	-	144,410
Charge for the year	4,500	149	305	97,731	-	-	102,685
At 30 June 2019/1 July 2019	33,750	1,166	428	211,751	-	-	247,095
Charge for the year	8,031	502	673	457,249	10,578	5,193	482,226
At 30 June 2020	<u>41,781</u>	<u>1,668</u>	<u>1,101</u>	<u>669,000</u>	<u>10,578</u>	<u>5,193</u>	<u>729,321</u>

4 Property, plant and equipment - Group (continued)

Carrying amounts	Renovation RM	Computer RM	Equipment RM	Vessels RM	Motor vehicle RM	Office building RM	Total RM
At 1 July 2018	<u>15,750</u>	<u>471</u>	<u>1,377</u>	<u>863,293</u>	<u>-</u>	<u>-</u>	<u>880,891</u>
At 30 June 2019	<u>11,250</u>	<u>322</u>	<u>2,701</u>	<u>765,562</u>	<u>-</u>	<u>-</u>	<u>779,835</u>
At 30 June 2020	<u>426,935</u>	<u>5,873</u>	<u>4,628</u>	<u>6,064,523</u>	<u>80,094</u>	<u>3,110,873</u>	<u>9,692,926</u>

(a) The carrying amount of property, plant and equipment of the Group acquired under lease liability is as follows:

	Group	
	2020 RM	2019 RM
Motor vehicle	<u>80,094</u>	<u>-</u>

5 Investment in subsidiaries

	Company 2020 RM
Unquoted shares, at cost	<u>17,499,980</u>

The details of the subsidiaries are as follow:

Name of subsidiaries	Country of incorporation	Effective ownership and voting interest 2020 %	Principal Activities
Asia Tank Tuna Sdn. Bhd. <i>(formerly known as Asia Tank Trading (M) Sdn. Bhd.)</i> ("ATT")	Malaysia	100	Commercial deep-sea fishing and trading of seafood and its related products.
ATI International Ltd. ("ATIL") *	Malaysia (Labuan)	100	Trading of seafood and its related products.
Asia Ocean Resources Sdn. Bhd. <i>(formerly known as Asia Ocean Resources Berhad)</i> ("AORSB")	Malaysia	100	Dormant.
Subsidiary of ATT			
Asia Tank Marine Sdn. Bhd.	Malaysia	70	Dormant.

* Not audited by STYL Associates PLT.

6 Trade and other receivables

		Group		Company
	Note	2020 RM	2019 RM	2020 RM
Trade				
Trade receivables		2,818,852	-	-
Non-trade				
Amount due from a Company in which a Director has substantial financial interest	6.1	-	2,590,431	-
Amount due from a Company in which a related company has substantial financial interest	6.1	-	3,000	-
Other receivables		34,521	9,702	-
Deposits		17,802	3,900	-
Prepayments	6.2	489,950	-	480,049
		542,273	2,607,033	480,049
		<u>3,361,125</u>	<u>2,607,033</u>	<u>480,049</u>

6.1 The non-trade amounts due from a Company in which a Director and a related company have substantial financial interest are unsecured, interest-free and repayable on demand.

6.2 As at 30 June 2020, included in prepayments of the Group and the Company was an amount of RM480,049 (2019: NIL) representing prepayment of professional fee for leap market.

7 Fixed deposits placed with licensed banks - Group

	2020 RM	2019 RM
Fixed deposits placed with licensed banks	<u>1,500,000</u>	<u>-</u>

Included in the deposits placed with licensed banks of the Group is RM1,500,000 (2019: NIL) pledged for a bank facility granted to the Group. The interest rate for the Group were ranging from 2.1% to 3.9% (2019: NIL) per annum with a maturity period of 12 months (2019: NIL).

8 Cash and cash equivalents

	Group		Company
	2020	2019	2020
	RM	RM	RM
Cash and bank balances	<u>11,445,295</u>	<u>11,227,917</u>	<u>564,690</u>

9 Share capital

	Group			
	2020		2019	
	Number of	Amount	Number of	Amount
	shares	RM	shares	RM
	Unit		Unit	
Issued and fully paid-up ordinary shares:				
At 1 July	1,000,102	1,000,411	1,000,000	1,000,000
Issued during the year	-	-	102	411
	<u>1,000,102</u>	<u>1,000,411</u>	<u>1,000,102</u>	<u>1,000,411</u>
On date of incorporation	100	100	-	-
Shares issued pursuant to restructuring exercise	88,999,798	17,249,569	-	-
At 30 June	<u>90,000,000</u>	<u>18,250,080</u>	<u>1,000,102</u>	<u>1,000,411</u>

	Company	
	2019	
	Number of	Amount
	shares	RM
	Unit	
On date of incorporation	100	100
Issued during the year	89,999,900	18,249,980
	<u>90,000,000</u>	<u>18,250,080</u>

Issued and fully paid-up ordinary shares:

On date of incorporation	100	100
Issued during the year	89,999,900	18,249,980
	<u>90,000,000</u>	<u>18,250,080</u>

As disclosed in Note 1 to the financial statements, the Company was incorporated subsequent to 24 September 2019. Accordingly, the share capital of the Group as at 30 June 2019 and 1 July 2018 refers to the issued share capital of Asia Tank Tuna Sdn. Bhd. (formerly known as Asia Tank Trading (M) Sdn. Bhd.), ATI International Ltd. ("ATIL") and Asia Ocean Resources Sdn. Bhd. (formerly known as Asia Ocean Resources Berhad) ("AORSB").

At the date of incorporation, the Company issued 100 ordinary shares valued at RM1.00 each, for cash, as subscribers' shares.

9 Share capital (continued)

During the financial year, the Company increased its issued and paid-up capital from RM100 to RM18,250,080 via the issuance of 89,999,900 new ordinary shares at the total value of RM18,249,980 as consideration for acquisition of subsidiaries.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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 restrictions and rank equally with regard to the Company's residual assets.

10 Reserves

		Group	
	Note	2020 RM	2019 RM
Non-distributable			
Merger reserve	10.1	(499,571)	-
Foreign currency translation reserve	10.2	184,277	(161)
		<u>(315,294)</u>	<u>(161)</u>

The movements in reserves are shown in statement of changes in equity.

10.1 Merger reserve

	Asia Tank Tuna Sdn. Bhd. RM	ATI International Ltd. RM	Asia Ocean Resources Sdn. Bhd. RM	Total RM
Consideration transferred	13,500,000	2,000,000	1,999,980	17,499,980
Less: Fair value of shares received	(13,000,000)	(2,000,409)	(2,000,000)	(17,000,409)
Merger reserve arising on acquisition	<u>500,000</u>	<u>(409)</u>	<u>(20)</u>	<u>499,571</u>

The merger reserve arises from the acquisition of Asia Tank Tuna Sdn. Bhd. (formerly known as Asia Tank Trading (M) Sdn. Bhd.), ATI International Ltd. and Asia Ocean Resources Sdn. Bhd. (formerly known as Asia Ocean Resources Berhad) under common control, representing the difference between the fair value of shares received of the subsidiary companies as at the acquisition date and the acquisition consideration paid by the Company.

10.2 Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of a subsidiary whose functional currency is different from the Group's functional currency.

11 Deferred tax liabilities - Group

Deferred tax liabilities are attributable to the following:

	2020 RM	2019 RM
Property, plant and equipment	<u>130,000</u>	<u>138,001</u>

Movement in temporary differences during the year:

	At 1.7.2019 RM	Recognised in profit or loss RM	At 30.6.2020 RM
Property, plant and equipment	<u>138,001</u>	<u>(8,001)</u>	<u>130,000</u>

	At 1.7.2018 RM	Recognised in profit or loss RM	At 30.6.2019 RM
Property, plant and equipment	<u>53,000</u>	<u>85,001</u>	<u>138,001</u>

12 Trade and other payables

		Group	Company
	Note	2020 RM	2019 RM
		2020 RM	2020 RM
Trade			
Trade payables		292,789	34,140
Non-trade			
Other payables	12.1	2,411,603	90,252
Accruals		93,520	33,489
Amount due to a related party	12.2	147	930,354
Amount due to a subsidiary	12.2	-	-
Amount due to shareholders	12.2	-	1,820,000
Amount due to a Company in which a Director has substantial financial interest	12.2	-	62,371
		<u>2,505,270</u>	<u>2,936,466</u>
		<u>2,798,059</u>	<u>477,640</u>

12 Trade and other payables (continued)

12.1 Included in other payables of the Group is an amount of RM2,318,938 (2019: NIL) representing purchase vessels from third party.

12.2 The non-trade amounts due to a related party, a subsidiary, shareholders and a Company in which a Director has substantial financial interest are unsecured, interest-free and repayable on demand.

13 Amount due to Directors

The non-trade amount due to Directors are unsecured, interest-free and repayable on demand.

14 Revenue - Group

	2020	2019
	RM	RM
Revenue from contract with customers	<u>27,840,980</u>	<u>2,807,112</u>

14.1 Disaggregation of revenue

	2020	2019
	RM	RM
Primary geographical markets		
China	19,609,857	12,023
Japan	394,687	119,005
Singapore	3,757,530	1,904,442
Sri Lanka	125,893	-
Taiwan	740,110	230,735
Thailand	-	304,185
Vietnam	3,212,903	236,722
	<u>27,840,980</u>	<u>2,807,112</u>

Major products and service lines

Deep-sea fishing	1,969,478	1,861,858
Trading of seafood	25,706,677	945,254
Port landing services	164,825	-
	<u>27,840,980</u>	<u>2,807,112</u>

Timing and recognition

At a point in time	<u>27,840,980</u>	<u>2,807,112</u>
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14 Revenue (continued)**14.2 Nature of goods and services**

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for or refunds	Warranty
Deep-sea fishing	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 30 - 90 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Trading of seafood	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 30 - 90 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Port landing services	Revenue is recognised at a point in time upon services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

14.3 Transaction price allocated to the remaining obligations

The Group applies the practical expedient exemption in paragraph 121(a) of MFRS 15 and does not disclose the transaction price allocated to unsatisfied (or partially satisfied) performance obligations where the contract has original expected duration of one year or less.

15 Finance cost

	Group	
	2020 RM	2019 RM
Interest expense on:		
Lease liability	848	-

16 Profit/(Loss) before taxation

Profit/(Loss) before taxation are arrived at:

	Group		Company Period from 24.9.2019 (date of incorporation) to 30.6.2020 RM
	2020 RM	2019 RM	
<i>After charging:</i>			
Auditors' remuneration:			
- Current year	41,000	8,000	13,000
- Prior year	3,000	452	-
Consultancy fee	65,000	39,500	65,000
Depreciation of property, plant and equipment	482,226	102,685	-
Directors' remuneration:			
- Salaries and other emoluments	60,000	30,000	-
- EPF	7,800	1,300	-
Incorporation fee	5,938	36,833	2,969
Stamp duties	77,526	-	77,526
Realised loss on foreign exchange	24,544	17,979	-
Staff cost:			
- Salaries, allowance and others	225,980	46,950	-
- EPF	23,609	3,121	-
- SOCSO	1,942	126	-
- EIS	189	14	-
Unrealised loss on foreign exchange	151,530	-	-

A. Expenses arising from leases

Rental expenses (Note a)	51,286	48,000	-
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(a) The Group and the Company leases office building with contract terms of 1 to 3 years. These leases are short-term and low-value items. The Group and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

16 Profit/(Loss) before taxation (continued)

Profit/(Loss) before taxation are arrived at: (continued)

	Group		Company Period from 24.9.2019 (date of incorporation) to 30.6.2020 RM
	2020 RM	2019 RM	
<i>And after crediting :</i>			
Interest income	87,761	-	1,293
Realised gain on foreign exchange	58,554	-	-
Unrealised gain on foreign exchange	-	18,058	-
	<u> </u>	<u> </u>	<u> </u>

17 Taxation

	Group		Company Period from 24.9.2019 (date of incorporation) to 30.6.2020 RM
	2020 RM	2019 RM	
Current tax expense			
Current year	100,863	114,000	310
Prior year	6,762	(3,617)	-
	107,625	110,383	310
Deferred tax expense			
Current year	(8,000)	43,000	-
Prior year	(1)	42,001	-
	(8,001)	85,001	-
	<u>99,624</u>	<u>195,384</u>	<u>310</u>

17 Taxation (continued)**Reconciliation of tax expense**

	Group		Company Period from 24.9.2019 (date of incorporation) to 30.6.2020
	2020 RM	2019 RM	RM
Profit/(Loss) before taxation	<u>1,610,546</u>	<u>600,366</u>	<u>(183,001)</u>
Income tax calculated using Malaysian tax rate			
- 17% #	-	85,000	-
- 24%	386,531	24,088	(43,920)
Non-deductible expenses	273,931	41,398	44,230
Effect of different tax rates in foreign jurisdictions *	(567,599)	6,514	-
	<u>92,863</u>	<u>157,000</u>	<u>310</u>
Under/(Over) provision in prior year:			
Current tax expense	6,762	(3,617)	-
Deferred tax expense	(1)	42,001	-
	<u>99,624</u>	<u>195,384</u>	<u>310</u>

With effect from year of assessment 2019, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 17% on chargeable income up to RM500,000.

* The subsidiary operate in the tax jurisdictions with lower tax rates.

18 Earnings per share

	Group	
	2020 RM	2019 RM
Profit attributable to owners of the Company	<u>1,688,941</u>	<u>404,982</u>
Weighted average number of ordinary shares at 30 June	<u>11,972,757</u>	<u>1,000,037</u>
Basic earnings per share (sen)	<u>14</u>	<u>40</u>

The diluted earnings per share were not presented as there were no dilutive potential ordinary shares outstanding at the end of the reporting year.

19 Operating segments

Segment information is primarily presented in respect of the Group's business segment which based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following :

- Fishing industry : Commercial deep-sea fishing and trading of seafood and its related product.
- Investment holding : Investment holding and the provision of management services.

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenue is eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's executive directors. Segment total assets are used to measure the return of assets of each segment.

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

The accounting policies of the segments are consistent with the accounting policies of the Group.

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19 Operating segments (continued)

2020	Fishing industry RM	Investment Holdings RM	Inter-segment Eliminations RM	Total RM
Revenue				
Revenue from external customers	27,840,980	-	-	27,840,980
Results				
Segment profit/(loss)	1,694,233	(183,311)	-	1,510,922
Included in the segment profit/(loss) are:				
Depreciation of property, plant and equipment	(482,226)	-	-	(482,226)
Interest income	86,468	1,293	-	87,761
Finance cost	(848)	-	-	(848)
Taxation	(99,314)	(310)	-	(99,624)
Assets/(Liabilities)				
Segment assets	28,900,014	18,544,719	(21,445,387)	25,999,346
Included in the segment assets are:				
Additions to non-current assets	9,395,317	-	-	9,395,317
Segment liabilities	(4,799,904)	(477,950)	445,337	(4,832,517)