



OCEAN FRESH BERHAD

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2024**

OCEAN FRESH BERHAD

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

(Incorporated in Malaysia)

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.9.2024	30.9.2023 ⁽²⁾	30.9.2024	30.9.2023 ⁽²⁾
		RM'000	RM'000	RM'000	RM'000
Revenue	A10	31,979	N/A	132,927	N/A
Cost of sales		(28,964)	N/A	(118,500)	N/A
Gross profit		3,015	N/A	14,427	N/A
Other income		38	N/A	180	N/A
		3,053	N/A	14,607	N/A
Selling and distribution expenses		(1,807)	N/A	(7,094)	N/A
Administrative expenses		(696)	N/A	(4,027)	N/A
Other expenses		(402)	N/A	(140)	N/A
Net impairment loss on financial assets		-	N/A	(746)	N/A
Profit from operations		148	N/A	2,600	N/A
Finance costs		(28)	N/A	(141)	N/A
Profit before taxation	B14	120	N/A	2,459	N/A
Income tax expense	B5	82	N/A	(297)	N/A
Profit after taxation		202	N/A	2,162	N/A
Other comprehensive income		-	N/A	-	N/A
Total comprehensive income for the period		202	N/A	2,162	N/A
Profit after taxation/Total comprehensive income attributable to:					
Owner of the Group		202	N/A	2,162	N/A
Earnings per share:					
Basic/Diluted (Sen)	B12	0.10	N/A	1.23	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 third interim financial report for the third quarter ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾**

		Unaudited As at 30.9.2024 RM'000	Audited As at 31.12.2023 RM'000
	Note		
ASSETS			
Non-Current Assets			
Property, plant and equipment		10,326	9,928
Right-of-use assets		50	82
Goodwill		50	50
Total Non-Current Assets		10,426	10,060
Current Assets			
Inventories		23,642	28,063
Trade receivables		15,158	11,194
Other receivables, deposits and prepayments		4,852	6,777
Current tax assets		691	289
Short-term investments		11,650	-
Cash and bank balances		6,261	6,673
Total Current Assets		62,254	52,996
TOTAL ASSETS		72,680	63,056
EQUITY AND LIABILITIES			
EQUITY			
Share capital		51,623	#
Invested share capital		-	8,137
Reorganisation reserve		(26,470)	3,816
Retained profits		35,573	33,411
TOTAL EQUITY		60,726	45,364
LIABILITIES			
Non-Current Liabilities			
Borrowings	B8	153	419
Total Non-Current Liabilities		153	419
Current liabilities			
Trade payables		6,857	6,392
Other payables and accruals		3,491	5,856
Lease liabilities		51	82
Borrowings	B8	1,345	4,939
Current tax liabilities		57	4
Total Current Liabilities		11,801	17,273
TOTAL LIABILITIES		11,954	17,692
TOTAL EQUITY AND LIABILITIES		72,680	63,056
Net assets per share attributable to ordinary equity holders (RM)	B13	0.29	0.22

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	2,162	2,162
<i>Transaction with owners of the Company:</i>					
Issuance of ordinary shares pursuant to the initial public offering ("IPO")	14,014	-	-	-	14,014
Share issue expenses	(814)	-	-	-	(814)
Acquisition of subsidiaries	38,423	(8,137)	(30,286)	-	-
Balance at 30.9.2024 (Unaudited)	51,623	-	(26,470)	35,573	60,726

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 third interim financial report for the third quarter ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾**

	Current Year-to-Date 30.9.2024 RM'000	Preceding Year-to-Date 30.9.2023 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,459	N/A
Adjustments for:		N/A
Depreciation of property, plant and equipment	559	N/A
Depreciation of right-of-use assets	83	N/A
Gain on disposal of property, plant and equipment	(17)	N/A
Property, plant and equipment written off	13	N/A
Interest income	(38)	N/A
Interest expenses	141	N/A
Net impairment loss on financial assets	746	N/A
Bad debts written off	7	N/A
Operating profit before working capital changes	3,953	N/A
Decrease in inventories	4,422	N/A
Increase in trade and other receivables	(2,793)	N/A
Increase in trade and other payables	(1,900)	N/A
Cash from operations	3,682	N/A
Interest paid	(27)	N/A
Net income tax paid	(646)	N/A
Net cash from operating activities	3,009	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(970)	N/A
Proceed from disposal of property, plant and equipment	17	N/A
Interest received	38	N/A
Net cash used in investing activities	(915)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to IPO	14,014	N/A
Share issue expenses	(814)	N/A
Interest paid	(114)	N/A
Repayment of lease liabilities	(83)	N/A
Drawdown of bankers' acceptance	6,497	N/A
Repayment of bankers' acceptance	(8,624)	N/A
Repayment of hire purchase liabilities	(247)	N/A
Net cash from financing activities	10,629	N/A
Net increase in cash and cash equivalents	12,723	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	17,911	N/A
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term investments	11,650	N/A
Cash and bank balances	6,261	N/A
	17,911	N/A

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 third interim financial report for the third quarter ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 third interim financial report of unaudited condensed consolidated interim financial statements for the third quarter ended 30 September 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 adoption of following new MFRSs and amendments to MFRSs effective for financial period 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>

The following new MFRSs and amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

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>
Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures</i>
Amendments to MFRS 9	<i>Financial Instruments</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements</i>
Amendments to MFRS 107	<i>Statement of Cash Flows</i>

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 for financial periods beginning on or after 1 January 2027

MFRS 18

Presentation and Disclosure in Financial Statements

MFRS 19

Subsidiaries without Public Accountability: Disclosures

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.

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

A7 DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities to the current quarter and financial period under review except as disclosed below:

- (i) 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.
- (ii) 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.

The Company was successfully admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 210,146,000 ordinary shares was listed and quoted on the ACE Market of Bursa Securities on 4 July 2024.

A8 DIVIDEND PAID

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 quarter and financial period 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.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**A SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”)
134 INTERIM FINANCIAL REPORTING (CONT’D)****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 30.9.2024		Period ended 30.9.2024	
	RM’000	%	RM’000	%
Processing and trading of frozen seafood products:				
- Molluscs	18,531	57.95	80,646	60.67
- Fishes	4,064	12.71	20,124	15.14
- Others	8,117	25.38	28,571	21.49
	<u>30,712</u>	<u>96.04</u>	<u>129,341</u>	<u>97.30</u>
Provision of frozen seafood processing services	1,267	3.96	3,586	2.70
	<u>31,979</u>	<u>100.00</u>	<u>132,927</u>	<u>100.00</u>

Note:

This is the third interim financial report for the third quarter ended 30 September 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

There are no other significant events after the end of the interim financial period.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**A SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)****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 30.9.2024	30.9.2023 ⁽¹⁾	Period ended 30.9.2024	30.9.2023 ⁽¹⁾
	RM’000	RM’000	RM’000	RM’000
Sales to related parties	798	N/A	2,602	N/A
Purchases from related parties	(1,044)	N/A	(3,312)	N/A
Services from related parties	(6)	N/A	(27)	N/A

Note:

(1) This is the third interim financial report for the third quarter ended 30 September 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

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 THIRD QUARTER ENDED 30 SEPTEMBER 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	
	30.9.2024	30.9.2023 ⁽¹⁾	30.9.2024	30.9.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	31,979	N/A	132,927	N/A
Profit before tax	120	N/A	2,459	N/A

The Group recorded a revenue of approximately RM31.98 million and RM132.93 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 60.67% 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 (15.14%) and others frozen seafood products (21.49%).

The Group recorded a profit before tax of approximately RM0.12 million for the current quarter and RM2.46 million for the cumulative quarter after accounting for key expenses. These expenses primarily comprised selling and distribution expenses of approximately RM1.81 million and RM7.09 million for the current quarter and cumulative quarter respectively as well as administrative expenses of approximately RM0.70 million and RM4.02 million for the current quarter and cumulative quarter respectively.

During the quarter under review, the Group also incurred a foreign exchange loss of approximately RM0.39 million resulting from the strengthening of Malaysian Ringgit against major global currencies. Administrative expenses for the cumulative quarter included one-off IPO listing related expenses amounting to approximately RM1.74 million, net of capitalisation of approximately RM0.81 million attributable to share issuance expenses.

Note:

(1) This is the third interim financial report for the third quarter ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30.9.2024 RM'000	IMMEDIATE PRECEDING QUARTER 30.6.2024 RM'000	VARIANCE RM'000	%
Revenue	31,979	45,493	(13,514)	(29.71)
Profit/(Loss) before tax	120	(146)	266	(182.19)

The Group's revenue decreased by approximately RM13.51 million or 29.71% from RM45.49 million in the preceding quarter to RM31.98 million in the current quarter. The decrease in the current quarter was mainly due to a decrease in revenue from processing and trading of frozen seafood products consist of decrease in molluscs approximately RM5.19 million, fishes RM4.39 million and others RM3.55 million.

The Group's recorded a profit before tax of approximately RM0.12 million in the current quarter compared to the loss before tax of approximately RM0.15 million in the immediate preceding quarter. The performance was achieved despite a foreign exchange loss of approximately RM0.39 million, attributed to the strengthening of Malaysian Ringgit against major global currencies during the current quarter.

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 tones. 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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	
	30.9.2024	30.9.2023 ⁽¹⁾	30.9.2024	30.9.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
Current taxation	14	N/A	393	N/A
Under provision in prior year	(96)	N/A	(96)	N/A
Total	(82)	N/A	297	N/A
Effective tax rate (%)	N/A	N/A	12.08	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Note:

- (1) This is the third interim financial report for the third quarter ended 30 September 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

B6 STATUS OF CORPORATE PROPOSAL

There were no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	Actual Utilisation RM'000	Utilisation Rate (%)	Estimated Timeframe for Utilisation Upon Listing
Capital expenditure for a new cold storage facility	8,000	-	-	Within 24 months
Working capital requirements	2,514	-	-	Within 24 months
Estimated listing expenses	3,500	3,500	100.00	Immediate
	14,014	3,500	100.00	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 12 June 2024.

B8 BORROWINGS

	Unaudited As at 30.9.2024 RM'000	Audited As at 31.12.2023 RM'000
Non-current		
Hire purchase (secured)	153	419
Current		
Bankers' acceptance (secured)	994	3,121
Bank overdrafts (secured)	-	1,485
Hire purchase (secured)	351	333
	1,345	4,939
Total borrowings		
Bankers' acceptance (secured)	994	3,121
Bank overdrafts (secured)	-	1,485
Hire purchase (secured)	504	752
	1,498	5,358

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 EARNINGS PER SHARE ("EPS")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Period ended	
	Units	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Profit attributable to owners of the Company	RM'000	202	N/A	2,162	N/A
Weighted average number of ordinary shares in issue	'000	210,146	N/A	176,353	N/A
Basic/Diluted EPS ⁽¹⁾	Sen	0.10	N/A	1.23	N/A

Notes:

(1) 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30.9.2024	Audited As at 31.12.2023
Net assets attributable to ordinary equity holders	RM'000	60,726	45,364
Number of ordinary shares in issue ⁽¹⁾	'000	210,146	210,146
Net assets per share attributable to ordinary equity holders	RM	<u>0.29</u>	<u>0.22</u>

Note:

- (1) number of ordinary shares in issue based on total ordinary shares issued after the Company was listed on the ACE Market of Bursa Securities on 4 July 2024.

B14 PROFIT BEFORE TAXATION

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30.9.2024	30.9.2023 ⁽¹⁾	30.9.2024	30.9.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	188	N/A	559	N/A
Depreciation of right-of-use assets	23	N/A	83	N/A
Gain on disposal of property, plant and equipment	-	N/A	(17)	N/A
Property, plant and equipment written off	-	N/A	13	N/A
Bad debts written off	-	N/A	7	N/A
Interest expense:				
- Bankers' acceptance	9	N/A	80	N/A
- Bank overdraft	5	N/A	18	N/A
- Hire purchase liabilities	10	N/A	33	N/A
- Lease liabilities	#	N/A	1	N/A
- Others	4	N/A	9	N/A
Impairment loss on trade receivables	-	N/A	746	N/A
Loss/(Gain) on foreign exchange	386	N/A	(125)	N/A
Interest income	(38)	N/A	(38)	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 THIRD QUARTER ENDED 30 SEPTEMBER 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 third interim financial report for the third quarter ended 30 September 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

26 November 2024

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