

# ALPHA OCEAN RESOURCES BERHAD

(Company No.: 201901034353 (1343683-K))  
(Incorporated in Malaysia)

## INTERIM UNAUDITED FINANCIAL STATEMENTS

For the 1<sup>ST</sup> half-year ended 31 December 2021

### CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY THE LISTED CORPORATION. INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

**ALPHA OCEAN RESOURCES BERHAD**

(Company No.: 201901034353 (1343683-K))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021 <sup>(1)</sup>****(The figures have not been audited)**

	(Unaudited) As at 31.12.2021 RM	(Audited) As at 30.06.2021 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,899,384	9,257,902
Right-of-use assets	4,393	6,991
Intangible assets	68,656	68,656
<b>Total non-current assets</b>	<u>8,972,433</u>	<u>9,333,549</u>
<b>Current assets</b>		
Inventories	1,126,860	1,014,508
Trade receivables	3,713,851	5,697,461
Other receivables and deposits	1,603,775	1,393,980
Current tax assets	1,793,048	179,828
Fixed deposits placed with licensed banks	2,545,510	1,545,511
Cash and bank balances	8,400,894	7,107,429
<b>Total current assets</b>	<u>19,183,938</u>	<u>16,938,717</u>
<b>TOTAL ASSETS</b>	<u>28,156,371</u>	<u>26,272,266</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	21,250,080	18,250,080
Reserves	(392,107)	(427,654)
Retained earnings	5,054,538	4,330,526
<b>Total equity</b>	<u>25,912,511</u>	<u>22,152,952</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	69,728	69,728
Lease liabilities	30,992	40,145
<b>Total non-current liabilities</b>	<u>100,720</u>	<u>109,873</u>

## ALPHA OCEAN RESOURCES BERHAD

(Company No.: 201901034353 (1343683-K))

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021 <sup>(1)</sup>

(The figures have not been audited)

	(Unaudited) As at 31.12.2021 RM	(Audited) As at 30.06.2021 RM
<b>Current liabilities</b>		
Trade payables	25,675	485,494
Other payables and accruals	1,817,601	1,805,708
Lease liabilities	19,015	19,456
Bank borrowings	246,327	524,264
Current tax liabilities	34,522	1,174,519
<b>Total current liabilities</b>	<u>2,143,140</u>	<u>4,009,441</u>
<b>TOTAL LIABILITIES</b>	<u>2,243,860</u>	<u>4,119,314</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>28,156,371</u>	<u>26,272,266</u>
<b>Net Assets per ordinary share (RM) <sup>(2)</sup></b>	<u>0.26</u>	<u>0.25</u>

#### Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of Alpha Ocean Resources Berhad (“AORB” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 30 June 2021 as disclosed in the Company’s Information Memorandum dated 27 October 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per share is calculated based on the Company’s total number of issued shares as at the end of the respective financial reporting period based on total number of shares of 100,000,000 as at 31 December 2021 and 90,000,000 as at 30 June 2021.

**ALPHA OCEAN RESOURCES BERHAD**

(Company No.: 201901034353 (1343683-K))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2021 <sup>(1)</sup>****(The figures have not been audited)**

	Individual 6 months ended		Cumulative 6 months ended	
	Unaudited Current Year 6 Months 31.12.2021 RM	Preceding Year Corresponding 6 Months <sup>(2)</sup> 31.12.2020 RM	Unaudited Current Year To-Date 31.12.2021 RM	Preceding Year Corresponding Period <sup>(2)</sup> 31.12.2020 RM
Revenue	1,583,577	N/A	1,583,577	N/A
Cost of sales	(1,282,956)	N/A	(1,282,956)	N/A
<b>Gross profit</b>	<u>300,621</u>	<u>N/A</u>	<u>300,621</u>	<u>N/A</u>
Other operating income	107,371	N/A	107,371	N/A
Administrative expenses	(1,630,894)	N/A	(1,630,894)	N/A
<b>(Loss) / Profit from operations</b>	<u>(1,222,902)</u>	<u>N/A</u>	<u>(1,222,902)</u>	<u>N/A</u>
Interest expense	(5,362)	N/A	(5,362)	N/A
<b>(Loss) / Profit before taxation</b>	<u>(1,228,264)</u>	<u>N/A</u>	<u>(1,228,264)</u>	<u>N/A</u>
Taxation	1,952,276	N/A	1,952,276	N/A
<b>Profit for the period</b>	<u>724,012</u>	<u>N/A</u>	<u>724,012</u>	<u>N/A</u>
<b>Other comprehensive income / (expense)</b>				
Foreign currencies translation	35,547	N/A	35,547	N/A
<b>Total comprehensive income for the period</b>	<u><u>759,559</u></u>	<u><u>N/A</u></u>	<u><u>759,559</u></u>	<u><u>N/A</u></u>

**ALPHA OCEAN RESOURCES BERHAD**

(Company No.: 201901034353 (1343683-K))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2021 <sup>(1)</sup>****(The figures have not been audited)**

	Individual 6 months ended		Cumulative 6 months ended	
	Unaudited Current Year 6 Months 31.12.2021 RM	Preceding Year Corresponding 6 Months <sup>(2)</sup> 31.12.2020 RM	Unaudited Current Year To-Date 31.12.2021 RM	Preceding Year Corresponding Period <sup>(2)</sup> 31.12.2020 RM
Profit attributable to:				
Owners of the Company	724,012	N/A	724,012	N/A
	<u>724,012</u>	<u>N/A</u>	<u>724,012</u>	<u>N/A</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	759,559	N/A	759,559	N/A
	<u>759,559</u>	<u>N/A</u>	<u>759,559</u>	<u>N/A</u>
<b>Basic earnings per share (sen) <sup>(3)</sup></b>	<u>0.72</u>	<u>N/A</u>	<u>0.72</u>	<u>N/A</u>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 30 June 2021 as disclosed in the Company's Information Memorandum dated 27 October 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding period are available, as this is the Group's first interim financial report on its consolidated results announced in compliance with the LEAP Market Listing Requirements of Bursa Securities.
- (3) Basic earnings per share is calculated based on the Company's weighted average number of shares of 91,358,696 ordinary shares as at 31 December 2021.

N/A – Not applicable

**ALPHA OCEAN RESOURCES BERHAD**

(Company No.: 201901034353 (1343683-K))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2021 <sup>(1)</sup> <sup>(2)</sup>  
(The figures have not been audited)**

	Attributable to the owners of the Company				Total Equity RM
	Share capital RM	Non-Distributable Foreign currencies translation reserve RM	Merger reserve RM	Distributable Retained earnings RM	
<b>At 1 July 2021</b>	18,250,080	71,917	(499,571)	4,330,526	22,152,952
Issuance of new shares	3,000,000	-	-	-	3,000,000
Profit for the financial period	-	-	-	724,012	724,012
Foreign currencies translation, representing total other comprehensive income for the period	-	35,547	-	-	35,547
Total comprehensive income for the period	-	35,547	-	724,012	759,559
<b>At 31 December 2021</b>	<u>21,250,080</u>	<u>107,464</u>	<u>(499,571)</u>	<u>5,054,538</u>	<u>25,912,511</u>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 as disclosed in the Company's Information Memorandum dated 27 October 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding period are available, as this is the Group's first interim financial report on its consolidated results announced in compliance with the LEAP Market Listing Requirements of Bursa Securities.

**ALPHA OCEAN RESOURCES BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE PERIOD ENDED 31 DECEMBER 2021 <sup>(1)</sup>****(The figures have not been audited)**

	<b>Cumulative 6 months ended</b>	
	<b>31.12.2021</b>	<b>31.12.2020 <sup>(2)</sup></b>
	<b>RM</b>	<b>RM</b>
<b>Cash flow from operating activities</b>		
<b>(Loss) / Profit before taxation</b>	(1,228,264)	N/A
Adjustments for:		
Depreciation of property, plant and equipment	367,612	N/A
Depreciation of right-of-use assets	2,645	N/A
Interest expense	5,362	N/A
Interest income	(2,838)	N/A
Unrealised (gain) on foreign exchange	(50,409)	N/A
Reversal of impairment losses of:		
- Trade receivables	(371,657)	N/A
- Other receivables	(484)	N/A
<b>Operating (loss) / profit before working capital changes</b>	<b>(1,278,033)</b>	<b>N/A</b>
Changes in working capital:		
Trade and other receivables	2,196,365	N/A
Trade and other payables	(447,926)	N/A
Inventories	(112,352)	N/A
<b>Cash generated from operations</b>	<b>358,054</b>	<b>N/A</b>
Tax paid	(800,941)	N/A
<b>Net cash (used in) / from operating activities</b>	<b>(442,887)</b>	<b>N/A</b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment	(9,094)	N/A
Placement of fixed deposits with licensed banks	(999,999)	N/A
Interest received	2,838	N/A
<b>Net cash used in investing activities</b>	<b>(1,006,255)</b>	<b>N/A</b>

**ALPHA OCEAN RESOURCES BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2021 <sup>(1)</sup>****(The figures have not been audited)**

	Cumulative 6 months ended	
	31.12.2021	31.12.2020 <sup>(2)</sup>
	RM	RM
<b>Cash flow from financing activities</b>		
Interest paid	(5,362)	N/A
Proceeds from issuance of ordinary shares	3,000,000	N/A
Repayment of lease liability	(9,641)	N/A
<b>Net cash from / (used in) financing activities</b>	<b>2,984,997</b>	<b>N/A</b>
Net increase / (decrease) in cash and cash equivalents	1,535,855	N/A
Effect of foreign exchange	35,547	N/A
Cash and cash equivalents at the beginning of the financial period	6,583,165	N/A
Cash and cash equivalents at the end of the financial period	<u>8,154,567</u>	<u>N/A</u>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Cash and bank balances	8,400,894	N/A
Fixed deposits with licensed banks	2,545,510	N/A
Bank overdrafts	(246,327)	N/A
	<b>10,700,077</b>	<b>N/A</b>
Less: Fixed deposits pledged to banks	(2,545,510)	N/A
	<b>8,154,567</b>	<b>N/A</b>

**Notes:**

(1) The basis preparation of the Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 as disclosed in the Company's Information Memorandum dated 27 October 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) No comparative figures for the preceding period are available, as this is the Group's first interim financial report on its consolidated results announced in compliance with the LEAP Market Listing Requirements of Bursa Securities.

N/A – Not applicable



# ALPHA OCEAN RESOURCES BERHAD

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## PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2021

### 1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 6.12 and Part A, Appendix 6A of the LEAP Market Listing Requirements issued by Bursa Securities.

This interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 June 2021 as disclosed in the Company’s Information Memorandum dated 27 October 2021 and the accompanying explanatory notes attached to this interim financial report.

### 2. Significant accounting policies

The significant accounting policies applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 30 June 2021, except for the adoption of the following accounting standards and amendments of Malaysian Financial Reporting Standards (“MFRS”) with effect from 1 July 2021.

- Amendments to MFRS 9, *Financial Instruments*
- MFRS 139, *Financial Instruments: Recognition and Measurement*
- MFRS 7, *Financial Instruments: Disclosures*
- MFRS 4, *Insurance Contracts*
- MFRS 16, *Leases - Interest Rate Benchmark Reform Phase 2*
- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above accounting standards and amendments did not have any material impact to the Group’s financial statements.

The following are accounting standards and amendments of the MFRSs that have been issued by the MASB but have not been adopted by the Group.

#### ***MFRSs 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, *Leases (Annual Improvements to MFRS Standards 2018-2020)*

## ALPHA OCEAN RESOURCES BERHAD

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### PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2021 (CONTINUED)

#### 2. Significant accounting policies (cont.)

##### ***MFRSs and amendments effective for annual periods beginning on or after 1 January 2022***

- 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 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*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

##### ***MFRSs, Interpretations and amendments effective for 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 plans to apply the abovementioned accounting standards and amendments, where applicable, in the respective financial years when the abovementioned accounting standards and amendments become effective, except for MFRS 17 which is not applicable to the Group.

The initial application of the amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

#### 3. Seasonality or cyclical factors

The business of the Group is not significantly affected by any seasonality or cyclical factors, other than those that is pertaining to the nature of our business. Revenue for our deep-sea fishing segment depends on the duration of the voyage and timing of landing of our vessels at the end of the respective fishing expeditions.

## ALPHA OCEAN RESOURCES BERHAD

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### PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2021 (CONTINUED)

#### 4. Unusual items due to their nature, size or incidence

As a result of the COVID-19 pandemic, the Movement Control Order (“MCO”) was introduced by the Malaysian Government, which first came into effect on 18 March 2020 and entailed the closure of all Government and private premises except those involved in essential services. As we are involved in food supply, which is considered as an essential service, we were permitted to operate during the MCO period.

Subsequently, there were several rounds of MCOs announced by the Government and implemented from 13 January 2021. Following the MCO stages, the National Recovery Plan (“NRP”) was put in place starting June 1, 2021. NRP consists of a four-phase recovery plan that is developed to steer Malaysia out of the pandemic. Malaysia has effectively concluded all 4 phases of the NRP to date (date of interim financial report). However, the Group was not adversely affected as we are involved in the business of food supply and were still allowed to operate during these periods.

Despite no major interruptions in our operations, however there has been an increase in logistic costs (referring to the rates of freight charges for our traded products) quoted by the carriers. The increase of between 2 to 10 times the usual rates in freight charges was a result of the COVID-19 pandemic. Hence, this has resulted in no trading activities in the current 6 months period under review.

Other than the different phases of MCOs that were continuously imposed by the Government to curb the spread of COVID-19 disease and the subsequent conclusion of the 4-phase recovery plan, there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the reporting period ended 31 December 2021.



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### PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2021 (CONTINUED)

#### 5. Changes in critical accounting estimates

There were no material changes in critical accounting estimates that had a material effect in the period ended 31 December 2021.

#### 6. Debt and equity securities

There was issuance of share capital during the financial period ended 31 December 2021 of RM3,000,000 and no issuance of equities securities during the financial period ended 31 December 2021.

	<b>Number of shares units</b>	<b>Amount RM</b>
At 1 July 2020 <sup>(1)</sup>	N/A	N/A
Issuance of share capital	N/A	N/A
At 31 December 2020	N/A	N/A
At 1 July 2021	90,000,000	18,250,080
Issuance of share capital	10,000,000	3,000,000
At 31 December 2021	100,000,000	21,250,080

Notes:

(1) There is no comparative figures for the correspondence preceding period as this is the Group's first interim report on its consolidated results announced in compliance with the LEAP market Listing Requirement of Bursa Securities.

N/A – Not applicable

#### 7. Changes in Group's composition

There are no changes in the group's composition during the current period ended 31 December 2021.

## ALPHA OCEAN RESOURCES BERHAD

(Company No.: 201901034353 (1343683-K))

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### PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2021 (CONTINUED)

#### 8. Segment information

The Group’s net revenue based on its business segments is presented as follows:

	Individual 6 months ended	
	31.12.2021	31.12.2020 <sup>(2)</sup>
	RM	RM
<b>NET REVENUE</b>		
<b>Business Segments</b>		
Commercial deep-sea fishing	1,650,065	N/A
Port landing services	(2,246) <sup>(1)</sup>	N/A
Trading of tuna and other deep-sea fishes	(76,187) <sup>(1)</sup>	N/A
Management of trade services	11,945	N/A
	<u>1,583,577</u>	<u>N/A</u>
<b>GROSS PROFIT</b>		
<b>Business Segments</b>		
Commercial deep-sea fishing	367,109	N/A
Port landing services	(2,246) <sup>(1)</sup>	N/A
Trading of tuna and other deep-sea fishes	(76,187) <sup>(1)</sup>	N/A
Management of trade services	11,945	N/A
	<u>300,621</u>	<u>N/A</u>

Notes:

(1) The negative net revenue and gross profit amount is due to discounts given to customers for full settlement of their trade receivables during the current financial period.

(2) There is no comparative figures for the correspondence preceding period as this is the Group’s first interim report on its consolidated results announced in compliance with the LEAP market Listing Requirement of Bursa Securities.

N/A – Not Applicable

#### 9. Material events subsequent to the balance sheet date

There was no material event subsequent to the end of the current financial period ended 31 December 2021.

## ALPHA OCEAN RESOURCES BERHAD

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### PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2021 (CONTINUED)

#### 10. Contingent Assets and Contingent liabilities

There were no material contingent assets and liabilities as at the end of the current financial period ended 31 December 2021.

#### 11. Valuation of Property, Plant and Equipment

There were no valuation of property, plant and equipment during the financial period ended 31 December 2021.

#### 12. Capital Commitments

As at the date of this report, the Group has the following capital commitments:

	<b>Individual 6 months ended</b>
	<b>31.12.2021</b>
	<b>RM</b>
Contracted but not provided for:-	
- Vessel	1,965,450
- Enterprise Resource Planning (ERP) System	407,547

#### 13. Material litigation

There were no material litigations pending as at end of the current financial period ended 31 December 2021.

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### PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2021 (CONTINUED)

#### 14. Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares.

	Individual 6 months ended	
	31.12.2021	31.12.2020 <sup>(1)</sup>
	RM	RM
Profit attributable to owners of the Company	724,012	N/A
Total weighted average number of ordinary shares	91,358,696	N/A
Basic earnings per share (sen)	0.79	N/A

Notes:

(1) There is no comparative figures for the correspondence preceding period as this is the Group's first interim report on its consolidated results announced in compliance with the LEAP market Listing Requirement of Bursa Securities.

N/A – Not Applicable

#### Diluted earnings per share

There is no diluted earnings per share as there are no securities issued by the Company which are dilutive in nature.

## ALPHA OCEAN RESOURCES BERHAD

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### PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 6-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2021 (CONTINUED)

#### 15. Related Party Transaction

##### Significant related party transactions

The significant related party transactions of the Group are shown below.

		Individual 6 months ended	
		31.12.2021	31.12.2020 <sup>(1)</sup>
		RM	RM
(i)	<i>Transactions with Companies in which certain Directors have substantial financial interests:</i>		
	<b>SS Oil &amp; Gas Sdn Bhd</b>		
	Purchases of diesel for vessels	572,156	N/A
	Rental income	9,000	N/A
	<b>Virtual Outlook Sdn Bhd</b>		
	Rental income	9,000	N/A

Notes:

(1) There is no comparative figures for the correspondence preceding period as this is the Group's first interim report on its consolidated results announced in compliance with the LEAP market Listing Requirement of Bursa Securities.

N/A – Not Applicable



## ALPHA OCEAN RESOURCES BERHAD

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### PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“LISTING REQUIREMENTS”)

#### 1. Review of performance

Group Financial Results in terms of:	Individual 6 months ended	
	31.12.2021	31.12.2020 <sup>(1)</sup>
	RM	RM
Net Revenue	1,583,577	N/A
Gross Profit	300,621	N/A
Profit after tax	724,012	N/A

Notes:

(1) There is no comparative figures for the correspondence preceding period as this is the Group's first interim report on its consolidated results announced in compliance with the LEAP market Listing Requirement of Bursa Securities.

N/A – Not Applicable

The Group has recorded a net revenue of RM 1.58 million for the current six months financial period ended 31 December 2021. The main contributor of our revenue is from the commercial deep-sea fishing segment. The negative revenue amount from the trading of tuna and other deep-sea fishes as well as the port landing services segment is due to discounts given to customers for full settlement of their trade receivables during the current financial period. Besides that, there was also no revenue contributed by the trading of tuna and other deep-sea fishes segment during this financial period due to high freight charges as a result of the COVID-19 pandemic which our Group will not be able to pass on to our customers.

The Group has generated a gross profit of RM 0.30 million for the current six months financial period ended 31 December 2021 contributed by the commercial deep-sea fishing segment while the trading of tuna and other deep-sea fishes as well as the port landing services segment recorded gross loss due to discounts given to customers for full settlement of their trade receivables.

Overall, the Group has generated a net profit of RM 0.72 million for the current six months financial period ended 31 December 2021 due to the increase in tax savings arising from the reversal of prior year provision of tax expense off-set by the one-off expenses related to our Company's listing exercise on the LEAP Market. The reversal stems from the latest changes in the Labuan Business Activity Tax Act 1990 (LBATA).

## ALPHA OCEAN RESOURCES BERHAD

(Company No.: 201901034353 (1343683-K))

(Incorporated in Malaysia)

### PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“LISTING REQUIREMENTS”) (CONTINUED)

#### 2. Commentary of Prospect

**i) Commercial deep-sea fishing segment** – As part of our Group's expansion plan, we intend to acquire new fishing vessels to increase our catch capacity and to achieve economies of scale (in terms of Cost of Sales) in the near future. Reason being, with increased number of vessels, we would be able to negotiate for favorable prices for supplies such as bunker fuel, fishing gears, bait, and consumable items and to negotiate for favorable terms with the carriers during the selling process of our catch.

We would like to highlight that our Group has identified and completed negotiations to acquire a new vessel. The cost of the vessel will be approximately RM 2.90 million (vessel cost plus cost of vessel upgrading works) which we will finance using funds raised from the LEAP Market listing proceeds and internally generated funds. This vessel will be able to store 84 tonnes of deep-sea catch, and it is equipped with a blast freezer onboard to ensure the freshness and quality of our catch.

As of the date of this interim financial report, we have obtained the approval and issuance of the original fishing license to Fish Outside the Exclusive Economic Zone (EEZ) by the respective authority. This newly registered vessel is renamed as Ibu Wira 7 (IW7). We are currently at the final stages of our vessel's upgrading works. Once the works are completed, Ibu Wira 7 will be ready to embark on its first deep-sea fishing expedition. We estimate that Ibu Wira 7 will set out on its maiden voyage in the first quarter of 2022.

**ii) Processing & retail of food & snacks segment (new)** – As mentioned in our Information Memorandum date 27 October 2021, our Group intends to venture downstream into processing, selling, and distributing food and snacks made from tuna and tuna-like fishes such as burger patties, balls, and nuggets in the near future. Our pilot project (market survey) will be to sell some of these foods (patties) and / or other snacks via online or e-commerce platforms to gauge the response of the market and consumers and to build up sufficient sales data prior to setting up our own commercial production facilities.

We anticipate the soft launch of our online sales marketplace and the distribution of tuna-based products to be in the first quarter of 2022. Our Group have also identified a manufacturer to outsource the commercial production of these tuna-based food and snacks (for pilot project). We are currently performing a trial-run of the entire manufacturing process with the abovementioned manufacturer to produce our first batch of inventories to be sold during our soft launch.

We believe that setting up our own processing facility in the future will be synergistic with our Group's existing businesses. Besides tuna-based burger patties, we intend to sell and distribute other food products as well, such as tuna and marlin blocks, 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 tuna-based snacks.

## ALPHA OCEAN RESOURCES BERHAD

(Company No.: 201901034353 (1343683-K))

(Incorporated in Malaysia)

### PART C – OTHER INFORMATION

#### 1. Status of Corporate Proposal

There is no corporate proposal announced but pending completion as at the date of this unaudited interim financial report.

#### 2. Utilisation of Proceeds Raised from Proposed Listing

Details of utilisation	Proposed utilisation	Actual utilisation	Balance unutilised	Estimated time frame for utilisation upon listing
	RM	RM	RM	
Capital expenditure	1,720,000	-	1,720,000 <sup>(1)</sup>	Within 12 months
Estimated listing expenses	1,280,000	1,015,907 <sup>(2)</sup>	264,093 <sup>(1)</sup>	Immediately
<b>Total</b>	<b>3,000,000</b>	<b>1,015,907</b>	<b>1,984,093</b>	

#### Notes:

- (1) As set out in the Information Memorandum of the Company dated 27 October 2021, the proceeds earmarked for capital expenditure is expected to be utilised by Q1 of 2022 which is within 12 months upon listing. The purchase consideration of the fishing vessel (Ibu Wira 7) amounts to approximately RM 2.90 million (vessel cost plus cost of vessel upgrading works). The unutilised balanced from the listing expenses of RM 0.26 million will be reallocated to the capital expenditure. Therefore, after utilising the RM 1.98 million from the proceeds raised from the Proposed Listing, the remaining RM0.92 million required for the purchase of the vessel will be funded out of internally generated funds.
- (2) The actual listing expenses amounts to RM 1.02 million, covering various professional fees, such as Approved Adviser, Auditor & Reporting Accountant, Legal Adviser, Company Secretary, Independent Market Researcher, and Internal Auditor, has been utilised to-date (date of interim financial report). The balance unutilised of RM264,093 for the listing expenses has been reallocated to the amount earmarked for capital expenditure to purchase the fishing vessel identified.

The utilisation of proceeds as disclosed above should be read in conjunction with the Information Memorandum dated 27 October 2021.

#### 3. Material Litigation

The Company was not engaged in any material litigation as at the date of this unaudited interim financial report.

## **ALPHA OCEAN RESOURCES BERHAD**

(Company No.: 201901034353 (1343683-K))

(Incorporated in Malaysia)

### **PART C – OTHER INFORMATION (CONTINUED)**

#### **4. Dividend**

There were no dividends paid by the Company during the current period ended 31 December 2021.

The Board of Directors of the Company has on 23 February 2022, declared a first interim single tier dividend of 0.625 sen per AORB Share held for the financial year ending 30 June 2022, to be paid on 7 April 2022 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 23 March 2022.

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#### **Authorization for issue**

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board.

By Order of the Board

Name: Ms. Ooi Yoong Yoong  
Secretary

Date: 23<sup>rd</sup> February 2022

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## STYL ASSOCIATES PLT

(AF001929) (LLP0019500-LGN)

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### REVIEW REPORT TO ALPHA OCEAN RESOURCES BERHAD

(Company No.: 201901034353 (1343683-K))

We have reviewed the accompanying condensed consolidated statement of financial position of Alpha Ocean Resources Berhad ("the Company") at 31 December, 2021, and the condensed consolidated statements of comprehensive income, changes in equity and cash flow for the 6 months' period then ended 31 December 2021. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with the Company's accounting policies based on Malaysian Financial Reporting Standards.

*STYL Assoc*

**STYL ASSOCIATES PLT**

LLP0019500-LCA & AF 001929

Chartered Accountants

14 February 2022

Penang