

FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

Registration No: 202301019041 (1512963 - A)

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

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OCEAN FRESH BERHAD

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, principal place of business and country of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary company are set out in the "Subsidiaries" section of this report.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	1,919,497	1,502,080
Attributable to:- Owners of the Company	1,919,497	1,502,080

DIVIDENDS

No dividend was recommended by the directors for the financial year.

On 5 March 2025, the Company declared an interim dividend of 0.50 sen per ordinary share in respect of the financial year ending 31 December 2025, payable on 8 April 2025, to shareholders whose names appeared in the record of depositors on 20 March 2025. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

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DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM1 to RM51,312,029 by way of:-
 - (i) issuance of 160,095,999 new ordinary shares at an issue price of RM0.24 per ordinary share, for a total consideration of RM38,423,040 as full payment for the acquisition of the entire equity interest of Ocean Fresh Seafood Products Sdn. Bhd. ("OFSP"); and
 - (ii) issuance of 50,050,000 new ordinary shares at an issue price of RM0.28 per ordinary share pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad for a total cash consideration of RM14,014,000. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,125,012 were offset against share capital of the Company.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

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DIRECTORS' REPORT

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

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DIRECTORS' REPORT

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Siang Hai Yong
Kee Wan Chum
Dato' Sri Chia Hooi Huak
Law Chee Kheong
Ng Lai Hock
Syed Razif Al-Idid B. Syed Sidi Al-Idid
Teo Chee Han
Yap Lee Teng
Chan Kee Eng (Appointed on 18.3.2024)
Go Sin Sin (Appointed on 18.3.2024)

The names of directors of the Company's subsidiaries who served during the financial year until the date of this report are similar to those disclosed above.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	<----- Number of Ordinary Shares ----->			
	At 1.1.2024	Bought	Sold	At 31.12.2024
The Company				
<i>Direct Interests</i>				
Siang Hai Yong	-	12,294,000	-	12,294,000
Kee Wan Chum	-	200,000	-	200,000
Dato' Sri Chia Hooi Huak	-	13,692,000	-	13,692,000
Law Chee Kheong	1	9,574,699	-	9,574,700
Ng Lai Hock	-	40,000	(40,000)	-
Syed Razif Al-Idid B. Syed Sidi Al-Idid	-	50,000	-	50,000
Teo Chee Han	-	200,000	-	200,000
Yap Lee Teng	-	40,000	(40,000)	-
Chan Kee Eng	-	40,000	(40,000)	-
Go Sin Sin	-	40,000	(40,000)	-

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DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows (Cont'd):-

	<----- Number of Ordinary Shares ----->			
	At 1.1.2024	Bought	Sold	At 31.12.2024
The Company				
<i>Indirect Interests</i>				
Siang Hai Yong*#	-	16,729,000	-	16,729,000
Kee Wan Chum*	-	13,884,000	-	13,884,000
Law Chee Kheong*	-	13,884,000	-	13,884,000

* Deemed interested by virtue of his/her direct shareholdings in Sierra Mode Sdn. Bhd..

Deemed interest through spouse's shareholding in the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transaction:-

	The Group RM
Sales to related parties	5,644,502
Purchases from related parties	4,192,662
Services expenses charged from related parties	36,683

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Salaries, bonuses and other benefits	570,541	279,419
Defined contribution benefits	35,472	18,456
	606,013	297,875

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

(a) The details of the Company's subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
East Ocean Frozen Seafood Products (Sabah) Sdn. Bhd. ("EO")	Malaysia	100	Sourcing services for all type of seafood.
Lianli Huat Seafood Products Sdn. Bhd. ("LLH")	Malaysia	100	Trading of seafood products.
Ocean Fresh Seafood Products Sdn. Bhd. ("OFSP")	Malaysia	100	Wholesaler, retailer, processor and exporter of frozen seafood products and investment holding.
Ocean Fresh Trading Sdn. Bhd. ("OFT")	Malaysia	100	Sourcing services for all type of seafood.

(b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

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DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 3 May 2024, the Company had undertaken a restructuring exercise via:-
 - (i) acquisition of the entire issued share capital of OFSP for a total consideration of RM38,423,040 that has been satisfied via the issuance of 160,095,999 new ordinary shares at RM0.24 per ordinary share; and
 - (ii) internal reorganisation upon completion of the acquisition of the entire issued capital of OFSP whereby the Company has acquired the entire issued share capital of LLH, EO and OFT for a total cash consideration of RM7,614,603.
- (b) On 4 July 2024, the Company listed on ACE Market of Bursa Malaysia Securities Berhad with a public issue of 50,050,000 new ordinary shares in the Company at an issue price of RM0.28 per ordinary share.

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DIRECTORS' REPORT

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	90,000	25,000
Non-audit fees	105,000	105,000
	<hr/> 195,000	<hr/> 130,000

Signed in accordance with a resolution of the directors dated 21 April 2025.

Siang Hai Yong

Kee Wan Chum

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OCEAN FRESH BERHAD
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**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Siang Hai Yong and Kee Wan Chum, being two of the directors of Ocean Fresh Berhad, state that, in the opinion of the directors, the financial statements set out on pages 91 to 156 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 21 April 2025.

Siang Hai Yong

Kee Wan Chum

**STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Chong Der Woei (MIA Membership Number: 30922), being the officer primarily responsible for the financial management of Ocean Fresh Berhad, do solemnly and sincerely declare that the financial statements set out on pages 91 to 156 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Chong Der Woei, NRIC Number: 800317-06-5183
at Kuala Lumpur
in the Federal Territory
on this 21 April 2025

Chong Der Woei

Before me

Shaiful Hilmi Bin Halim
Commissioner for Oaths
No. W804

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN FRESH BERHAD

(Incorporated in Malaysia)

Registration No: 202301019041 (1512963 - A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ocean Fresh Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 91 to 156.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OCEAN FRESH BERHAD (CONT'D)**

(Incorporated in Malaysia)

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Key Audit Matters (Cont'd)

We have determined the matter described below to be the key audit matter to be communicated in our report.

Recoverability of trade receivables Refer to Notes 10 and 36.1(b)(iii) to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 31 December 2024, trade receivables of the Group amounted to approximately RM18.8 million of which RM11.5 million were past due but not impaired. The details of trade receivables and its credit risk are disclosed in Notes 10 and 36.1(b)(iii) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-</p> <ul style="list-style-type: none"> • customers' payment profiles of past sales and corresponding historical credit losses; • specific known facts or circumstances on customers' ability to pay; or • by reference to past default experience. <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance. Hence, we determined this to be a key audit matter.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Obtained an understanding of:- <ul style="list-style-type: none"> • the Group's control over the trade receivables collection process; • how the Group identifies and assesses the impairment of trade receivables; and • how the Group makes the accounting estimates for impairment. • Reviewed the ageing analysis of trade receivables and testing the reliability thereof; • Reviewed subsequent cash collections for major trade receivables and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue amounts; • Compared and challenged management's view on the recoverability of overdue amounts to historical patterns of collection; • Examined other evidence including customer correspondences, proposed or existing settlement plans, repayment schedules; and • Evaluated the reasonableness and adequacy of the allowance for impairment loss recognised.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN FRESH BERHAD (CONT'D)

(Incorporated in Malaysia)

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Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN FRESH BERHAD (CONT'D)

(Incorporated in Malaysia)

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN FRESH BERHAD (CONT'D)

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Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

21 April 2025

Lam Chan Moi
03835/05/2026 J
Chartered Accountant

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	The Group		The Company	
		2024 RM	2023# RM	2024 RM	2023 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	46,037,643	-
Property, plant and equipment	6	10,150,701	9,927,588	-	-
Right-of-use assets	7	55,752	81,914	-	-
Goodwill	8	50,055	50,055	-	-
		<u>10,256,508</u>	<u>10,059,557</u>	<u>46,037,643</u>	<u>-</u>
CURRENT ASSETS					
Inventories	9	24,067,210	28,063,495	-	-
Trade receivables	10	18,800,938	11,193,528	-	-
Other receivables, deposits and prepayments	11	6,966,727	6,777,069	4,187,500	140
Amount owing by subsidiaries	12	-	-	79,860	-
Short-term investment	13	11,000,000	-	2,500,000	-
Current tax assets		770,289	289,153	-	-
Cash and bank balances		8,378,908	6,673,295	142,086	1
		<u>69,984,072</u>	<u>52,996,540</u>	<u>6,909,446</u>	<u>141</u>
TOTAL ASSETS		<u>80,240,580</u>	<u>63,056,097</u>	<u>52,947,089</u>	<u>141</u>

The annexed notes form an integral part of these financial statements.

OCEAN FRESH BERHAD

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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

	Note	The Group		The Company	
		2024 RM	2023# RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	51,312,029	8,137,140	51,312,029	1
Reorganisation (deficit)/reserve	15	(26,469,931)	3,815,970	-	-
Retained profits/(Accumulated losses)		35,330,211	33,410,714	1,461,341	(40,739)
TOTAL EQUITY		60,172,309	45,363,824	52,773,370	(40,738)
NON-CURRENT LIABILITY					
Hire purchase payables	16	61,801	418,585	-	-
CURRENT LIABILITIES					
Trade payables	17	11,780,171	6,392,265	-	-
Other payables and accruals	18	5,608,076	5,855,447	49,804	28,470
Amount owing to a related party	19	-	-	-	12,409
Hire purchase payables	16	356,784	332,786	-	-
Lease liability	20	59,466	82,497	-	-
Bankers' acceptances	21	1,906,609	3,121,329	-	-
Bank overdrafts	22	171,449	1,484,880	-	-
Current tax liabilities		123,915	4,484	123,915	-
		20,006,470	17,273,688	173,719	40,879
TOTAL LIABILITIES		20,068,271	17,692,273	173,719	40,879
TOTAL EQUITY AND LIABILITIES		80,240,580	63,056,097	52,947,089	141

Note:-

As disclosed in Note 4.3 to the financial statements, the comparative figures in the Group's financial statements are presented as if the reorganisation had occurred before the start of the earliest period presented.

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	The Group		The Company	
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023# RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
CONTINUING OPERATIONS					
REVENUE	23	163,714,957	159,454,291	4,662,560	-
COST OF SALES		(147,164,853)	(138,366,935)	-	-
GROSS PROFIT		16,550,104	21,087,356	4,662,560	-
OTHER INCOME		480,439	1,249,864	143,718	-
		17,030,543	22,337,220	4,806,278	-
SELLING AND DISTRIBUTION EXPENSES		(9,157,046)	(6,866,187)	-	-
ADMINISTRATIVE EXPENSES		(4,397,996)	(4,617,837)	(3,165,883)	(40,739)
OTHER EXPENSES		(253,155)	(2,377,093)	-	-
FINANCE COSTS		(171,563)	(199,797)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	24	(753,008)	(1,282,599)	-	-
PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUING OPERATIONS	25	2,297,775	6,993,707	1,640,395	(40,739)
INCOME TAX EXPENSE	26	(378,278)	(36,179)	(138,315)	-
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		1,919,497	6,957,528	1,502,080	(40,739)
DISCONTINUED OPERATIONS					
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	27	-	(8,609)	-	-
PROFIT/(LOSS) AFTER TAXATION		1,919,497	6,948,919	1,502,080	(40,739)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR/PERIOD		1,919,497	6,948,919	1,502,080	(40,739)

The annexed notes form an integral part of these financial statements.

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

	Note	The Group		The Company	
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023# RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company:					
- continuing operations		1,919,497	6,949,594	1,502,080	(40,739)
- discontinued operations		-	(8,609)	-	-
		<u>1,919,497</u>	<u>6,940,985</u>	<u>1,502,080</u>	<u>(40,739)</u>
Non-controlling interests:					
- continuing operations		-	7,934	-	-
		<u>1,919,497</u>	<u>6,948,919</u>	<u>1,502,080</u>	<u>(40,739)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company:					
- continuing operations		1,919,497	6,949,594	1,502,080	(40,739)
- discontinued operations		-	(8,609)	-	-
		<u>1,919,497</u>	<u>6,940,985</u>	<u>1,502,080</u>	<u>(40,739)</u>
Non-controlling interests:					
- continuing operations		-	7,934	-	-
		<u>1,919,497</u>	<u>6,948,919</u>	<u>1,502,080</u>	<u>(40,739)</u>
EARNINGS/(LOSS) PER SHARE (SEN)					
	28				
Basic:					
- continuing operations		1.04	4.34		
- discontinued operations		-	(0.0054)		
		<u>1.04</u>	<u>4.34</u>		
Diluted:					
- continuing operations		1.04	4.34		
- discontinued operations		-	(0.0054)		
		<u>1.04</u>	<u>4.34</u>		

Note:-

As disclosed in Note 4.3 to the financial statements, the comparative figures in the Group's financial statements are presented as if the reorganisation had occurred before the start of the earliest period presented.

The annexed notes form an integral part of these financial statements.

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OCEAN FRESH BERHAD

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share Capital RM	Invested Capital RM	Reorganisation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
The Group								
Balance at 1.1.2023		-	8,137,139	3,815,970	26,469,729	38,422,838	17,623	38,440,461
Profit after taxation/Total comprehensive income for the financial year		-	-	-	6,940,985	6,940,985	7,934	6,948,919
Acquisition of non-controlling interests	29	-	-	-	-	-	(25,557)	(25,557)
Contribution by owners of the Company:								
- Issuance of shares	14	1	-	-	-	1	-	1
Balance at 31.12.2023		1	8,137,139	3,815,970	33,410,714	45,363,824	-	45,363,824

The annexed notes form an integral part of these financial statements.

Registration No: 202301019041 (1512963 - A)

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Note	Share Capital RM	Invested Capital RM	Reorganisation Reserve/(Deficit) RM	Retained Profits RM	Total Equity RM
The Group						
Balance at 1.1.2024		1	8,137,139	3,815,970	33,410,714	45,363,824
Profit after taxation/Total comprehensive income for the financial year		-	-	-	1,919,497	1,919,497
Contributions by owners of the Company:-						
Issuance of new shares:						
- acquisition of a subsidiary	14	38,423,040	(8,137,139)	(30,285,901)	-	-
- public issuance	14	14,014,000	-	-	-	14,014,000
Share issuance expenses	14	(1,125,012)	-	-	-	(1,125,012)
Total transactions with owners		51,312,028	(8,137,139)	(30,285,901)	-	12,888,988
Balance at 31.12.2024		51,312,029	-	(26,469,931)	35,330,211	60,172,309

The annexed notes form an integral part of these financial statements.

OCEAN FRESH BERHAD

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

	Note	Share Capital RM	(Accumulated Losses)/ Retained Profits RM	Total Equity RM
The Company				
Balance at 22.5.2023 (date of incorporation)		1	-	1
Loss after taxation/Total comprehensive expenses for the financial period		-	(40,739)	(40,739)
Balance at 31.12.2023/1.1.2024		1	(40,739)	(40,738)
Profit after taxation/Total comprehensive income for the financial year		-	1,502,080	1,502,080
Contribution by owners of the Company:-				
Issuance of new shares:				
- acquisition of a subsidiary	14	38,423,040	-	38,423,040
- public issuance	14	14,014,000	-	14,014,000
Share issuance expenses	14	(1,125,012)	-	(1,125,012)
Total transactions with owners		51,312,028	-	51,312,028
Balance at 31.12.2024		51,312,029	1,461,341	52,773,370

The annexed notes form an integral part of these financial statements.

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023# RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation:				
- continuing operations	2,297,775	6,993,707	1,640,395	(40,739)
- discontinued operations	-	(8,609)	-	-
Adjustments for:-				
Bad debts written off	7,436	1,808,259	-	-
Bad debts recovered	-	(258,297)	-	-
Depreciation:				
- property, plant and equipment	745,653	699,705	-	-
- right-of-use assets	103,341	47,677	-	-
Impairment losses on advances to suppliers	-	6,266	-	-
Inventories written off	-	176,799	-	-
Inventories written down	-	243,604	-	-
Net impairment losses on trade receivables	753,008	1,282,599	-	-
Dividend income	-	-	(4,182,560)	-
Gain on disposal of property, plant and equipment	(16,999)	(20,998)	-	-
Gain on disposal of a subsidiary	-	(1,310)	-	-
Property, plant and equipment written off	13,126	21,719	-	-
Gain on bargain purchase	-	(1,941)	-	-
Finance costs	171,563	199,797	-	-
Interest income	(150,471)	(4,608)	(143,718)	-
Reversal of impairment losses on advances to suppliers	(22,725)	(1,185)	-	-
Unrealised gain on foreign exchange	(93,524)	-	-	-
Operating profit/(loss) before working capital changes	3,808,183	11,183,184	(2,685,883)	(40,739)

The annexed notes form an integral part of these financial statements.

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023# RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
Operating profit/(loss) before working capital changes (Cont'd)	3,808,183	11,183,184	(2,685,883)	(40,739)
Decrease/(Increase) in inventories	3,996,285	(18,215,166)	-	-
(Increase)/Decrease in trade and other receivables	(8,441,263)	6,340,783	(4,800)	(140)
Increase/(Decrease) in trade and other payables	5,140,535	(425,545)	21,334	28,470
Increase in amount owing by subsidiaries	-	-	(79,860)	-
(Decrease)/Increase in amount owing to a related party	-	(6,068)	(12,409)	12,409
Decrease in amount owing to directors	-	(84,001)	-	-
CASH FROM/(FOR) OPERATIONS	4,503,740	(1,206,813)	(2,761,618)	-
Interest paid	(30,587)	(50,763)	-	-
Income tax paid	(739,983)	(867,561)	(14,400)	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	3,733,170	(2,125,137)	(2,776,018)	-

The annexed notes form an integral part of these financial statements.

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

	Note	The Group		The Company	
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023# RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of subsidiaries	5(c)(ii)	-	-	(7,614,603)	-
Disposal of a subsidiary, net of cash and cash equivalents disposed of	30	-	(6,775)	-	-
Interest income received		150,471	4,608	143,718	-
Withdrawal of pledged fixed deposits with licensed banks		-	288,276	-	-
Proceeds from disposal of property, plant and equipment		17,000	21,000	-	-
Purchase of property, plant and equipment		(981,893)	(966,653)	-	-
NET CASH FOR INVESTING ACTIVITIES		(814,422)	(659,544)	(7,470,885)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Acquisition of non-controlling interest	29	-	(23,616)	-	-
Net proceeds from issuance of ordinary shares		12,888,988	1	12,888,988	1
Interest paid	31(b)	(140,976)	(149,034)	-	-
Drawdown of bankers' acceptances	31(b)	7,982,473	6,055,456	-	-
Repayment of bankers' acceptances	31(b)	(9,197,193)	(3,441,232)	-	-
Repayment of hire purchase payables	31(b)	(332,786)	(289,592)	-	-
Repayment of term loans	31(b)	-	(411,261)	-	-
Repayment of lease liability	31(b)	(100,210)	(47,541)	-	-
NET CASH FROM FINANCING ACTIVITIES		11,100,296	1,693,181	12,888,988	1

The annexed notes form an integral part of these financial statements.

OCEAN FRESH BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

	Note	The Group		The Company	
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023# RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		14,019,044	(1,091,500)	2,642,085	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		5,188,415	6,279,915	1	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	31(d)	<u>19,207,459</u>	<u>5,188,415</u>	<u>2,642,086</u>	<u>1</u>

Note:-

As disclosed in Note 4.3 to the financial statements, the comparative figures in the Group's financial statements are presented as if the reorganisation had occurred before the start of the earliest period presented.

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OCEAN FRESH BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : Unit 521, 5th Floor, Lobby 6, Block A,
Damansara Intan,
No. 1, Jalan SS20/27,
47400, Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : Lot 19869, Kampung Baru Peramu,
26060 Kuantan,
Pahang Darul Makmur.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 April 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

OCEAN FRESH BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

OCEAN FRESH BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:-

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Property, Plant and Equipment

The Group and the Company determine whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of property, plant and equipment as at the reporting date are disclosed in Note 6 to the financial statements.

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 9 to the financial statements.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 10 to the financial statements.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amount of other receivables as at the reporting date are disclosed in Note 11 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

4.3 BASIS OF CONSOLIDATION

The Company was incorporated as part of restructuring exercise under the listing scheme for the listing and quotation of its entire share capital on the ACE Market of Bursa Malaysia Securities Berhad.

On 3 May 2024, the Company had undertaken a restructuring exercise via:-

- (a) acquisition of the entire issued share capital of Ocean Fresh Seafood Products Sdn. Bhd.; and
- (b) internal reorganisation upon completion of the acquisition of the entire issued capital of OFSP whereby the Company has acquired the entire issued share capital of Lianli Huat Seafood Products Sdn. Bhd., East Ocean Frozen Seafood Products (Sabah) Sdn. Bhd. and Ocean Fresh Trading Sdn. Bhd..

As the Company did not constitute a business as defined in MFRS 3 *Business Combinations*, the acquisition was accounted for as a capital reorganisation arising from a transaction under common control, as the ultimate controlling shareholders remain unchanged before and after the internal reorganisation. Accordingly, the consolidated financial statements of the Company represent a continuation of the acquired entity, and the results of the entity are presented as if reorganisation had occurred before the start of the earliest period presented in the financial statements.

In the consolidated financial statements of the Company, the Company incorporated the assets and liabilities of the acquired entity at its pre-internal reorganisation carrying amounts without fair value uplift on the basis that there is no substantive economic change resulting from the internal restructuring. No new goodwill was recorded. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reorganisation reserve or deficit.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.4 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.5 INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is stated at revalued amounts based on periodic valuations, at least once in every 3 or 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Factory building	2%
Solar asset	4%
Plant and machineries	10%
Factory equipment, laboratory equipment and cold room	10%
Office equipment, furniture and fitting, renovation and signboard	10 - 20%
Jetty	10%
Motor vehicles	20%

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATIONS (CONT'D)

4.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group applies the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2024 RM	2023 RM
Unquoted shares, at cost	46,037,643	-

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	
East Ocean Frozen Seafood Products (Sabah) Sdn. Bhd. ("EO")	Malaysia	100	-	Sourcing services for all type of seafood.
Lianli Huat Seafood Products Sdn. Bhd. ("LLH")	Malaysia	100	-	Trading of seafood products.
Ocean Fresh Seafood Products Sdn. Bhd. ("OFSP")	Malaysia	100	-	Wholesaler, retailer, processor and exporter of frozen seafood products and investment holding.
Ocean Fresh Trading Sdn. Bhd. ("OFT")	Malaysia	100	-	Sourcing services for all type of seafood.

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) In the previous financial year, OFSP has acquired the remaining 40% equity interest in EO. The details of the acquisition are disclosed in Note 29 to the financial statements.
- (b) In the previous financial year, OFSP has disposed of its entire interests in Ocean Fresh Seafood Processing Sdn. Bhd. ("OFP"). The details of the disposal are disclosed in Note 30 to the financial statement.
- (c) On 3 May 2024, the Company had undertaken a restructuring exercise via:-
 - (i) acquisition of the entire issue share capital of OFSP for a total consideration of RM38,423,040 that has been satisfied via the issuance of 160,095,999 new ordinary shares at RM0.24 per ordinary share; and
 - (ii) internal reorganisation upon completion of the acquisition of the entire issued capital of OFSP whereby the Company has acquired the entire issued share capital of LLH, EO and OFT for a total cash consideration of RM7,614,603.

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6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2024 RM	Additions RM	Disposal RM	Written offs RM	Depreciation Charges RM	At 31.12.2024 RM
2024						
<i>Carrying Amount</i>						
Freehold land	992,718	-	-	-	-	992,718
Factory building	4,706,055	577,266	-	-	(136,131)	5,147,190
Solar asset	1,584,958	-	-	-	(71,079)	1,513,879
Plant and machineries	1,212,948	27,000	-	(13,125)	(179,600)	1,047,223
Factory equipment, laboratory equipment and cold room	796,499	321,729	-	-	(157,176)	961,052
Office equipment, furniture and fitting, renovation and signboard	223,354	52,686	-	(1)	(72,993)	203,046
Motor vehicles	411,056	3,212	(1)	-	(128,674)	285,593
	9,927,588	981,893	(1)	(13,126)	(745,653)	10,150,701

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6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2023 RM	Additions RM	Disposal RM	Written offs RM	Depreciation Charges RM	At 31.12.2023 RM
2023						
<i>Carrying Amount</i>						
Freehold land	992,718	-	-	-	-	992,718
Factory building	4,509,373	319,380	-	-	(122,698)	4,706,055
Solar asset	1,656,036	-	-	-	(71,078)	1,584,958
Plant and machineries	1,394,358	-	-	(119)	(181,291)	1,212,948
Factory equipment, laboratory equipment and cold room	527,932	407,931	-	(11,258)	(128,106)	796,499
Office equipment, furniture and fitting, renovation and signboard	216,146	80,342	-	(2,076)	(71,058)	223,354
Jetty	33	-	-	(33)	-	-
Motor vehicles	385,765	159,000	(2)	(8,233)	(125,474)	411,056
	9,682,361	966,653	(2)	(21,719)	(699,705)	9,927,588

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2024			
Freehold land	992,718	-	992,718
Factory building	6,927,818	(1,780,628)	5,147,190
Solar asset	1,776,960	(263,081)	1,513,879
Plant and machineries	1,871,968	(824,745)	1,047,223
Factory equipment, laboratory equipment and cold room	2,357,214	(1,396,162)	961,052
Office equipment, furniture and fitting, renovation and signboard	834,233	(631,187)	203,046
Motor vehicles	1,009,129	(723,536)	285,593
	15,770,040	(5,619,339)	10,150,701
2023			
Freehold land	992,718	-	992,718
Factory building	6,350,552	(1,644,497)	4,706,055
Solar asset	1,776,960	(192,002)	1,584,958
Plant and machineries	1,907,968	(695,020)	1,212,948
Factory equipment, laboratory equipment and cold room	2,035,485	(1,238,986)	796,499
Office equipment, furniture and fitting, renovation and signboard	782,847	(559,493)	223,354
Motor vehicles	1,113,755	(702,699)	411,056
	14,960,285	(5,032,697)	9,927,588

- (a) The freehold land and building of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 21 and 22 to the financial statements respectively.
- (b) Included in the property, plant and equipment of the Group were solar asset, plant and machineries and cold room with a total carrying amount of RM1,446,788 (2023 - RM1,640,139) held under hire purchase arrangements. These assets have had been pledged as security for the hire purchase payables of the Group as disclosed in Note 16 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
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7. RIGHT-OF-USE ASSETS

	At 1.1.2024 RM	Addition (Note 31(a)) RM	Depreciation Charge RM	At 31.12.2024 RM
The Group				
2024				
<i>Carrying Amount</i>				
Hostels	81,914	77,179	(103,341)	55,752
	At 1.1.2023 RM	Addition (Note 31(a)) RM	Depreciation Charge RM	At 31.12.2023 RM
2023				
<i>Carrying Amount</i>				
Hostels	14,206	115,385	(47,677)	81,914

- (a) The Group has leased hostels by entering into non-cancellable operating lease agreements for residential use. Their lease terms range from 1 to 2 (2023 - 1 to 2) years.
- (b) The Group also has leases with lease terms of 12 months or less. The Group has applied the 'short-term lease' recognition exemptions for these leases.

8. GOODWILL

	The Group	
	2024 RM	2023 RM
Cost:-		
At 1 January/31 December	50,055	50,055

No impairment testing is done on goodwill allocated to the cash generating unit as it is considered immaterial to the Group.

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9. INVENTORIES

	The Group	
	2024	2023
	RM	RM
Raw materials and packaging materials	481,153	466,728
Goods-in-transit	6,751,921	4,820,576
Finished goods	16,834,136	22,776,191
	<u>24,067,210</u>	<u>28,063,495</u>
Recognised in profit or loss:-		
Inventories recognised as cost of sales	147,164,853	138,366,935
Inventories written off	-	176,799
Inventories written down	-	243,604
	<u>-</u>	<u>243,604</u>

10. TRADE RECEIVABLES

	The Group	
	2024	2023
	RM	RM
Trade receivables	21,228,879	12,868,461
Allowance for impairment losses (Note 36.1(b)(iii))	(2,427,941)	(1,674,933)
	<u>18,800,938</u>	<u>11,193,528</u>

The Group's normal trade credit terms range from 30 to 60 (2023 - 30 to 60) days.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Advances to suppliers	6,071,019	5,326,966	-	-
Allowance for impairment losses	-	(22,725)	-	-
	<u>6,071,019</u>	<u>5,304,241</u>	<u>-</u>	<u>-</u>
Dividend receivable	-	-	4,182,560	-
Other receivables	257,438	582,382	-	-
Deposits	364,605	216,952	-	-
Prepayments	273,665	673,494	4,940	140
	<u>6,966,727</u>	<u>6,777,069</u>	<u>4,187,500</u>	<u>140</u>
Allowance for impairment losses:				
At 1 January	22,725	17,644	-	-
Addition during the financial year (Note 25)	-	6,266	-	-
Reversal during the financial year (Note 25)	(22,725)	(1,185)	-	-
At 31 December	<u>-</u>	<u>22,725</u>	<u>-</u>	<u>-</u>

The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

12. AMOUNT OWING BY SUBSIDIARIES

The amount owing represents management fees which are unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

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13. SHORT-TERM INVESTMENT

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Money market funds, at fair value (Note 31(d))	11,000,000	-	2,500,000	-

14. SHARE CAPITAL

		The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Share capital	(a)	51,312,029	1	51,312,029	1
Invested capital	(b)	-	8,137,139	-	-
		<u>51,312,029</u>	<u>8,137,140</u>	<u>51,312,029</u>	<u>1</u>

(a) Share Capital

	The Group/The Company			
	2024 Number of Shares	2023 Number of Shares	2024 RM	2023 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January/22 May 2023 (date of incorporation)	1	1	1	1
Issuance of new shares:				
- acquisition of a subsidiary	160,095,999	-	38,423,040	-
- public issuance	50,050,000	-	14,014,000	-
Share issuance expenses	-	-	(1,125,012)	-
At 31 December	<u>210,146,000</u>	<u>1</u>	<u>51,312,029</u>	<u>1</u>

- (i) The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. SHARE CAPITAL (CONT'D)

(a) Share Capital (Cont'd)

- (ii) During the financial year, the Company increased its issued and paid-up share capital from RM1 to RM51,312,029 by way of:
- issuance of 160,095,999 new ordinary shares at an issue price of RM0.24 per ordinary share, for a total consideration of RM38,423,040 as full payment for the acquisition of the entire equity interest of OFSP; and
 - issuance of 50,050,000 new ordinary shares at an issue price of RM0.28 per ordinary share pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad for a total cash consideration of RM14,014,000. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,125,012 were offset against share capital of the Company.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) Invested Capital

	The Group			
	2024	2023	2024	2023
	Number of Shares		RM	
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	5,228,200	5,228,200	8,137,139	8,137,139
Effect of group restructuring exercise	(5,228,200)	-	(8,137,139)	-
At 31 December	<u>-</u>	<u>5,228,200</u>	<u>-</u>	<u>8,137,139</u>

- (i) In the previous financial year, invested capital comprised the aggregate number of issued and paid-up ordinary shares of the combined entities of the Group. During the financial year, the amount has been reversed pursuant to the completion of the acquisition of subsidiaries.
- (ii) The holders of ordinary shares of the combined entities of the Group were entitled to receive dividend as and when declared by the respective combined entities of the Group and are entitled to one vote per ordinary share at their meetings, respectively. The ordinary shares have no par value.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. REORGANISATION (DEFICIT)/RESERVE

The reorganisation (deficit)/reserve arise from the difference between the carrying value of the investment and the nominal value of shares of the direct subsidiaries upon consolidation under the pooling-of-interest method of accounting.

16. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2024	2023
	RM	RM
Minimum hire purchase payments:		
- not later than 1 year	373,788	373,788
- later than 1 year and not later than 5 years	62,298	436,086
	<hr/>	<hr/>
	436,086	809,874
Less: Future finance charges	(17,501)	(58,503)
	<hr/>	<hr/>
Present value of hire purchase payables	418,585	751,371
	<hr/>	<hr/>

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

16. HIRE PURCHASE PAYABLES (SECURED) (CONT'D)

	The Group	
	2024 RM	2023 RM
Analysed by:-		
Current liabilities	356,784	332,786
Non-current liabilities	61,801	418,585
	418,585	751,371

- (a) The hire purchase payables of the Group are secured by the Group's solar asset, plant and machineries and cold room held under hire purchase arrangements as disclosed in Note 6 to the financial statements.
- (b) The hire purchase payables of the Group at the end of the financial year bore effective interest rates ranging from 7.07% to 7.15% (2023 - 7.07% to 7.15%) per annum. The interest rates are fixed at inception of the hire purchase arrangements.

17. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2023 - 30 to 60) days.

18. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	533,688	1,799,474	10,112	21,470
Advances from customers	4,812,473	3,532,353	-	-
Accruals	261,175	521,510	39,692	7,000
Deposits received	740	2,110	-	-
	5,608,076	5,855,447	49,804	28,470

The advances from customers are unsecured and interest-free. The amount owing will be offset against future sales from the customers.

19. AMOUNT OWING TO A RELATED PARTY

The amount owing was non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

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20. LEASE LIABILITY

	The Group	
	2024	2023
	RM	RM
At 1 January	82,497	14,653
Additions (Notes 7 and 31(a))	77,179	115,385
Interest expense recognise in profit or loss (Note 25)	1,890	1,459
Repayment of principal	(100,210)	(47,541)
Repayment of interest expense	(1,890)	(1,459)
	59,466	82,497
At 31 December	59,466	82,497
Analysed by:-		
Current liability	59,466	82,497

21. BANKERS' ACCEPTANCES (SECURED)

- (a) The bankers' acceptances bore an effective interest rate of 4.49% (2023 - 4.80%) per annum at the end of the reporting period.
- (b) The bankers' acceptances are secured by:-
- (i) freehold land and building of the Group as disclosed in Note 6 to the financial statements;
 - (ii) debenture over fixed and floating, present and future assets of the Group;
 - (iii) corporate guarantee by the Company; and
 - (iv) joint and several guarantee by certain directors of the Group.

22. BANK OVERDRAFTS (SECURED)

- (a) The bank overdrafts bore an effective interest rate of 8.25% (2023 - 8.25%) per annum at the end of the reporting period.
- (b) The bank overdrafts are secured in the same manner as disclosed in Note 21 to the financial statements.

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23. REVENUE

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sales of frozen seafood products	159,991,952	155,649,178	-	-
Processing services	3,723,005	3,805,113	-	-
	<u>163,714,957</u>	<u>159,454,291</u>	<u>-</u>	<u>-</u>
Revenue from Other Sources				
Dividend income from a subsidiary	-	-	4,182,560	-
Management fees	-	-	480,000	-
	<u>163,714,957</u>	<u>159,454,291</u>	<u>4,662,560</u>	<u>-</u>

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 34 to the financial statements.
- (b) The information about the performance obligations in contracts with customers is summarised below:-

Sales of Frozen Seafood Products

Revenue from sales of frozen seafood products is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rendering of Processing Services

Revenue is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

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23. REVENUE (CONT'D)

(c) The information of the revenue from other sources is summarised below:-

Dividend Income

Dividend income is recognised when the right to receive dividend payment is established.

Management Fees

Management fees are recognised in the period in which the services are rendered.

24. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Allowance for impairment loss on trade receivables	(753,008)	(1,310,943)
Reversal of impairment loss on trade receivables	-	28,344
	<u>(753,008)</u>	<u>(1,282,599)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****25. PROFIT/(LOSS) BEFORE TAXATION**

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
Profit/(loss) before taxation is arrived at after charging/ (crediting):-				
Audit remuneration:				
- audit fees	90,000	51,228	25,000	7,000
- non-audit fees	105,000	368,000	105,000	-
Directors' remuneration (Note 32)	606,013	657,593	297,875	-
Material Expenses/(Income)				
Bad debts written off	7,436	1,808,259	-	-
Depreciation:				
- property, plant and equipment	745,653	699,705	-	-
- right-of-use assets	103,341	47,677	-	-
Impairment losses on advances to suppliers	-	6,266	-	-
Initial public offering ("IPO") expenses	1,403,796	1,385,650	1,403,796	16,000
Inventories written off	-	176,799	-	-
Inventories written down	-	243,604	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances	98,084	78,002	-	-
- bank overdrafts	18,395	41,509	-	-
- hire purchase payables	41,002	59,978	-	-
- term loan	-	9,595	-	-
- others	12,192	9,254	-	-
Interest expense on lease liabilities	1,890	1,459	-	-
Lease expense:				
- short-term lease	28,800	14,200	-	-
Property, plant and equipment written off	13,126	21,719	-	-
Staff costs:				
- short-term employee benefits	4,765,081	4,314,173	-	-
- defined contribution benefits	294,479	263,100	-	-
Bad debts recovered	-	(258,297)	-	-
Dividend income from a subsidiary	-	-	(4,182,560)	-

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25. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
Profit/(loss) before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Material Expenses/(Income) (Cont'd)				
Gain on bargain purchase	-	(1,941)	-	-
Gain on disposal of property, plant and equipment	(16,999)	(20,998)	-	-
Gain on disposal of a subsidiary	-	(1,310)	-	-
Gain on foreign exchange:				
- realised	(146,771)	(954,441)	-	-
- unrealised	(93,524)	-	-	-
Total interest income on financial assets	(150,471)	(4,608)	(143,718)	-
Reversal of impairment losses on advances to suppliers	(22,725)	(1,185)	-	-

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26. INCOME TAX EXPENSE

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
<u>Continuing operations</u>				
Current tax expense	474,259	892,780	138,315	-
Overprovision in the previous financial year	(95,981)	(856,601)	-	-
Total income tax expense	<u>378,278</u>	<u>36,179</u>	<u>138,315</u>	<u>-</u>

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
Profit/(Loss) after taxation	1,919,497	6,948,919	1,502,080	(40,739)
Total income tax expense	<u>378,278</u>	<u>36,179</u>	<u>138,315</u>	<u>-</u>
Results from continuing and discontinued operations before income tax expense	<u>2,297,775</u>	<u>6,985,098</u>	<u>1,640,395</u>	<u>(40,739)</u>
Tax at the statutory tax rate of 24% (2023 - 24%)	551,466	1,676,423	393,695	(9,777)
Tax effects of:-				
Non-deductible expenses	601,139	612,736	748,434	9,777
Non-taxable income	-	-	(1,003,814)	-
Tax incentives	(690,479)	(1,336,306)	-	-
Deferred tax assets not recognised during the financial year/period	24,498	41,302	-	-
Utilisation of deferred tax assets previously not recognised	(12,365)	(101,375)	-	-
Overprovision of current tax in the previous financial year	(95,981)	(856,601)	-	-
	<u>378,278</u>	<u>36,179</u>	<u>138,315</u>	<u>-</u>

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26. INCOME TAX EXPENSE (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial year.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2024	2023
	RM	RM
Unused tax losses:		
- expiring within 6 to 10 years	302,000	273,000
Other deductible temporary differences	22,000	-
	324,000	273,000
	324,000	273,000

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment.

27. LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS

As disclosed in Note 30 to the financial statements, the Group has announced the disposal of its subsidiary, OFP was completed on 16 October 2023.

An analysis of the results of the discontinued operations was as follows:-

	The Group
	2023
	RM
Revenue	-
Cost of sales	-
Gross profit	-
Administrative expenses	(8,609)
Loss before taxation from discontinued operations	(8,609)
Income tax expenses	-
Loss after taxation from discontinued operations	(8,609)

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27. LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

The cash flows attributable to the discontinued operations are the following:-

	The Group 2023 RM
Net cash for operation activities	(8,609)
Net cash for discontinued operations	(8,609)

28. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2024	The Group 2023
Continuing operations		
Profit attributable to owners of the Company (RM)	1,919,497	6,949,594
Weighted average number of ordinary shares in issues*	184,847,503	160,096,000
Basic earnings per share (sen)	1.04	4.34
Discontinuing operations		
Loss attributable to owners of the Company (RM)	-	(8,609)
Weighted average number of ordinary shares in issues*	-	160,096,000
Basic loss per share (sen)	-	(0.0054)

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

Note:-

* - In determining the weighted average number of ordinary shares issued by the Company, the issuance of shares pursuant to group restructuring exercise is treated as if it had been in issue since the beginning of the earliest period presented.

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29. ACQUISITION OF NON-CONTROLLING INTERESTS

On 9 March 2023, the Group acquired the remaining 40% equity interest represented 200,000 ordinary shares in a subsidiary, EO for a total cash consideration of RM23,616 from a director of the subsidiary. The carrying amount of EO's net assets in the Group's financial statements on that date was RM63,893. The Group recognised a decrease in non-controlling interests of RM25,557.

The following summarises the effect of bargain purchase in EO that is attributable to the owners of the Group:-

	The Group 2023 RM
Net identifiable assets acquired	25,557
Total purchase consideration	23,616
	<hr/>
Gain on bargain purchase	1,941
	<hr/>

There were no acquisitions of non-controlling interests during the financial year.

30. DISPOSAL OF A SUBSIDIARY

On 10 October 2023, the Group disposed of its entire equity interest in OFP for a total cash consideration of RM2,771.

The following summarises the amounts of assets disposed of and liabilities transferred at the date of disposal:-

(a) Financial Effect Arising from Disposal

	The Group 2023 RM
Trade and other receivables	150
Cash and cash equivalents	9,546
Other payables	(8,235)
	<hr/>
Carrying amount of net assets disposed of	1,461
Less: Cash consideration received	2,771
	<hr/>
Gain on disposal of a subsidiary (Note 25)	(1,310)
	<hr/>

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30. DISPOSAL OF A SUBSIDIARY (CONT'D)

(b) Cash Flows Arising from Disposal

	The Group 2023 RM
Cash consideration received	2,771
Cash and cash equivalents of subsidiary disposed of	(9,546)
	<hr/>
Net cash outflow from the disposal of a subsidiary	(6,775)
	<hr/> <hr/>

There was no disposal of a subsidiary during the financial year.

31. CASH FLOW INFORMATION

(a) The cash disbursed for the addition of right-of-use assets is as follows:-

	The Group	
	2024 RM	2023 RM
Right-of-use asset		
Cost of right-of-use asset acquired (Note 7)	77,179	115,385
Less: Addition of new lease liability (Note 20)	(77,179)	(115,385)
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

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31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Bankers' Acceptances RM	Hire Purchase Payables RM	Lease Liability RM	Total RM
The Group				
2024				
At 1 January	3,121,329	751,371	82,497	3,955,197
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	7,982,473	-	-	7,982,473
Repayment of principal	(9,197,193)	(332,786)	(100,210)	(9,630,189)
Repayment of interests	(98,084)	(41,002)	(1,890)	(140,976)
	(1,312,804)	(373,788)	(102,100)	(1,788,692)
<u>Other Changes</u>				
Acquisition of new lease (Notes 20 and 31(a))	-	-	77,179	77,179
Interest expense recognised in profit or loss (Note 25)	98,084	41,002	1,890	140,976
	98,084	41,002	79,069	218,155
At 31 December	1,906,609	418,585	59,466	2,384,660

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31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Bankers' Acceptances RM	Hire Purchase Payables RM	Lease Liability RM	Term Loan RM	Total RM
The Group					
2023					
At 1 January	507,105	1,040,963	14,653	411,261	1,973,982
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	6,055,456	-	-	-	6,055,456
Repayment of principal	(3,441,232)	(289,592)	(47,541)	(411,261)	(4,189,626)
Repayment of interests	(78,002)	(59,978)	(1,459)	(9,595)	(149,034)
	2,536,222	(349,570)	(49,000)	(420,856)	1,716,796
<u>Other Changes</u>					
Addition of new lease (Notes 20 and 31(a))	-	-	115,385	-	115,385
Interest expense recognised in profit or loss (Note 25)	78,002	59,978	1,459	9,595	149,034
	78,002	59,978	116,844	9,595	264,419
At 31 December	3,121,329	751,371	82,497	-	3,955,197

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Payment of short-term leases	28,800	14,200
Interest paid on lease liability	1,890	1,459
Payment of lease liability	100,210	47,541
	<u>130,900</u>	<u>63,200</u>

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31. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
Money market funds (Note 13)	11,000,000	-	2,500,000	-
Cash and bank balances	8,378,908	6,673,295	142,086	1
	<u>19,378,908</u>	<u>6,673,295</u>	<u>2,642,086</u>	<u>1</u>
Less: Bank overdrafts	(171,449)	(1,484,880)	-	-
	<u>19,207,459</u>	<u>5,188,415</u>	<u>2,642,086</u>	<u>1</u>

32. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include directors of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	-	40,000	-	-
- salaries, bonuses and other benefits	570,541	581,925	279,419	-
	<u>570,541</u>	<u>621,925</u>	<u>279,419</u>	<u>-</u>
Defined contribution benefits	35,472	35,668	18,456	-
	<u>35,472</u>	<u>35,668</u>	<u>18,456</u>	<u>-</u>
Total directors' remuneration (Note 25)	<u>606,013</u>	<u>657,593</u>	<u>297,875</u>	<u>-</u>

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33. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

The Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	22.5.2023 to 31.12.2023 RM
Dividend income from a subsidiary	-	-	4,182,560	-
Management fee from subsidiaries	-	-	480,000	-
Processing fee from a related party	-	81,219	-	-
Rental income from a related party	-	3,381	-	-
Sales to related parties	5,644,502	5,530,393	-	-
Purchases from related parties	4,192,662	4,292,333	-	-
Services expenses charged from related parties	36,683	-	-	-
	<u>36,683</u>	<u>-</u>	<u>-</u>	<u>-</u>

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the Notes 12 and 19 to the financial statements respectively.

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34. OPERATING SEGMENTS

34.1 BUSINESS SEGMENT

The Group operates predominantly in one business segment i.e. processing and trading of frozen seafood products. Accordingly, the information by business segment is not presented.

34.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

The information on the disaggregation of revenue based on geographical region is summarised below:-

	The Group	
	2024	2023
	RM	RM
Malaysia	25,979,315	27,447,168
China	59,304,502	52,004,616
Turkey	36,855,882	39,586,217
Thailand	9,573,567	5,675,094
Vietnam	8,643,944	10,346,936
Japan	8,098,256	5,563,402
United States	5,862,291	5,765,096
Italy	4,468,952	2,146,394
Philippine	3,762,392	6,689,548
Others	1,165,856	4,229,820
	163,714,957	159,454,291

34.3 MAJOR CUSTOMERS

The following are major customers with revenue equal or more than 10% of the Group's total revenue:-

	Revenue	
	2024	2023
	RM	RM
Customer A: - processing and trading of frozen seafood products segment	29,762,824	21,738,114

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35. CAPITAL COMMITMENTS

	The Group	
	2024	2023
	RM	RM
Authorised but not contracted for		
Construction of property	8,000,000	-
Purchase of plant and machinery	1,260,000	-
Contracted but not provided for		
Purchase of motor vehicle	156,400	-
	9,416,400	-

36. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

36.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and others. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

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36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)**(i) Foreign Currency Risk (Cont'd)**

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments of the end of the reporting period is summarised as below:-

Foreign Currency Exposure

The Group	United States Dollar RM	Others RM	Ringgit Malaysia RM	Total RM
2024				
<u>Financial Assets</u>				
Trade receivables	14,701,606	-	4,099,332	18,800,938
Other receivables	-	-	257,438	257,438
Short-term investment	-	-	11,000,000	11,000,000
Cash and bank balances	3,697,443	30,777	4,650,688	8,378,908
	<u>18,399,049</u>	<u>30,777</u>	<u>20,007,458</u>	<u>38,437,284</u>
<u>Financial Liabilities</u>				
Hire purchase payables	-	-	418,585	418,585
Bankers' acceptances	-	-	1,906,609	1,906,609
Bank overdrafts	-	-	171,449	171,449
Trade payables	5,406,184	-	6,373,987	11,780,171
Other payables and accruals	-	-	794,863	794,863
	<u>5,406,184</u>	<u>-</u>	<u>9,665,493</u>	<u>15,071,677</u>
Net financial assets	12,992,865	30,777	10,341,965	23,365,607
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	(10,341,965)	(10,341,965)
Currency Exposure	<u>12,992,865</u>	<u>30,777</u>	<u>-</u>	<u>13,023,642</u>

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36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)**(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure (Cont'd)*

The Group	United States Dollar RM	Others RM	Ringgit Malaysia RM	Total RM
2023				
<u>Financial Assets</u>				
Trade receivables	9,483,223	855,520	854,785	11,193,528
Other receivables	-	-	582,382	582,382
Cash and bank balances	1,206,944	42,345	5,424,006	6,673,295
	<u>10,690,167</u>	<u>897,865</u>	<u>6,861,173</u>	<u>18,449,205</u>
<u>Financial Liabilities</u>				
Hire purchase payables	-	-	751,371	751,371
Bankers' acceptances	-	-	3,121,329	3,121,329
Bank overdraft	-	-	1,484,880	1,484,880
Trade payables	3,577,255	-	2,815,010	6,392,265
Other payables and accruals	-	-	2,320,984	2,320,984
	<u>3,577,255</u>	<u>-</u>	<u>10,493,574</u>	<u>14,070,829</u>
Net financial assets/ (liabilities)	7,112,912	897,865	(3,632,401)	4,378,376
Add: Net financial liabilities denominated in the respective entities' functional currencies	-	-	3,632,401	3,632,401
Currency Exposure	<u>7,112,912</u>	<u>897,865</u>	<u>-</u>	<u>8,010,777</u>

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2024	2023
	RM	RM
Effects on Profit After Taxation		
USD/RM - strengthened by 5%	493,729	270,291
- weakened by 5%	(493,729)	(270,291)
Others/RM - strengthened by 5%	1,170	34,119
- weakened by 5%	(1,170)	(34,119)

There is no impact on the Group's equity.

The Company

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variables rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 21 and 22 to the financial statements respectively.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate banker's acceptances and bank overdrafts at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balance), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group and the Company do not have any significant credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM2,078,058 (2023 - Nil), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivables;
- A breach of contract, such as a default or past event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 365 days past due. The Group uses a more lagging past due criterion for trade receivables as it is more appropriate to reflect their loss patterns.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including subsidiaries) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months (2023 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

	Non-credit Impaired RM
The Group	
<u>Trade Receivables</u>	
Balance at 1.1.2023	392,366
Additions (Note 24)	1,310,943
Reversals (Note 24)	(28,344)
Written offs	(32)
Balance at 31.12.2023/1.1.2024	<u>1,674,933</u>
Additions (Note 24)	753,008
Balance at 31.12.2024	<u><u>2,427,941</u></u>

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM	Lifetime Collective Impairment RM	Carrying Amount RM
The Group			
2024			
Current (not past due)	7,472,253	(138,915)	7,333,338
1 to 30 days past due	4,103,042	(119,561)	3,983,481
31 to 60 days past due	1,475,037	(70,579)	1,404,458
61 to 90 days past due	1,847,491	(121,369)	1,726,122
More than 90 days past due	6,331,056	(1,977,517)	4,353,539
	21,228,879	(2,427,941)	18,800,938
2023			
Current (not past due)	1,407,504	(13,807)	1,393,697
1 to 30 days past due	3,299,976	(35,602)	3,264,374
31 to 60 days past due	1,601,622	(32,032)	1,569,590
61 to 90 days past due	1,634,233	(57,198)	1,577,035
More than 90 days past due	4,925,126	(1,536,294)	3,388,832
	12,868,461	(1,674,933)	11,193,528

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables that impacted the allowance for impairment losses.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including finance cost payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2024					
<u>Non-derivative Financial Liabilities</u>					
Hire purchase payables	7.07 - 7.15	418,585	436,086	373,788	62,298
Bankers' acceptances	4.49	1,906,609	1,906,609	1,906,609	-
Bank overdrafts	8.25	171,449	171,449	171,449	-
Trade payables	-	11,780,171	11,780,171	11,780,171	-
Other payables and accruals	-	794,863	794,863	794,863	-
		15,071,677	15,089,178	15,026,880	62,298
<u>Other Liability</u>					
Lease liability	3.53	59,466	60,700	60,700	-
		15,131,143	15,149,878	15,087,580	62,298

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including finance cost payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2023					
<u>Non-derivative Financial Liabilities</u>					
Hire purchase payables	7.07 - 7.15	751,371	809,874	373,788	436,086
Bankers' acceptance	4.80	3,121,329	3,121,329	3,121,329	-
Bank overdrafts	8.25	1,484,880	1,484,880	1,484,880	-
Trade payables	-	6,392,265	6,392,265	6,392,265	-
Other payables and accruals	-	2,320,984	2,320,984	2,320,984	-
		14,070,829	14,129,332	13,693,246	436,086
<u>Other Liability</u>					
Lease liability	3.53	82,497	83,600	83,600	-
		14,153,326	14,212,932	13,776,846	436,086

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including finance cost payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2024					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	49,804	49,804	49,804	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	2,078,058	2,078,058	-
		49,804	2,127,862	2,127,862	-

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including finance cost payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2023					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	28,470	28,470	28,470	-
Amount owing to a related party	-	12,409	12,409	12,409	-
		40,879	40,879	40,879	-

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiary at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.

36.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group include within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2024	2023
	RM	RM
Hire purchase payables	418,585	751,371
Bankers' acceptances	1,906,609	3,121,329
	<u>2,325,194</u>	<u>3,872,700</u>
Less: Cash and cash equivalents (Note 31(d))	(19,207,459)	(5,188,415)
Net cash	<u>(16,882,265)</u>	<u>(1,315,715)</u>
Total equity	<u>60,172,309</u>	<u>45,363,824</u>
Debt-to-equity ratio	<u>*</u>	<u>*</u>

* *Not applicable as the Group's cash and cash equivalents exceed its borrowings.*

There was no change in the approach to capital management during the financial year.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term investment	11,000,000	-	2,500,000	-
<u>Amortised Cost</u>				
Trade receivables	18,800,938	11,193,528	-	-
Other receivables	257,438	582,382	-	-
Amount owing by subsidiaries	-	-	79,860	-
Cash and bank balances	8,378,908	6,673,295	142,086	1
	<u>27,437,284</u>	<u>18,449,205</u>	<u>221,946</u>	<u>1</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Hire purchase payables	418,585	751,371	-	-
Bankers' acceptances	1,906,609	3,121,329	-	-
Bank overdrafts	171,449	1,484,880	-	-
Trade payables	11,780,171	6,392,265	-	-
Other payables and accruals	794,863	2,320,984	49,804	28,470
Amount owing to a related party	-	-	-	12,409
	<u>15,071,677</u>	<u>14,070,829</u>	<u>49,804</u>	<u>40,879</u>

36.4 GAIN OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group	
	2024 RM	2023 RM
Financial Assets		
<u>Amortised Cost</u>		
Net (losses)/gain recognised in profit or loss	(760,444)	(2,832,561)

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company that are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
The Group								
2024								
<u>Financial asset</u>								
Short-term investment:								
- money market funds	-	11,000,000	-	-	-	-	11,000,000	11,000,000
<u>Financial liability</u>								
Hire purchase payables	-	-	-	-	418,061	-	418,061	418,585

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd) :-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2023								
<u>Financial liability</u>								
Hire purchase payables	-	-	-	-	750,952	-	750,952	751,371
The Company								
2024								
<u>Financial asset</u>								
Short-term investment: - money market funds	-	2,500,000	-	-	-	-	2,500,000	2,500,000

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair value of money market funds is determined by reference to statements provided by the respective financial institutions.

There were no transfers between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of hire purchase payables that carry fixed interest rates approximated their carrying amounts as the impact of discounting is not material. The fair value is determined by discounting the relevant cash flows using current market interest rates for similar instruments ranging from 6.79% to 6.86% (2023 - 6.79% to 6.86%) and the fair value is within level 2 of the fair value hierarchy.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 3 May 2024, the Company had undertaken a restructuring exercise via:-
- (i) acquisition of the entire issued share capital of OFSP for a total consideration of RM38,423,040 that has been satisfied via the issuance of 160,095,999 new ordinary shares at RM0.24 per ordinary share; and
 - (ii) internal reorganisation upon completion of the acquisition of the entire issued capital of OFSP whereby the Company has acquired the entire issued share capital of LLH, EO and OFT for a total cash consideration of RM7,614,603.
- (b) On 4 July 2024, the Company listed on ACE Market of Bursa Malaysia Securities Berhad with a public issue of 50,050,000 new ordinary shares in the Company at an issue price of RM0.28 per ordinary share.

38. COMPARATIVE FIGURES

(a) The Group

The comparative figures of the Group are presented as if the reorganisation had occurred before the start of the earliest period presented.

(b) The Company

The comparative figures of the Company covered for the financial period from 22 May 2023 (date of incorporation) to 31 December 2023. Consequently, the comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 12-month period ended 31 December 2024.
