



OCEAN FRESH BERHAD

(Registration No.: 202301019041 (1512963-A))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

OCEAN FRESH BERHAD

(Registration No.: 202301019041 (1512963-A))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.6.2024 RM'000	30.6.2023 ⁽²⁾ RM'000	30.6.2024 RM'000	30.6.2023 ⁽²⁾ RM'000
Revenue	A10	45,493	N/A	100,948	N/A
Cost of sales		(39,675)	N/A	(89,536)	N/A
Gross profit		5,818	N/A	11,412	N/A
Other income		256	N/A	528	N/A
		6,074	N/A	11,940	N/A
Selling and distribution expenses		(3,223)	N/A	(5,286)	N/A
Administrative expenses		(2,654)	N/A	(3,331)	N/A
Other expenses		(73)	N/A	(124)	N/A
Net impairment loss on financial assets		(187)	N/A	(746)	N/A
(Loss)/Profit from operations		(63)	N/A	2,453	N/A
Finance costs		(83)	N/A	(113)	N/A
(Loss)/Profit before taxation	B14	(146)	N/A	2,340	N/A
Income tax expense	B5	(380)	N/A	(380)	N/A
(Loss)/Profit after taxation		(526)	N/A	1,960	N/A
Other comprehensive income		-	N/A	-	N/A
Total comprehensive (expense)/income for the period		(526)	N/A	1,960	N/A
Profit after taxation/Total comprehensive income attributable to:					
Owner of the Group		(526)	N/A	1,960	N/A
(Loss)/Earnings per share:					
Basic/Diluted (Sen)	B12	(0.33)	N/A	1.22	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 12 June 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾**

		Unaudited As at 30.6.2024 RM'000	Audited As at 31.12.2023 RM'000
	Note		
ASSETS			
Non-Current Assets			
Property, plant and equipment		10,507	9,928
Right-of-use assets		22	82
Goodwill		50	50
Total Non-Current Assets		10,579	10,060
Current Assets			
Inventories		21,675	28,063
Trade receivables		20,646	11,194
Other receivables, deposits and prepayments		6,598	6,777
Current tax assets		238	289
Cash and bank balances		6,019	6,673
Total Current Assets		55,176	52,996
TOTAL ASSETS		65,755	63,056
EQUITY AND LIABILITIES			
EQUITY			
Share capital		38,423	#
Invested share capital		-	8,137
Reorganisation reserve		(26,470)	3,816
Retained profits		35,371	33,411
TOTAL EQUITY		47,324	45,364
LIABILITIES			
Non-Current Liabilities			
Borrowings	B8	243	419
Total Non-Current Liabilities		243	419
Current liabilities			
Trade payables		8,755	6,392
Other payables and accruals		4,138	5,856
Lease liabilities		21	82
Borrowings	B8	5,227	4,939
Current tax liabilities		47	4
Total Current Liabilities		18,188	17,273
TOTAL LIABILITIES		18,431	17,692
TOTAL EQUITY AND LIABILITIES		65,755	63,056
Net assets per share attributable to ordinary equity holders (RM)	B13	0.30	0.28

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾ (CONT'D)

Notes:

Amount less than RM1,000

(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 Accountants' Report as disclosed in the Prospectus of the Company dated 12 June 2024 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ^{(1) (2)}**

	Share capital RM'000	Invested share capital RM'000	Reorganisation reserve RM'000	Retained profits RM'000	Total equity RM'000
Balance at 1.1.2024 (Audited)	#	8,137	3,816	33,411	45,364
Profit after taxation/Total comprehensive income for the financial period	-	-	-	1,960	1,960
<i>Transaction with owners of the Company:</i>					
Acquisition of subsidiaries	38,423	(8,137)	(30,286)	-	-
Balance at 30.6.2024 (Unaudited)	38,423	-	(26,470)	35,371	47,324

Notes:

Amount less than RM1,000

- (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 Accountants' Report as disclosed in the Prospectus of the Company dated 12 June 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾**

	Current Year-to-Date 30.6.2024 RM'000	Preceding Year-to-Date 30.6.2023⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,340	N/A
Adjustments for:		N/A
Depreciation of property, plant and equipment	371	N/A
Depreciation of right-of-use assets	60	N/A
Gain on disposal of property, plant and equipment	(17)	N/A
Property, plant and equipment written off	13	N/A
Interest expenses	113	N/A
Net impairment loss on financial assets	746	N/A
Bad debts written off	7	N/A
Operating profit before working capital changes	3,633	N/A
Decrease in inventories	6,388	N/A
Increase in trade and other receivables	(10,026)	N/A
Increase in trade and other payables	644	N/A
Cash from operations	639	N/A
Interest paid	(17)	N/A
Net income tax paid	(285)	N/A
Net cash from operating activities	337	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(964)	N/A
Proceed from disposal of property, plant and equipment	17	N/A
Net cash used in investing activities	(947)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(95)	N/A
Repayment of lease liabilities	(62)	N/A
Drawdown of bankers' acceptance	5,503	N/A
Repayment of bankers' acceptance	(3,980)	N/A
Repayment of hire purchase liabilities	(163)	N/A
Net cash from financing activities	1,203	N/A
Net increase in cash and cash equivalents	593	N/A
Cash and cash equivalents at the beginning of the financial period	5,188	N/A
Cash and cash equivalents at the end of the financial period	5,781	N/A
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	6,019	N/A
Bank overdrafts	(238)	N/A
	5,781	N/A

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 12 June 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.
- N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134 INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The interim financial report of Ocean Fresh Berhad and its subsidiaries ("**Group**") have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the second interim financial report of unaudited condensed consolidated interim financial statements for the second quarter ended 30 June 2024 being announced by the Group in compliance with the Listing Requirements of Bursa Securities. As such, there are no comparative figures for the preceding corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 12 June 2024 and the accompanying explanatory notes attached to this interim financial report.

A2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the preparation of Accountants' Report as disclosed in the Prospectus dated 12 June 2024 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to MFRS 101	<i>Non-Current Liabilities with Covenants</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current</i>
Amendments to MFRS 107 and MFRS 7	<i>Supplier Finance Arrangements</i>

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	<i>Lack of Exchangeability</i>
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Effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	<i>Classification and Measurement of Financial Instruments</i>
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Effective for financial periods beginning on or after 1 January 2027

MFRS 18	<i>Presentation and Disclosure in Financial Statements</i>
MFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)

A2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

Effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impact on the Group.

A3 AUDITORS’ REPORT

There were no qualifications on the audited combined financial statements of the Group for the financial year ended 31 December 2023.

A4 SEASONAL AND CYCLICAL FACTORS

The business of the Group is not affected by any unusual seasonal or cyclical factor, save for higher demand for the frozen seafood products prior to the commencement and during festive seasons such as Chinese New Year, Hari Raya, Deepavali and Christmas.

A5 UNUSUAL ITEMS

There was no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A6 CHANGES IN ESTIMATES

There were no material changes in estimates that have had material effect on the results of the current quarter under review.

A7 DEBT AND EQUITY SECURITIES

Save as disclosed in Note B6 below, there are no other issuance, cancellation, repurchase, resale or repayment of debt and equity securities to the current quarter under review except as disclosed below:

On 3 May 2024, the Company acquired the entire issued share capital of Ocean Fresh Seafood Products Sdn Bhd and its subsidiaries, for a total consideration of RM38,423,040, via the issuance of 160,095,999 ordinary shares of the Company.

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There was no dividend paid during the current quarter under review.

A9 CHANGES IN THE COMPOSITION OF THE GROUP

In conjunction with the Company’s Initial Public Offering (“IPO”), the Company has changes in the composition of the Group during the current financial quarter under review as follows:

Acquisition of Ocean Fresh Seafood Products Sdn Bhd and its subsidiaries

The Company has entered into a share sale agreement on 9 October 2023 to acquire the entire issued share capital of Ocean Fresh Seafood Products Sdn Bhd and its subsidiaries. The acquisition was completed on 3 May 2024 and became the wholly-owned subsidiaries of the Company.

A10 SEGMENTAL INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker to allocate resources to segments and to assess their performance.

For management purposes, the Group is organised into the following business units: -

- processing and trading of frozen seafood products; and
- provision of frozen seafood processing services.

The Group’s revenue is segmented as follows:

Revenue by business units

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.6.2024	%	Period ended 30.6.2024	%
	RM’000		RM’000	
Processing and trading of frozen seafood products:				
- Molluscs	23,718	52.14	62,115	61.53
- Fishes	8,458	18.59	16,060	15.91
- Others	11,667	25.64	20,454	20.26
	43,843	96.37	98,629	97.70
Provision of frozen seafood processing services	1,650	3.63	2,319	2.30
	45,493	100.00	100,948	100.00

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This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements of Bursa Securities Berhad. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

A11 SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE INTERIM FINANCIAL PERIOD

Save as disclosed in Note B6 below, there are no other significant events after the end of the interim financial period.

A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

The related party transactions described below were carried out on terms and conditions negotiated amongst the parties. The significant related party transactions are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30.6.2024	30.6.2023 ⁽¹⁾	30.6.2024	30.6.2023 ⁽¹⁾
	RM’000	RM’000	RM’000	RM’000
Sales to related parties	768	N/A	1,804	N/A
Purchases from related parties	(680)	N/A	(2,268)	N/A
Services from related parties	(10)	N/A	(21)	N/A

Note:

(1) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

**A SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”)
134 INTERIM FINANCIAL REPORTING (CONT’D)**

A13 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the end of the interim financial period.

A14 CAPITAL COMMITMENTS

There were no material commitments during the end of the interim financial period.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1 REVIEW OF PERFORMANCE**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30.6.2024	30.6.2023 ⁽¹⁾	30.6.2024	30.6.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	45,493	N/A	100,948	N/A
(Loss)/Profit before tax	(146)	N/A	2,340	N/A

The Group recorded a revenue of approximately RM45.49 million and RM100.95 million for the current quarter and cumulative quarter respectively. The Group's revenue for the current quarter and cumulative quarter was mainly derived from processing and trading of frozen seafood products. Approximately 61.53% of the Group's total revenue was contributed from processing and trading of frozen seafood products - molluscs during the cumulative quarter, followed by the fishes (15.91%) and others frozen seafood products (20.26%).

The Group recorded a loss before tax of approximately RM0.15 million and profit before tax of approximately RM2.34 million for the current quarter and cumulative quarter respectively after deducting expenses which are mainly attributable to selling and distribution expenses of approximately RM3.22 million and RM5.29 million for the current quarter and cumulative quarter respectively and also the administrative expenses of approximately RM2.65 million and RM3.33 million for the current quarter and cumulative quarter respectively. The administrative expenses included one-off IPO listing related expenses amounted to approximately RM1.61 million incurred during the current quarter.

Note:

(1) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)****B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER**

	CURRENT QUARTER 30.6.2024 RM'000	IMMEDIATE PRECEDING QUARTER 31.3.2024 RM'000	VARIANCE RM'000	%
Revenue	45,493	55,455	(9,962)	(17.96)
(Loss)/Profit before tax	(146)	2,486	(2,632)	(105.87)

The Group's revenue decreased by RM9.96 million or 17.96% from RM55.46 million in the preceding quarter to RM45.49 million in the current quarter. The decrease was mainly due to a decrease in revenue from processing and trading of frozen seafood products in the current quarter.

The Group recorded a loss before tax of RM0.15 million in the current quarter compared to the profit before tax recorded during the immediate preceding quarter pursuant to the higher selling and distribution expenses incurred (increased approximately RM1.16 million) coupled with the non-recurring listing expenses of RM1.61 million recorded during the current quarter under review.

B3 PROSPECTS

The Group has outlined several strategic plans for future growth:

Expansion of cold storage facilities: The Group plans to build a new cold storage facility adjacent to the existing processing facility. This new facility will feature six cold rooms and a loading bay, with a built-up area of 3,747 m² and a storage capacity of 3,000 tonnes. This expansion addresses the near full capacity issues faced in existing facilities and reliance on third-party storage.

Pahang State Forestry Department ("**PSFD**") has on 12 August 2024 conditionally approved the extension of the payment period for the use permit for the purpose of operating a cold room at PSFD Land 1 (i.e. the vacant land measuring approximately 0.75 hectares next to our Factory B located at Kompt.1, Hutan Simpan Paya Laut Peramu, Mukim Kuala Kuantan, Daerah Kuantan, where we intend to construct our new cold storage facility), for a further 30 years ("**Extension**"), subject to the following conditions:

- the extension of the payment period of the use permit period shall be reviewed after a period of 10 years;
- the payment period for the use permit is for 30 years and can be further extended and renewed every year provided that the permit holder does not violate any of the conditions and regulations;
- payment is required if the use permit is being used for other purposes, including cold room and such use permit must be renewed annually based on the prevailing rates;
- approval is for the approved area; and
- such other conditions as may be imposed by the PSFD.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B3 PROSPECTS (CONT'D)

Ocean Fresh Seafood Products Sdn Bhd ("OFS Products") has paid a total sum of RM1,000.00 to PSFD on 20 August 2024, being the total fee payable for the use permit for the whole of the 30-year period granted pursuant to the Extension.

While it is not clearly stated in the Extension that the "term" of the use permit is being extended for 30 years (rather, it is the "payment period" for the use permit that is being extended for 30 years), it can be inferred from the following facts (and be implied therefrom) that the Extension is to extend the "term" of the use permit for another 30 years:-

- (aa) the overall nature of the conditions imposed pursuant to the Extension as highlighted above supports the position that the term of the use permit has been extended for 30 years; and
- (bb) with the payment of the fee of RM1,000.00 to PSFD for the whole of the 30-year period, it can be further inferred that OFS Products has the right to occupy the PSFD Land 1 for the purpose of operating a cold room at PSFD Land 1 for the next 30 years (subject to compliance with the terms of the use permit and the Extension).

Growth in frozen seafood exports: The Group aims to continue expanding its frozen seafood exports, particularly to China, capitalizing on the existing GACC certificate which facilitates market entry. The focus will also remain on other key markets in the Asia Pacific, where seafood consumption is notably high. Exports will be conducted through importers and collaborations with local wholesalers.

Venturing into dried seafood products: Recognizing the lower storage and transportation costs of dried seafood, the Group plans to begin processing and trading these products. Starting with sample production in a dedicated 200 sq ft area, the initiative will gauge market demand through feedback from potential and existing customers in China. The Group expects the operations to start by the first quarter of 2025 after obtaining necessary certifications and licenses.

These strategies are designed to leverage existing market positions while expanding the Group's product offerings and operational capabilities.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)****B4 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST OR PROFIT GUARANTEE**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

B5 INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30.6.2024	30.6.2023 ⁽¹⁾	30.6.2024	30.6.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
Current taxation	379	N/A	379	N/A
Under provision in prior year	1	N/A	1	N/A
Total	380	N/A	380	N/A
Effective tax rate (%)	N/A	N/A	16.24	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Note:

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N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B6 STATUS OF CORPORATE PROPOSAL

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities, the following listing scheme to be undertaken by the Company:

(i) Proposed Public Issue

In conjunction with the Company's listing on the ACE Market of Bursa Securities, on 12 June 2024, the Company issued its Prospectus for its IPO entailing the following:

- (a) 10,510,000 new ordinary shares available for application by the Malaysian public;
- (b) 1,710,000 new ordinary shares available for application by the eligible directors and employees; and
- (c) 37,830,000 new ordinary shares available for private placement to selected investors.

at an IPO price of RM0.28 per Share.

(ii) Proposed Listing

Upon completion of the IPO and before deducting the estimated listing expenses directly attributable to the issuance of new Shares of RM1,100,000, the issued share capital of the Company will increase from RM38,423,041 comprising 160,096,000 ordinary shares to RM52,437,041 comprising 210,146,000 ordinary shares.

Upon completion of the IPO, the Company will be admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 210,146,000 ordinary shares shall be listed and quoted on the ACE Market of Bursa Securities.

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OCEAN FRESH BERHAD

(Registration No.: 202301019041 (1512963-A))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)****B7 UTILISATION OF PROCEEDS FROM THE IPO**

We expect to use the gross proceeds from the IPO amounting to RM14.01 million in the following manner:

Details of Use of Proceeds	Proposed Utilisation RM'000	Percentage (%)	Estimated Timeframe for Utilisation Upon Listing
Capital expenditure for a new cold storage facility	8,000	57.09	Within 24 months
Working capital requirements	2,514	17.94	Within 24 months
Estimated listing expenses	3,500	24.98	Immediate
	<u>14,014</u>	<u>100.00</u>	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 12 June 2024. The IPO is completed as at the date of this interim financial report.

B8 BORROWINGS

	Unaudited As at 30.6.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current		
Hire purchase (secured)	243	419
Current		
Bankers' acceptance (secured)	4,644	3,121
Bank overdrafts (secured)	238	1,485
Hire purchase (secured)	345	333
	<u>5,227</u>	<u>4,939</u>
Total borrowings		
Bankers' acceptance (secured)	4,644	3,121
Bank overdrafts (secured)	238	1,485
Hire purchase (secured)	588	752
	<u>5,470</u>	<u>5,358</u>

The bankers' acceptances and bank overdrafts are secured by :

- (i) freehold land and building of the Group;
- (ii) debenture over fixed and floating, present and future assets of the Group;
- (iii) corporate guarantee by the shareholder; and
- (iv) joint and several guarantee by certain directors of the Group.

All the borrowings are secured and denominated in Ringgit Malaysia.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)****B9 DERIVATIVES**

The Group did not enter into any derivatives during the current quarter under review.

B10 MATERIAL LITIGATION

There are no litigation or arbitration which have a material effect on the financial position of the Group. The Board of Directors is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

B11 DIVIDEND PROPOSED

No dividend was proposed for the current quarter under review.

B12 (LOSS)/EARNINGS PER SHARE ("EPS")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Period ended	
	Units	30.6.2024	30.6.2023	30.6.2024	30.6.2023
(Loss)/Profit attributable to owners of the Company	RM'000	(526)	N/A	1,960	N/A
Number of ordinary shares in issue ⁽¹⁾	'000	160,096	N/A	160,096	N/A
Basic/Diluted EPS ⁽²⁾	Sen	(0.33)	N/A	1.22	N/A

Notes:

(1) number of ordinary shares in issue based on total ordinary shares issued after the Acquisition of Ocean Fresh Seafood Products Sdn Bhd and its subsidiaries but before Proposed Public Issue as detailed in Note B6 above.

(2) Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)****B13 NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS**

	Units	Unaudited As at 30.6.2024	Audited As at 31.12.2023
Net assets attributable to ordinary equity holders	RM'000	47,324	45,364
Number of ordinary shares in issue ⁽¹⁾	'000	160,096	160,096
Net assets per share attributable to ordinary equity holders	RM	<u>0.30</u>	<u>0.28</u>

Note:

- (1) number of ordinary shares in issue based on total ordinary shares issued after the Acquisition of Ocean Fresh Seafood Products Sdn Bhd and its subsidiaries but before Proposed Public Issue as detailed in Note B6 above.

B14 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30.6.2024	30.6.2023 ⁽¹⁾	30.6.2024	30.6.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	187	N/A	371	N/A
Depreciation of right-of-use assets	28	N/A	60	N/A
Gain on disposal of property, plant and equipment	(17)	N/A	(17)	N/A
Property, plant and equipment written off	13	N/A	13	N/A
Bad debts written off	1	N/A	7	N/A
Interest expense				
- Bankers' acceptance	63	N/A	71	N/A
- Bank overdraft	6	N/A	13	N/A
- Hire purchase liabilities	11	N/A	23	N/A
- Lease liabilities	#	N/A	1	N/A
- Others	2	N/A	5	N/A
Impairment loss on trade receivables	188	N/A	746	N/A
Gain on realised foreign exchange	(239)	N/A	(511)	N/A

Save as disclosed above, the other disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B14 (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

Note:

Amount less than RM1,000

(1) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

N/A Not applicable

**BY ORDER OF THE BOARD
OCEAN FRESH BERHAD
23 August 2024**

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