

West Coast Aquaculture Group Ltd
Appendix 15-1
Half-year report

1. Company details

Name of entity:	West Coast Aquaculture Group Ltd
ACN:	637 883 848
Reporting period:	For the period ended 31 October 2021
Previous period:	For the period ended 31 October 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	59.7% to	1,086,314
Loss from ordinary activities after tax attributable to the owners of West Coast Aquaculture Group Ltd	down	559.6% to	(2,575,735)
Loss for the period attributable to the owners of West Coast Aquaculture Group Ltd	down	559.6% to	(2,575,735)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,575,735 (31 October 2020: profit of \$560,438).

Refer to the review of operation in the attached directors' report for an explanation of the consolidated entity's performance during the current period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.91</u>	<u>4.31</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

West Coast Aquaculture Group Ltd
Appendix 4D
Half-year report

Previous period

There were no dividends paid, recommended or declared during the previous financial period. The consolidated entity does not have a dividend reinvestment plan.

7. Details of associates and joint venture entities

Not applicable.

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

9. Attachments

Details of attachments (if any):

The Interim Report of West Coast Aquaculture Group Ltd for the period ended 31 October 2021 is attached.

10. Signed

Signed

A handwritten signature in black ink, appearing to be 'U. King', written over a horizontal line.

Date: 20 December 2021

West Coast Aquaculture Group Ltd

ACN 637 883 848

Interim Report - 31 October 2021

West Coast Aquaculture Group Ltd
Corporate directory
31 October 2021

Directors	Ching Hoe Neo - Chief Executive Officer and Executive Chairman Teik Hon Chin - Chief Operations Officer and Executive Director Yaw Foi Chan - Chief Financial Officer and Executive Director Stuart Laurence Niven - Non-Executive Director Lee Ping Chong - Non-Executive Director James Barrie - Non-Executive Director
Company secretaries	James Barrie (appointed 9 August 2021) Elizabeth Lee (resigned 31 August 2021)
Registered office	Level 3, 257 Collins Street Melbourne, Victoria Australia 3000
Principal place of business	Lot 709, Taman Nilam, Belanga Pecah Kuah 07000 Langkawi, Malaysia
Auditor	HLB Mann Judd (Victoria Partnership) Level 9, 575 Bourke Street, Melbourne VIC 3000
Solicitors	Neo Legal Level 9, 276 Flinders Street Melbourne, Victoria Australia 3000
Stock exchange listing	West Coast Aquaculture Group Ltd shares are listed on the Sydney Stock Exchange (SSX code: 833)
Website	https://www.wcoastfish.com/
Share registry	Automic Group Deutsche Bank, Tower Level 5/126 Phillip St, Sydney NSW 2000

West Coast Aquaculture Group Ltd

Directors' report

31 October 2021

The directors present their report, together with the interim financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of West Coast Aquaculture Group Ltd (referred to hereafter as the 'company' or 'parent entity') and the entity it controlled at the end of, or during, the period ended 31 October 2021.

Directors

The following persons were directors of West Coast Aquaculture Group Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Ching Hoe Neo
Teik Hon Chin
Yaw Foi Chan
Stuart Laurence Niven
Lee Ping Chong
James Barrie

Principal activities

During the financial period the principal continuing activities of the consolidated entity consisted of:

- Grow up – purchase of fingerlings or juvenile fish, and farm them to marketable size in Langkawi, Malaysia; and
- Sales and distribution – sale of fish to wholesale and retail customers once they reach commercial sizes.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,575,735 (31 October 2020: profit of \$560,438).

The consolidated entity's operations are currently all located in Malaysia. The ongoing COVID-19 pandemic has had a significant impact on the consolidated entity during the Review period. Against a backdrop of record daily cases, the Malaysian government implemented a Movement Control Order (MCO). The MCO was designed to contain the spread of the virus, and measures included lockdowns, closure of in-restaurant dining, restrictions on people movement and business shutdowns when cases were detected. This had an immediate impact on key live and fresh fish sales channels. Whilst some of the MCO has now been lifted, there remains continued hesitancy by consumers and restaurants.

Export sales, whilst a smaller portion of the consolidated entity's overall sales, were also significantly impacted by COVID-19, with significantly reduced demand from key export markets and border restrictions imposed by the Malaysian government.

With COVID disrupting live and fresh fish sales channels, the consolidated entity introduced a new frozen products sales channel (whole fish, head, tail, fillets). With minimal impact on existing sales and a modest capital investment (A\$70,000) for acquisition and installation at the consolidated entity's Langkawi facilities, the products are now ranged in several third-party retail outlets. This new sales channel, whilst a relatively small proportion of total sales, provides further revenue diversification.

The consolidated entity continued to monitor and adapt its COVID-19 plan over the period. All employees are fully vaccinated, no employees contracted COVID-19, and the consolidated entity's operations continued uninterrupted.

Management also adapted to changing business conditions and consumer buying patterns, and pivoted strategy during the period. This included:

- Re-allocating a higher proportion of cages to Pompano and Giant Trevally, which are highly demanded in the local Malaysia market;
- Rolling out of the frozen fish sales channel; and
- Prudently holding back from selling stock at depressed prices.

Whilst incurring additional costs of purchase of fingerling and reduced revenue following this strategic pivot, Pompano and Giant Trevally take approximately 6-8 months to reach marketable size, and since the end of the Review period, sales of these fish have commenced. The consolidated entity is also maintaining sufficient stock levels of fish of a marketable size/maturity to be able to judiciously sell into the market as prices continue to improve with further easing of COVID restrictions.

West Coast Aquaculture Group Ltd

Directors' report

31 October 2021

The acquisition of the nursery assets during the period has expanded the breadth of the consolidated entity's supply chain penetration and reduced reliance on third party fingerling suppliers. This is a key long-term differentiator to competitors, allowing for the nimble strategic pivot outlined above and positions the consolidated entity for being at the forefront of improving business conditions.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period, other than those that have been addressed in the review of operations section above.

Matters subsequent to the end of the financial period

On 28 November 2021, the company's 100% owned subsidiary issued 10,000,000 ordinary shares, valued at RM10,000,000 (AU\$3,197,544), in order to extinguish debt owed to the company. The company still holds 100% of the issued capital of the subsidiary and this change will have no impact on the consolidated entity's financial performance or position going forward.

No other matter or circumstance has arisen since 31 October 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Ching Hoe Neo
Chief Executive Officer

20 December 2021

Auditor's independence declaration

As lead auditor for the review of the interim consolidated financial report of West Coast Aquaculture Group Ltd ("the Company") and its controlled entity ("the Group"), for the half-year ended 31 October 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to the Company and the entity it controlled during the period.



HLB Mann Judd
Chartered Accountants



Jude Lau
Partner

Melbourne
20 December 2021

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West Coast Aquaculture Group Ltd

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General information

The financial statements cover West Coast Aquaculture Group Ltd as a consolidated entity consisting of West Coast Aquaculture Group Ltd and the entity it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is West Coast Aquaculture Group Ltd's functional and presentation currency.

West Coast Aquaculture Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 3, 257 Collins Street
Melbourne, Victoria Australia 3000

Principal place of business

Lot 709, Taman Nilam, Belanga Pecah Kuah
07000 Langkawi, Malaysia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 December 2021.

West Coast Aquaculture Group Ltd
Consolidated statement of profit or loss and other comprehensive income
For the period ended 31 October 2021

	Note	Consolidated 31 October 2021 \$	31 October 2020 \$
Revenue	4	1,086,314	2,693,696
Change in fair value of biological assets		(1,149,148)	810,738
Expenses			
Cost of sales		(1,944,610)	(2,676,072)
Regulatory affairs expenses		(354,516)	(220,796)
Administration expenses		(1,206)	-
Selling and distribution expenses		(150,172)	-
Finance costs		(62,397)	(69,910)
Profit/(loss) before income tax benefit		(2,575,735)	537,656
Income tax benefit		-	22,782
Profit/(loss) after income tax benefit for the period attributable to the owners of West Coast Aquaculture Group Ltd		(2,575,735)	560,438
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		77,813	(60,889)
Other comprehensive income for the period, net of tax		77,813	(60,889)
Total comprehensive income for the period attributable to the owners of West Coast Aquaculture Group Ltd		<u>(2,497,922)</u>	<u>499,549</u>
		Cents	Cents
Basic earnings per share	14	(2.26)	0.54
Diluted earnings per share	14	(2.26)	0.54

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

West Coast Aquaculture Group Ltd
Consolidated statement of financial position
As at 31 October 2021

	Note	Consolidated 31 October 2021 \$	30 April 2021 \$
Assets			
Current assets			
Cash and cash equivalents		348,692	2,636,265
Trade and other receivables		208,682	165,494
Inventories		275,091	123,204
Income tax refund due		7,194	4,001
Biological assets	5	3,218,746	4,274,854
Financial assets		754,542	733,472
Other		229,239	428,477
Total current assets		<u>5,042,186</u>	<u>8,365,767</u>
Non-current assets			
Property, plant and equipment	6	2,293,961	1,732,521
Right-of-use assets		43,124	47,419
Total non-current assets		<u>2,337,085</u>	<u>1,779,940</u>
Total assets		<u>7,379,271</u>	<u>10,145,707</u>
Liabilities			
Current liabilities			
Trade and other payables	7	2,712,529	2,455,337
Borrowings	8	512,951	1,132,109
Lease liabilities		33,151	8,720
Total current liabilities		<u>3,258,631</u>	<u>3,596,166</u>
Non-current liabilities			
Borrowings	8	1,938,476	1,841,601
Lease liabilities		9,205	37,059
Total non-current liabilities		<u>1,947,681</u>	<u>1,878,660</u>
Total liabilities		<u>5,206,312</u>	<u>5,474,826</u>
Net assets		<u>2,172,959</u>	<u>4,670,881</u>
Equity			
Issued capital		20,002,573	20,002,573
Reserves		(13,532,384)	(13,610,197)
Accumulated losses		(4,297,230)	(1,721,495)
Total equity		<u>2,172,959</u>	<u>4,670,881</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

West Coast Aquaculture Group Ltd
Consolidated statement of changes in equity
For the period ended 31 October 2021

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 May 2020	15,582,360	(13,329,103)	53,720	2,306,977
Profit after income tax benefit for the period	-	-	560,438	560,438
Other comprehensive income for the period, net of tax	-	(60,889)	-	(60,889)
Total comprehensive income for the period	-	(60,889)	560,438	499,549
Balance at 31 October 2020	<u>15,582,360</u>	<u>(13,389,992)</u>	<u>614,158</u>	<u>2,806,526</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 May 2021	20,002,573	(13,610,197)	(1,721,495)	4,670,881
Loss after income tax expense for the period	-	-	(2,575,735)	(2,575,735)
Other comprehensive income for the period, net of tax	-	77,813	-	77,813
Total comprehensive income for the period	-	77,813	(2,575,735)	(2,497,922)
Balance at 31 October 2021	<u>20,002,573</u>	<u>(13,532,384)</u>	<u>(4,297,230)</u>	<u>2,172,959</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

West Coast Aquaculture Group Ltd
Consolidated statement of cash flows
For the period ended 31 October 2021

	Consolidated	
Note	31 October	31 October
	2021	2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,017,960	2,222,128
Payments to suppliers and employees (inclusive of GST)	<u>(2,111,711)</u>	<u>(2,509,474)</u>
	(1,093,751)	(287,346)
Other revenue	25,166	24,858
Interest and other finance costs paid	(62,397)	(69,910)
Payments in relation to prepaid IPO costs	-	(61,105)
Income taxes paid	<u>-</u>	<u>(1,755)</u>
Net cash (used in) operating activities	<u>(1,130,982)</u>	<u>(395,258)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	6 <u>(660,931)</u>	<u>(203,996)</u>
Net cash (used in) investing activities	<u>(660,931)</u>	<u>(203,996)</u>
Cash flows from financing activities		
Proceeds from borrowings	243,621	809,990
Repayment of borrowings	(606,302)	(545,847)
Repayment of lease liabilities	<u>(3,423)</u>	<u>-</u>
Net cash from/(used in) financing activities	<u>(366,104)</u>	<u>264,143</u>
Net decrease in cash and cash equivalents	(2,158,017)	(335,111)
Cash and cash equivalents at the beginning of the financial period	2,336,732	60,751
Effects of exchange rate changes on cash and cash equivalents	<u>28,633</u>	<u>34,726</u>
Cash and cash equivalents at the end of the financial period	<u><u>207,348</u></u>	<u><u>(239,634)</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

West Coast Aquaculture Group Ltd
Notes to the consolidated financial statements
31 October 2021

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 October 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the period ended 30 April 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared using the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity incurred a loss from ordinary activities of \$2,575,735 for the half-year ended 31 October 2021 and had negative cash flows from operating activities of \$1,130,982.

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

- With the recent easing of COVID restrictions in the consolidated entity's key Malaysia market, revenues have improved and the directors are cautiously optimistic the worst of the COVID impact is behind it;
- During the current period the consolidated entity acquired the nursery assets costing RM 800,000 (\$AU256,470) which will reduce the fingerling costs going forward leading to improved margins; and
- The consolidated entity now has diversified revenues with the introduction of a frozen products range; and
- The board continues to have on-going dialog with existing lenders and based on the status of this dialog, the directors are confident that additional facilities could be made available if required.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that consolidated entity is unsuccessful in implementing the above-stated initiatives, a material uncertainty exists, that may cast significant doubt on the consolidated entity's ability to continue as a going concern and its ability to recover assets and discharge liabilities in normal course of business and at the amounts shown in the financial report.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

Note 2. Impact of COVID 19 Pandemic

During the half-year ended 31 October 2021, the COVID-19 pandemic has continued to affect the global economy. The pandemic has adversely affected the global economy resulting in an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Since its outbreak, governments worldwide have set up measures to contain the pandemic. Many countries have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced in some countries. As the COVID-19 outbreak continues to evolve, the estimated financial impact cannot be reasonably determined at this juncture. The impact which COVID 19 has had on the consolidated entity is set out below.

West Coast Aquaculture Group Ltd
Notes to the consolidated financial statements
31 October 2021

Note 2. Impact of COVID 19 Pandemic (continued)

Malaysian operations

The Covid-19 pandemic is still continuing to affect Malaysia. The resurgence of daily new cases peaked in the current period. Restaurant eat-in was prohibited and many market places were closed intermittently. There was a ban on inter-district travel which restricted people movement, and significantly impact the consolidated entity's ability to sell its fish.

There were no restrictions imposed on the consolidated entity's operations.

Australian operations

The impact of COVID-19 on the consolidated entity's Australian operations has not been material due to their scale and nature of operations as a holding company.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment: aquaculture and fish breeding based in Malaysia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 4. Revenue

	Consolidated	Consolidated
	31 October	31 October
	2021	2020
	\$	\$
<i>Revenue from contracts with customers</i>		
Sales of goods	1,061,148	2,668,838
<i>Other revenue</i>		
Other revenue	25,166	24,858
Revenue	<u>1,086,314</u>	<u>2,693,696</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	Consolidated
	31 October	31 October
	2021	2020
	\$	\$
<i>Major product lines</i>		
Fresh fish	916,995	2,668,838
Frozen fish	144,153	-
	<u>1,061,148</u>	<u>2,668,838</u>
<i>Geographical regions</i>		
Malaysia	1,027,061	1,073,696
Hong Kong	34,087	1,595,142
	<u>1,061,148</u>	<u>2,668,838</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>1,061,148</u>	<u>2,668,838</u>

West Coast Aquaculture Group Ltd
Notes to the consolidated financial statements
31 October 2021

Note 4. Revenue (continued)

Major customers

During the half year ended 31 October 2021, the consolidated entity generated 28% of its sales revenue from 2 major customers.

Note 5. Biological assets

Consolidated	
31 October	30 April 2021
2021	2021
\$	\$

Current assets

Biological asset - fisheries livestock at fair value

<u>3,218,746</u>	<u>4,274,854</u>
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Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Biological assets \$
Balance at 1 May 2021	4,274,854
Purchases	802,432
Sales	(916,994)
Changes in fair value less costs to sell	(1,149,148)
Exchange differences	93,039
Changes due to biological transformation / mortality and losses	377,756
Transfers to inventories	<u>(263,193)</u>
Balance at 31 October 2021	<u><u>3,218,746</u></u>

Refer to note 10 for details on fair value measurement.

West Coast Aquaculture Group Ltd
Notes to the consolidated financial statements
31 October 2021

Note 6. Property, plant and equipment

	Consolidated	
	31 October	30 April 2021
	2021	2021
	\$	\$
<i>Non-current assets</i>		
Buildings - at cost	359,110	279,753
Less: Accumulated depreciation	<u>(21,921)</u>	<u>(16,337)</u>
	337,189	263,416
Farm equipment - at cost	1,199,471	860,543
Less: Accumulated depreciation	<u>(368,055)</u>	<u>(304,558)</u>
	831,416	555,985
Fixtures and fittings - at cost	33,244	29,623
Less: Accumulated depreciation	<u>(8,692)</u>	<u>(6,071)</u>
	24,552	23,552
Motor vehicles - at cost	166,835	163,438
Less: Accumulated depreciation	<u>(119,119)</u>	<u>(113,006)</u>
	47,716	50,432
Fish ponds and workers quarters - at cost	1,140,031	1,043,668
Less: Accumulated depreciation	<u>(396,043)</u>	<u>(338,177)</u>
	743,988	705,491
Machinery - at cost	393,475	206,319
Less: Accumulated depreciation	<u>(84,375)</u>	<u>(72,674)</u>
	309,100	133,645
	<u>2,293,961</u>	<u>1,732,521</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Buildings	Farm	Fish Ponds	Machinery	Motor	Fixtures	
	\$	equipment	and	\$	vehicles	and	Total
Consolidated	\$	\$	quarters	\$	\$	fittings	\$
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 May 2021	263,416	555,985	705,491	133,645	50,432	23,552	1,732,521
Additions	73,813	322,218	74,944	186,939	-	3,017	660,931
Exchange differences	5,224	10,590	14,576	2,145	1,062	486	34,083
Depreciation expense	<u>(5,264)</u>	<u>(57,377)</u>	<u>(51,023)</u>	<u>(13,629)</u>	<u>(3,778)</u>	<u>(2,503)</u>	<u>(133,574)</u>
Balance at 31 October 2021	<u>337,189</u>	<u>831,416</u>	<u>743,988</u>	<u>309,100</u>	<u>47,716</u>	<u>24,552</u>	<u>2,293,961</u>

West Coast Aquaculture Group Ltd
Notes to the consolidated financial statements
31 October 2021

Note 7. Trade and other payables

	Consolidated	
	31 October	30 April 2021
	2021	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables (unsecured)	465,099	375,464
Payable to related parties	2,046,716	1,921,364
Other payables	200,714	158,509
	<u>2,712,529</u>	<u>2,455,337</u>

Note 8. Borrowings

	Consolidated	
	31 October	30 April 2021
	2021	2021
	\$	\$
<i>Current liabilities</i>		
Bank overdraft	141,344	299,533
Term loans	304,860	427,483
Revolving credit	25,325	307,444
Insurance premium funding	41,422	97,649
	<u>512,951</u>	<u>1,132,109</u>
<i>Non-current liabilities</i>		
Term loans	<u>1,938,476</u>	<u>1,841,601</u>

Security provided

The consolidated entity's borrowings are secured by way of:

- Pledged of fixed deposits;
- Subsequent debenture over fixed and floating assets of WCA, both present and future;
- Supplement existing upfront fixed deposits and sinking fund and profit earned thereon to be retained as security;
- Jointly and severally guaranteed by the Company's directors and holding company's shareholders; and
- Against certain percentage of guarantee coverage by Government of Malaysia under the Working Capital Guarantee Scheme (WCGS).

West Coast Aquaculture Group Ltd
Notes to the consolidated financial statements
31 October 2021

Note 8. Borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 October	30 April 2021
	2021	2021
	\$	\$
Total facilities		
Bank overdraft	311,760	305,412
Revolving credit	324,633	595,164
	<u>636,393</u>	<u>900,576</u>
Used at the reporting date		
Bank overdraft	141,344	299,533
Revolving credit	304,860	307,444
	<u>446,204</u>	<u>606,977</u>
Unused at the reporting date		
Bank overdraft	170,416	5,879
Revolving credit	19,773	287,720
	<u>190,189</u>	<u>293,599</u>

Note 9. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 10. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity 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

Consolidated - 31 October 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Biological assets	-	3,218,746	-	3,218,746
Total assets	<u>-</u>	<u>3,218,746</u>	<u>-</u>	<u>3,218,746</u>
Consolidated - 30 April 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Biological assets	-	4,274,854	-	4,274,854
Total assets	<u>-</u>	<u>4,274,854</u>	<u>-</u>	<u>4,274,854</u>

There were no transfers between levels during the financial period.

West Coast Aquaculture Group Ltd
Notes to the consolidated financial statements
31 October 2021

Note 10. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3

Fishery livestocks are measured at fair value less costs to sell, based on market prices of livestock of similar age, species, where necessary, to reflect the differences. Market prices are obtained from observable market prices (where available), contracted prices or estimated future prices.

Note 11. Contingent liabilities

There has been no change in contingent liabilities since the last reporting period.

Note 12. Related party transactions

Parent entity

West Coast Aquaculture Group Ltd is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 October	31 October
	2021	2020
	\$	\$
Sale of goods and services:		
Sale of goods to North Island Fish Nursery S/B	8,798	-
Payment for goods and services:		
Purchase of goods from North Island Fish Nursery S/B	785,764	1,252,713
Purchases of services from Maxprotech Resources S/B	12,123	26,528
Payment for other expenses:		
Wages and salaries paid to Neo Joe Yee	-	5,663
Other transactions:		
Purchase of property plant and equipment from North Island Fish Nursery S/B	256,739	-

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 October	30 April 2021
	2021	2021
	\$	\$
Current payables:		
Other payables to Chin Koon Chia	677,879	664,077
Other payables to Ching Hoe Neo	439,662	430,710
Other payables to Neo Joe Yee	338,939	332,038
Other payables to Teik Hon Chin	169,469	166,019
Other payable to Khor Chin Dee	253,685	249,028
Trade payables to North Island Fish Farm Sdn Bhd	145,102	79,489
Trade payables to Maxprotech Resources S/B	21,980	-

The other payables totalling RM 5,880,000 (\$1,879,634) are to be paid back with profits made by the consolidated entity and RM520,901 (\$167,082) is trade in nature therefore payable within 30 to 90 days.

West Coast Aquaculture Group Ltd
Notes to the consolidated financial statements
31 October 2021

Note 13. Events after the reporting period

On 28 November 2021, the company's 100% owned subsidiary issued 10,000,000 ordinary shares, valued at RM10,000,000 (AU\$3,197,544), in order to extinguish debt owed to the company. The company still holds 100% of the issued capital of the subsidiary and this change will have no impact on the consolidated entity's financial performance or position going forward.

No other matter or circumstance has arisen since 31 October 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Earnings per share

	Consolidated	
	31 October	31 October
	2021	2020
	\$	\$
Profit/(loss) after income tax attributable to the owners of West Coast Aquaculture Group Ltd	<u>(2,575,735)</u>	<u>560,438</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>114,006,482</u>	<u>103,950,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>114,006,482</u>	<u>103,950,000</u>
	Cents	Cents
Basic earnings per share	(2.26)	0.54
Diluted earnings per share	(2.26)	0.54

West Coast Aquaculture Group Ltd
Directors' declaration
31 October 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 October 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, taking into account the factors outlined in Note 1 Going Concern.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ching Hoe Neo
Chief Executive Officer

20 December 2021

Independent Auditor's Review Report to the Members of West Coast Aquaculture Group Ltd

Conclusion

We have reviewed the half-year financial report of West Coast Aquaculture Group Ltd ("the company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 31 October 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 October 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 Going Concern, in the financial report, which indicates that the Group incurred a net loss after tax of \$2,575,735 during the period ended 31 October 2021 (31 October 2020: net profit after tax of \$560,438) and generated net cash outflows from operating activities of \$1,130,982 (31 October 2020: \$395,258). As stated in Note 1 Going Concern, these events or conditions, along with other matters as set forth in Note 1 Going Concern, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the half year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 October 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HLB Mann Judd
Chartered Accountants



Jude Lau
Partner

Melbourne
20 December 2021