

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF OCEAN VANTAGE HOLDINGS BERHAD (“OVH” OR “COMPANY”) DATED 30 JUNE 2020 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's (“Bursa Securities”) website at www.bursamalaysia.com (“Website”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M&A Securities Sdn Bhd (“M&A Securities”), or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and OVH take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 30 June 2020 and will close at 5.00 p.m. on 9 July 2020. In the event there is any change to the timetable, OVH will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

P R O S P E C T U S

THIS PROSPECTUS IS DATED 30 JUNE 2020



OCEAN VANTAGE HOLDINGS BERHAD

(Registration No. 2018010136887 (1298917-H))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

- (I) PUBLIC ISSUE OF 82,200,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:
- 20,550,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 4,110,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES; AND
 - 57,540,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS
- (II) OFFER FOR SALE OF 41,100,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM0.26 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Adviser, Sponsor, Underwriter
and Placement Agent



M&A SECURITIES SDN BHD

(Registration No. 197301001503 (15017-H))
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 137.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS AN EXEMPT TRANSACTION UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.

This Prospectus has been registered by the SC. The registration of this Prospectus, should not be taken to indicate that the SC recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. The SC is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

OCEAN VANTAGE HOLDINGS BERHAD



PROSPECTUS

Save for the crew,
the assets and
properties shown at
the front and back of
this Prospectus do not
belong to the Group.



OCEAN VANTAGE HOLDINGS BERHAD

(Registration No. 2018010136887 (1298917-H))
(Incorporated in Malaysia under the Companies Act 2016)

Lot 5570, 1st Floor,
Jalan Desa Pujut, Desa Pujut Shophouse,
Pusat Bandar Baru Permyjaya,
98100 Miri, Sarawak.

Tel : +6085-491 780
Fax : +6085-491 785
Email : info@ovbhd.com
www.ovbhd.com

Our Directors, Promoters and Selling Shareholders (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

Admission to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") is not to be taken as an indication of the merits of our IPO, our Company, or our shares.

This Prospectus, together with the Application Forms (as defined herein), has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("CMSA") for breaches of securities laws including any statement in this prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning our IPO, for which any of the person set out in Section 236 of the CMSA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our Shares (as defined herein) on 11 November 2019. Our admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The Securities Commission ("SC") has on 20 November 2019 approved the resultant equity structure of our Company under the equity requirements of public listed companies pursuant to our Listing (as defined herein).

Our securities are classified as Shariah compliant by the Shariah Advisory Council of SC based on the audited combined financial statements for the financial year ended 31 December 2019. This classification remains valid from the date of issue of this prospectus until the next shariah compliance review is undertaken by the Shariah Advisory Council of SC. The new status will be released in the updated list of shariah-compliant Securities, on the last Friday of May and November.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Forms and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "Third Party Internet Sites"), whether by way of hyperlinks or by way of description of the third party internet sites, you acknowledge and agree that:

- (i) We and our Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the third party internet sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and

- (iii) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application for our IPO	30 June 2020
Closing Date	9 July 2020
Balloting of the Application for our IPO Shares	14 July 2020
Allotment of our IPO Shares to successful applicants	21 July 2020
Date of Listing	22 July 2020

If the Closing Date is extended, we will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date. Following this, the dates for balloting of Application, allotment of IPO Shares and Listing would be extended accordingly.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used are defined under "Definitions" commencing from page vii.

All references to "OVH" and the "Company" in this Prospectus are to Ocean Vantage Holdings Berhad (Registration No: 201801036887 (1298917-H)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or 2 decimal places (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, where no source is stated, such information can be assumed to originate from us.

In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites does not form part of this Prospectus.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION (Cont'd)

All terms used are defined under "Definitions" commencing page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (i) Demand for our products and services;
- (ii) Our business strategies;
- (iii) Our future plans;
- (iv) Our financial position;
- (v) Our future earnings, cash flows and liquidity; and
- (vi) Our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) The economic, political and investment environment in Malaysia and globally; and
- (ii) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

"OVE"	:	Ocean Vantage Engineering Sdn Bhd (201101018034 (946170-W))
"OVIT"	:	Ocean Vantage Inspection Testing Sdn Bhd (201201014663 (988180-U))
"OVH Group" or "Group"	:	OVH and its subsidiaries, collectively
"OVH" or "Company"	:	Ocean Vantage Holdings Berhad (201801036887 (1298917-H))

GENERAL:

"ACE Market"	:	ACE Market of Bursa Securities
"Acquisitions"	:	Acquisition of OVE and Acquisition of OVIT
"Acquisition of OVE"	:	Acquisition by OVH of the entire share capital of OVE from OVE Vendors for a purchase consideration of RM16,439,990 which was wholly satisfied by the issuance of 328,799,900 new Shares at an issue price of RM0.05 per Share. The Acquisition of OVE was completed on 12 February 2020 and resulted in OVE becoming a wholly-owned subsidiary of OVH.
"Acquisition of OVIT"	:	Acquisition by OVH of the entire share capital of OVIT from OVIT Vendor for a purchase consideration of RM100 satisfied fully in cash. The Acquisition of OVIT was completed on 12 February 2020 and resulted in OVIT becoming a wholly-owned subsidiary of OVH.
"Act"	:	Companies Act 2016
"ADA"	:	Authorised Depository Agent
"Adviser" or "Sponsor" or "Placement Agent" or "Underwriter"	:	M&A Securities
"Application"	:	The application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form"	:	The printed application form for the application of our IPO Shares accompanying this Prospectus
"ATM"	:	Automated Teller Machine
"Board"	:	Board of Directors of OVH
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))

DEFINITIONS (Cont'd)

"CAGR"	:	Compound annual growth rate
"Call Options" or "Share-based payment"	:	Call Option 1 and Call Option 2, collectively
"Call Option 1"	:	The call option agreement entered into between Kenny Ronald Ngalin and Martin Phillip Ik Piau dated 10 March 2015, whereby Kenny Ronald Ngalin has given Martin Phillip Ik Piau the right but not the obligation to acquire such amount of shares in OVE, representing 39% equity interest in OVE, from Kenny Ronald Ngalin at an exercise price of RM906,750, based on the audited net asset of OVE as at 31 December 2014. The option was exercised on 21 September 2018
"Call Option 2"	:	The call option agreement entered into between Kenny Ronald Ngalin and Yau Kah Tak dated 11 August 2017, whereby Kenny Ronald Ngalin has given Yau Kah Tak the right but not the obligation to acquire such amount of shares in OVE, representing 10% equity interest in OVE, from Kenny Ronald Ngalin at an exercise price of RM782,257, based on the unaudited net asset of OVE as at 30 June 2017. The option was exercised on 21 September 2018 by Yau Kah Tak, and he nominated his wife, Mary King Siaw Ning to receive the shares on his behalf
"CDS"	:	Central Depository System
"CDS Account"	:	An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor
"Closing Date"	:	The date adopted in the Prospectus as the last date for acceptance and receipt of Application
"CMSA"	:	Capital Markets and Services Act 2007
"CMCO"	:	Conditional movement control order
"Constitution"	:	Constitution of our Company
"Depository Rules"	:	Rules of Bursa Depository and any appendices thereto
"Director(s)"	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
"EBIT"	:	Earnings before interest and taxation
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application"	:	Application for our IPO Shares through a Participating Financial Institution's ATM
"EPS"	:	Earnings per share

DEFINITIONS (Cont'd)

"FYE(s)"	:	Financial year(s) ended/ending 31 December, as the case may be
"GP"	:	Gross profit
"IMR" or "PROVIDENCE"	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A)), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report on the Outlook of Malaysia's Offshore Oilfield Services Industry and the Global Oil and Gas Industry dated 5 June 2020
"Initial Public Offering" or "IPO"	:	Our initial public offering comprising our Public Issue and Offer for Sale
"Internet Participating Financial Institutions"	:	Participating financial institutions for Internet Share Application as listed in Section 16
"Internet Share Application"	:	Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions.
"IPO Price"	:	Our issue/offer price of RM0.26 per Share pursuant to our Public Issue and Offer for Sale
"IPO Share(s)"	:	Issue Share(s) and Offer Share(s), collectively
"ISO"	:	International Organisation for Standardisation
"Issue Share(s)"	:	The new Share(s) to be issued pursuant to our Public Issue and subject to the terms and conditions of this Prospectus
"Issuing House"	:	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
"Listing"	:	Listing of and quotation for our entire enlarged share capital of RM37,812,000 comprising 411,000,000 Shares on the ACE Market
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"Listing Scheme"	:	Comprising our Public Issue, Offer for Sale and Listing, collectively
"LPD"	:	1 June 2020, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	:	M&A Securities Sdn Bhd (197301001503 (15017-H))
"Maersk Group"	:	Our customers which are affiliated to The Drilling Company of 1972 A/S
"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day"	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MCO"	:	Movement control order

DEFINITIONS (Cont'd)

"MFRS"	:	Malaysian Financial Reporting Standards
"MPERS"	:	Malaysian Private Entities Reporting Standard
"NA"	:	Net assets
"NL"	:	Net liabilities
"NBV"	:	Net book value
"Noble"	:	Noble Corporation
"Noble Arrangement"	:	Refers to the agency arrangement between our Group and Noble as detailed under Section 7.2.4.1
"Offer for Sale"	:	Offer for sale of 41,100,000 Offer Shares by our Selling Shareholders at our IPO Price
"Offer Shares"	:	Existing Shares to be offered pursuant to our Offer for Sale
"Official List"	:	List specifying all securities which have been admitted for listing of Bursa Securities and not removed
"OVE Vendors"	:	Kenny Ronald Ngalin, Mary King Siaw Ning and Martin Philip King Ik Piau, collectively
"OVIT Vendor"	:	Kenny Ronald Ngalin
"Participating Financial Institutions"	:	Participating financial institutions for Electronic Share Application, as listed in Section 16
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PE Multiple"	:	Price-to-earnings multiple
"Pink Form Allocations"	:	Allocation of 4,110,000 Issue Shares to our eligible Directors and employees which forms part of our Public Issue
"Promoters"	:	Collectively, Kenny Ronald Ngalin, Martin Philip King Ik Piau and Yau Kah Tak
"Prospectus"	:	This prospectus dated 30 June 2020 in relation to our IPO
"Public Issue"	:	Public issue of 82,200,000 Issue Shares at our IPO Price
"ROC"	:	Registrar of Companies
"RMCO"	:	Recovery movement control order
"SC"	:	Securities Commission Malaysia
"Seadrill Group"	:	Our customers which are affiliated to Seadrill Limited and Seadrill Partners LLC

DEFINITIONS (Cont'd)

- "Selling Shareholders" : Kenny Ronald Ngalin and Martin Philip King Ik Piau, who are undertaking the Offer for Sale, collectively
- "Shares" or "OVH Shares" : Ordinary shares in OVH
- "SICDA" or "Depository Act" : Securities Industry (Central Depositories) Act, 1991
"sq ft" : Square feet
- "Transocean Group" : Our customers which are affiliated to Transocean Ltd
- "Underwriting Agreement" : The underwriting agreement dated 20 May 2020 entered into between our Company and M&A Securities pursuant to our IPO

Other Corporations, Establishments and Agencies

- "CIDB" : Construction Industry Development Board
- "MyIPO" : Intellectual Property Corporation of Malaysia
- "PETRONAS" : Petroliam Nasional Berhad (197401002911 (20076-K))

Currencies

- "AUD" : Australian Dollar
- "BND" : Brunei Dollar
- "RM" and "sen" : Ringgit Malaysia and sen respectively
- "SGD" : Singapore Dollar
- "USD" : United States Dollar

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TECHNICAL GLOSSARY

This glossary contains an explanation of certain technical terms used throughout this Prospectus in connection with our business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

"blasting"	:	The method used to thoroughly clean an object or surface, in order to prepare the surface for the application of paint or other type of coating
"drilling rig"	:	A large structure that has been fitted with facilities for well drilling.
"E&I"	:	Electrical and instrumentation
"eddy current"	:	Swirling electric current induced in a conductor in response to a changing magnetic field
"electro-magnet"	:	A type of magnet in which the magnetic field is produced by an electric current
"electrode"	:	An electric conductor such as metal used to conduct current through a workpiece to fuse two pieces together
"electromagnetism"	:	The production of a magnetic field by electric current flowing in a conductor
"EPC"	:	Engineering, procurement and construction where an EPC contractor is responsible for all the activities from engineering, procurement to construction and handover of the project to the owner
"ferromagnetic materials"	:	Materials such as iron, cobalt and nickel, which are very susceptible to an external magnetic field. These materials exhibit a strong attraction to magnetic fields and are able to retain their magnetic properties even after the external magnetic field has been removed
"flow control solutions"	:	The control of flow or pressure of fluid through systems/mechanisms such as valves, regulator and metering
"GMDSS"	:	Global Maritime Distress and Safety System, an international system which uses terrestrial and satellite technology and ship-board radio systems. It is a set of safety procedures and communication protocols used to increase safety and make it easier to rescue distressed ships, boats and aircraft
"hull gauging"	:	To measure vessel/ship body thickness to ensure its compliance to the standard
"instrument and engineering"	control	: An engineering discipline where engineers in this discipline are in-charge of control systems and its instruments (devices used to measure, monitor and control a process)
"instrumentation"	:	Measurement, monitoring and control of a process

TECHNICAL GLOSSARY (Cont'd)

"jack-up drilling rig"	:	A type of offshore drilling rig structure that rests on the seabed via structural extensions
"magnetic flux"	:	Measurement of the number of magnetic field lines crossing through a surface
"non-destructive testing" or "NDT"	:	A test used to evaluate the properties of a component or system without causing permanent damage
"O&G"	:	Oil and gas
"offshore material handling equipment"	:	Equipment used for the movement and storage of material offshore
"penetrant"	:	Coloured or fluorescent liquid used to penetrate and help detect surface defects such as cracks and pores
"shielding gases"	:	Inert or semi-inert gases that are used to protect the weld area from oxygen and water vapour
"sub-surface"	:	Below the surface
"SWEC Codes"	:	Standardised Work and Equipment Categories Code Issued by PETRONAS
"ultra-deepwater"	:	Refers to water depth greater than 5,000 feet
"ultrasonic waves"	:	Sound waves which have frequencies that is higher than the upper audible limit of human hearing.

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name (Gender)	Designation	Address	Nationality
Nor Azzam Bin Abdul Jalil (M)	Independent Non-Executive Chairman	No. 9, Jalan LE 2/4 Lake Edge Bandar Metro Puchong 47100 Puchong Selangor Darul Ehsan	Malaysian
Kenny Ronald Ngalin (M)	Managing Director	R1-11-13, Vio Apartments Setiawalk Persiaran Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan	Malaysian
Martin Philip King Ik Piau (M)	Executive Director	No. 30, Jalan Setia Tropika U13/18F, Setia Eco Park 40170 Shah Alam Selangor Darul Ehsan	Malaysian
Yau Kah Tak (M)	Executive Director	No. 13, Jalan Puteri 8/1 Bandar Puteri 47100 Puchong Selangor Darul Ehsan	Malaysian
Tham Choi Kuen (F)	Independent Non-Executive Director	No. 687, Jalan Sri Pulai 46 Taman Sri Pulai 3 70400 Seremban Negeri Sembilan Darul Khusus	Malaysian
Ilham Fadilah Binti Sunhaji (F)	Independent Non-Executive Director	No. 24, Jalan Timah 7/25 Seksyen 7 40000 Shah Alam Selangor Darul Ehsan	Malaysian
Reza-Rizvy Bin Ahmad Rony Assim (M)	Independent Non-Executive Director	No. 436A, Lorong 9A2 Taman Matang Jaya, Petra Jaya 93050 Kuching Sarawak	Malaysian

Notes:

M refers to male
F refers to female

1. CORPORATE DIRECTORY (Cont'd)

AUDIT & RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Tham Choi Kuen	Chairman	Independent Non-Executive Director
Nor Azzam Bin Abdul Jalil	Member	Independent Non-Executive Chairman
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director
Reza-Rizvy Bin Ahmad Rony Assim	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Nor Azzam Bin Abdul Jalil	Chairman	Independent Non-Executive Chairman
Tham Choi Kuen	Member	Independent Non-Executive Director
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director
Reza-Rizvy Bin Ahmad Rony Assim	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Ilham Fadilah Binti Sunhaji	Chairman	Independent Non-Executive Director
Nor Azzam Bin Abdul Jalil	Member	Independent Non-Executive Chairman
Tham Choi Kuen	Member	Independent Non-Executive Director
Reza-Rizvy Bin Ahmad Rony Assim	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

- REGISTERED OFFICE** : No. 7-1, Jalan 109F
Plaza Danau 2, Taman Danau Desa
58100 Kuala Lumpur

Telephone number: 03-7982 2010
- HEAD OFFICE** : Lot 5570, 1st Floor, Jalan Desa Pujut
Desa Pujut Shophouse
Pusat Bandar Baru Permyjaya
98100 Miri, Sarawak

Telephone number: 085-491 780
- EMAIL ADDRESS AND WEBSITE** : Email address: info@ovbhd.com
Website: www.ovbhd.com
- COMPANY SECRETARIES** : Teo Soon Mei (SSM PC 201908000235)
(MAICSA7018590)
(Chartered Secretary and Chartered Governance Professional, Fellow of Malaysian Institute of Chartered Secretaries and Administrators and Master of Corporate Governance)

Chong Voon Wah (SSM PC 202008001343)
(MAICSA7055003)
(Associate of the Institute of Chartered Secretaries and Administrators)

Telephone number: 03-7982 2010
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR IPO** : Baker Tilly Monteiro Heng PLT
LLP number: 201906000600 (LLP0019411-LCA)
Firm number: AF 0117
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Partner-in-charge: Dato' Lock Peng Kuan
Approval number: 02819/10/2020 J
(Chartered Accountant of the Malaysian Institute of Accountants and Fellow Member of the Association of Chartered Certified Accountants)

Telephone number: 03-2297 1000
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : M&A Securities Sdn Bhd (197301001503 (15017-H))
Level 11, No. 45 & 47, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2284 2911

1. CORPORATE DIRECTORY (Cont'd)

- SOLICITORS FOR OUR IPO** : Teh & Lee
A-3-3 & A-3-4, Northpoint Offices
Mid Valley City
No. 1 Medan Syed Putra Utara
59200 Kuala Lumpur

Telephone number: 03-2283 2800
- ISSUING HOUSE AND SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone number: 03-2783 9299
- INDEPENDENT MARKET RESEARCHER** : Providence Strategic Partners Sdn Bhd
(201701024744 (1238910-A))
67-1, Block D, Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya, Selangor

Executive Director's name: Elizabeth Dhoss
(Bachelor of Business Administration from University of Malaya)

Telephone number: 03-7625 1769
- LISTING SOUGHT** : ACE Market
- SHARIAH STATUS** : Approved by Shariah Advisory Council of the SC

2. PROSPECTUS SUMMARY

This prospectus summary only highlights the key information from other parts of this prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole prospectus prior to deciding on whether to invest in our shares.

2.1 PRINCIPAL DETAILS OF OUR IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

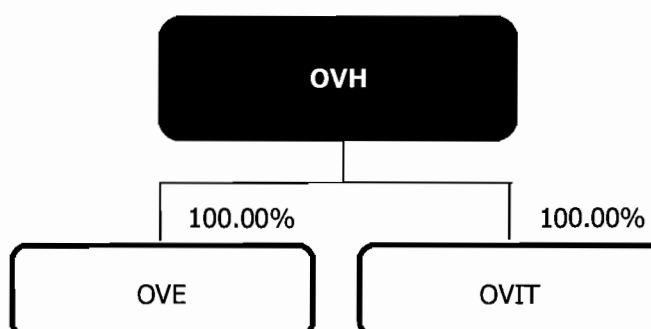
No. of Shares to be issued under the Public Issue	82,200,000
No. of Shares to be offered under the Offer for Sale	41,100,000
Enlarged no. of Shares upon Listing	411,000,000
IPO Price per Share	RM0.26
Market capitalisation (calculated based on our IPO Price and enlarged no. of Shares upon Listing)	RM106,860,000

Further details of our IPO are set out in Section 4.

2.2 GROUP STRUCTURE AND BUSINESS MODEL

Our company was incorporated in Malaysia on 10 October 2018 under the Act as a private limited company under the name Ocean Vantage Holdings Sdn Bhd. We converted into a public limited company on 10 April 2019 and assumed our present name.

Our company was incorporated to facilitate our Listing and our principal activity is that of investment holding. As at the LPD, our Group structure is set out below:



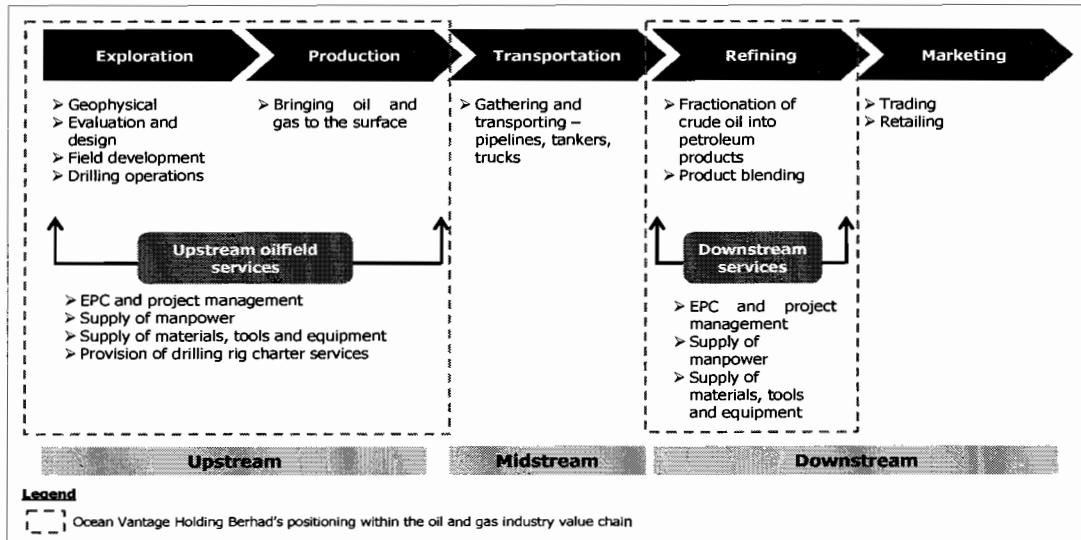
Our Company is an investment holding company. Through our subsidiaries, we are principally involved in the following activities:

- (i) EPC and project management;
- (ii) supply of manpower;
- (iii) supply of materials, tools and equipment; and
- (iv) provision of drilling rig charter services.

2. PROSPECTUS SUMMARY (Cont'd)

We support the O&G industry for both the upstream and downstream activities. Presently, we primarily operate in the upstream O&G segment. Our Group currently has limited exposure to downstream O&G activities but we are looking to further expand our business in that segment.

Our Group's positioning within the O&G industry value chain is as depicted below:



Source: IMR Report by PROVIDENCE

Our principal market is Malaysia, where we generated 85.89%, 70.92%, 77.67% and 87.16% of our Group's revenue for FYE 2016, 2017, 2018 and 2019 respectively.

Further details of our Group and our business model are set out in Sections 6 and 7.

2.3 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

(i) We are able to scale our operations in tandem with the demand for our services

We have structured our business to be flexible and scalable, which we believe is an important factor in building a platform for long term business growth and sustainability. We have developed in-house project management competency that covers various stages in the life of an offshore O&G field. This expertise has allowed us to manage upstream oilfield projects in accordance with an existing project development plan under our project management services. We have developed in-house EPC competencies which when applied towards offshore facility projects, allow us to design, engineer, procure and project manage our activities.

(ii) We have an experienced key senior management team

Our Group has an experienced and dedicated key senior management team that is led by Kenny Ronald Ngalin as our Managing Director. He is supported by our Executives Directors and key senior management team, comprising Yau Kah Tak, Martin Philip King Ik Piau, Chang Vun Lung and Thomas Jalong.

2. PROSPECTUS SUMMARY (Cont'd)

(iii) We have PETRONAS license and the track record in various safety and quality standards for our operations

OVE is a PETRONAS licensed vendor. As at the LPD, we are licensed with a total of 189 SWEC Codes from PETRONAS. As such, we are well positioned to benefit from this strength that represents a barrier to entry for new participants in Malaysia's O&G industry.

Commitment to quality and possessing a strong safety track record are critical pillars in the O&G industry and we comply with the relevant occupational health and safety requirements. Our safety track record provides our customers with assurance, enabling us to retain existing customers and secure new customers.

(iv) We have access to skilled human resources for the supply of manpower services

We have access to O&G talent through our in-house database of drilling, marine and maintenance crew as well as downstream crew for O&G projects. As at the LPD, we have more than 850 candidates in our in-house database.

Our in-house database allows us to fulfil our customers' staffing needs based on their requirements in a timely manner.

(v) We have established relationships with our customers

We have established relationships with international drilling contractors such as Transocean Group, Maersk Group and Seadrill Group, with whom we have secured and retained as our customers for more than 5 years due, in part, to our service levels in meeting their project requirements.

Further details of our competitive strengths are set out in Section 7.20.

2.4 FUTURE PLANS AND BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long-term shareholder value. To achieve our business objectives, we will implement the following business strategies over a period of 24 months from the date of our Listing:

(i) We intend to broaden our range of support services in EPC and project management segment to capture opportunities in the O&G industry

We intend to further expand our range of support services for the upstream O&G industry to include underwater diving services, as well as advanced NDT and inspection services in an effort to broaden our revenue stream. In meeting our clients' needs and assisting them to overcome operational obstacles, we will continue to expand our capabilities in order to provide a wider range of O&G support services to our clients.

Over the next 24 months, we intend to improve our technological offering and aim to develop in-house capabilities in underwater diving services and advanced NDT inspection services. We intend to purchase underwater NDT equipment and attain IMCA license and classification society certification, which is a requirement for us to undertake and offer our customers underwater diving services using our in-house capabilities. We will achieve this through new staff recruitment in the areas of

2. PROSPECTUS SUMMARY (Cont'd)

business development and project management, as well as equipment and tool purchases.

(ii) We intend to further strengthen our project management capabilities for the downstream O&G segment

We intend to further strengthen our project management capabilities for the downstream O&G segment to broaden our revenue stream. We will achieve this through new staff recruitment in the areas of business development and project management, training and development of existing staff as well as equipment and tool purchases.

Further details of our future plans and business strategies are set out in Section 7.21.

2.5 RISK FACTORS

An investment in our Shares is subject to risks. Investors should read and understand all the risk factors before deciding to invest in our Shares. A summary of some of the more important risks is set out below. A more detailed description of the risks associated with our Group and IPO can be found in Section 9.

(i) Our business is generally project-based and we are exposed to the risk of delay or premature termination of secured projects and/or may not be able to secure new projects

As at the LPD, we do not have any long term contracts with our customers. We generate our revenue as and when we deliver our services and products based on purchase orders received.

It is the industry norm for a company that provides services to offshore O&G operators to render its services on a project-basis. Generally, works outsourced by offshore O&G operators to the external service providers will be done on a tender basis. In addition, there is no guarantee that the O&G operator will continue to cooperate with the same service provider upon the project completion. As such, it is necessary for us to constantly look for new customers and/or secure new projects.

We may also encounter situations where customers delay the handover and delivery of our projects due to unforeseen circumstances such as poor market condition and shortage of funds faced by the O&G operators. Such postponement in project timing may influence our management of workspace and resource allocation for the execution of subsequent projects and delay our revenue collection.

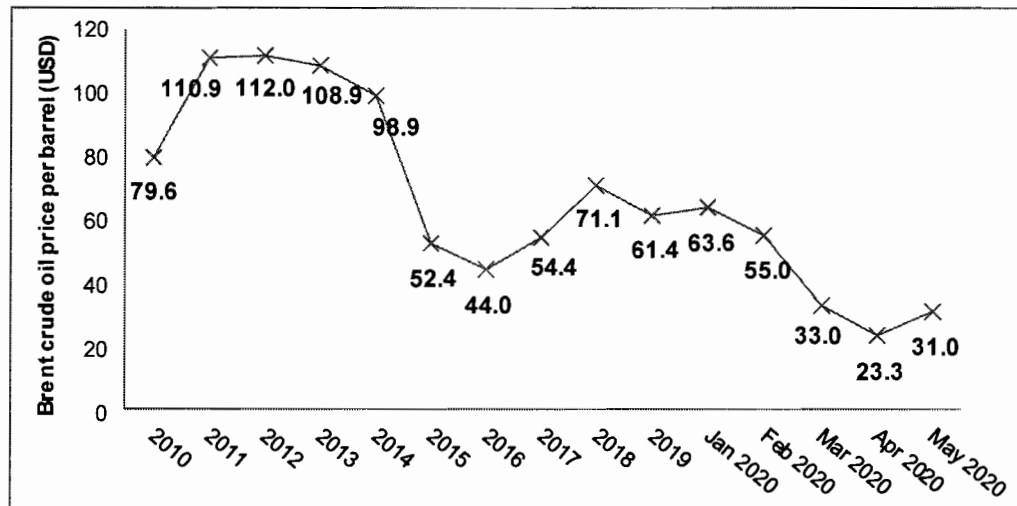
These situations will materially affect the performance of our business and subsequently impact our Group's financial position.

(ii) Our business operations and financial performance are reliant on O&G industry players

Most of our customers are offshore O&G industry players. As such, the level of capital spending and activity in the offshore exploration, development as well as production of crude oil and gas which are influenced by the fluctuation of crude oil and gas price, together with the expectation of future price changes, will significantly affect the performance of our business operation and financial position.

2. PROSPECTUS SUMMARY (Cont'd)

The following graph illustrates the movement of the Brent crude oil price from 2010 to May 2020:



Source: World Bank

In the context where the level of upstream activities diminishes due to changes in capital expenditure in the O&G industry or otherwise, this is likely to cause an adverse impact on our business prospects, operation and financial performance.

(iii) We may be affected by a fundamental change in PETRONAS' policies towards the O&G industry

Our business in Malaysia is primarily dependent on license issued by PETRONAS for our domestic operations. Currently the license held by OVE is subject to renewal every 3 years i.e. by 29 May 2022. Any fundamental change in PETRONAS' policies, such as a relaxation or liberalisation of licensing requirements for the provision of goods, products and services related to the oil and gas industry or permitting foreign suppliers to operate in Malaysia without restrictions (including without local content or local partner or company) would have an adverse effect on our business and financial performance.

(iv) The occurrence of Covid-19 pandemic and other possible similar future outbreaks could impact our business, financial performance and results of operations

Our Group may be adversely affected by the wider macroeconomic effect of the ongoing Covid-19 pandemic and any possible future outbreaks. While the final effects of the Covid-19 pandemic are at this stage difficult to assess, it is possible that it will have substantial negative effect on the markets in which we and our customers operate.

These effects may also take place in case of any possible future outbreaks. Any negative effect on the economy may have a likewise impact the incomes of our customers, and consequently their demand for our services. Such effects may also result in the insolvency of our Group's business partners (being our customers and suppliers), which could affect the operations of our Group as well as our financial performance.

2. PROSPECTUS SUMMARY (Cont'd)

(v) We are dependent on our major customers

Our major customers comprised Transocean Group, Seadrill Group and Maersk Group. Collectively, these major customers contributed to more than 50.00% of our sales in the past 4 FYEs 2016 to 2019.

Any reduction or cessation of orders from these customers may affect our business and our financial performance may be affected.

(vi) We may face credit risk and our customers may default in payment

We generally grant our customers credit periods of 30 to 60 days. We are thus exposed to credit risk arising from trade receivables due to unanticipated events or circumstances beyond our control, such as economic downturn.

We are also exposed to the risk of our customer's solvency status which may result in a seizure of our assets and/or equipment in the event our customers face liquidation proceedings, thereby rendering the seized asset and/or equipment unavailable for deployment to other customers and/or projects for unspecified period of time. Should this occur, our revenue and profitability will be adversely affected. The amount of trade receivable past due but not impaired (net of subsequent collections) stood at RM1.33 million representing 7.32% of the total trade receivable as at 31 December 2019.

Any significant delay or default in payment by our customers will result in impairment on trade receivables and may adversely affect our financial performance.

(vii) We are subject to foreign exchange fluctuation risk

We derive a portion of our sales from overseas customers that are denominated in foreign currency. In the event the RM appreciates against the foreign currency between time the sales were recorded and the payment received from the overseas customers, our Group may register a loss on foreign exchange and vice versa.

Further details of our risk factors are set out in Section 9.

2.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Nor Azzam Bin Abdul Jalil	Independent Non-Executive Chairman
Kenny Ronald Ngalin	Managing Director
Yau Kah Tak	Executive Director
Martin Philip King Ik Piau	Executive Director
Tham Choi Kuen	Independent Non-Executive Director
Ilham Fadilah Binti Sunhaji	Independent Non-Executive Director
Reza-Rizvy Bin Ahmad Rony Assim	Independent Non-Executive Director
Key senior management	
Chang Yun Lung	Chief Financial Officer
Thomas Jalong	General Manager

Further details of the aforementioned persons are set out in Section 5.

2. PROSPECTUS SUMMARY (Cont'd)

2.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Name	Nationality	⁽¹⁾ Before IPO		⁽²⁾⁽³⁾ After IPO	
		Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Kenny Ronald Ngalin	Malaysian	167,688,000	-	147,138,000	-
Martin Philip King Ik Piau	Malaysian	128,232,000	-	107,682,000	-
Mary King Siaw Ning	Malaysian	32,880,000	-	32,880,000	-
Yau Kah Tak	Malaysian	-	⁽⁴⁾ 32,880,000	⁽⁵⁾ 282,000	⁽⁴⁾ 32,880,000
			10.00	*	8.00

Notes:

* Less than 0.1%

⁽¹⁾ Based on the share capital of 328,800,000 Shares after the Acquisitions and the transfer of 100 subscriber shares in OVH to our Kenny Ronald Ngalin, but before the IPO.

⁽²⁾ After Public Issue and Offer for sale.

⁽³⁾ Based on the enlarged share capital of 411,000,000 Shares after IPO.

⁽⁴⁾ Deemed interested by virtue of his wife, Mary King Siaw Ning shareholdings pursuant to Section 8 of the Act.

⁽⁵⁾ Assuming he fully subscribes his entitlement under the Pink Form Allocations.

Further details of the aforementioned persons are set out in Section 5.

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters and our substantial shareholder, whom has voluntarily undertaken the moratorium. Further details of the moratorium are set out in Section 3.2 of this Prospectus.

2. PROSPECTUS SUMMARY (Cont'd)

2.8 UTILISATION OF PROCEEDS

The gross proceeds from the Public Issue of approximately RM21.37 million shall accrue entirely to us and will be utilised in the following manner:

Utilisation of proceeds	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Broadening our range of support services	3,236	15.14	Within 24 months
Capital expenditure for the downstream O&G segment	8,592	40.20	Within 24 months
General working capital	6,544	30.62	Within 24 months
Listing expenses	3,000	14.04	Immediately
Total	21,372	100.00	

Note:

(1) From the date of listing of our Shares.

There is no minimum subscription to be raised from our IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds arising from the Offer for Sale of approximately RM10.69 million shall accrue entirely to the Selling Shareholders.

2.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The audited financial statements of our subsidiaries were prepared based on MPERS. However, in conjunction with the IPO, a set of audited financial statements of our subsidiaries have been prepared in accordance with MFRS. The selected financial and operational highlights included in this section are not intended to predict our Group's financial position, results or cash flows.

2.9.1 Combined statements of profit or loss and other comprehensive income

The following key historical financial data for FYE 2016 to 2019 have been extracted from the Accountants' Report included in Section 13 of this Prospectus.

	Audited			
	FYE 2016	FYE 2017	FYE 2018	FYE 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	17,645	24,009	30,492	58,284
GP	6,611	9,708	11,612	14,789
PBT	3,615	4,545	7,010	9,148
PAT	2,710	3,020	5,173	6,917
Basic EPS (sen) ⁽¹⁾	0.82	0.92	1.57	2.10
Diluted EPS (sen) ⁽²⁾	0.66	0.73	1.26	1.68

2. PROSPECTUS SUMMARY (Cont'd)

Notes:

- (1) Calculated based on PAT for the financial year divided by our enlarged number of Shares in issue before IPO.
- (2) Calculated based on PAT for the financial year divided by our enlarged number of Shares in issue after IPO.

Further details on the financial information are set out in Sections 12 and 13. There were no exceptional or extraordinary items during the financial years under review. Our audited combined financial statements for the financial years under review were not subject to any audit qualifications.

2.9.2 Pro forma consolidated statements of financial position

The following table sets out a summary of the pro forma consolidated statements of financial position of our Group based on our audited statement of financial position as at 31 December 2019 to show the effects of the Acquisitions and Public Issue. It should be read in conjunction with the pro forma consolidated statements of financial position in Section 14.

	OVH	I	II	III
	As at 31 December 2019	After Acquisitions	After I and Public Issue	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
TOTAL ASSETS				
Total non-current assets	-	7,536	7,536	18,564
Total current assets	35	21,261	42,633	22,237
	35	28,797	50,169	40,801
EQUITY AND LIABILITIES				
Share capital	*	16,440	37,812	37,212
Reorganisation reserve	-	(15,031)	(15,031)	(15,031)
Reserves	-	2,336	2,336	2,336
(Accumulated losses)/ Retained earnings	(191)	18,097	18,097	9,329
Total equity	(191)	21,842	43,214	33,846
TOTAL LIABILITIES				
Total non-current liabilities	-	2,051	2,051	2,051
Total current liabilities	226	4,904	4,904	4,904
	226	6,955	6,955	6,955
TOTAL EQUITY AND LIABILITIES	35	28,797	50,169	40,801
(NL)/NA	(191)	21,842	43,214	33,846
(NL)/NA per ordinary Share (RM)	(1,910)	0.07	0.11	0.08

Note:

- * Less than RM1,000

2. PROSPECTUS SUMMARY (Cont'd)

2.9.3 Segmental revenue

Our revenue by business activity for FYE 2016 to 2019 are as follow:

Business activity	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
EPC and project management	10,370	58.77	7,901	32.90	12,264	40.22	12,397	21.27
Supply of manpower	3,268	18.52	11,875	49.46	14,592	47.86	41,040	70.41
Supply of materials, tools and equipment	3,447	19.54	3,569	14.87	3,636	11.92	4,847	8.32
Provision of drilling rig charter services	560	3.17	664	2.77	-	-	-	-
	17,645	100.00	24,009	100.00	30,492	100.00	58,284	100.00

2.9.4 Key financial ratios

The key financial ratios of our Group for FYE 2016 to 2019 are as follows:

	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Trade receivables turnover (days)	101	122	152	104
Trade payables turnover (days)	24	26	30	22
Current ratio (times)	3.03	3.67	5.11	4.34
Gearing ratio (times)	0.25	0.14	0.09	0.07

Further details of the financial ratios are set out in Section 12.8.

2.10 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. Upon Listing, our Board intends to adopt a dividend policy to allow our shareholders to participate in the profits of our Group while ensuring sufficient funds for our continuing operations and future growth.

Further details of our dividend policy are set out in Section 12.16.

2.11 INTERRUPTIONS TO BUSINESS AND OPERATIONS

2.11.1 Outbreak of Covid-19

Due to the recent outbreak of the Covid-19, the Government has imposed the MCO throughout Malaysia which took effect from 18 March 2020 to 3 May 2020, CMCO from 4 May 2020 to 9 June 2020 and RMCO from 10 June 2020 to 31 August 2020 to combat the rise of Covid-19 cases in the country. The MCO has halted most of the economic sectors and activities, especially those operating in non-essential services.

Pursuant to the announcement by the Government of Malaysia on the MCO effective from 18 March 2020, PETRONAS issued a statement on its position that oil and gas, production, refining, storage, supply and distribution of fuel and lubricants are considered essential services as per the announcement made by the Prime Minister of Malaysia and specified under section 2 (First Schedule), Act 177, Industrial Relations Act 1967.

2. PROSPECTUS SUMMARY (Cont'd)

Our Group is deemed to fall under essential services and permitted to continue operations during this period, and thus far we have not been negatively impacted by the Covid-19 outbreak and the MCO (CMCO and RMCO).

Although our Group is considered essential services, our Group adopted strict standard operating procedures aimed at containing Covid-19 and minimising its risk to our operations while maintaining business continuity. We opted to operate remotely throughout the period of MCO where, all key management and office-based staff were required to work from home commencing 18 March 2020 in line with the implementation of the MCO.

On 20 April 2020, OVH resumed operations at 50% of its work force capacity after obtaining approval from the Ministry of International Trade and Industry ("MITI") and after complying with the standard operating procedures and other rules and guidelines required by MITI.

In response to the Covid-19 virus, our Group has established an emergency response protocol committee which comprises mainly of key management personnel to oversee the adherence of infection control measures based on the guidelines and standard operating procedures issued by MITI. We have fully complied with the guidelines and standard operating procedures.

In addition to the above, our Group adopted pre-emptive measures to contain Covid-19 in our business operations including:

- (i) Personnel screening procedures;
- (ii) Workplace arrangements, whereby staff are rotated between working from home and in office; and
- (iii) Manpower supply quarantine protocol prior to deployment to offshore rigs (client site).

Our procurement of materials and services faced some disruption in the first quarter of 2020 during the initial period of MCO that affected the delivery coordination and transportation as certain suppliers were not able to fully operate their businesses during this period. Subsequent to PETRONAS issuing a statement on its position that O&G, production, refining, storage, supply and distribution of fuel and lubricants are considered essential services and all operations falling within the above essential services including all support services should continue, our Group was able to resume coordinating delivery and transportation of materials from our suppliers. Apart from the temporary delay from certain suppliers for our supply of materials, tools and equipment which have since been resolved, our Group operations did not encounter any major disruptions throughout the period of MCO and CMCO.

As at LPD, we have not received any indication of or requests from our customers for the deferment or cancellation/termination of existing works/projects.

Further details are set out in Section 7.13.

3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 11 November 2019, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	Disclosure in the prospectus, the reason(s) of higher gross profit margin recorded by OVH in comparison with the selected industry players	Complied
(b)	Submit the following information in respect of the moratorium on the shareholdings of the Promoters to the Bursa Depository: <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares. 	To be complied
(c)	Approvals from other relevant authorities have been obtained for implementation of the Listing.	Complied
(d)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Note 15 of Listing Requirements.	To be complied
(e)	Furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the share spread requirements based on the entire issued share capital of OVH on the first day of Listing.	To be complied
(f)	Any director of OVH that has not attended the Mandatory Accreditation Programme must do so prior to the Listing.	Complied
(g)	In relation to the public offering to be undertaken by OVH, please announce at least 2 market days prior to the Listing date, the result of the offering including the following: <ul style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche, in format prescribed; and (iv) Disclosure of placees who become substantial shareholders of OVH arising from the public offering, if any. <p>M&A Securities is reminded to ensure that the overall distribution of OVH' securities is properly carried out to mitigate any disorderly trading in the secondary market.</p>	To be complied
(h)	OVH/M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of OVH to the Official List of the ACE Market.	To be complied

3. APPROVALS AND CONDITIONS *(Cont'd)*

3.1.2 SC approval

Our Listing is an exempt transaction under Section 212(8) of the CMA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 20 November 2019, approved the resultant equity structure of OVH under the equity requirement for public listed companies pursuant to our Listing. The approval from SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	OVH to allocate the difference between the prescribed equity requirement of 12.5% of its enlarged issued share capital and the equity interests of Bumiputera investors upon Listing, to Bumiputera public investors to be approved by Ministry of International Trade and Industry within 1 year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Securities or 5 years after being listed on the ACE Market, whichever is earlier ("Compliance Date")	To be complied
(b)	OVH to submit a proposal to the SC to comply with the Bumiputera equity condition at least 6 months prior to the Compliance Date; and	To be complied
(c)	M&A Securities/OVH to submit OVH's equity structure to the SC upon completion of the Listing.	To be complied

The Shariah Advisory Council of SC had, vide its letter dated 9 June 2020 classified our Shares as shariah-compliant based on the audited combined financial statements for FYE 2019.

3.2 MORATORIUM ON OUR SHARES

In accordance with Paragraph 3.19 of the Listing Requirements and pursuant to the conditions imposed under the approval letter by Bursa Securities, a moratorium will be imposed on the sale, transfer or assignment of those OVH Shares held by our Promoters and substantial shareholders (excluding the Shares subscribed under the Pink Form Allocation) as follows:

- (a) The moratorium applies to the entire shareholdings of our Promoters and substantial shareholders after the Offer for Sale for a period of 6 months from the date of our admission to the ACE Market ("First 6-Month Moratorium");
- (b) Upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Promoters and substantial shareholders aggregate shareholdings amounting to at least 45.00% of our total number of issued ordinary shares remain under moratorium for another period of 6 months ("Second 6-Month Moratorium"); and
- (c) On the expiry of the Second 6-Month Moratorium, our Promoters and substantial shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of those OVH Shares held under moratorium.

3. APPROVALS AND CONDITIONS (Cont'd)

Details of our Promoters/substantial shareholders and their Shares which will be subject to the abovementioned moratorium, as set out below:

Promoters/substantial shareholder	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium	
	No. of Shares	⁽¹⁾%	No. of Shares	⁽¹⁾%
Kenny Ronald Ngalin	⁽²⁾ 147,138,000	35.80	94,588,728	23.01
Martin Philip King Ik Piau	⁽²⁾ 107,682,000	26.20	69,224,186	16.84
Yau Kah Tak ⁽³⁾	-	-	-	-
Mary King Siaw Ning	⁽⁴⁾ 32,880,000	8.00	21,137,186	5.15
	287,700,000	70.00	184,950,100	45.00

Notes:

- (1) Based on the enlarged share capital of 411,000,000 Shares after IPO.
- (2) After the Offer for Sale.
- (3) Deemed interested by virtue of his wife, Mary King Siaw Ning shareholdings pursuant to Section 8 of the Act.
- (4) Mary King has voluntarily given moratorium undertaking.

The moratorium has been fully accepted by our Promoters and substantial shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period. The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by the Promoters and substantial shareholders to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

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4. PARTICULARS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The period for Application will open at 10.00 a.m. on 30 June 2020 and will remain open until 5.00 p.m. on 9 July 2020. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 IMPORTANT TENTATIVE DATES

Events	Tentative date
Issuance of this Prospectus/Opening of Application for our IPO	30 June 2020
Closing Date	9 July 2020
Balloting of Application for our IPO Shares	14 July 2020
Allotment of our IPO Shares to successful applicants	21 July 2020
Date of Listing	22 July 2020

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia. Following this, the dates for the balloting of Application, allotment of IPO Shares and Listing would be extended accordingly.

4.3 DETAILS OF OUR IPO

4.3.1 Listing Scheme

(i) Public Issue

A total of 82,200,000 Issue Shares representing 20.00% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

20,550,000 Shares, representing 5.00% of our enlarged share capital, will be made available for application by the Malaysian Public, to be allocated via balloting process as follows:

- (1) 10,275,000 Shares made available to public investors; and
- (2) 10,275,000 Shares made available to Bumiputera public investors.

(b) Our eligible Directors and employees

4,110,000 Shares, representing 1.00% of our enlarged share capital, will be reserved for our eligible Directors and employees under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.2.

4. PARTICULARS OF OUR IPO (Cont'd)**(c) Private placement to selected investors**

57,540,000 Shares, representing 14.00% of our enlarged share capital, have been reserved for private placement to selected investors.

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

Upon completion of our Public Issue, our share capital will increase from RM16,440,000 comprising 328,800,000 Shares to RM37,812,000 comprising 411,000,000 Shares. There is no over-allotment or 'greenshoe' option that will result in an increase in the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

(ii) Offer for sale

The Selling Shareholders will undertake an offer for sale of 41,100,000 Offer Shares, representing 10.00% of our enlarged share capital by way of private placement to selected investors at our IPO Price. The Offer for Sale is subject to the terms and conditions of this Prospectus.

(iii) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM37,812,000 comprising 411,000,000 Shares shall be listed on the ACE Market.

4.3.2 Pink Form Allocations

We have allocated 4,110,000 Issue Shares to our eligible Directors and employees under the Pink Form Allocations as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Directors	5	682,000
Eligible employees	48	3,428,000
	53	4,110,000

The criteria for allocation to our eligible Directors are based on amongst others, the length of their service and their anticipated contributions to our Group. Our Managing Director, Kenny Ronald Ngalin and Executive Director, Martin Philip King Ik Piau has opted out of the Pink Form Allocations as they are also the Selling Shareholders.

4. PARTICULARS OF OUR IPO (Cont'd)

Details of the proposed allocation to our remaining Directors and key senior management are as follows:

Name	Designation	No. of Issue Shares allocated
Directors		
Nor Azzam Bin Abdul Jalil	Independent Non-Executive Chairman	100,000
Yau Kah Tak	Executive Director	282,000
Tham Choi Kuen	Independent Non-Executive Director	100,000
Ilham Fadilah Binti Sunhaji	Independent Non-Executive Director	100,000
Reza-Rizvy Bin Ahmad	Independent Non-Executive Director	100,000
Rony Assim		
Key senior management		
Chang Yun Lung	Chief Financial Officer	320,000
Thomas Jalong	General Manager	360,000
		1,362,000

The criteria of allocation to our eligible employees (as approved by our Board) are based on, *inter-alia*, the following factors:

- (i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) The number of shares allocated to our eligible employees are based on their seniority, position, their length of service and their respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) Full time employee of at least 18 years of age.

Entitlements which are not accepted by certain eligible Directors and employees will be re-allocated to the other eligible Directors and employees at the discretion of our Board.

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4. PARTICULARS OF OUR IPO (Cont'd)

4.3.3 Selling Shareholders

Details of our Selling Shareholders are as follows:

Name/ Residential address	Relationship with the Group	⁽¹⁾ Before IPO		Offer Shares offered		After IPO	
		No. of Shares	⁽²⁾ %	No. of Shares	⁽³⁾ %	No. of Shares	⁽³⁾ %
Kenny Ronald Ngalin / R1-11-13, Vio Apartments Setiawalk Persiaran Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan	Promoter, substantial shareholder and Managing Director	167,688,000	51.00	20,550,000	5.00	147,138,000	35.80
Martin Philip King Ik Piau / No. 30, Jalan Setia Tropika U13/18F, Setia Eco Park 40170 Shah Alam Selangor Darul Ehsan	Promoter, substantial shareholder and Executive Director	128,232,000	39.00	20,550,000	5.00	107,682,000	26.20

Notes:

⁽¹⁾ After completion of Acquisitions but prior to Public Issue.

⁽²⁾ Based on the share capital of 328,800,000 Shares before IPO.

⁽³⁾ Based on the enlarged share capital of 411,000,000 Shares after IPO.

Further details of our Selling Shareholders, who are also our Promoters and substantial shareholders can be found in Section 5.1.

4. PARTICULARS OF OUR IPO (Cont'd)

4.3.4 Underwriting arrangement

Our Underwriter will underwrite 24,660,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 57,540,000 Issue Shares available for application by selected investors will not be underwritten (subject to reallocation as set out in Section 4.3.5 below).

Any of our Issue Shares which are not subscribed for by the Malaysian Public or Pink Form Allocations will be made available to selected investors via private placement. However, if all of our Issue Shares offered to the Malaysian Public are oversubscribed, Issue Shares not subscribed for under the Pink Form Allocations, if any, will be made available for application by the Malaysian Public. Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

4.3.5 Minimum and over-subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Board. However, the Placement Agent has the right to clawback and reallocate the 57,540,000 Issue Shares available for application by selected investors to the Malaysian Public so as to increase the participation of retail investors. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

Upon completion of our IPO, our share capital would be as follows:

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	328,800,000	16,440,000
To be issued under our Public Issue	82,200,000	21,372,000
Enlarged share capital upon our Listing	411,000,000	37,812,000

Our Offer for Sale will not have effect on our share capital.

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

4. PARTICULARS OF OUR IPO (Cont'd)

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person, or by proxy or by attorney or by other duly authorised representative. Every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (i) To gain recognition through our listing status which will enhance our reputation in terms of marketing our products and services, retention of our employees and expansion of our customer base;
- (ii) To provide an opportunity for the Malaysian Public, including our eligible Directors and employees to participate in our equity;
- (iii) To enable our Group to raise funds for the purposes specified in Section 4.9 herein; and
- (iv) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as when they arise.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (i) The PE Multiple of approximately 15.48 times based on our diluted EPS of 1.68 sen for FYE 2019 calculated based on our audited combined PAT of the Group of RM6.92 million for FYE 2019 and our enlarged share capital of 411,000,000 Shares upon Listing;
- (ii) Our pro forma consolidated NA per Share as at 31 December 2019 of RM0.08, calculated based on our pro forma consolidated NA as at 31 December 2019 of approximately RM33.85 million (after the Public Issue and the utilisation of proceeds) and enlarged share capital of 411,000,000 Shares upon Listing;
- (iii) Our historical financial track record for FYEs 2016 to 2019 are summarised as follows:

	Audited			
	FYE 2016	FYE 2017	FYE 2018	FYE 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	17,645	24,009	30,492	58,284
GP	6,611	9,708	11,612	14,789
PAT	2,710	3,020	5,173	6,917

4. PARTICULARS OF OUR IPO (Cont'd)

- (iv) Our competitive strengths as set out in Section 7.20; and
- (v) Our Group's future plans and business strategies as further described in Section 7.21.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 411,000,000 Shares upon Listing, our total market capitalisation is estimated to be RM106,860,000 upon Listing.

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds the pro forma consolidated NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.26
Our pro forma consolidated NA per Share as at 31 December 2019 after the Acquisitions before the Public Issue	0.07
Our pro forma consolidated NA per Share as at 31 December 2019 after the Acquisitions, Public Issue and utilisation of proceeds	0.08
Increase in the pro forma consolidated NA per Share attributable to existing shareholders	0.01
Dilution in the pro forma consolidated NA per Share to our new public investors	0.18
Dilution in the pro forma consolidated NA per Share as a percentage of our IPO Price	69.23%

Further details of our pro forma consolidated NA per Share as at 31 December 2019 is set out in Section 14.

The following table shows the average effective cost per Share paid by our existing shareholders for Shares acquired by them since our incorporation and up to the date of this Prospectus:

Shareholders	⁽¹⁾No. of Shares	Total consideration	Average effective cost per Share
		RM'000	RM
Kenny Ronald Ngalin	167,688,000	8,384	0.05
Martin Philip King Ik Piau	128,232,000	6,412	0.05
Mary King Siaw Ning	32,880,000	1,644	0.05
	328,800,000	16,440	0.05

4. PARTICULARS OF OUR IPO (Cont'd)**Note:**

- (1) Issued pursuant to the Acquisition of OVE and the transfer of 100 subscriber shares in OVH to Kenny Ronald Ngalin, at a nominal consideration of RM0.10 per Share.

Save for the:

- (i) transfer of 100 subscriber shares in OVH to Kenny Ronald Ngalin; and
- (ii) Shares received by our Promoters and substantial shareholders pursuant to the Acquisition of OVE,

there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected to them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to the LPD.

4.9 UTILISATION OF PROCEEDS**4.9.1 Public Issue**

The gross proceeds from the Public Issue of approximately RM21.37 million shall accrue entirely to us and will be utilised in the manner set out below. Pending the utilisation of proceeds for the intended purposes, the funds will be placed in short-term deposits with licensed financial institutions.

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Broadening our range of support services	(i)	3,236	15.14	Within 24 months
Capital expenditure for the downstream O&G segment	(ii)	8,592	40.20	Within 24 months
General working capital	(iii)	6,544	30.62	Within 24 months
Listing expenses	(iv)	3,000	14.04	Immediately
Total		21,372	100.00	

Note:

- (1) From the date of listing of our Shares.

(i) Broadening our range of support services

We plan to further expand our range of support services for EPC and project management for the upstream O&G industry to include underwater diving services, as well as advanced NDT and inspection services in an effort to broaden our revenue stream.

4. PARTICULARS OF OUR IPO (Cont'd)

To facilitate this initiative, we have allocated RM3.24 million from the proceeds of the Public Issue for the enhancement and strengthening of our capabilities which will include expenditure on the following:

Details	Estimated cost	
	RM'000	RM'000
<u>Underwater diving services</u>		
(a) Purchase of NDT equipment:		
• Underwater diving containers	500	
• Eddy current testing equipment	100	
• Magnetic particle inspection equipment	30	
• Ultrasonic testing equipment	100	
• High pressure water blasters equipment	400	
• Cameras and underwater tools	70	1,200
(b) Audit fees to obtain license issued by International Marine Contractors Association (IMCA)	100	
Audit fees for the attainment of classification society certification for Under Water Inspection in Lieu of Dry-docking (UWILD) and In Water Surveys (IWS):		
• Class Bureau Veritas (BV)	20	
• Class Det Norske Veritas Germanischer Lloyd (DNV GL)	20	
• Class American Bureau of Shipping (ABS)	20	
• Class Nippon Kaiji Kyokai (ClassNK)	20	
• Class Registro Italiano Navale (RINA)	20	200
<u>Advanced NDT and inspection services</u>		
Purchase of testing and inspection equipment and tools:		
• Borescope inspection equipment	236	
• Phased Array and Long Range Ultrasonic Testing equipment	400	
• Corrosion mapping hydrogen detector equipment	400	
• Alternating current field measuring equipment	200	1,236
Staff cost relating to hiring an engineer and a sales and marketing personnel for broadening the range of our support services		600
		<u>3,236</u>

As at the LPD, we offer underwater inspection and repair services on hulls, spudcans (base cones on jack-up drilling rigs) and pipelines of offshore rigs as well as advanced NDT and inspection services to our customers. However, we have to engage subcontractors to perform these services, as we do not have the in-house expertise and when required, we rent the necessary equipment to perform such services. We have yet to secure any underwater diving services and advanced NDT and inspection services work, which we believe is due to our Group not having the necessary in-house expertise and equipment, to be able to quote competitively.

We intend to improve our technological offering and aim to develop in-house capabilities by purchasing underwater and advanced NDT equipment and attain IMCA license and classification society certification, which is a requirement for us to undertake and offer our customers underwater diving and advanced NDT services using our in-house capabilities.

4. PARTICULARS OF OUR IPO (Cont'd)

Underwater diving services and advanced NDT and inspection services are extension of services currently provided by our Group. Offshore drilling rigs have structure or sections that are above and under water. Currently, our services focus on sections that are above water. By investing in underwater diving services, we will be able to provide inspection services for entire rig (both above and under water sections). Advanced NDT is also an extension of the current conventional NDT service that we are offering. Advanced NDT involves the use of advance equipment such as Phased Array and Long Range Ultrasonic Testing equipment and Alternating current field measuring equipment.

As more rigs are being activated in the O&G sector as a result of improving oil price, request for such underwater inspection services will increase. Our Group is in a strong position to secure such projects, especially for rigs customers that we are already providing existing EPC and project management as well as manpower supply services. These are additional source of revenue and having the extended services will enable our Group to be a more integrated and comprehensive service provider.

(ii) Capital expenditure to further strengthen our EPC and project management capability for downstream O&G segment

We intend to further strengthen our EPC and project management capabilities for the downstream O&G segment to broaden our revenue stream and capture opportunities in downstream O&G segment.

To facilitate this initiative, we have allocated RM8.59 million from the proceeds of the Public Issue to purchase the following equipment:

Type of machinery/ equipment	Description/Functions	No. of units	Total estimated cost
			RM'000
Diesel-fuelled welding machine	Diesel fuelled machine that enables welding work to be carried out on-site (i.e. without the need of on-site power supply)	24	1,380
Diesel-fuelled Air Compressor	Device that supplies compressed air for storage, and subsequent use in relevant tools and equipment or applications	6	636
Cabins	Containers that can be converted and used as on-site office or storage	4	570
Cold cutting machine	Machine used to perform cold cutting (i.e. without use of heat from torch (hot cutting) where open flame is used)	2	600
Milling machine	Machine used to perform milling operations on steel materials	2	176
Scaffolding materials	Materials used to erect for temporary work platform, structure or access on facilities.	120	2,420
Blasting and painting equipment	Equipment used to perform blasting and painting works for steel structures and piping	6	1,110

4. PARTICULARS OF OUR IPO (Cont'd)

Type of machinery/ equipment	Description/Functions	No. of units	Total estimated cost
			RM'000
Hydro test equipment & fittings	Equipment and fittings used to test the pressure in a fluid, or exerted by a fluid on an immersed component	-	300
Lifting and rigging equipment	Equipment (ropes and chains) used for rigging and lifting activities	-	1,400
Total			8,592

(iii) General working capital

A total of RM6.54 million of our Public Issue proceeds will be used to finance additional working capital requirements in tandem with the expected growth in our business. The following is a breakdown of the utilisation of proceeds for our working capital:

No.	Details	Estimated cost	
		RM'000	RM'000
(a)	Expansion of workforce ⁽¹⁾		3,264
(b)	Secure distributorship for new products ⁽²⁾		500
(c)	Marketing expenses:		
	• Participation fees for exhibitions	200	
	• Travelling and accommodation expenses	280	
			480
(d)	Existing business operation and running cost ⁽³⁾ :		
	• Manpower supply – advances and wages	1,320	
	• EPC project expenses – equipment rentals	660	
	• Travelling and accommodation expenses	220	
	• Training for our existing staffs	100	
			2,300
Total			6,544

Notes:

- (1) Our Group expects to utilise approximately RM3.26 million for payment of salaries to new staffs to be recruited, in addition to the number of new staffs to be recruited under the broadening our range of support services mentioned in Section 4.9.1(i) above.

In this respect, we intend to hire the following new personnel:

Positions	No.	Functions
Engineers	4	Provide design, analysis, build and test machines, systems, structures and materials for upstream and downstream segment
Project Manager	4	Develop project planning, execute and oversee projects, review and ensure projects is in accordance to the project plan for upstream and downstream segment

4. PARTICULARS OF OUR IPO (Cont'd)

Positions	No.	Functions
Sales and marketing personnel	2	Perform sales and marketing activities

Such amount is expected to be utilised for a period of 24 months and the payments of new staff salaries will subsequently be funded through internally generated funds.

- (2) We intend to secure distributorship for new products (such as tools and equipment used in the O&G industry) from foreign manufacturers and/or distributors. Normally to be a distributor for such manufacturers and/or distributors, we need to hold a certain volume of inventories. We have allocated RM0.50 million from the proceeds for the procurement of inventories in relation to the securing of distributorship of new products. As at LPD, we are in early stages of discussions with 3 potential foreign manufacturers and/or distributors. We have yet to finalise any distributorships agreements for the new products.
- (3) We intend to allocate RM2.30 million for our existing business operations and running cost to fund the growth of our existing business operations. The nature of our business, being service-based, is dependent on the availability of working capital and our workforce. Working capital is necessary as salaries/wages to contractual workers / subcontractors may have to be made prior to our collection from our customers. With the additional working capital, we will be able to hire more contractual workers and undertake more projects at a given point.

(iv) Estimated listing expenses

An amount of RM3.00 million is allocated to meet the estimated cost for our Listing. If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	1,983
Fees payable to authorities	150
Underwriting, placement and brokerage fees	634
Printing and advertising fees and other incidental costs	233
Total	3,000

Note:

- (1) Includes advisory fees for, amongst others, our Adviser and Sponsor, Solicitors, Reporting Accountants and IMR

4. PARTICULARS OF OUR IPO (Cont'd)

4.9.2 Offer for Sale

The Offer for Sale will raise gross proceeds of approximately RM10.69 million which will accrue entirely to our Selling Shareholders. The Selling Shareholders shall bear all expenses such as placement fee and miscellaneous fees estimated at approximately RM0.30 million relating to the Offer Shares.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 Brokerage fees

Brokerage fees is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4.10.2 Placement fees

Our Placement Agent has placed out a total of 57,540,000 Issue Shares to selected investors.

We are obliged to pay our Placement Agent a placement fee of 2.5% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.5% of the value of those Offer Shares placed out by our Placement Agent will be borne entirely by the Selling Shareholders.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 24,660,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We are obliged to pay our Underwriter an underwriting commission of 2.5% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 24,660,000 Issue Shares ("Underwritten Shares") as set out in Section 4.3.4 of this Prospectus.

The following are the salient terms contained in the Underwriting Agreement:

4.11.1 Conditions Precedent

The several obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon ("Conditions Precedent"):

- (i) The acceptance of the listing proposal from Bursa Securities, the clearance of registrable Prospectus from SC and the lodgement of registrable Prospectus with the ROC respectively together with copies of all documents required under Section 155 of the Act prior to the issuance of the Prospectus to the public;

4. PARTICULARS OF OUR IPO (Cont'd)

- (ii) The issuance of the Prospectus (including all other procedures, requirements, letters and documents) required under Section 155 of the Act to the public within 3 months from the date hereof or such extension as consented by the Underwriter;
- (iii) There having been, as at any time hereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of the Group (which in the reasonable opinion of the Underwriter is or will be material in the context of the Public Issue) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings, if they are repeated on and as of the Closing Date;
- (iv) The issue, offering and subscription of the Issue Shares in accordance with the provisions hereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (v) All necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;
- (vi) The Underwriter having been satisfied that arrangements have made by the Company to ensure payment of the expenses;
- (vii) The delivery to the Underwriter prior to the date of registration of the Prospectus of:
 - (a) a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus;
 - (b) a certificate dated the date of the Prospectus signed by duly authorised officers of the Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in paragraph sub above;
- (viii) The delivery to the Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Board as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of the Group nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties as though they have been given and/or made on such date; and
- (ix) The Underwriter being satisfied that the Company will, following completion of the Public Issue be admitted to the official list and its issued and paid-up share capital listed and quoted on the ACE Market without undue delay.

4. PARTICULARS OF OUR IPO (Cont'd)

4.11.2 Non-fulfillment of Conditions Precedent

In the event any of the Conditions Precedent are not satisfied by the Closing Date, the Underwriter shall thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to the Company not later than 3 Market Days after the Closing Date and upon such termination the Company and the Underwriter shall be released and discharged from their obligations save for the Company's obligations and none of the parties shall have a claim against the other save for antecedent breaches by the Company and claims arising therefrom. Each party shall in such event return any and all monies paid to the other under the Underwriting Agreement within 72 hours of the receipt of such notice (except for monies paid by the Company for the payment of the expenses). The Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under the Underwriting Agreement.

4.11.3 Termination

Notwithstanding anything herein contained, the Underwriter may by notice in writing to the Company given at any time on or before the allotment and issuance of the Underwritten Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:

- (i) There is any breach by the Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution of the Issue Shares; or
- (ii) There is withholding of information of a material nature from the Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group and the success of the Public Issue, or the distribution of the Issue Shares; or
- (iii) There shall have occurred, happened or come into effect in the opinion of the Underwriter any material and/or adverse change to the business or financial condition of the Group; or
- (iv) There shall have occurred, happened or come into effect any of the following circumstances:
 - (a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Company and/or the Underwriter (including without limitation, acts of God, acts of

4. PARTICULARS OF OUR IPO (Cont'd)

terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Group and the success of the Listing and IPO, or the distribution of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

(c) the FTSE Bursa Malaysia KLCI Index ("Index") is, at the close of normal trading on Bursa Securities, on any Market Day:

(aa) on or after the date of the Underwriting Agreement; and

(bb) prior to the allotment of the Issue Shares,

lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least 3 Market Days; or

(d) in the event of national disorder, outbreak of war or the declaration of a state of national emergency; or

(v) There is failure on the part of the Company to perform any of their respective obligations herein contained; or

(vi) Any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or

(vii) Any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on the Company pursuant to the indemnities contained under the Underwriting Agreement.

4.11.4 Effect of termination

Upon such notice(s) being given, the Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of the Underwriting Agreement, except that the Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and its undertaking to indemnify the Underwriter.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, inter-alia, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

4. PARTICULARS OF OUR IPO (Cont'd)

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25.00% of our enlarged share capital for which listing is sought must be in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares each upon admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. In the event we fail to meet the said requirement pursuant to our IPO, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

You should rely only on the information contained in this Prospectus or any applicable Prospectus supplement. Neither we nor our advisers have authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

We are not making any invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation are authorised or lawful to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. The distribution of this Prospectus and the making of our IPO in certain jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of our IPO Shares are subject to the Malaysian laws and we, together with M&A Securities as our Adviser, Sponsor, Underwriter and Placement Agent, take no responsibility for the distribution of this Prospectus and the offer of any part of our IPO Shares outside Malaysia, which may be restricted by law in certain other jurisdictions.

You must have a CDS Account when applying for our IPO Shares. In the case of an application by way of Application Form, you must state your CDS Account number in the space provided in the Application Form. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an application for our IPO Shares. Please refer to Section 16 for further details on the summarised procedures for application for our IPO Shares.

In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application and the applicant shall furnish your CDS Account number to the Participating Financial Institution by way of keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application.

4. PARTICULARS OF OUR IPO (Cont'd)

In the case of an Application by way of Internet Share Application, only an applicant who has a CDS Account and an existing account to their internet financial services with the Internet Participating Financial Institutions can make an Internet Share Application. You shall furnish your CDS Account number to the Internet Participating Financial Institutions by keying your CDS Account number into the online application form. A corporation or institution cannot apply for our IPO Shares by way of Internet Share Application.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Name	Nationality	⁽¹⁾ Before IPO				⁽²⁾⁽³⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kenny Ronald Ngalin	Malaysian	167,688,000	51.00	-	-	147,138,000	35.80	-	-
Martin Philip King Ik Piau	Malaysian	128,232,000	39.00	-	-	107,682,000	26.20	-	-
Mary King Siaw Ning	Malaysian	32,880,000	10.00	-	-	32,880,000	8.00	-	-
Yau Kah Tak	Malaysian	-	-	⁽⁴⁾ 32,880,000	10.00	⁽⁵⁾ 282,000	*	⁽⁴⁾ 32,880,000	8.00

Notes:

* Less than 0.1%

⁽¹⁾ Based on the share capital of 328,800,000 Shares after the Acquisitions and the transfer of the 100 subscriber shares in OVH to Kenny Ronald Ngalin, but before the IPO.

⁽²⁾ After Public Issue and Offer for Sale.

⁽³⁾ Based on the enlarged share capital of 411,000,000 Shares after IPO.

⁽⁴⁾ Deemed interested by virtue of his wife, Mary King Siaw Ning shareholdings pursuant to Section 8 of the Act.

⁽⁵⁾ Assuming he fully subscribes his entitlement under the Pink Form Allocations.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.2 Profiles of Promoters and substantial shareholders

The profiles of Kenny Ronald Ngalin, Martin Philip King Ik Piau and Yau Kah Tak, who are our Promoters and substantial shareholders, are as set out in Section 5.2.2.

The profile of Mary King Siaw Ning, our substantial shareholder is as follows:

(a) Mary King Siaw Ning

Mary King Siaw Ning, a Malaysian, aged 42, is our substantial shareholder. She is the spouse of Yau Kah Tak and sister to Martin Philip King Ik Piau.

She graduated with a Bachelor of Electrical Engineering from Universiti Teknologi Malaysia in 2001.

She began her career in 2002, as a Quality Measurement Instrumentation Engineer in Shell MDS Sdn Bhd, where her duties involved developing standard operating procedures for technicians, talent management, provision of technical services to all analysers in the company's laboratory, as well as the maintenance of online analysers and fire and gas systems in the company. She was then promoted to System and Project Engineer in 2006, where her role involved the delivery of automation scopes for in-house instrumentation projects, management and maintenance of instrumentation plans, and carrying out instrumentation feasibility studies.

In 2007, she joined Shell Eastern Petroleum Pte Ltd as an Instrument Construction Engineer, where she was responsible for the instrumentation scope in natural gas supply integration projects as well as monitoring the performance of the engineering, procurement and construction management and instrumentation control engineers. She was also involved in carrying out factory acceptance tests, loop checks, loop tests, and function tests.

She then joined Shell Global Solutions (M) Sdn Bhd as an Automation Engineer in 2009 (a position that she currently still holds), where she is involved in the provision of technical assurance and support for instrument engineering, delivery of automation scopes, design and functional review of anti-surge valve and pressure/transmitters, as well as the provision of support to the main automation contractors for factory acceptance tests.

She presently holds directorship and shareholdings in a number of private limited companies.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.3 Changes in the Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings since our Company's incorporation are as follows:

	As at incorporation			⁽¹⁾ After Acquisitions			⁽²⁾ After IPO				
	Indirect		No. of Shares	Direct		No. of Shares	Indirect		No. of Shares		
	%	No. of Shares		%	No. of Shares		%	No. of Shares			
Kenny Ronald Ngalin	-	-	(3)167,688,000	51.00	-	-	-	147,138,000	35.80	-	
Martin Philip King Ik Piau	-	-	128,232,000	39.00	-	-	-	107,682,000	26.20	-	
Mary King Siaw Ning	-	-	32,880,000	10.00	-	-	-	32,880,000	8.00	-	
Yau Kah Tak	-	-	-	-	(4)32,880,000	10.00	-	(5)282,000	*	(4)32,880,000	8.00

Notes:

* Less than 0.1%

(1) Based on share capital of 328,800,000 Shares after Acquisitions.

(2) Based on the enlarged share capital of 411,000,000 Shares after IPO.

(3) As at incorporation, 100 Shares was issued to Oah Ai Ling. The subscriber shares were subsequently transferred to Kenny Ronald Ngalin on 4 April 2019.

(4) Deemed interested by virtue of his wife, Mary King Siaw Ning shareholdings pursuant to Section 8 of the Act.

(5) Assuming he fully subscribes his entitlement under the Pink Form Allocations.

5.1.4 Persons exercising control over the corporation

Save for our Promoters, no other person is able to, directly or indirectly, jointly or severally, exercise control over our Company.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2 DIRECTORS

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after our IPO assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation / Nationality	⁽¹⁾ Before IPO			⁽²⁾⁽³⁾ After IPO		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Nor Azzam Bin Abdul Jalil	Independent Non-Executive Chairman/ Malaysian	-	-	-	⁽³⁾ 100,000	*	-
Kenny Ronald Ngalin	Managing Director/ Malaysian	167,688,000	51.00	-	147,138,000	35.80	-
Martin Philip King Ik Piau	Executive Director/ Malaysian	128,232,000	39.00	-	107,682,000	26.20	-
Yau Kah Tak	Executive Director/ Malaysian	-	-	⁽⁴⁾ 32,880,000	⁽³⁾ 282,000	*	⁽⁴⁾ 32,880,000
Tham Choi Kuen	Independent Non-Executive Director/ Malaysian	-	-	-	⁽³⁾ 100,000	*	-
Ilham Fadilah Binti Sunhaji	Independent Non-Executive Director/ Malaysian	-	-	-	⁽³⁾ 100,000	*	-
Reza-Rizvy Bin Ahmad Rony Assim	Independent Non-Executive Director/ Malaysian	-	-	-	⁽³⁾ 100,000	*	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Notes:

- * Less than 0.1%
- (1) Based on the share capital of 328,800,000 Shares after the Acquisitions.
- (2) Based on the enlarged share capital of 411,000,000 Shares after IPO.
- (3) Assuming our Directors fully subscribe for their respective entitlements under the Pink Form Allocations.
- (4) Deemed interested by virtue of his wife, Mary King Siaw Ning shareholdings pursuant to Section 8 of the Act.

5.2.2 Profiles of Directors

(i) **Nor Azzam Bin Abdul Jalil** *Independent Non-Executive Chairman*

Nor Azzam Bin Abdul Jalil, a Malaysian, aged 55, is our Independent Non-Executive Chairman. He was appointed to our Board on 14 August 2019 and is the Chairman of our Remuneration Committee. He is also a member of our Audit and Risk Management Committee and our Nominating Committee.

He graduated with a Bachelor of Business Administration (Finance) from George Washington University, USA in 1987. Upon his graduation, he was employed as an Executive Trainee by Bank of Commerce (M) Berhad. In 1991, he was promoted as Assistant Vice President responsible for managing the bank's Nostro accounts. In 1993, he moved to the corporate banking department as a Credit Officer and was promoted to Head of Japanese Desk in January 1995.

In 1999, after the merger of Bank of Commerce (M) Berhad and Bank Bumiputra Malaysia Berhad to Bumiputra-Commerce Bank Berhad, he was redesignated as Business Center Manager where he was responsible to set-up and manage a business center in Klang Valley. In 2000, he was seconded to Tokyo, Japan branch of Bumiputra-Commerce Bank Berhad as General Manager to manage the day-to-day operations of the branch.

In 2005, he returned to Malaysia to become Chief Executive Officer of Commerce Tjari Bank Berhad and was transferred to CIMB Bank Berhad as Regional Director IV (responsible for the South Selangor and Negeri Sembilan branches) in 2006. He was subsequently promoted to Senior Vice President/Regional Director I (responsible for the Kuala Lumpur branches) in 2010. He remained with the CIMB group and was promoted several times before leaving CIMB Bank Berhad in 2016. His last position with the bank was Acting Head of Consumer Sales and Distribution, responsible for driving retail banking and enterprise banking businesses. He joined Kuwait Finance House (Malaysia) Berhad in the same year as Deputy Chief Executive Officer, where he was responsible for assisting in driving the overall strategic direction of the bank's business.

In 2017, he left Kuwait Finance House (Malaysia) Berhad to join his family business, Voxel Imaging Sdn Bhd, a visual effects and production company for film and television as well as end-to-end production for corporate and commercial clients. He currently manages the financial and investment aspects of the company.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Presently, he sits on the Board of Revenue Group Berhad, a company listed on the ACE Market, where he was appointed as an Independent Non-Executive Chairman in December 2017. He also holds directorship in several private limited companies.

(ii) Kenny Ronald Ngalin

Promoter, substantial shareholder and Managing Director

Kenny Ronald Ngalin, a Malaysian, aged 44, is our Managing Director. He was appointed to our Board on 1 April 2019. He is our Group's founder and has spearheaded the business growth of our Group since its inception in 2011. He is principally responsible for overseeing the day-to-day operations and implementation of the overall strategies and corporate direction of our Group.

He has more than 16 years of working experience in the O&G industry, specialising in health, safety and environment.

He obtained his Nursing Diploma from Pantai Institute of Health Science & Nursing in 2001 and holds a certificate from The National Examination Board in Occupational Safety & Health (NEBOSH) United Kingdom since 2012.

He began his oilfield career in 2002 with International SOS (Malaysia) Sdn Bhd, as an offshore medic providing medical care and various health and safety trainings onboard offshore drilling rigs, platform and remote areas. Throughout his tenure, he was involved in various projects and short assignments as Rig Medic to various local and international O&G companies, such as GlobalSantaFe Corporation, Murphy Oil Corp Sarawak Sdn Bhd, Ensco Gerudi (Malaysia) Sdn Bhd, Transocean Inc., Western Geco Inc. and Grant Geophysical Inc. During his assignments and projects, he was assigned to work on various types of drilling rigs, vessels, floating production storage, shipyards and base in Malaysia, Thailand, Vietnam, Brunei, Indonesia and Singapore, Sudan, China and Nigeria.

In 2005, he left International SOS (Malaysia) Sdn Bhd and joined Tioman Drilling Sdn Bhd -Smedvig S.A as Safety Training Officer. In 2006, he left Tioman Drilling Sdn Bhd -Smedvig S.A and joined Transocean Drilling Sdn Bhd as Rig Safety Training Coordinator. He later joined Seadrill Management (S) Pte Ltd as a Safety Coach in 2007, where he was responsible to ensure that offshore drilling rigs and platform were in compliance with the internal and external governing requirements.

In 2011, he founded OVE while he was still attached to Seadrill Management (S) Pte Ltd. In 2013, he left Seadrill Management (S) Pte Ltd to focus solely on OVE.

He presently holds directorship and shareholdings in a number of private limited companies.

(iii) Martin Philip King Ik Piau

Promoter, substantial shareholder and Executive Director

Martin Philip King Ik Piau, a Malaysian, aged 48, is our Executive Director. He was appointed to our Board on 1 April 2019. He joined our Group in 2013 and has been instrumental to the business growth and development of our Group since then. He is responsible for overseeing the overall daily operations of our EPC, project management and procurement activities.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

He graduated with a Bachelor of Chemical Engineering (Gas) from Universiti Teknologi Malaysia in 1997. He then obtained his Masters in Engineering (Gas) from Universiti Teknologi Malaysia in 2002. He has accumulated 18 years of experience in the EPC and project management for the O&G industry.

He began his career in 2001, as a Project Engineer at Vantage Steel Works Sdn Bhd where he was involved in a piping fabrication, installation and pre-commissioning project for a butanediol plant in Malaysia. In 2002, he left Vantage Steel Works Sdn Bhd and joined Toyo Engineering & Construction Sdn Bhd in 2002 as a Project Engineer and was involved in projects for process engineering design. In 2004, he left Toyo Engineering & Construction Sdn Bhd and joined WHESSOE Sdn Bhd as Project Engineer, where he was involved in various EPCC projects and hydropower plant projects. He was then promoted to Project Manager in 2011.

In 2013, he left WHESSOE Sdn Bhd and joined OVE in the same year as a General Manager where he was tasked with overseeing operations, engineering and projects.

He presently holds directorship and shareholdings in several private limited companies.

(iv) Yau Kah Tak

Promoter, substantial shareholder and Executive Director

Yau Kah Tak, a Malaysian, aged 41, is our Executive Director. He was appointed to our Board on 1 April 2019. He joined our Group in 2014 and has been instrumental to the business growth and development of our Group since then. He is responsible for managing and implementing our Group's business development plans and strategies.

He obtained his Bachelor in Mechanical Engineering with honours from Universiti Teknologi Malaysia in 2001. He has 18 years of experience working in the EPC and project management for the O&G industry.

In 2001, he joined Transocean Inc. under the Rig Engineer Trainee Programme, and was stationed in Brazil. The Rig Engineer Trainee Programme is a 3-year programme that has been designed to accelerate and advance personnel into management roles in the company. Upon completion of the programme in 2004, he assumed the role of Operations Engineer, where he worked closely with rig managers and offshore rig management teams in managing the day to day operations and rig maintenance activities.

He was subsequently promoted to the position of Regional Operations Engineer – Performance in 2005, where he worked closely with the Director of Performance for Asia Pacific Unit on performance monitoring and improvement activities and operations lateral learning reviews. In 2006, he was promoted to Rig Manager – Asset and in the same year, became Rig Manager – Performance. In 2007, he joined Seadrill Management (S) Pte Ltd as an Operations Engineer where his role involved project management.

Subsequently, in 2008, he joined Transocean Inc. as Rig Manager – Asset. In 2011, he was promoted to Strategic Sourcing Manager, where he was involved in pricing agreements, contracts management, vendor performance and management. He then joined Shelf Drilling Ventures Malaysia Sdn Bhd as a Rig Manager in 2013, where he was in charge of offshore rig management team and operational performance.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2014, he left Shelf Drilling Ventures Malaysia Sdn Bhd and joined OVE in the same year, as a Business Development Manager. In August 2017, he left our Group to take a 1-year contract as a Rig Manager in charge of offshore rig management team and operational performance with Perisai Drilling Sdn Bhd, then a customer to OVE. Prior to leaving our Group, he was offered by Kenny Ronald Ngalin a stake in OVE via Call Option 2, on the understanding that he could only exercise the Call Option 2 when he rejoins our Group. He rejoined OVE in September 2018 and exercised the Call Option 2 on 21 September 2018 and emerged as a substantial shareholder in November 2018 through his wife, Mary King Siaw Ning.

He presently holds directorship and shareholdings in several private limited companies.

(v) Tham Choi Kuen
Independent Non-Executive Director

Tham Choi Kuen, a Malaysian, aged 53, is our Independent Non-Executive Director. She was appointed to our Board on 1 April 2019 and is the Chairman of our Audit and Risk Management Committee. She is also a member of our Remuneration Committee and our Nomination Committee.

In 2004, she obtained her professional accounting qualification from the Chartered Institute of Management Accountants (CIMA), United Kingdom. She has been a chartered accountant and a member of the Malaysian Institute of Accountants since 2005.

She began her career in 1997 as an Accounts Executive in the Accounts and Finance Department at Drard Holdings Sdn Bhd, where her duties included the preparation and maintenance of management reports, financial statements and related accounting reports. She was subsequently promoted to Assistant Manager in the Accounts and Finance department in 2000, where she was involved in management accounts reporting, budgeting, variance analysis, internal control, taxation, and financial and cash management.

In 2001, she left Drard Holdings Sdn Bhd to focus on her family and furthering her professional qualification in CIMA and subsequently re-joined the workforce in 2004 as Financial Controller at Azrahi Hotels Sdn Bhd (a subsidiary of Drard Holdings Sdn Bhd). During her tenure, she was responsible for overseeing the overall accounts, finance and treasury functions.

In 2007, she joined ITP Sdn Bhd as a Manager for student fees collections and accounts receivables management. She was then re-designated as Finance and Administrative Manager in 2009, where her duties included the preparation of the weekly sales and marketing cost reports for management review and ensuring proper quality control for all payment transactions. In 2017, she was promoted as the Senior General Manager of Finance, Credit Control and Administration of Kolej Universiti Linton Sdn Bhd, an affiliate of ITP Sdn Bhd where she was in-charge of the company's financial and administrative department.

In June 2017, she left Kolej Universiti Linton Sdn Bhd and joined DWL Resources Berhad (formerly known as Spring Gallery Berhad) as a Financial Controller to oversee the corporate and financial aspects of the Company. In October 2017, she was promoted to Chief Financial Officer and is responsible for overseeing the overall finance-related functions of DWL Resources Berhad including monitoring of financial

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

performance and results, financial reporting, treasury management and tax compliance.

She presently holds directorship in several private limited companies.

(vi) Ilham Fadilah Binti Sunhaji
Independent Non-Executive Director

Ilham Fadilah Binti Sunhaji, a Malaysian, aged 38, is our Independent Non-Executive Director. She was appointed to our Board on 1 April 2019 and is the Chairman of our Nomination Committee. She is also a member of our Audit and Risk Management Committee and our Remuneration Committee.

She completed her Bachelor of Arts majoring in International Studies (Global Security) and Political Science from the University of Wisconsin-Madison, United States of America in 2005. In 2014, she obtained her Masters of Business Administration in Strategic Management from the International Islamic University Malaysia. She is currently pursuing her Doctorate of Business Administration focusing on Corporate Governance in SEGI University.

She began her career in Solid Partners Sdn Bhd in 2005 as an Executive in the Sales and Marketing department where she was involved in the tendering and procurement of military and medical equipment. In 2006, she joined Accenture Malaysia as an Analyst, where she executed change management work stream deliverables and facilitated the development of global technology solutions for the national automotive manufacturing company.

In 2008, she was promoted as Consultant where she was involved in the establishment of global technology solutions division of a national oil and gas company. Subsequently, she was promoted to Manager in 2010, where she was involved in a few projects for the national O&G Company and national land public transportation. Her role included strategic planning, development and execution of organisation transformation plans, designing of high-level business operating models, as well as the development of deployment strategies and on-line knowledge repository systems.

In 2012, she left Accenture Malaysia and joined Performance Management and Delivery Unit ("PEMANDU"), an agency of the Prime Minister's Department as Manager. Her role included the rationalisation of subsidies and the facilitation of fuel standard upgrade. She was also involved in the human capital development, and was in charge of the implementation, assessment and facilitation of progress and development of two national key economic areas; oil, gas and energy as well as financial services under the Economic Transformation Programme.

Subsequently, she was promoted to Senior Manager in 2014, where she was responsible to develop strategies and road maps for various industries. In March 2017, she was promoted to Vice President, where she facilitated discussion and negotiation on gas pricing as part of gas market liberalisation across ministries and agencies for the power and non-power sectors.

In August 2017, she left PEMANDU and joined Pemandu Associates Sdn Bhd, a private management consultancy firm established by the preceding PEMANDU management, as Senior Vice President, where she is currently responsible for strategic planning and development and execution of organisation transformation plans.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Presently, she is the Independent Non-Executive Director of Econframe Berhad (seeking listing on the ACE Market). She is also a director and shareholder of a private limited company.

(vii) Reza-Rizvy Bin Ahmad Rony Assim
Independent Non-Executive Director

Reza-Rizvy Bin Ahmad Rony Assim, a Malaysian, aged 40, is our Independent Non-Executive Director. He was appointed to our Board on 1 April 2019. He is member of our Audit and Risk Management Committee, Remuneration Committee and our Nomination Committee.

He completed his Matriculation Programme in Engineering from Universiti Putra Malaysia in 1999. He commenced his Bachelor in Engineering in Robotics and Mechatronics from the Swinburne University of Technology, Kuching, Sarawak in 2001 and graduated in 2009.

While pursuing his degree on a part time basis from 2001 to 2009, from September 2006 to January 2009, he joined Naim Holdings Berhad as Sales Assistant in the Sales and Marketing department to help finance his studies. Subsequently, he took up industrial training with Sarawak Energy Berhad from January to July 2009.

In 2010, he served as Private Secretary to the then Deputy Minister of Agriculture and Agro-based Industries. In the same year, he then served as Private Secretary to the then Deputy Minister of Domestic Trade, Cooperatives and Consumerism.

Subsequently, in 2013, he served as Senior Private Secretary to the then Minister of Women, Family and Community Development up till 2018. During this period, he was also involved in Yayasan Kebajikan Negara, a non-profit organisation. As a board member he participated in the planning and execution of the organisation's programmes and activities.

In 2018, he joined Proviera SCD Biotech Sdn Bhd in Kuching, Sarawak, a company involved in probiotic technology for agriculture and industrial waste. As an Associate Marketing Director, he is responsible for developing and managing growth strategies for the company. He is also a member, since 2010, of Persatuan Anak Sarawak Semenanjung, a non-profit organisation that was established to help look into the welfare of Sarawakians in Peninsular Malaysia.

He currently is a director and shareholder in several private limited companies.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.3 Principal business performed outside our Group

Save as disclosed in 5.2.2 above and below, none of our Directors has any other principal directorship, shareholdings and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(i) Nor Azzam Bin Abdul Jalil

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Present involvement Voxel Communications Sdn Bhd	Design development of web portal	Director	18 February 2019	-	-	-
Voxel Imaging Sdn Bhd	Design development of web portal	Director	30 November 2018	-	-	-
Revenue Group Berhad	Investment holding company engaged in providing cashless payment solutions	Independent Non-Executive Chairman	1 December 2017	-	0.07	-
Past involvement Sunway South Quay Sdn Bhd	Real estate developer	Non-Independent Non-Executive Director	25 July 2016	8 February 2017	-	-
Flora Bliss Property Development Sdn Bhd	Acquiring, dealing and trading in real property	Non-Independent Non-Executive Director	25 July 2016	8 February 2017	-	-
CIMB-Principal Asset Management Berhad	Investment management company	Non-Independent Non-Executive Director	4 December 2013	26 May 2016	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii) **Kenny Ronald Ngalin**

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
<u>Present involvement</u> Kancera Delima Aqua Farming Sdn Bhd	Dormant Previously involved in aquaculture	Director	11 January 2016	-	80.00	-
Profile Properties Sdn Bhd (formerly known as Ocean Vantage Group Sdn Bhd)	Properties investment holding	Director	23 December 2013	-	35.00	-
PS Fabricator Sdn Bhd (formerly known as Ocean Vantage Fabricator Sdn Bhd)	Dormant since incorporation, intended to manufacture or prefabricated structural components for building or civil engineering of cement, concrete or artificial stone	Director	14 November 2013	-	85.00	-
Venom Properties Sdn Bhd (formerly known as Ocean Vantage Properties Sdn Bhd)	Properties investment holding	Director	20 February 2013	-	16.60	-
Horizon Plantations Sdn Bhd (formerly known as Ocean Vantage Plantations Sdn Bhd)	Dormant since incorporation, intended to carry out plantation business.	Director	10 January 2012	-	50.00	-
<u>Past involvement</u> Limpahan Mahamas Sdn Bhd	Language learning centre	Director	8 July 2014	28 March 2018	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Viva Maison Land Development Sdn Bhd	Dormant since incorporation	Director	20 October 2014	30 June 2016	-	-
Dynamic Force Marketing Sdn Bhd (formerly known as Ocean Vantage Trading Sdn Bhd)	Trading of industrial equipment and products	Director	25 January 2012	2 January 2017	-	-
Borneo Material Handling Sdn Bhd	Wholesale of industrial machinery, equipment and supplies	Disposed shares on 13 September 2016	-	-	60.00	-
(iii) Martin Philip King Ik Piau						
Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
Present involvement					Direct	Indirect
Profile Properties Sdn Bhd (formerly known as Ocean Vantage Group Sdn Bhd)	Properties investment holding	Director	23 December 2013	-	20.00	-
PS Fabricator Sdn Bhd (formerly known as Ocean Vantage Fabricator Sdn Bhd)	Dormant since incorporation, intended to manufacture or prefabricated structural components for building or civil engineering of cement, concrete or artificial stone	-	-	-	16.66	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Tung Huat Engineering Sdn Bhd	Trading of general hardware and spare parts	-	-	-	11.25	-
Venom Properties Sdn Bhd <i>(formerly known as Ocean Vantage Properties Sdn Bhd)</i>	Properties investment holding	-	-	-	16.60	-
Past involvement Dynamic Force Marketing Sdn Bhd <i>(formerly known as Ocean Vantage Trading Sdn Bhd)</i>	Trading of industrial equipment and products	Director	16 May 2013	2 January 2017	-	-
(iv) Yau Kah Tak						
Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
Present involvement Primoden Living Solutions Sdn Bhd	Distribution of kitchenware and housewares	Director	11 May 2016	-	40.00	-
Viva Maison Land Development Sdn Bhd	Dormant since incorporation, to carry business on distribution and supply of industrial equipment and products	Director	30 June 2016	-	25.00	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Sustainable Ventures Sdn Bhd	Engineering consultancy services	Director	16 March 2016	-	66.66	-
Profile Properties Sdn Bhd (formerly known as Ocean Vantage Group Sdn Bhd)	Properties investment holding	Director	10 March 2016	-	20.00	-
Marine Vantage (Thailand) Co. Ltd. (formerly known as Ocean Vantage (Thailand) Co. Ltd.)	Trading of industrial equipment and products	Director	4 August 2015	-	30.00	-
PS Fabricator Sdn Bhd (formerly known as Ocean Vantage Fabricator Sdn Bhd)	Dormant since incorporation, intended to manufacture or prefabricated structural components for building or civil engineering of cement, concrete or artificial stone	Director	29 December 2014	-	15.00	-
TFB Sdn Bhd	Properties investment holding	Director	29 April 2014	-	20.00	-
Venom Properties Sdn Bhd (formerly known as Ocean Vantage Properties Sdn Bhd)	Properties investment holding	Director	20 February 2013	-	8.33	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Horizon Plantations Sdn Bhd (formerly known as Ocean Vantage Plantations Sdn Bhd)	Dormant since incorporation, intended to carry out plantation business	Director	10 January 2012	-	25.00	-
Past involvement						
Dynamic Force Marketing Sdn Bhd (formerly known as Ocean Vantage Trading Sdn Bhd)	Trading of industrial equipment and products	Director	25 January 2012	15 May 2013	20.00	-
Quantum Fabrication Sdn Bhd	Fabrication and engineering related works	Director	27 December 2017	6 June 2019	50.00	-
		Disposed shares on 2 January 2017				
		Disposed shares on 6 June 2019				
(v) Tham Choi Kuen						
Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
Direct	Indirect					
Present involvement						
Sunmark Point Sdn Bhd	Property investment holding	Director	1 June 2017	-	-	-
Profit Sunland Sdn Bhd	Property construction and related business	Director	1 June 2017	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
<u>Past involvement</u> Million Rich Development Sdn Bhd	Property development and other related services	Director	1 June 2017	5 January 2018	-	-
Million Rich Resources Sdn Bhd	Dormant since incorporation, intended for export and import of goods including property investment and construction	Director	1 June 2017	10 April 2018	-	-
Instant Initiative Sdn Bhd	Property investment holding	Director	1 June 2017	13 May 2019	-	-

(vi) Ilham Fadilah Binti Sunhaji

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
<u>Present involvement</u> Econframe Berhad	Investment holding company engaged in design and manufacturing of metal door frames, of fire resistant door sets, of metal doors and trading of wooden doors and ironmongery.	Independent Non-Executive Director	11 February 2020	-	-	-
Neocap Sdn Bhd	Inactive. The company is newly incorporated and has not commenced any activities. However, it is intended to capture new business activities involving trading, import and export.	Director/ Sole Shareholder	14 February 2020	-	100.00	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(vii) Reza-Rizvy Bin Ahmad Rony Assim

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
<u>Present involvement</u> Double Solaris Sdn Bhd	Dormant since incorporation, intended for general trading	Director	13 December 2016	-	49.90	-
Proviera SCD Biotech Sdn Bhd	Commercialisation of microbial-based products for various applications and to undertake its related research and development activities	-	-	-	5.00	-
U.P. Services Sdn Bhd	Planting, replanting, transplanting, thinning and conserving of forests and timber tracts	Director	1 September 2018	-	-	-
SCD Biotech Sdn Bhd	Trading of bio-technology products, chemicals and fertilizer	Director	29 July 2019	-	-	-
<u>Past involvement</u> Kayemas Development Sdn Bhd	Dissolved on 16 June 2017	Director	25 July 2006	15 September 2009	-	-
Siarra Suria Sdn Bhd	Dissolved on 18 July 2014	Director	1 January 2010	-	-	-

The involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of our Executive Directors in those business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group.

Please refer to Section 11.1 for details of conflict of interest between our Group and our Directors and substantial shareholders.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3 KEY SENIOR MANAGEMENT

5.3.1 Key senior management shareholdings

The shareholdings of our key senior management in our Company before and after IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	Before IPO			(1)(2)After IPO		
		Direct		Indirect	Direct		Indirect
		No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Chang Yun Lung	Chief Financial Officer/ Malaysian	-	-	-	320,000	-	-
Thomas Jalong	General Manager/ Malaysian	-	-	-	360,000	-	-

Notes:

* Less than 0.1%

(1) Based on the enlarged share capital of 411,000,000 Shares after the IPO.

(2) Assuming that our key senior management will fully subscribe for their respective entitlements under the Pink Form Allocations.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.2 Profiles of key senior management

Save for the profiles of our Directors, which are disclosed in Section 5.2.2, the profiles of the other key senior management of our Group are as follows:

(i) Chang Vun Lung
Chief Financial Officer

Chang Vun Lung, a Malaysian, aged 44, is our Chief Financial Officer. He is responsible for overseeing our Group's overall finance-related functions including monitoring of financial performance and results, financial reporting, treasury management and tax compliance.

In 2004, he obtained his professional accounting qualification from the Association of Chartered Certified Accountants, United Kingdom. He has been a member of the Malaysian Institute of Accountants since 2005 and a fellow member of the Association of Chartered Certified Accountants, United Kingdom since 2009.

He began his career as an Audit Associate in BDO Binder (now known as BDO PLT) in 2001, where he led and supervised an audit team, as well as carried out statutory audit assignments and investigation audit. In 2005, he joined Isyoda Corporation Berhad, when the company was still publicly listed on the Main Board of Bursa Securities as an Accountant, where he was responsible for the preparation and analysis of the financial operations of the Group. He was subsequently promoted to Group Accountant in 2007, where he handled the key accounts of the group of companies, including foreign subsidiary companies.

In 2008, he left Isyoda Corporation Berhad and joined Synergy Business Advisory Sdn Bhd, a business consulting and management company, and its affiliate Synergy Management Solutions Sdn Bhd, a company secretarial services firm, as Director. In 2011, he was appointed as director of Commerce Cube Sdn Bhd, a company involved in company secretarial services. He resigned as a director of Commerce Cube Sdn Bhd in 2012.

In 2012, he was appointed as director of Infinity Corporate Services Sdn Bhd, a company involved in company secretarial services. In July 2013, Synergy Business Advisory Sdn Bhd and Synergy Management Solutions Sdn Bhd were dissolved and his role as director of these companies ended. He joined OVE as Financial Controller in February 2014. He then resigned as a director of Infinity Corporate Services Sdn Bhd in March 2014. He redesignated to his current position in our Group in January 2019.

Presently, he is the Independent Non-Executive Director of Focus Dynamic Technologies Berhad. He is also a director and shareholder in a number of private limited companies.

(ii) Thomas Jalong
General Manager

Thomas Jalong, a Malaysian, aged 54, is our General Manager. He is responsible for overseeing the overall daily operations of the engineering and design and fabrication activities of our Group. He also oversees the quality control and assurance of the Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 1985, he completed his secondary education from Sekolah Menengah Kebangsaan Lutong. He has 39 years of working experience in the O&G industry. Upon completing his secondary education, he began working as an Assistant Material Coordinator for Bintulu Crude Oil Terminal, Tanjung Kidurong in 1986.

In 1987, he joined Yong Tze Kiok Sdn Bhd as a Civil Foreman where he was involved in the construction of 2 units of impounding basins and underground insulated drainage piping at the Bintulu Crude Oil Terminal. Subsequently, in 1988, he joined CBI Overseas Inc. as a Non-Destructive Examination Assistant cum Radiography worker, where he carried out radiographic testing, stress-free temperature testing, and visual testing.

In 1989, he took the role as an Erection Trainee and Blaster Painter at CBI Overseas Inc. and was promoted to Non-Destructive Examination Technician cum Blaster Painter in 1990. Subsequently, in 1992, he was promoted as a Non-Destructive Examination Technician, where he carried out radiographic testing, magnetic testing, penetrant testing, stress-free temperature testing, and visual testing.

In 1996, he left CBI Overseas Inc. and joined Samsung Heavy Industries (Thailand) Co. Ltd. as a Quality Assurance and Quality Control Supervisor, where he was responsible for controlling and conducting welder's qualification testing, and inspection test planning. He was then promoted to Site Quality Assurance and Quality Control Manager in 1997, where he oversees the quality assurance department. In 2001, he was promoted to Site Construction Manager.

In 2003, he left Samsung Heavy Industries (Thailand) Co. Ltd. to join Spheretech Engineering Sdn Bhd as a Site Construction Manager. The following year, he then joined Gobil Corrosion Engineering Sdn Bhd as a Quality Assurance and Quality Control worker cum Senior Blasting and Painting Supervisor, where he was involved in various top side maintenance works for offshore drilling rigs, platforms and floating production storage and offloading vessels, as well as in the management, coordination and training of personnel to ensure that their compliance with the clients' specifications and requirements.

In 2012, he joined OVE as Business Development Manager, where he was involved in the bidding of projects as well as marketing. He was then promoted to Technical Manager in 2014, where he was involved in various topside and tanks maintenance works, conducting site surveys, and establishing blasting and painting plans. He was also responsible for crew selection, manpower planning, as well as training and briefing crew members. He assumed his current position in 2017.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.3 Principal business performed outside our Group

Save as disclosed below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(i) Chang Yun Lung

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Present involvement Marine Vantage (Thailand) Co. Ltd. (formerly known as Ocean Vantage (Thailand) Co. Ltd.)	Trading of industrial equipment and products	-	-	-	30.00	-
Green Ecodevelopment Sdn Bhd	Dormant since incorporation, intended to for business in property development, project land development and building builders and construction works	Director	21 February 2013	-	-	-
Green Ecoland Sdn Bhd	Dormant since incorporation, intended to for business in property development, project land development and building builders and construction works	Director	21 February 2013	-	-	-
Focus Dynamics Group Berhad	Investment holding company engaged in the marketing, distribution, and sale of industrial instruments. Also involved in food and beverage business	Independent Non- Executive Director	8 January 2013	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Past involvement OS Precision Equipment Sdn Bhd	Trading of take-out robots and related spare parts and the provision of technical and after sales services to its customers	Secretary	28 June 2013	18 June 2014	-	-
Yin Fu Sports and Entertainment Sdn Bhd	Production or promotion of sports events, with or without facilities	Secretary	8 December 2017	3 January 2019	-	-
Peninsular IT Consulting Group Sdn Bhd	Provision of IT services	Secretary	1 October 2018	2 July 2019	-	-
Quantum Fabrication Sdn Bhd	Fabrication and engineering related works	Director	27 December 2017	6 June 2019	50.00	-
AMZ Apparel Sdn Bhd	Retail sale of footwear	Secretary	31 March 2017	2 July 2019	-	-
Avida Hotel Sdn Bhd	Hotel operator	Secretary	9 May 2018	24 July 2019	-	-
Titan Port Specialist Sdn Bhd	Dormant since incorporation, intended for construction services	Secretary	2 March 2018	24 July 2019	-	-
Makalumart Sdn Bhd	Online sale of products	Director	27 March 2018	7 June 2019	-	-
		Secretary	27 March 2018	10 June 2019		

Disposed shares on 6 June 2019

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Jupiter Mobility Sdn Bhd	Repair and maintenance of cellular phones and other incidental activities	Director	27 October 2017	26 November 2018	-	-
		Secretary	28 October 2017	7 June 2019		
Araisuper Marketing Sdn Bhd	Dormant since incorporation, intended for wholesale of other household goods	Secretary	13 July 2018	17 June 2019	-	-
GSM Project Sdn Bhd	Dormant since incorporation, intended for wholesale of lubricants, fuels and auto parts	Secretary	1 March 2019	24 June 2019	-	-
Agroresurs Marketing Sdn Bhd	Dormant since incorporation, intended for wholesale of agricultural products, pet foods and consulting in agricultural sector	Secretary	1 March 2019	24 June 2019	-	-
Chrome Corporate Services Sdn Bhd	Corporate services activities	Director/Secretary	10 October 2016	24 June 2019	50.00	-
		Disposed shares on 24 June 2019				
GG Facilities Management Sdn Bhd	Provision of IT services	Director/Secretary	17 April 2018	15 July 2019	-	-
Protech Distribution Sdn Bhd	Dormant since incorporation, intended for wholesale of construction materials and industrial equipment	Secretary	1 March 2019	24 July 2019	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Vsolar Group Berhad	Investment holding, mainly engaged in the production of renewable energy, media publishing, software solutions and related services	Independent Non- Executive Director	26 March 2018	31 December 2019	-	-
AT Systematization Berhad	Investment holdings involved in the designs, manufacturing, and fabrication of industrial automation systems, machinery, and industrial and engineering parts	Independent Non- Executive Director	1 March 2013	31 December 2019	-	-

Chang Yun Lung is the Independent Non-Executive Director of Focus Dynamic Group Berhad, listed on the ACE Market. He is not involved in the day-to-day operations of those companies but attends board and relevant committee meetings of these public listed companies. His involvements outside our Group have not in the past, and are not expected to, affect his performance as CFO of our Group, and therefore do not result in a situation of conflict of interest.

(ii) Thomas Jalong

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Past involvement Borneo Material Handling Sdn Bhd	Wholesale of industrial machinery, equipment and supplies.	Director	28 April 2016	3 May 2017	30.00	-
	Disposed shares on 3 May 2017					

The involvement of our key senior management for the business activities outside our Group does not give rise to any conflict of interest situation with our business. Their involvement in such business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4 DIRECTORS' AND KEY SENIOR MANAGEMENT'S REMUNERATION AND BENEFITS

5.4.1 Directors' remuneration and benefits

The remuneration of our Directors including fees, salaries, bonuses, commissions, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 15.3 for further details.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2019 and 2020 are as follows:

FYE 2019	Directors' fees	Salaries	Bonuses	Benefits-in-kind and allowance	Total
Director	RM'000	RM'000	RM'000	RM'000	RM'000
Nor Azzam Bin Abdul Jalil ⁽³⁾	-	-	-	-	-
Kenny Ronald Ngalin ⁽²⁾	-	240	-	-	240
Martin Philip King Ik Piau ⁽²⁾	-	162	-	23	185
Yau Kah Tak ⁽²⁾	-	180	-	-	180
Tham Choi Kuen ⁽²⁾	-	-	-	-	-
Ilham Fadilah Binti Sunhaji ⁽²⁾	-	-	-	-	-
Reza-Rizvy Bin Ahmad Rony Assim ⁽²⁾	-	-	-	-	-

Proposed for FYE 2020	Directors' fees	Salaries	⁽¹⁾Bonuses	Benefits-in-kind and allowance	Total
Director	RM'000	RM'000	RM'000	RM'000	RM'000
Nor Azzam Bin Abdul Jalil ⁽³⁾	48	-	-	-	48
Kenny Ronald Ngalin ⁽²⁾	-	336	-	-	336
Martin Philip King Ik Piau ⁽²⁾	-	312	-	30	342
Yau Kah Tak ⁽²⁾	-	336	-	-	336
Tham Choi Kuen ⁽²⁾	30	-	-	-	30
Ilham Fadilah Binti Sunhaji ⁽²⁾	30	-	-	-	30
Reza-Rizvy Bin Ahmad Rony Assim ⁽²⁾	24	-	-	-	24

Notes:

- (1) Bonuses for FYE 2020 are not included. Such bonuses, if any, will be determined later depending on the performance of our Group, subject to the recommendation of the Remuneration Committee and approved by our Board.
- (2) Appointed on 1 April 2019.
- (3) Appointed on 14 August 2019.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4.2 Key senior management's remuneration and benefits

The remuneration of our key senior management including, salaries, bonuses, commissions, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for FYE 2019 and 2020 are as follows:

FYE 2019	(in bands of RM50,000)		
	Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
Chang Vun Lung	150 - 200	-	150 - 200
Thomas Jalong	150 - 200	-	150 - 200
Proposed for FYE 2020⁽¹⁾			
Chang Vun Lung	250 - 300	-	250 - 300
Thomas Jalong	150 - 200	-	150 - 200

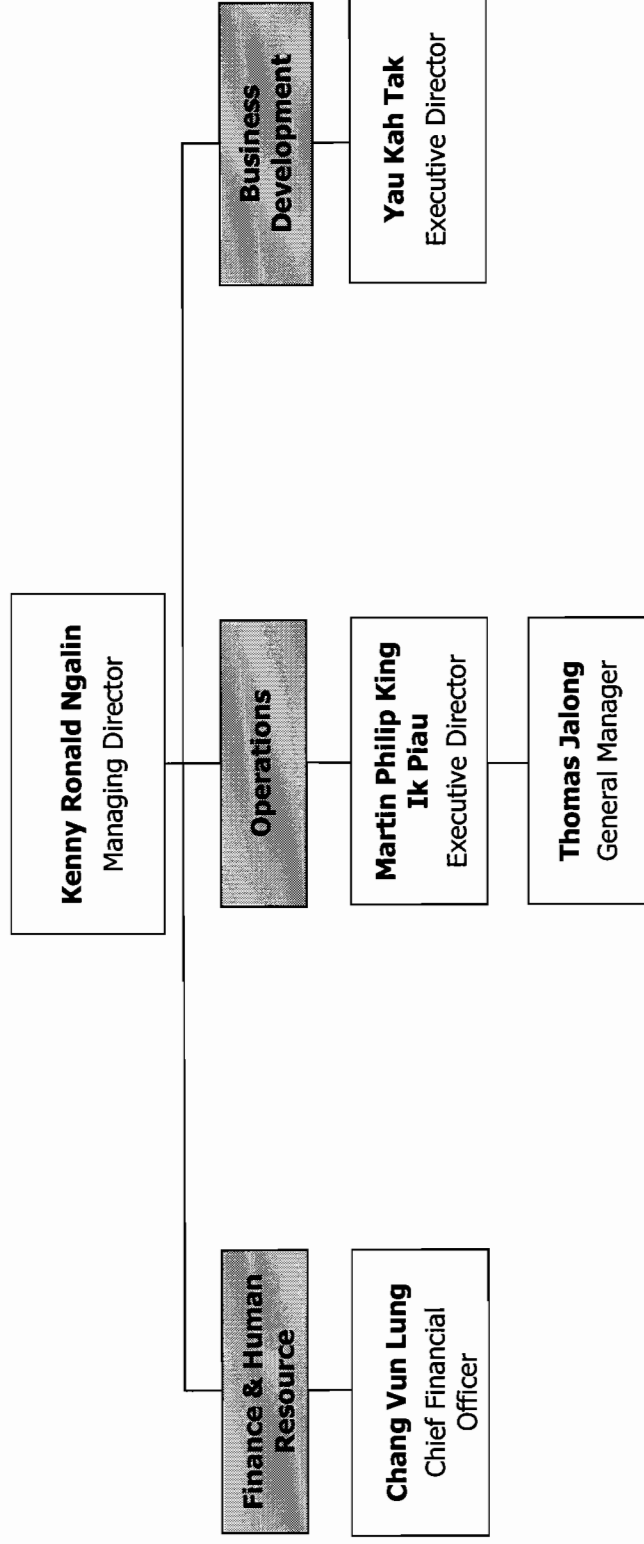
Note:

- ⁽¹⁾ The bonuses for FYE 2020 are not included. Such bonuses, if any, will be determined later depending on the performance of our Group.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.5 MANAGEMENT REPORTING STRUCTURE



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.6 BOARD PRACTICE

5.6.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

- (i) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;
- (ii) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (iii) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations;
- (iv) To ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code of Corporate Governance;
- (v) To review and approve our annual business plans, financial statements and annual reports;
- (vi) To supervise and assess management performance to determine whether the business is being properly managed;
- (vii) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group;
- (viii) To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
- (ix) To ensure the integrity of our company's financial and non-financial reporting; and
- (x) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

As at LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:

Name	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of years in office as at LPD
Nor Azzam Bin Abdul Jalil	14 August 2019	At our second annual general meeting to be held in 2020 ⁽¹⁾	Less than 1 year
Kenny Ngalin	1 April 2019	At our second annual general meeting to be held in 2020 ⁽²⁾	More than 1 year

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of years in office as at LPD
Martin Philip King Ik Piau	1 April 2019	At our second annual general meeting to be held in 2020 ⁽²⁾	More than 1 year
Yau Kah Tak	1 April 2019	At our fourth annual general meeting to be held in 2022 ⁽²⁾	More than 1 year
Tham Choi Kuen	1 April 2019	At our fourth annual general meeting to be held in 2022 ⁽²⁾	More than 1 year
Ilham Fadilah Binti Sunhaji	1 April 2019	At our third annual general meeting to be held in 2021 ⁽²⁾	More than 1 year
Reza-Rizvy Bin Ahmad Rony Assim	1 April 2019	At our third annual general meeting to be held in 2021 ⁽²⁾	More than 1 year

Notes:

- (1) In accordance with our Constitution, the new director duly appointed by the Directors shall hold office only until the next following annual general meeting, and he shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. This is provided always that the new additional Directors shall retire from office at the next following annual general meeting. The new Directors shall hold their office until the close of the next following annual general meeting.
- (2) In accordance with our Constitution, an election of Directors shall take place each year at the first annual general meeting of the Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires..

5.6.2 Audit and Risk Management Committee

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its responsibilities on the oversight of the integrity of our Group's accounting and financial reporting matters as well as lead our strategic direction in the management of our business risks, including oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

The objectives of the framework are to ensure the provision of quality product and services and monitor the risk culture and processes throughout our Group to take advantage of opportunities while managing risks that may adversely affect our reputation and achievement of business objectives and sustainability.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The terms of reference of our Audit and Risk Management Committee include, amongst others, the following:

- (i) To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;
- (ii) To review the engagement, compensation, performance, qualifications of our internal auditors and the adequacy of the scope, functions and resources of the internal auditors;
- (iii) To review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (iv) To review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group;
- (v) To perform such other functions as may be requested by our Board and to oversee and recommend the risk management policies and procedures of our Group;
- (vi) To review the adequacy and effectiveness of the risk management systems, internal controls and governance processes implemented in the Company to ensure that our Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
- (vii) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
- (viii) To set reporting guidelines for management to report to the committee on the effectiveness of our Group's management of its business risks;
- (ix) To review the risk profile of our Group and to evaluate the measures taken to mitigate the business risks; and
- (x) To review the adequacy of management response to issues identified in risk registers, ensuring that our risks are managed within our Group's risk appetite.

The recommendations of our Audit and Risk Management Committee are subject to the approval of our Board.

The members of our Audit and Risk Management Committee as at LPD are as follows:

Name	Designation	Directorship
Tham Choi Kuen	Chairman	Independent Non-Executive Director
Nor Azzam Bin Abdul Jalil	Member	Independent Non-Executive Chairman
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director
Reza-Rizvy Bin Ahmad Rony Assim	Member	Independent Non-Executive Director

Our Board will review the composition, performance and effectiveness of our Audit and Risk Management Committee annually.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.6.3 Remuneration Committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The terms of reference of our Remuneration Committee include the following:

- (i) To recommend a framework of remuneration for our Managing Director, Executive Directors and key senior management for the Board's approval to ensure corporate accountability and governance in respect of our Board remuneration and compensation. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;
- (ii) To recommend specific remuneration packages for Managing Director, Executive Directors and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for Non-Executive Director and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board;
- (iii) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of Managing Director and Executive Director and key senior management;
- (iv) To implement the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of our Board and key senior management; and
- (v) To perform such other functions as may be requested by our Board.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

The members of our Remuneration Committee as at LPD are as follows:

Name	Designation	Directorship
Nor Azzam Bin Abdul Jalil	Chairman	Independent Non-Executive Chairman
Tham Choi Kuen	Member	Independent Non-Executive Director
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director
Reza-Rizvy Bin Ahmad	Member	Independent Non-Executive Director
Rony Assim		

5.6.4 Nominating Committee

The Nominating Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (i) To assist our Board in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (ii) To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees;
- (iii) To establish the mechanisms for the formal assessment on the effectiveness of the Board as a whole and the effectiveness of each Director; and the performance of our Managing Director and Executive Directors. The annual assessment to be conducted would be based on objective performance criteria approved by our Board;
- (iv) To ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements;
- (v) To assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving the declaration of the same from our Director and thereafter, to inform the Audit Committee of the same. After deliberation with the Audit Committee, to recommend to our Board on the necessary actions to be taken in the circumstances where there is a conflict of interest;
- (vi) To evaluate the effectiveness of our Board and the relevant Board committees; and
- (vii) To ensure an appropriate framework and succession planning for our Board, including our Managing Director and Executive Directors.

The recommendations of our Nominating Committee are subject to the approval of our Board.

The members of our Nominating Committee as at LPD are as follows:

Name	Designation	Directorship
Ilham Fadilah Binti Sunhaji	Chairman	Independent Non-Executive Director
Nor Azzam Bin Abdul Jalil	Member	Independent Non-Executive Chairman
Tham Choi Kuen	Member	Independent Non-Executive Director
Reza-Rizvy Bin Ahmad Rony Assim	Member	Independent Non-Executive Director

5.7 RELATIONSHIPS AND/OR ASSOCIATIONS

Save as disclosed below, there are no family relationships (as defined under Section 197 of the Act) or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD:

- (i) Mary King Siaw Ning who is our substantial shareholders, is the wife to Yau Kah Tak our Executive Director. She is also the sister of Martin Philip King Ik Piau, our Executive Director.

5.8 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at LPD, there are no existing or proposed service agreements entered into between our Company or any companies within our Group with our Directors or key senior management.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.9 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

- (i) In the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;
- (ii) Disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) In the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) In the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) In the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) Being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) Being the subject of any current investigation or disciplinary proceeding, or in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (viii) Have any unsatisfied judgment against them.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OVH

Our Company was incorporated in Malaysia under the Act on 10 October 2018 as a private limited company under the name Ocean Vantage Holdings Sdn Bhd, and subsequently converted into a public limited company on 10 April 2019 and assumed our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which our Company conducts its business or activities since our incorporation up to LPD.

Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM16,440,000 comprising 328,800,000 Shares, all of which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of Issue	Cumulative share capital
			RM
10 October 2018	100	RM0.10/Subscriber shares	10
6 February 2020	328,799,900	RM16,439,990/ Issued pursuant to the Acquisition of OVE	16,440,000

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM37,812,000 comprising 411,000,000 Shares from the issuance of 82,200,000 Issue Shares.

6.2 DETAILS OF OUR RESTRUCTURING

To formalise our listing group in preparation for our Listing, we have undertaken the Acquisitions.

6.2.1 Acquisitions

In preparation for our Listing, we have undertaken the Acquisitions, details of which are as follows:

(i) Acquisition of OVE

On 29 March 2019, we entered into a conditional share sale agreement with the OVE Vendors to acquire the entire equity interest in OVE comprising 1,500,000 ordinary shares for a total purchase consideration of RM16,439,990. The purchase consideration for the Acquisition of OVE was satisfied by the issuance of 328,799,900 new Shares to the OVE Vendors at an issue price of RM0.05 each.

6. INFORMATION ON OUR GROUP (Cont'd)

The details of the OVE Vendors and the number of Shares issued to them pursuant to the Acquisition of OVE are as follows:

Vendors	No. of OVE shares acquired	% of share capital in OVE	Purchase consideration	No. of Shares issued
			RM	
Kenny Ronald Ngalin	765,000	51.00	8,384,395	167,687,900
Martin Philip King Ik Piau	585,000	39.00	6,411,595	128,232,000
Mary King Siaw Ning	150,000	10.00	1,644,000	32,880,000
	1,500,000	100.00	16,439,990	328,799,900

The total purchase consideration of RM16,439,990 for the Acquisition of OVE was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of OVE as at 31 December 2018 of RM16,437,755.

The Acquisition of OVE was completed on 12 February 2020. Thereafter, OVE became our wholly-owned subsidiary.

The new Shares issued pursuant to the Acquisition of OVE rank *pari passu* in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

(ii) Acquisition of OVIT

On 29 March 2019, we entered into a conditional share sale agreement with the OVIT Vendor to acquire the entire equity interest in OVIT comprising 100,000 ordinary shares for a total purchase consideration of RM100. The purchase consideration for the Acquisition of OVIT was satisfied by cash.

The details of the OVIT Vendor and the consideration paid to him pursuant to the Acquisition of OVIT are as follows:

Vendors	No. of OVIT shares acquired	% of share capital in OVIT	Purchase consideration	No. of Shares issued
			RM	
Kenny Ronald Ngalin	100,000	100.00	100	-
	100,000	100.00	100	-

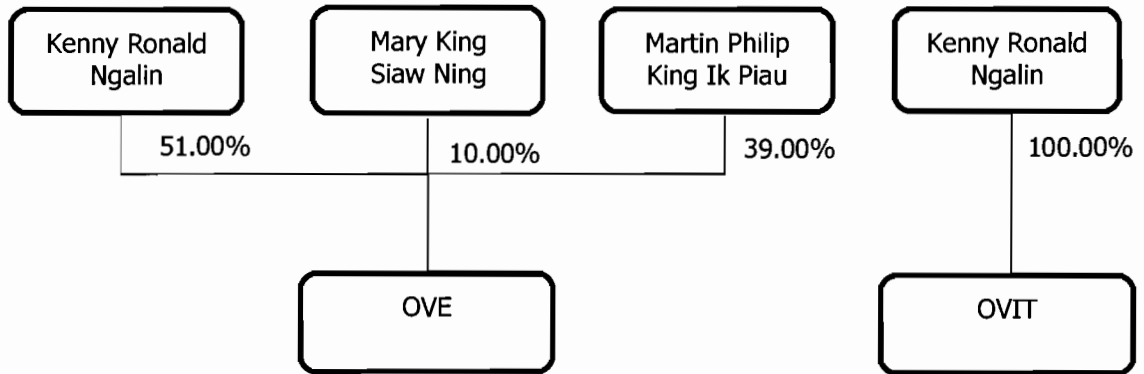
The total purchase consideration of RM100 for the Acquisition of OVIT was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NL of OVIT as at 31 December 2018 of RM5,853.

The Acquisition of OVIT was completed on 12 February 2020. Thereafter, OVIT became our wholly-owned subsidiary.

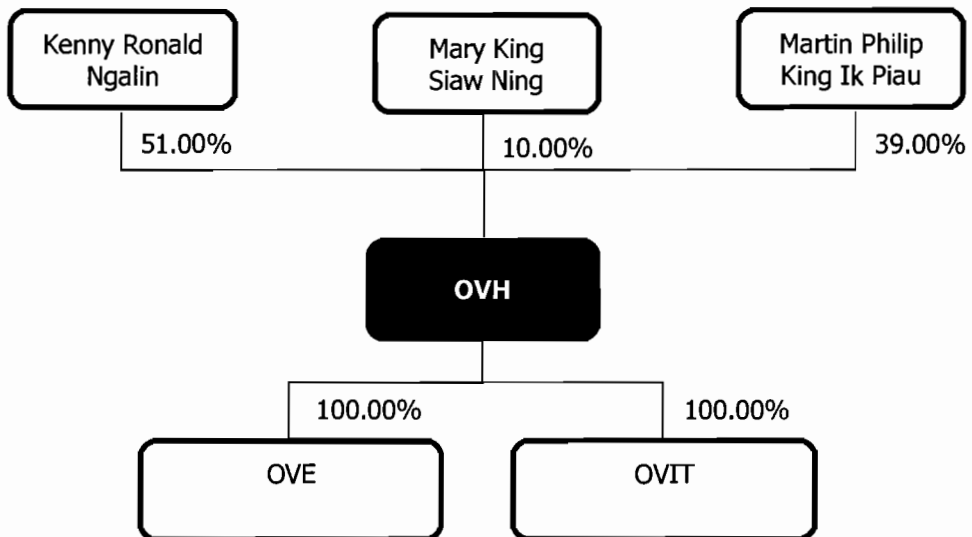
6. INFORMATION ON OUR GROUP (Cont'd)

Our Group structure before and after the Acquisitions are as follows:-

Before the Acquisitions

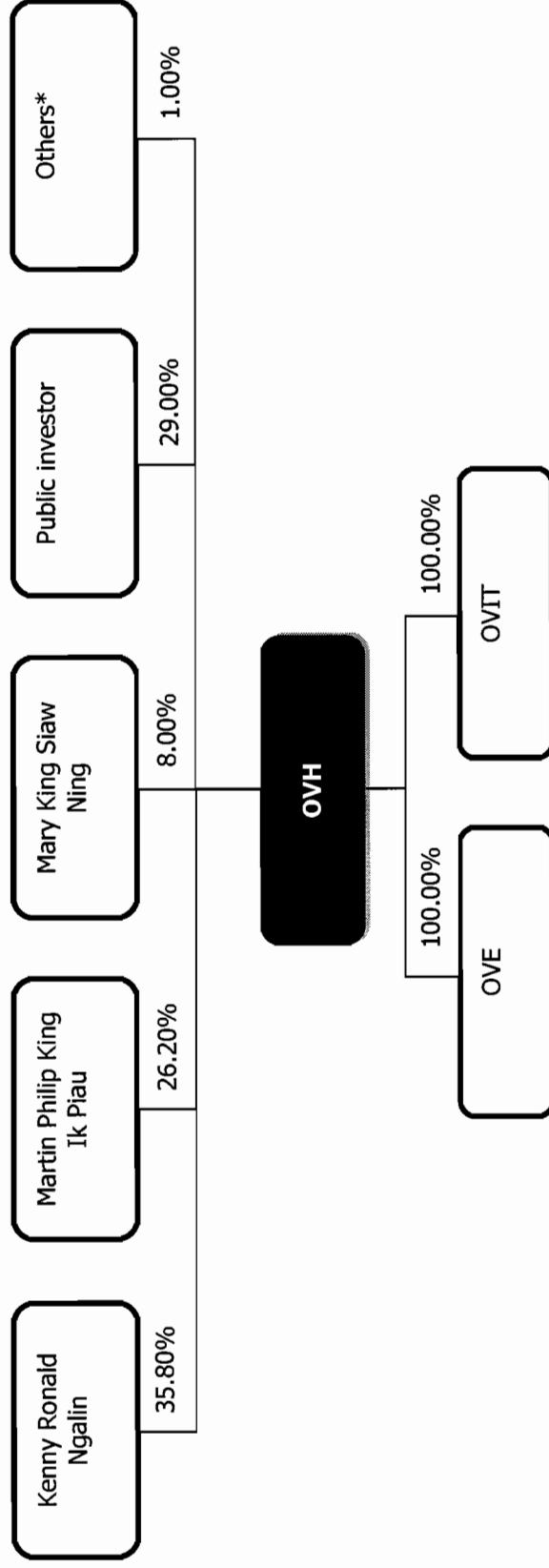


After the Acquisitions



6. INFORMATION ON OUR GROUP (Cont'd)

After IPO



Note:

* Comprising eligible directors and employees of our Group under the Pink Form Allocations as stated in Section 4.3.2.

6. INFORMATION ON OUR GROUP (Cont'd)**6.3 SUBSIDIARIES**

As at the LPD, our subsidiaries are as follows:

Company	Registration No.	Date/ Place of incorporation	Principal place of business	Effective equity interest %	Principal activities
OVE	201101018034 (946170-W)	25 May 2011/ Malaysia	Malaysia	100	Provision of offshore and onshore project management and EPC, supply of manpower, materials, tools, and equipment and drilling rig charter services
OVIT	201201014663 (988180-U)	25 April 2012/ Malaysia	Malaysia	100	Provision of NDT services

6.4 MATERIAL CONTRACTS

Save for the material contracts disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiaries during FYE 2016 to 2019 and up to the date of this Prospectus:

- (i) The share sale agreement dated 29 March 2019 entered into between OVH and the OVE Vendors for the Acquisition of OVE;
- (ii) The share sale agreement dated 29 March 2019 entered into between OVH and the OVIT Vendor for the Acquisition of OVIT; and
- (iii) Underwriting agreement dated 20 May 2020 entered into between our Company and M&A Securities for the underwriting of 24,660,000 Issue Shares for an underwriting commission of 2.5% of the IPO Price multiplied by the number of Issue Shares underwritten.

6.5 PUBLIC TAKE-OVERS




During the last financial year and the current financial year and up to LPD, there were:

- (i) No public take-over offers by third parties in respect of our Shares; and
- (ii) No public take-over offers by our Company in respect of other companies' shares.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6 INTELLECTUAL PROPERTIES

As at LPD, we have not registered any brand names, patents, trademarks or other intellectual property rights but we have filed application for the following trademarks with MyIPO:

No.	Trademark	Issuing Authority	Applicant	Class no.	Description	Application No./ Application date	Status as at the LPD
(i)		MyIPO	OVH	35	Advertising; business management; business administration; office functions.	TM2019015076/ 24 April 2019	Published for advertisement gazette
(ii)		MyIPO	OVH	37	Building construction; repair; installation services.	TM2019015081/ 24 April 2019	Published for advertisement gazette
(iii)		MyIPO	OVH	42	Scientific and technological services and research and design relating thereto; industrial analysis and industrial research services; design and development of computer hardware and software.	TM2019015083/ 24 April 2019	Published for advertisement gazette

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6. INFORMATION ON OUR GROUP (Cont'd)

6.7 MAJOR APPROVALS AND LICENSES

As at LPD, there are no other major approvals, licenses and permits issued to our Group in order for us to carry out our operations other than those disclosed below.

No	Company	Issuing Authority/ Reference No.	Date of issue/ Date of expiry	Nature of approval or licenses	Material conditions imposed	Compliance status
(i)	OVE	CIDB/ 0120121204-SR147275	28 January 2020/ 23 January 2022	Certificate of Registration (Grade 7) with CIDB pursuant to the Construction Industry Development Board Malaysia Act 1994 ("CIDB Act") - License to carry out the business of civil engineering, mechanical and electrical work in relation to construction with no limit to the contractual sum of construction work.	The registration with CIDB will be cancelled, suspended or revoked in the event that: (a) OVE fails to comply with any applicable laws and regulation, including but not limited to the CIDB Act; (b) OVE has wound up or a petition of winding up has been served on OVE;	Complied
					(c) OVE commits a fraudulent act or made false or fraudulent representations;	
					(d) OVE abandons any construction project without reasonable cause;	
					(e) OVE is found guilty by a competent court or the relevant authorities for any negligent acts committed in	

6. INFORMATION ON OUR GROUP (Cont'd)

No	Company	Issuing Authority/ Reference No.	Date of issue/ Date of expiry	Nature of approval or licenses	Material conditions imposed	Compliance status
(ii)	OVE	PETRONAS	30 May 2019/ 29 May 2022	License with a total of 189 Standardised Work and Equipment Categories (SWEC) codes to supply product / service for the upstream sector in the oil/gas industry in Malaysia and the downstream sector of PETRONAS group of companies including maritime activities	<p>relation to construction works carried out; and</p> <p>(f) OVE fails to comply with its responsibilities and obligations as stated in this license.</p> <p>Shall inform PETRONAS on any changes related to the company's position such as equity ownership, board of directors and management staff within 14 days. Failure to do so can result in revocation of license.</p>	Complied
					<p>No shareholding equity condition imposed by Petronas. However, it is a criteria for application of the license under the PETRONAS License and Registration General Guidelines ("Guidelines"). The Guidelines states that a company must meet the Bumiputera participation requirement for equity based on the SWEC applied. The Guidelines further states that a public incorporated company ("Berhad Company") or private incorporated company which is owned 100% by a Berhad</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No	Company	Issuing Authority/ Reference No.	Date of issue/ Date of expiry	Nature of approval or licenses	Material conditions imposed	Compliance status
					<p>Company applying for SWEC that requires a minimum of 51% or 100% Bumiputera content and if the Bumiputera percentage is not met, the Company is given a flexibility as long as the Berhad Company shares is held at least 35% by Bumiputera.</p>	

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6. INFORMATION ON OUR GROUP (Cont'd)

6.8 PROPERTY, PLANT AND EQUIPMENT

6.8.1 Property owned by our Group

The details of material property owned by our Group as at LPD are as follows:

Registered owner	Title details	Postal address	Tenure/ Expiry of lease	Description and existing use	Date of issuance of certificate of fitness for occupation/ Certificate of completion and compliance	Age of building	Total land area sq ft	Build up area sq ft	Carrying amount as at 31 December 2019 RM'000	Major encumbrances
OVE	Geran No. Hakmilik 339818, Lot 39815, Mukim Senai, Daerah Kulajaya, Negeri Johor	No. 657, Jalan Idaman 3/4, Taman Senai Industrial Park, 81400 Kulai, Johor	Freehold	Industrial	26 May 2006	14 years	26,598	7,902	2,108	Charged to Public Bank Berhad

None of the property owned by our Group is in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land laws or building regulations/by-laws.

6. INFORMATION ON OUR GROUP (Cont'd)

6.8.2 Property rented by our Group

The details of material property rented by us as at LPD are set out below:

No.	Postal address	Landlord/ Tenant	Description/Existing use	Built-up area sq ft	Date of issuance of certificate of completion and compliance	Period of tenancy/ Rental per month
(i)	Lot 5570, 1 st Floor, Jalan Desa Pujut Shophouse, Pusat Bandar Baru Permyjaya, 98100 Miri, Sarawak	Tan Too Liang/ OVE	1 st floor of 3 storey shophouse/ Branch office	1,615	29 May 2007	2 years (1 March 2020-28 February 2022)/ RM800
(ii)	Lot 5569, 1 st Floor, Jalan Desa Pujut Shophouse, Pusat Bandar Baru Permyjaya, 98100 Miri, Sarawak	Raphael Phan/ OVE	1 st floor of 3 storey shophouse/ Branch office	1,615	29 May 2007	2 years (15 November 2018-14 November 2020)/ RM800
(iii)	Second Floor, Shoplot 13 (2587), Kidurong Gateway Tg Kidurong, 97000 Bintulu, Sarawak	Chee Lai Pek/ OVE	2 nd Floor of 3 storey shophouse/ Branch office	1,507	21 January 2016	1 year (1 May 2020- 30 April 2021) with option to renew for a further term of 2 years/ RM1,200
(iv)	F-01-03, Level 3, Block F, Setiawalk, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor	Venom Properties Sdn Bhd (<i>formerly known as Ocean Property Sdn Bhd</i>)/ OVE	3 rd Floor of 3 storey shophouse/ Branch office	3,104	10 November 2011	2 years (1 June 2020- 31 May 2022) with option to renew for a further term of 2 years/ RM11,000

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Postal address	Landlord/ Tenant	Description/Existing use	Built-up area sq ft	Date of issuance of certificate of completion and compliance	Period of tenancy/ Rental per month
(v)	Lot CL 205359548, Jalan Rancha-Rancha, 87000 Labuan	Ngo Tung Khai/ OVE	Vacant land/Storage	10,763.90	(1) Nil	1 year (15 May 2020- 14 May 2021) with option to renew for a further term of 1 year/ RM6,500
(vi)	Lot 6, 2nd Floor, Wisma Wong Wo Lo, Jalan Tun Mustapha, 87000 Labuan	Wong Wo Lo Reality Sdn Bhd/ OVE	2 nd Floor of 5 storey shophouse/ Branch office	1,350	25 July 1994	1 year (8 November 2019 -7 October 2020) with an option to renew for a further term of 1 year/ RM1,000

Note:

(1) Vacant land

None of the property rented by our Group is in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

6.8.3 Acquisition of properties

We did not enter into any sale and purchase agreement to acquire any properties during FYE 2016 to 2019 up to LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

6.8.4 Regulatory requirements and environmental issues

As at LPD, there are no other regulatory requirements and/or major environmental issues which may materially affect our operations and utilisation of our assets.

6.8.5 Material capital expenditures and divestitures

Save for the expenditures for assets located in Malaysia disclosed below, there were no other material capital expenditures (including interests in other corporations) made by us for FYE 2016 to 2019 and up to LPD:

Material capital expenditures	At cost				1 January 2020 up to LPD
	FYE 2016 RM'000	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	RM'000
Property, plant and equipment comprising:					
Computer and software	-	33	97	74	11
Machineries	1,051	-	157	2,471	-
Office equipment	11	1	3	-	-
Tools and equipment	-	-	457	731	974
Furniture and fittings	-	-	-	4	-
Right-of-use assets	-	-	-	149	-
	1,062	34	714	3,429	985

The above material capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Please refer to Section 12.2 for further commentary on the material capital expenditures.

Save for the disposals of assets located in Malaysia disclosed below, there were no other material capital divestitures (including interests in other corporations) made by us for FYE 2016 to 2019 and up to LPD:

Material capital divestitures	At cost				1 January 2020 up to LPD
	FYE 2016 RM'000	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	RM'000
Property, plant and equipment comprising:					
Motor vehicles	-	25	-	-	-
Computer and software	-	-	-	4	-
	-	25	-	4	-

The above capital divestitures were carried out in the ordinary course of business as part of our periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated and no longer in use or obsolete or surpassed their useful lives.

Save for our planned capital expenditures for our expansion plans as set out in Section 7.21, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia up to LPD.

6.8.6 Material plans to construct, expand or improve facilities

As at LPD, our Group has no immediate plans to construct, expand and improve our facilities.

7. BUSINESS OVERVIEW

7.1 INCORPORATION AND HISTORY

Our Company was incorporated in Malaysia on 10 October 2018 under the Act as a private limited company. Our Company was subsequently converted to a public limited company on 10 April 2019. We were incorporated as a special purpose vehicle to facilitate the listing of our subsidiaries, OVE and OVIT on the ACE Market. Our Group is principally involved in the provision of support services for the O&G industry where we support both the upstream and downstream O&G activities.

Our Group's history can be traced back to 2011, with the incorporation of OVE on 25 May 2011. OVE commenced operations as a provider of engineering, fabrication and NDT inspection and testing services, with Kenny Ronald Ngalin as Managing Director. Kenny Ronald Ngalin was responsible for building OVE's business.

Our first OVE office was set up in Miri, Sarawak in 2011, where we remain today. O&G is a key economic sector in Sarawak, with the state's history in O&G activities spanning back to 1910. Sarawak's O&G industry contributed to 24.30% of Malaysia's GDP in 2017. Being a company which has its origin in Sarawak, has positioned us to capitalize on the state's O&G industry, given the scale of O&G activities in East Malaysia.

We secured our first contract in May 2011 as a subcontractor for the provision of manpower and equipment to carry out engineering and fabrication works in Labuan. Then in 2012, we undertook our first overseas upstream oilfield services project where we were engaged to provide blasting and painting services as well as manpower and equipment supply in Saudi Arabia for an international drilling contractor, Transocean Asia Services Sdn Bhd.

On 25 April 2012, OVIT was incorporated to provide NDT, material testing and welding services. With this, we further expanded our NDT inspection and testing services business to better cater for the growing needs of the O&G drilling contractors in Malaysia.

In July 2012, OVIT was recognised as an approved external specialist for hull gauging services by the American Bureau of Shipping (ABS), an international shipping classification organisation which provides classification services as well as on-the-ground technical services for the marine and offshore energy industries. The ABS recognition is commonly a requirement by our customers when offering hull gauging services, especially on ABS certified rigs/vessels. Furthermore, this recognition provides our customers the assurance of the quality and standard of our services. Further in the same year, OVE was registered with the CIDB as a Grade 3 contractor.

Leveraging on the experience of our Executive Director, Martin Philip King Ik Piau, who joined us in 2013 as General Manager, we developed our capabilities in design engineering and fabrication, as well as enhanced our project management delivery.

In the same year, we set up a corporate office in Puchong, Selangor, to provide better support to our customers located in Peninsular Malaysia. OVE's CIDB license was also upgraded from Grade 3 to Grade 5 in 2013 and subsequently to Grade 7 in 2014, allowing us the flexibility to bid for civil, electrical and mechanical projects without cap on contract value.

In 2014, OVE obtained PETRONAS license. We further expanded by opening a fabrication yard in Senai, Johor, as well as an office in Bintulu, Sarawak. In the same year, Yau Kah Tak joined us as Business Development Manager where he spearheaded our business development department.

7. BUSINESS OVERVIEW (Cont'd)

In September 2014, OVE was appointed as the exclusive agent and partner for Noble, a United Kingdom based O&G offshore drilling contractor listed on the New York Stock Exchange. Leveraging on our relationship with Noble, we extended our services to include the provision of drillships, semi-submersibles and jack-up drilling rigs charter for upstream O&G activities in Malaysia. Through the Noble Arrangement, OVE secured a contract in May 2015 with an international oil company for the provision of a deepwater drillship, the Noble Bully II Drillship in Labuan. The contract includes the charter of the drillship, the manpower to operate the drillship including the machineries and equipment, for the international oil company to perform drilling operations. The commission income earned under this arrangement was RM0.56 million.

The year 2015 saw OVE being certified by Det Norske Veritas (a certification body for the maritime, O&G and energy industries) for meeting its standards in the manufacture of offshore containers in relation to OVE's fabrication works. Amongst the offshore containers that we fabricate are cargo baskets, lifting frames and gas bottle racks.

In 2016, OVE was certified ISO 9001:2015 compliant by Bureau Veritas Certification (Malaysia) Sdn Bhd for EPC, installation, commissioning and maintenance services of onshore and offshore facilities for O&G, petrochemical and related industries. In the same year, OVIT was certified to conduct thickness measurement of hull structures by Bureau Veritas Certification (Malaysia) Sdn Bhd.

Despite the challenging operating environment in the O&G industry due to the fluctuations in crude oil prices between 2016 and 2018, our business recorded a rise in revenue from RM17.65 million in FYE 2016 to RM30.49 million in FYE 2018.

In November 2018, both Martin Philip King Ik Piau and Yau Kah Tak (through his wife, Mary King Siaw Ning, who is also the sister of Martin Philip King Ik Piau) emerged as substantial shareholders in OVE alongside Kenny Ronald Ngalin, when they exercised the Call Options which were previously extended to them by Kenny Ronald Ngalin in 2015 and 2017 respectively.

In January 2019, OVIT was approved to engage in the provision of thickness measurements on ships using standards and requirements set by Nippon Kaiji Kyokai, a ship classification society based in Japan. This enables the Group to perform work on ships registered under the society. Further in October 2019, OVIT was approved to engage in the provision of thickness measurements of hull structures using standards and requirements set by Registro Italiano Navale (RINA), a ship classification and certification society based in Italy.

Our Puchong office was redesignated as our corporate office in 2013, housing our engineering, procurement, business development, finance and human resources departments, which were relocated to Puchong from our Miri office. We relocated some of our operations to Puchong as our major customer's offices/headquarters are based in Klang Valley. Nonetheless, our office in Miri, headed by our General Manager – Thomas Jalong, manages our projects in East Malaysia. Further, our Miri office functions as our recruitment centre where we source offshore and onshore personnel for our supply of manpower services. Kenny Ronald Ngalin, Martin Philip King Ik Piau and Yau Kah Tak oversee the operations of all our offices, commuting regularly on a weekly basis between Peninsular Malaysia and East Malaysia for management visits to our offices, client meetings as well as site visits to our clients' premises.

Since the incorporation of OVE, we have grown with our business evolving from the mere supply of manpower and equipment to a wider range of services encompassing project management, EPC and drilling rig charter services. We have delivered our services for customers operating in over 15 countries in the regions of Asia Pacific, Middle East, Africa, Europe and Americas.

7. BUSINESS OVERVIEW (Cont'd)

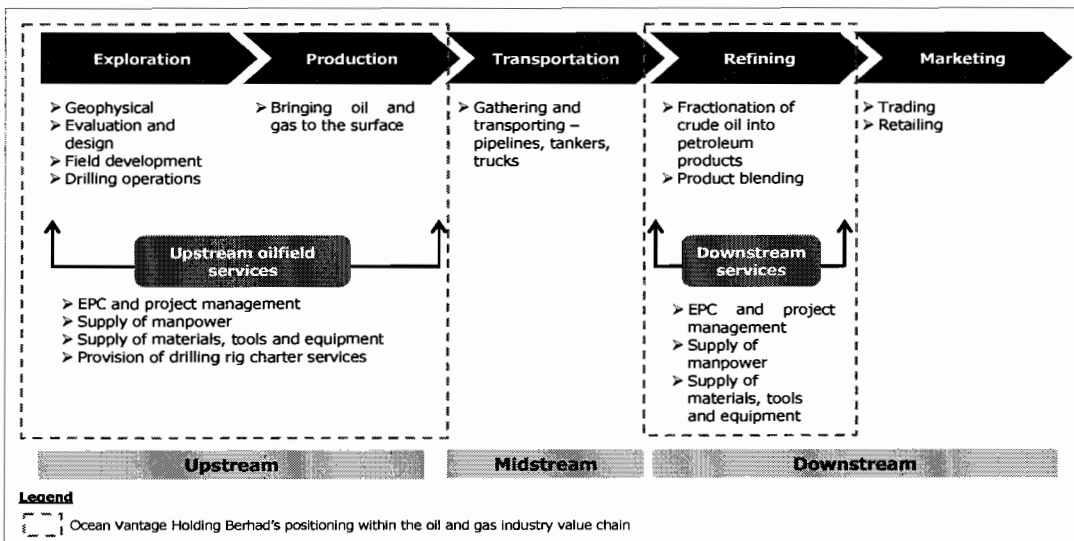
7.2 PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

Our Group is principally involved in the provision of support services for the O&G industry, where our main business activities comprise:

- (i) EPC and project management;
- (ii) supply of manpower;
- (iii) supply of materials, tools and equipment; and
- (iv) provision of drilling rig charter services.

We support upstream and downstream activities in the O&G industry. Presently, we primarily operate in the upstream O&G segment. Our Group currently has limited exposure to downstream O&G activities but we plan to further expand our business in that segment. Our customers comprise international drilling contractors, oilfield service companies, international and national oil companies.

Our Group’s positioning within the O&G industry value chain is as depicted below:



Source: IMR Report by PROVIDENCE

7.2.1 EPC and project management

Under our EPC services, we carry out engineering and project management, procurement as well as construction activities for our customers. Our project management services relate to the planning, implementation, monitoring and completion of specific technical tasks based on the requirements of our customers. Under our project management services, we manage works done by our employees as well as third party contractors.

We provide project management services in specific technical areas across various stages in the life of an O&G field. We support our customers in asset maintenance and rejuvenation in accordance with an existing project development plan. For the upstream O&G segment, we assist our customers to manage rig modification, reactivation, stacking, as well as repair and maintenance, where we also bundle our EPC services and the supply of materials, tools and equipment. We are engaged by our customers primarily through purchase orders for a specific requirement which are normally ad hoc in nature.

7. BUSINESS OVERVIEW (Cont'd)

- (i) We provide EPC services for upstream and downstream O&G projects. Our EPC services include:

Upstream segment

EPC services	Description
Accommodation refurbishment	We refurbish and upkeep accommodation space or units in offshore installations, where the challenge is to provide liveable conditions for large crews in limited space while meeting safety requirements imposed by customers.
Blasting and painting	We provide surface blasting (a method to thoroughly clean an object and to prepare the surface for effective application of paint) and painting for objects, parts or equipment on O&G installations. Such service is regularly required for O&G installations that are exposed to harsh weather and operating environment. Surface blasting and painting works prolongs the useful life of the object, parts or the equipment where wear, corrosion and damage are common.
Crane, structural, piping replacement	We replace damaged or faulty cranes, structures, and piping to good working condition. Our service includes repair of spud cans, vessel sea chests, risers, and leg bracings for our customers.
Equipment rental, repair and maintenance	We rent, maintain and restore equipment and machines such as generators, pumps and electrical panels.
Fabrication and construction of structures	We construct and install structures such as staircases, work platforms, and bridges on offshore platforms. We also fabricate O&G equipment such as offshore containers, cargo baskets, lifting frames, and mud skips.
Marine security	We install anti-intrusion barriers to prevent unlawful over-the-side access to offshore installations and vessels.
NDT	We provide NDT services to evaluate integrity of components or systems such as pipelines, structures, pressure vessels and storage tanks without causing permanent damage to these components and systems. The NDT services that we offer to our customers are carried out by our NDT inspectors.
Rope access	We provide access solutions using ropes and associated equipment to sites. Rope access is a method where workers carry out work at various heights where ropes and associated equipment are used to gain access to and from the work position, and to be supported there.
Scaffolding	We provide scaffoldings, a temporary structure built to allow access for maintenance and other works, services to sites.
Tank cleaning and repair	We provide services to clean storage tanks, to remove solids and sludge, as well as renovating and demolishing storage tanks. We engaged subcontractors to treat and dispose sludge.

7. BUSINESS OVERVIEW (Cont'd)

EPC services	Description
	We also work with our customers to minimise potential disruptions to their day to day operations.
Underwater inspections and repairs	We provide underwater inspection and repair services on hulls, spudcans (base cones on jack-up drilling rigs) and pipelines of offshore rigs. To do this, we deploy our technicians as well as engage subcontractors to perform these services (where we do not have in-house expertise), and when required, we rent the necessary equipment to perform such services.

Downstream segment

EPC services	Description
Blasting and painting	We provide surface blasting for downstream structures to prolong the useful life of the object, parts or the equipment where wear, corrosion and damage are common.
Civil construction, mechanical, electrical and instrumentation for new construction	We provide services for construction site preparation, piping fabrication, cable installation and instrumentation installation in refineries and petrochemical plants.
Equipment repair and maintenance	We provide services to preserve and restore equipment and machines such as generators, motors, pumps, electrical panels.
NDT	Similar to what we provide for the upstream segment.
Overhaul, inspection, repair and maintenance	Overhaul, inspection, repair and maintenance of equipment and machinery in O&G refineries and petrochemical complexes.
Process design and installation	We design and install critical operating systems such flow control and electrical instruments.
Rope access	Similar to what we provide for the upstream segment.
Scaffolding	Similar to what we provide for the upstream segment.
Structural, piping replacement	Replacement of damaged or faulty structures and piping.

7. BUSINESS OVERVIEW (Cont'd)

- (ii) The project management services that we provide include the following:

Upstream segment

Services	Description
Rig/platform modification	The upgrading of a drilling rig to improve existing capabilities and/or add new capabilities. This includes deck strengthening, building additional walkways and access routes, and deck extensions.
Rig reactivation	The restoration of a drilling rig to enable it to perform its intended function/become fully operational. This includes corrosion assessments, testing of hoisting and handling equipment, and installation of steelwork and valves.
Rig stacking	The storing of a drilling rig when the rig is to be withdrawn from operation for an extended period.
Rig repair and maintenance	Overall inspection, repair and maintenance for O&G rigs/platforms.

Downstream segment

Services	Description
Commissioning, start-up and turnaround of systems	Commissioning, start-up and turnaround of critical civil, mechanical, electrical and instrumentation systems in refineries and petrochemical plants such as piping and steel structure work.
Overhaul and maintenance projects for O&G refineries and petrochemical complexes	Maintenance of equipment, instruments and facilities at refineries and petrochemical plants, relating to equipment inspection and repair.

In order to perform our EPC services, we utilise our employees as well as engage subcontractors (e.g. coded welders, fitters, scaffolders, blasters and painters, NDT inspectors, rope access specialists and divers).

Unlike the supply of manpower services, as detailed below, our services under EPC projects are task specific and we have to deliver the outcome of the project or task in order to invoice our customers.

7. BUSINESS OVERVIEW (Cont'd)

Examples of our completed EPC and project management work/projects are as follows:

Description of works/projects	Client	Work Value RM'000	Work Period
Provision of scaffolding materials and cargo baskets rental services	Rowandrill Malaysia Sdn Bhd	101	December 2012 – March 2013
Engineering, design & fabrication of rubbish skips, mini container, cargo basket	Kencana Marine Drilling Sdn Bhd	241	April 2014 – July 2014
Offshore installation of under balance drilling well test lines	Maersk Drilling Holdings Singapore Pte Ltd	350	August 2014
Engineering, design & fabrication of 10 feet open top container, 20 feet open top container	UMW Offshore Drilling Sdn Bhd	203	September 2014 – January 2015
Provision of blasting and painting services	Japan Drilling Co. Ltd	340	April 2015 – May 2015
Engineering, design & fabrication of preload tanks docking plugs	Seadrill Offshore Malaysia Sdn Bhd	130	May 2017 – Jun 2017
Provision of NDT and rope access services	Transocean Drilling Offshore Ventures	687	September 2017 – January 2018
Provision of listed plant change project work	Asean Bintulu Fertilizer Sdn Bhd	861	May 2018 – November 2018
Civil works for the upgrading of Bintulu Integrated Facility (gas sales facilities)	Serba Dinamik Sdn Bhd	1,209	August 2019 –December 2019

7.2.2 Supply of manpower

We provide manpower supply services for the upstream and downstream segment of the O&G industry.

We utilise our manpower database to assist our customers in sourcing offshore and onshore personnel with relevant skills and qualifications to fulfil specific job requirements. Our manpower supply is focused on the provision of drilling, marine and maintenance crew. We are engaged by our customers primarily through purchase orders for a specific requirement which are normally ad hoc in nature.

We match our manpower supply to customer requirements for the specified contract periods, which may be renewed. These candidates are hired on a contractual basis by OVE, who then carry out their duties for our customers. We also engage subcontractors in relation to our manpower supply services. These subcontractors are companies or businesses that has the necessary manpower requirements to carry out the duties for our customers.

7. BUSINESS OVERVIEW (Cont'd)

Our manpower supply currently involves the supply of candidates in the following roles:

Category	Manpower supplied
Drilling crew	Drillers, assistant drillers, pumpmen, derrickmen, floorhands, safety and training coaches
Marine crew	Engine room operators, dynamic positioning officers, roustabouts, Able bodied seamen, oilers, bosuns, deckpushers, knuckle boom crane operators, assistant marine section leaders, medical officers, Global maritime distress and safety system radio operators
Maintenance crew	Mechanics, electricians, electronic technicians, Electronic & Instrument technicians, hydraulic technicians, subsea engineers, motormen, material coordinators
Onshore crew	Health and safety executive advisors, network simulation analysts, logistics coordinators, buyers and engineers

7.2.3 Supply of materials, tools and equipment

We supply materials, tools and equipment used in O&G projects, some of which are fabricated in-house at our yard. We are able to fabricate containers, cargo baskets, lifting frames and gas bottle racks based on customers' specification. The following are the categories of materials, tools and equipment that we supply:

- (i) Blasting and painting supplies;
- (ii) Personal protective equipment, welding gases and related consumables;
- (iii) Steel profiles and plates;
- (iv) Non-steel materials;
- (v) Quality control tools and equipment;
- (vi) Other consumables such as medical supply, stationeries etc.

7.2.4 Provision of drilling rig charter services

In September 2014, we were appointed as the exclusive agent and partner for Noble in Malaysia for the provision of drill ships, semi-submersibles and jack-up drilling rigs.

7.2.4.1 Agency arrangement with Noble Group

In September 2014, Noble appointed OVE as their exclusive agent and partner to market and charter their drilling rigs in Malaysia. In April 2018, this arrangement was extended for an additional 5 years. Under this arrangement, Noble provides drill ships, semi-submersibles and jack-up drilling rigs (through OVE) to O&G companies operating in Malaysia.

Our Group earns a commission income calculated based on a pre-agreed percentage of fees charged for drilling rig charter services by Noble (through OVE) to these O&G companies. However, our Group is only entitled for commission if the drilling rigs are chartered for use in Malaysian water. Noble may charge for other services (including drilling rig charter services outside of Malaysian waters, additional crew members, logistic services and accommodation

7. BUSINESS OVERVIEW (Cont'd)

expenses) to these O&G customers through OVE, where we are not entitled for any commission income.

Contractually, OVE will bill these O&G companies for the above fees and Noble (or its affiliate, Noble Contracting Offshore Drilling (M) Sdn Bhd) will bill OVE for such services provided under the Noble Arrangement.

As such, we recognise the amount receivable (from our customers under the Noble Arrangement) and amount payable to Noble Contracting Offshore Drilling (M) Sdn Bhd as the said amounts are contractual obligations between our customers with our Group, and our Group with Noble Contracting Offshore Drilling (M) Sdn Bhd. Our Group will only make payment to Noble Contracting Offshore Drilling (M) Sdn Bhd after we received payments from the O&G customers, as this is a pass-through arrangement.

For information purposes, the commission income under this arrangement is derived as follows:

	FYE 2016	FYE 2017	FYE 2018	FYE 2019
	RM '000	RM '000	RM '000	RM '000
Billings to the O&G customers				
- Drilling rig charter	38,177	66,355	-	-
- Other services	204,829	48,013	-	-
Total billings under Noble Arrangement*	243,006	114,368	-	-
Commission income earned by our Group**	560	664	-	-

Notes:

* Being total cost of drilling rig charter and other services provided by Noble

** Being commission charge by OVE to Noble Contracting Offshore Drilling (M) Sdn Bhd on the drilling rig charter service under the Noble Arrangement

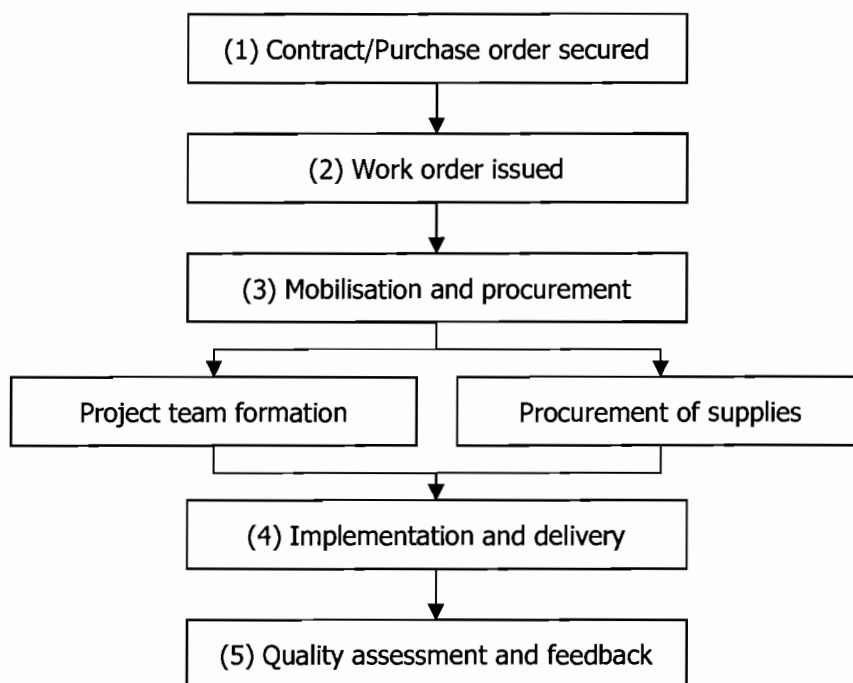
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7. BUSINESS OVERVIEW (Cont'd)

7.3 BUSINESS PROCESSES

7.3.1 EPC AND PROJECT MANAGEMENT AND SUPPLY OF MATERIALS, TOOLS AND EQUIPMENT

Our Group adheres to the following processes in a typical EPC and project management as well as supply of materials, tools and equipment project:



(1) Contract/Purchase order secured

We secure business leads typically through referrals from existing customers and our marketing efforts. As an approved vendor for PETRONAS, we are allowed to provide products and services to the upstream and downstream sector of the O&G industry in Malaysia. Our customers mainly comprise international drilling contractors, oilfield service companies, international and national oil companies.

Prospective customers typically enquire about our capabilities and capacity to undertake a certain project. Thereafter, we schedule meetings with the customer to further discuss technical specifications, operational requirements, commercial terms (including material and equipment cost and payment terms) and delivery schedules.

A preliminary proposal is then presented to the customer for their further consideration. The customer may choose to make an additional assessment of our capabilities and quality control systems by inspecting our facilities. After further negotiations, we then arrive at an agreement on the terms and conditions with the customer for the project. The customer then issues a purchase order to us. We are engaged by our customers primarily through purchase orders.

(2) Work order issued

A work order is an authorisation of the works to be carried out by our Group, based on the requirements of our customers. This work order is an internally generated document that provides critical information to assigned employees, outlining tasks and customer requirements.

7. BUSINESS OVERVIEW (Cont'd)

(3) Mobilisation and procurement

A project management team is formed to undertake the work order. This project team typically comprises engineers, technicians, human resources, finance and administration employees under the supervision of a project manager, who is typically a member of our key management team.

During the mobilisation phase, schedules are also planned indicating key delivery dates and milestones for the project. Detailed cost estimations are also done to ascertain project budgets. Budget control reports are generated regularly to monitor project expenses.

For our EPC as well as supply of materials, tools and equipment projects, we may purchase items such as steel plates, pipes and fittings based on the specifications of our customers. For items that we fabricate, we will commence procuring the relevant raw materials.

(4) Implementation and delivery

Once the relevant manpower, materials and equipment are in place, we commence with the delivery of services to our customers. We may from time to time, engage third party subcontractors to perform non-core works for which we do not have in-house capabilities, where this comprises activities such as civil works. Work is controlled and executed based on specified procedures or work instructions. For work that we perform in-house, only trained and qualified persons are engaged to carry out such fabrication work and other processes. Under the implementation phase, we also fabricate containers, cargo baskets, lifting frames and gas bottle racks based on customers' specification, should this be part of the scope that we have been engaged to deliver to our customers. Specifications for such processes are communicated to the team performing the task by the project manager to ensure safety and compliance with specification requirements. Meetings are held by the project management team where issues are identified and resolved.

Upon completion of the project, commissioning and testing of all equipment is conducted internally based on customers' quality requirements, to ensure the work done and equipment delivered is in good order and complies with the applicable specifications and standards prior to handover to the customer. In selected instances, commissioning and testing may be carried out together with third party classification societies or surveyors, should our customers require this.

Subject to satisfactory tests and customer acceptance, the completed project is delivered along with the relevant documentation such as quality control records and manufacturing data records to the customer.

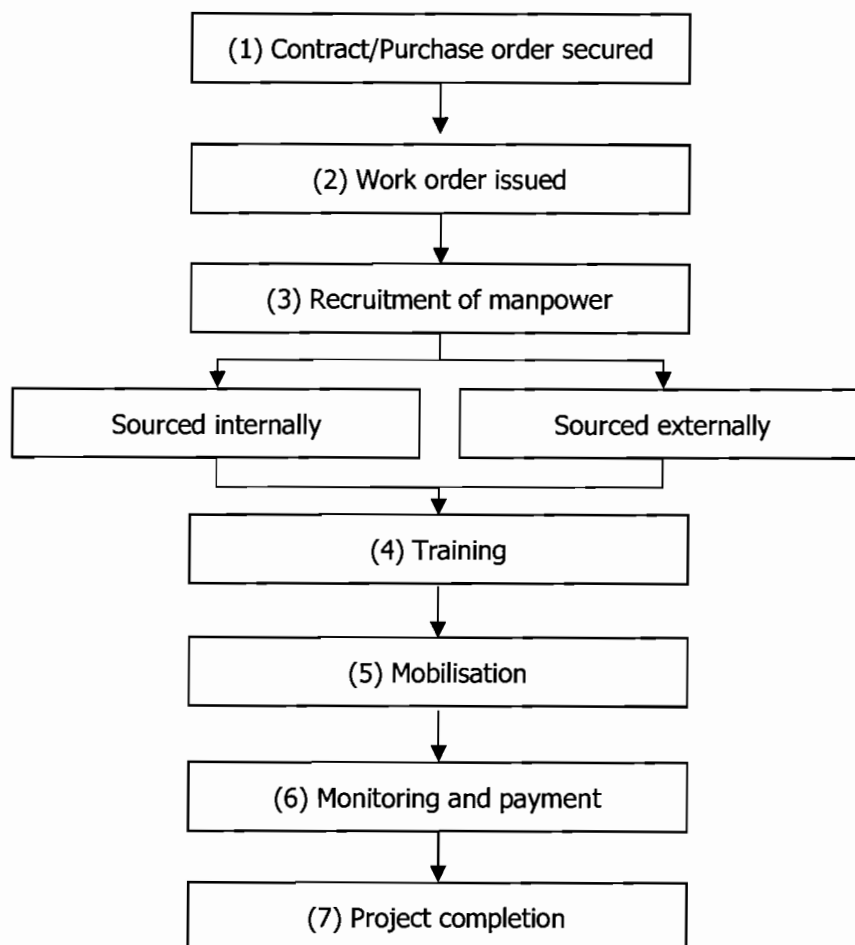
(5) Quality assessment and feedback

We engage with our customers to obtain feedback on the quality of our work and services delivered for performance improvement purposes. This feedback is reviewed by our key management, who will adopt the necessary action plans to improve and enhance work and service delivery.

7. BUSINESS OVERVIEW (Cont'd)

7.3.2 SUPPLY OF MANPOWER

Our Group adheres to the following processes in a typical supply of manpower project:



(1) Contract/Purchase order secured

We secure business leads typically through referrals from existing customers and our marketing efforts.

Prospective customers typically enquire about our capabilities and capacity to supply manpower crew with specific qualification, skills and experience to undertake a certain manpower supply project. Thereafter, we schedule meetings with the customer to further discuss their manpower requirements, payment terms and work schedules.

A preliminary proposal is then presented to the customer for their further consideration. After further negotiations, we then arrive at an agreement on the terms and conditions with the customer for the project. The customer may then issue us with a contract or purchase order, as the case may be. We are engaged by our customers primarily through purchase orders.

(2) Work order issued

A work order is an authorisation of the manpower crew to be recruited by our Group, based on the requirements of our customers. This work order is an internally generated document that provides critical information to assigned employees, outlining tasks and customer requirements.

7. BUSINESS OVERVIEW (Cont'd)

(3) Recruitment of manpower

We source potential manpower crew candidates from our internal database as well as external referrals from our business contacts.

The manpower needs for the project are identified and recruited upon evaluation by and confirmation from the crew coordinator. We select candidates based on the specific academic, technical and experience requirements set out by our customers. These candidates are subsequently evaluated via an assessment interview.

The profiles and qualification of shortlisted candidates are then presented to our customer for selection and subsequent confirmation of recruitment.

(4) Training

The selected manpower crew are required to attend briefings conducted by our crew coordinator to familiarise themselves with the project and our standard operating procedures. The crew coordinator will assign the respective duties to the manpower crew at this briefing session. Selected manpower crew may also be required to attend training sessions organised by external training providers. Such training, if required, is typically bundled in as value add for our customers, and ensures that the manpower crew we supply have the necessary skills required to accomplish tasks stipulated by our customers.

(5) Mobilisation

Upon completion of the briefings and trainings, the manpower crew is deployed to the customer's O&G facility where they will perform their assigned duties.

(6) Monitoring and payment

The performance of the supplied manpower crew is monitored and evaluated by our customer to ensure they perform the duties they have been tasked with as required and in an orderly manner.

Our manpower crew are assigned timesheets, to capture working days/hours in an orderly manner. We issue payment to our manpower crew on a periodical basis, based on the timesheet submitted by each individual. We subsequently invoice our customers at specific milestones based on the timesheet and agreed rates.

(7) Project completion

Upon completion of the project, our crew coordinator will submit an evaluation form for completion by our customers, to review performance of the manpower crew supplied. Feedbacks from our customers allow us to assess, prioritise and price our manpower supply services accordingly for future assignments.

7. BUSINESS OVERVIEW (Cont'd)

7.4 KEY ACHIEVEMENTS AND MILESTONES

Year	Key milestones
2011	<ul style="list-style-type: none"> • Incorporation of OVE • OVE set up office in Miri, Sarawak • OVE secured first contract for the provision of manpower and equipment to carry out engineering and fabrication works in Labuan
2012	<ul style="list-style-type: none"> • Incorporation of OVIT • OVIT was recognised as an approved external specialist for hull gauging services by the American Bureau of Shipping (ABS) • OVE was registered with the CIDB as a Grade 3 contractor
2013	<ul style="list-style-type: none"> • OVE and OVIT set up office in Puchong • OVE's CIDB license was upgraded to Grade 5
2014	<ul style="list-style-type: none"> • OVE's CIDB license was upgraded to Grade 7 • OVE obtained PETRONAS license • OVE set up fabrication yard in Senai, Johor • OVE set up office in Bintulu, Sarawak • OVE was appointed as the exclusive agent and partner for Noble for the provision of drilling rigs
2015	<ul style="list-style-type: none"> • OVE was approved by Det Norske Veritas for meeting its standards for the manufacture of offshore containers in relation to its fabrication works
2016	<ul style="list-style-type: none"> • OVE was certified ISO 9001:2015 compliant by Bureau Veritas Certification (Malaysia) Sdn Bhd • OVIT was certified to conduct thickness measurement of hull structures by Bureau Veritas Certification (Malaysia) Sdn Bhd
2018	<ul style="list-style-type: none"> • OVE's appointment as the exclusive agent and partner for Noble was further extended for 5 years
2019	<ul style="list-style-type: none"> • OVIT was approved to engage in the provision of thickness measurements under the rules for approval of manufacturers and service suppliers of the society on ships by Nippon Kaiji Kyokai • OVIT was approved to engage in the provision of thickness measurements of hull structures using standards and requirements set by RINA

7. BUSINESS OVERVIEW (Cont'd)

7.5 PRINCIPAL MARKETS

The breakdown of our revenue by business activities for the FYE 2016 to 2019 respectively is as follows:

Business activity	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
EPC and project management	10,370	58.77	7,901	32.90	12,264	40.22	12,397	21.27
Supply of manpower	3,268	18.52	11,875	49.46	14,592	47.86	41,040	70.41
Supply of materials, tools and equipment	3,447	19.54	3,569	14.87	3,636	11.92	4,847	8.32
Provision of drilling rig charter services	560	3.17	664	2.77	-	-	-	-
Total revenue	17,645	100.00	24,009	100.00	30,492	100.00	58,284	100.00

In the last four financial years under review, our revenue was principally derived from Malaysia. The breakdown of our revenue by based on the geographical location where our products and services are rendered or utilised in the past four financial years under review is as follows:

Geographical location ⁽¹⁾	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	15,156	85.89	17,028	70.92	23,682	77.67	50,798	87.16
Asia Pacific ⁽²⁾	2,101	11.91	5,717	23.81	4,970	16.30	6,068	10.41
Americas ⁽³⁾	336	1.91	732	3.05	327	1.07	708	1.21
Others ⁽⁴⁾	52	0.29	532	2.22	1,513	4.96	710	1.22
Total revenue	17,645	100.00	24,009	100.00	30,492	100.00	58,284	100.00

Notes:

- (1) For the purposes of geographical segmentation, revenue is classified according to the locations where our products or services are rendered or utilised
- (2) Asia Pacific comprises Brunei Darussalam, Japan, Singapore, Thailand, Myanmar, Hong Kong, India, Timor-Leste and Australia but excludes Malaysia
- (3) Americas comprise United States of America, Mexico, Colombia, Aruba, Uruguay, Cayman Islands, Trinidad and Tobago

7. BUSINESS OVERVIEW (Cont'd)

⁽⁴⁾ Others comprises Saudi Arabia, Spain, Ghana, Mauritius, Equatorial Guinea, Namibia, Norway, Qatar and United Kingdom

While we provide a range of services to the upstream and downstream O&G sectors, our business or service focus is on upstream support services, where our customers are primarily offshore drilling contractors. We focus on EPC and project management as well as the supply of manpower. EPC and project management comprised 58.77%, 32.90%, 40.22% and 21.27% of our Group's revenue in FYE 2016, 2017, 2018 and 2019 respectively. The supply of manpower comprised 18.52%, 49.46%, 47.86% and 70.41% of our Group's revenue in FYE 2016, 2017, 2018 and 2019 respectively.

While Malaysia is our primary market, we have exposure in various geographical regions globally. Geological factors such as the type of hydrocarbon, producible rate and recoverable volume, coupled with economic factors such as development cost and location are key considerations that influence O&G exploration and production activities. While we offer our upstream oilfield services and downstream services to O&G companies regardless of whether they operate within or outside of Malaysia, we focus on servicing O&G companies in Malaysia. We believe there is growth potential in Malaysia's O&G industry, and as such, and our future plans (as described in Section 7.21 of this Prospectus), is to continue expanding and strengthening our business in Malaysia.

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7. BUSINESS OVERVIEW (Cont'd)

7.6 BUSINESS DEVELOPMENT AND MARKETING ACTIVITIES

Our Group maintains the following operational facilities in the following locations in Malaysia to support our business development and marketing activities as well as to provide support to our customers:

- (i) Headquarters in Miri, Sarawak;
- (ii) Offices in Bintulu, Sarawak; Puchong, Selangor and Labuan; and
- (iii) A fabrication yard in Senai, Johor

Our Group's physical presence around Malaysia enables us to provide our customers with greater accessibility, and helps us in conducting business development, marketing and sales activities targeted at these customers.

Our business development and marketing activities are led by our Executive Director, Yau Kah Tak, with the assistance of our Business Development Department. As at the LPD, there are 2 employees in our business development, marketing and sales team. We secure our business from the following:

- (i) Referrals from our executive Directors' business contacts in the O&G industry;
- (ii) Referrals from existing customers; and
- (iii) Marketing efforts of our business development, marketing and sales team.

As we depend on referrals from our executive Directors' business contacts in the O&G industry, it is important for us to leverage on their experience and marketing network for repeat and new businesses. It is also important for us to ensure that we carry out our works to a satisfactory manner as we also depend on referrals from satisfied existing customers for repeat and new businesses.

To further increase our profile, we also advertise in trade publications and directories such as the Malaysian Oil and Gas Services Council (MOGSC) directory. In 2018, we participated in the MOGSEC 2018, a trade show organised by the Malaysian Oil and Gas Services Council (MOGSC).

7.7 EMPLOYEES

As at the LPD, we have a total workforce of 51 full time employees. The following depicts the breakdown of our employees in our Group:

Department/Division	Number of employees	
	FYE 2019	As at the LPD
Executive Directors and key senior management team	5	5
Finance, human resources and administration	9	11
Fabrication	5	5
Engineering and design	5	5
Manpower supply	16	14
Quality assurance and quality control	2	2
Business development	2	2
Procurement	8	7
Total	52	51

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, our workforce consists of only local employees based in Malaysia.

None of our employees belong to any labour union. As at the LPD, there have not been any major industrial dispute pertaining to our employees. Over FYE 2016 to 2019, there has not been any incidence of work stoppage or labour disputes that has materially affected our operations.

The abovementioned table does not include subcontractors and contractual workers that we engage for the provision of manpower supply services. As at 31 December 2019 and as at the LPD, we have engaged 327 and 307 of contractual workers (inclusive of subcontractors), respectively.

7.8 TRAINING AND DEVELOPMENT

We believe that employees at all levels should be equipped with the requisite knowledge and relevant skill sets to enable them to carry out their work and discharge their responsibilities effectively. In line with this, we help our employees achieve this through in-house training, on-the-job training or external courses or a combination thereof.

The key training and development programmes attended by our employees from 2017 and up to the LPD are set out below:

Month/Year	Training and development programme
January 2017	<ul style="list-style-type: none"> Project Planning & Scheduling Training
February 2017	<ul style="list-style-type: none"> Project Management Induction Training
March 2017	<ul style="list-style-type: none"> ISO 9001:2015 Refresher Training Wire Rope Technical Seminar
April 2017	<ul style="list-style-type: none"> ISO 9001:2015 Internal Auditor Training
May 2017	<ul style="list-style-type: none"> ISO 9001:2015 Refresher Training Peer to Peer (P2P) Refresher Training
June 2017	<ul style="list-style-type: none"> Introduction to Piping Training
July 2017	<ul style="list-style-type: none"> Goods and Services Tax ("GST") Latest Changes/Different (New Code)
August 2017	<ul style="list-style-type: none"> Welding Connects to Your World
September 2017	<ul style="list-style-type: none"> Introduction to the New Companies Act, 2016 ISO 9001:2015 Refresher Training
October 2017	<ul style="list-style-type: none"> DNV 2.7-1 Design and Requirement
November 2017	<ul style="list-style-type: none"> Welding Safety: Welding Safety Interactive Guide (Module 1 – Electric Shock)
December 2017	<ul style="list-style-type: none"> Welding Safety: Welding Safety Interactive Guide (Module 2 – Fumes & Gases)

7. BUSINESS OVERVIEW (Cont'd)

Month/Year	Training and development programme
January 2018	<ul style="list-style-type: none"> Malaysian Oil & Gas Services Council – British Malaysian Chamber of Commerce Decommissioning Forum, “Understanding the Journey to Decommissioning”
February 2018	<ul style="list-style-type: none"> Training in Structural Design in O&G
April 2018	<ul style="list-style-type: none"> Practical Guide to Understanding Employment Law in Malaysia Department of Occupational Safety and Health Inspection
May 2018	<ul style="list-style-type: none"> ISO 9001:2015 Refresher Training
July 2018	<ul style="list-style-type: none"> Introduction to Offshore Platform Structure Training
August 2018	<ul style="list-style-type: none"> First Aid Training
September 2018	<ul style="list-style-type: none"> Sales and Service Tax Introduction
October 2018	<ul style="list-style-type: none"> Loss Prevention System with Safety, Security, Health and Environment Induction
November 2018	<ul style="list-style-type: none"> Offshore Petroleum Industry Training Organisation’s Basic Offshore Safety Induction Emergency Training with Emergency Breathing System and Travel Safely by Boat
December 2018	<ul style="list-style-type: none"> Situational Leadership Essentials
January 2019	<ul style="list-style-type: none"> Schlumberger Portal Introduction
February 2019	<ul style="list-style-type: none"> Malaysian Oil & Gas Services Council – Feedback on the state of the O&G industry
March 2019	<ul style="list-style-type: none"> Overview of PETRONAS Group Technical Solutions Seminar on Safety campaign for Load Test Requirement & Safety Light, Medium Industrial
April 2019	<ul style="list-style-type: none"> Malaysian Oil & Gas Services Council – Decommissioning & Abandonment forum “Finding Value within the Supply Chain”
May 2019	<ul style="list-style-type: none"> Marine & Logistics Working Group (MLWG) site visit to floating dock facility Transfer Pricing Documentation – Preparation to Completion
June 2019	<ul style="list-style-type: none"> OPITO Basic Offshore Safety Induction and Emergency Training with Emergency Breathing Systems (EBS) and Travel Safely by Boat
July 2019	<ul style="list-style-type: none"> Project Planning and Scheduling Training
August 2019	<ul style="list-style-type: none"> Project Management and Induction Training
September 2019	<ul style="list-style-type: none"> First Aid Training
October 2019	<ul style="list-style-type: none"> Introduction to Offshore Platform Structure
November 2019	<ul style="list-style-type: none"> Share Prosperity Vision 2030 and Budget 2020 Review

7. BUSINESS OVERVIEW (Cont'd)

Month/Year	Training and development programme
December 2019	<ul style="list-style-type: none">• Transformational Leadership and Managerial Competencies
January 2020	<ul style="list-style-type: none">• Microsoft Excel 2016 Essentials• Effective Use of Microsoft Outlook
February 2020	<ul style="list-style-type: none">• Communication and Presentation Skills

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7. BUSINESS OVERVIEW (Cont'd)

7.9 MAJOR CUSTOMERS

We are dependent on our major customers. Our top 5 customers for the FYE 2016 to 2019 are as follows:

No.	Customers	Country	Revenue contribution		Products/Services provided	Length of relationship Years
			RM'000	%		
FYE 2016						
1.	Transocean Asia Services Sdn Bhd	Malaysia	5,519	31.28	EPC, manpower supply, supply of materials, tools and equipment	7
2.	Sedco Forex International Inc.	Brunei Darussalam	1,077	6.10	EPC and manpower supply	4
3.	Ocean Vantage (B) Sdn Bhd ⁽¹⁾	Brunei Darussalam	1,030	5.84	EPC, supply of materials, tools and equipment	2
4.	PETRONAS Floating LNG 1(L) Ltd	Malaysia (offshore Labuan)	978	5.54	Supply of materials, tools and equipment	3
5.	Dynamic Force Marketing Sdn Bhd (formerly known as Ocean Vantage Trading Sdn Bhd) ⁽²⁾	Malaysia	861	4.88	EPC, supply of materials, tools and equipment	4
			9,465	53.64		
FYE 2017						
1.	Transocean Offshore Deepwater Drilling Inc.	United States of America	3,911	16.29	EPC, manpower supply, supply of materials, tools and equipment	3
2.	Seadrill Offshore Malaysia Sdn Bhd	Malaysia	3,272	13.63	EPC and manpower supply	7
3.	Ocean Vantage Trading Pte Ltd ⁽¹⁾	Singapore	2,951	12.29	Manpower supply	2
4.	Maersk Drilling Malaysia Sdn Bhd	Malaysia	2,281	9.50	EPC and manpower supply	7
5.	Seadrill Telesto Ltd	Bermuda	1,543	6.43	EPC, manpower supply, supply of materials, tools and equipment	5
			13,958	58.14		
FYE 2018						
1.	Maersk Drilling Malaysia Sdn Bhd	Malaysia	3,490	11.45	EPC, manpower supply, supply of materials, tools and equipment	7
2.	Belati Oilfield Sdn Bhd	Malaysia	2,230	7.31	Manpower supply	2
3.	Triton Nautilus Asset Leasing GmbH	Germany	1,748	5.73	EPC	2

7. BUSINESS OVERVIEW (Cont'd)

No.	Customers	Country	Revenue contribution		Products/Services provided	Length of relationship Years
			RM'000	%		
4.	Seadrill Partners Malaysia Sdn Bhd	Malaysia	1,712	5.61	Manpower supply	7
5.	Transocean Drilling Offshore Ventures Limited	Malaysia (Labuan)	1,649	5.41	EPC	6
	FYE 2019		10,829	35.51		
1.	Seadrill Partners Malaysia Sdn Bhd	Malaysia	10,856	18.63	EPC, manpower supply, supply of materials, tools and equipment	7
2.	Seadrill Offshore Malaysia Sdn Bhd	Malaysia	7,572	12.99	EPC, manpower supply, supply of materials, tools and equipment	7
3.	Maersk Drilling International A/S	Denmark	7,178	12.32	EPC, manpower supply, supply of materials, tools and equipment	1
4.	Petrovietnam Drilling And Well Services Corporation	Vietnam	5,123	8.79	Manpower supply	1
5.	Rigforce	Australia	2,776	4.76	Manpower supply	2
			33,505	57.49		

Notes:

(1) Ocean Vantage (B) Sdn Bhd (a Brunei Darussalam incorporated company) and Ocean Vantage Trading Pte Ltd (a Singapore incorporated company) are not related parties to our Group. The founder/shareholders of these entities are our business partners who set up the respective entities to market O&G services in their respective markets. These entities and our Group have written understanding that the name 'Ocean Vantage' belongs to our Group and that they will only service customers in their respective markets and are not directly or indirectly engaged, concerned and/or interested in any other businesses competing with or in opposition to Group's business activities. Ocean Vantage (B) Sdn Bhd focuses on the Brunei Darussalam market, while Ocean Vantage Trading Pte Ltd focuses on the Singapore market. Nonetheless, we are not prohibited from serving customers in these countries, should we decide to.

(2) Dynamic Force Marketing Sdn Bhd (formerly known as Ocean Vantage Trading Sdn Bhd) is no longer a related party to our Group as of January 2017. Kenny Ronald Ngalin and Martin Philip Ik Plau were directors and shareholders of Dynamic Force Marketing Sdn Bhd, and resigned and disposed their shares on 2 January 2017. Mary King Siaw Ning and Yau Kah Tak were shareholders of Dynamic Force Marketing Sdn Bhd, and disposed of their shares on 2 January 2017.

7. BUSINESS OVERVIEW (Cont'd)

The abovementioned major customers in FYE 2016 to 2019 are classified based on revenue on a standalone entity basis. Our Group's revenue from our major group of customers namely Transocean Group, Seadrill Group and Maersk Group for FYE 2016 to 2019 are as follows:

No.	Customers	Revenue contribution							
		FYE 2016		FYE 2017		FYE 2018		FYE 2019	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
1.	Transocean Group	7,138	40.45	6,532	27.21	6,550	21.48	4,066	6.98
2.	Seadrill Group	1,119	6.34	6,050	25.20	5,867	19.24	20,519	35.20
3.	Maersk Group	1,107	6.28	3,417	14.23	4,467	14.65	8,117	13.93
		9,364	53.07	15,999	66.64	16,884	55.37	32,702	56.11

For the past FYE 2016 to 2019, our major customers comprised Transocean Group, Seadrill Group and Maersk Group. Collectively, these major customers contributed to our sales ranging from 53.07% to 66.64% of our total revenue in FYE 2016 to 2019, hence we are dependent on our major customers. Our length of relationship with Transocean Group, Seadrill Group and Maersk Group is 7 years, respectively. We have not entered into any long term agreement or long term contract with our major customers and all our sales with them are transacted based on purchase order basis.

Moving forward, our Group expects our major customers to continue contributing to our Group's revenue. We have maintained a long and mutually beneficial relationship with them over the years and this has provided our Group with a strong platform for future growth. However, if our major customers reduce their order for our products and/or services significantly or if they choose not to be our customer, our Group's financial results will be adversely affected if we are not able to quickly replace the decrease or loss in sales.

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7. BUSINESS OVERVIEW (Cont'd)

7.10 MAJOR SUPPLIERS

Save for Noble, we generally do not enter into long-term or exclusive agreements with any of our suppliers. Please see Section 7.2.4.1 for further details of our arrangement with Noble. Our top five suppliers for the FYE 2016 to 2019 respectively are as follows:

No.	Suppliers	Country	Purchases contribution		Products/Services procured	Length of relationship Years
			RM'000	%		
FYE 2016						
1.	Vessel Protection Solutions Ltd	United Kingdom	674	6.11	Project consulting services	3
2.	Wah Tung Travel Sdn Bhd	Malaysia	565	5.12	Travel agent	5
3.	Hi Rope Engineering (Malaysia) Sdn Bhd	Malaysia	500	4.53	Rope access services	3
4.	Tenaga Ampang Sdn Bhd	Malaysia	451	4.09	Welding gasses and related consumables	3
5.	Multi Million Trading Sdn Bhd	Malaysia	319	2.89	Project consulting services	3
			2,509	22.74		
FYE 2017						
1.	Wah Tung Travel Sdn Bhd	Malaysia	1,063	7.43	Travel agent	5
2.	Sunway Marketing (S) Pte Ltd	Singapore	608	4.25	Hoses	1
3.	Isma Corporation	Malaysia	422	2.95	Rope access services	1
4.	Rentas Pertiwi Sdn Bhd	Malaysia	327	2.29	Lifting gears	2
5.	Global Lighting Technologies (M) Sdn Bhd	Malaysia	195	1.37	Electrical services	1
			2,615	18.29		
FYE 2018						
1.	Isma Pro Solution Sdn Bhd	Malaysia	957	5.07	Rope access services	2
2.	Wah Tung Travel Sdn Bhd	Malaysia	873	4.62	Travel agent	5
3.	Travel Cue Management Sdn Bhd	Malaysia	545	2.89	Travel agent	2
4.	VBT Services Sdn Bhd	Malaysia	483	2.56	Civil construction	2
5.	Rentas Pertiwi Sdn Bhd	Malaysia	476	2.52	Consumables	2
			3,334	17.66		

7. BUSINESS OVERVIEW (Cont'd)

No.	Suppliers	Country	Purchases contribution		Products/Services procured	Length of relationship Years
			RM'000	%		
FYE 2019						
1.	Wah Tung Travel Sdn Bhd	Malaysia	3,474	7.99	Travel agent	5
2.	Teamplex Corporation Sdn Bhd	Malaysia	1,287	2.96	Fabrication services	1
3.	MSTS Asia Sdn Bhd	Malaysia	856	1.97	Training services	1
4.	Advanced Isolation & Testing Services Sdn Bhd	Malaysia	803	1.85	Hot tapping services	1
5.	Isma Pro Solution Sdn Bhd	Malaysia	715	1.64	Rope access services	2
			7,135	16.41		

We do not have any long-term agreements or arrangements with any of our major suppliers. During the financial years under review, we have not faced any material supply disruptions or delays by our major suppliers. We are not dependent on any single supplier.

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7. BUSINESS OVERVIEW (Cont'd)

7.11 TYPES, SOURCES AND AVAILABILITY OF MATERIALS

Our purchases comprise materials, tools and equipment as described below:

- (i) Blasting and painting supplies which are sourced from Malaysia and Singapore
- (ii) Personal protective equipment, welding gases and related consumables which are sourced from Malaysia, Singapore and United States of America
- (iii) Steel profiles and plates which are sourced from Malaysia and Singapore
- (iv) Non-steel materials such as plastic components, chemicals and rubber products which are sourced from Malaysia and Singapore
- (v) Quality control tools and equipment which are sourced from Malaysia and Singapore
- (vi) Other consumables such as medical supplies and stationery which are sourced from Malaysia

The prices of materials, tools and equipment that we procure are subject to price fluctuations as a result of demand and supply conditions. Nonetheless, these materials, tools and equipment are generally widely available. We have developed policies and procedures that guide our selection of suppliers. All selected suppliers are evaluated in terms of pricing, product range and technical specifications of materials/tools/equipment, ability to meet our quality requirement, and ability to deliver in a timely manner.

The breakdown of the cost of materials, tools and equipment purchased by our Group during FYE 2016 to 2019 is as follows:

Purchase category	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Blasting and painting supplies	6	0.20	46	1.52	75	2.69	65	1.02
Personal protective equipment, welding gases and related consumables	1,934	65.67	1,417	47.08	2,025	72.50	4,172	65.43
Steel profiles and plates	522	17.72	373	12.39	270	9.67	632	9.91
Non-steel materials	37	1.26	623	20.70	32	1.14	1	0.02
Quality control tools and equipment	373	12.67	447	14.85	362	12.96	1,114	17.47
Other consumables	73	2.48	104	3.46	29	1.04	392	6.15
Total	2,945	100.00	3,010	100.00	2,793	100.00	6,376	100.00

7. BUSINESS OVERVIEW (Cont'd)

7.12 SEASONAL OR CYCLICAL EFFECTS

Our operations are not significantly affected by seasonal/cyclical effects as our customers generally operate throughout the year.

However, falling crude oil prices may adversely affect the upstream sector of the O&G industry as O&G players reduce their exploration and production activities in an effort to reduce cost. While reduced exploration and production activities may adversely affect our business activities as our customers primarily consist of offshore drilling companies, these companies may also seek the flexibility of outsourcing certain services rather than maintaining an in-house team due to scarcity of long term contracts.

7.13 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Our Group has not experienced any interruption in our operations which had a significant effect on our operations during the past 12 months preceding the LPD.

7.13.1 Outbreak of Covid-19

Due to the recent outbreak of the Covid-19, the Government has imposed the MCO throughout Malaysia which took effect from 18 March 2020 to 3 May 2020, CMCO from 4 May 2020 to 9 June 2020 and RMCO from 10 June 2020 to 31 August 2020 to contain the rise of Covid-19 cases in the country. The MCO has halted most of the economic sectors and activities, especially those operating in non-essential services.

Pursuant to the announcement by the Government of Malaysia on the MCO effective from 18 March 2020, PETRONAS issued a statement on its position that oil and gas, production, refining, storage, supply and distribution of fuel and lubricants are considered essential services as per the announcement made by the Prime Minister of Malaysia and specified under section 2 (First Schedule), Act 177, Industrial Relations Act 1967. Therefore, all operations falling within the above essential services including all support services should continue, with the respective parties' necessary working arrangements and precaution as may be appropriate, until advised otherwise by the Government. As such, our Group is deemed to fall under essential services and permitted to continue operations during this period, and thus far we have not been negatively impacted by the Covid-19 outbreak and the MCO (CMCO and RMCO).

Although our Group is deemed as essential services, our Group adopted strict standard operating procedures aimed at containing Covid-19 and minimising its risk to our operations while maintaining business continuity. We opted to operate remotely throughout the period of MCO where, all key management and office-based staff were required to work from home commencing 18 March 2020 in line with the implementation of the MCO. During this period, our key management, namely Kenny Ronald Ngalin, Yau Kah Tak and Martin Philip King Ik Piau, who were in Selangor when the MCO was initiated, were able to remotely manage our Group's operations in East Malaysia. As most of our customers' drilling rigs are currently in the Malaysian waters (i.e Sarawak and Labuan), our General Manager, Thomas Jalong, who is based in Miri, Sarawak was primarily responsible for managing these projects. Employees that needed to be in the office to carry out certain tasks were issued with the relevant approval letters from OVH and confirmation letters from PETRONAS that would allow them to commute to the office.

During the MCO and CMCO period, we had crew and contractual workers that were engaged for the EPC and project management as well as supply of manpower services that were stationed at our customer's rigs. During this period, our customers' rigs were operating under full capacity while still adhering to the standard operating procedures and guidelines

7. BUSINESS OVERVIEW (Cont'd)

issued by PETRONAS and/or other operators, and government agencies. Our crew and contractual workers are mostly based in East Malaysia and did not face any travel restrictions as they had the relevant confirmation letters from PETRONAS and approval from Ministry of International Trade and Industry ("MITI"), allowing them to be deployed to the rigs. We did not deploy any crew or contractual workers to overseas sites during the MCO/CMCO period as we did not have any overseas customers in the first quarter of 2020 up to the LPD.

On 20 April 2020, OVH resumed operations at 50% of its work force capacity after obtaining approval from the MITI and after complying with the standard operating procedures and other rules and guidelines required by MITI.

In response to the Covid-19 virus, our Group has established an emergency response protocol committee which comprises mainly of key management personnel to oversee the adherence of infection control measures based on the guidelines and standard operating procedures issued by MITI. We have fully complied with the guidelines and standard operating procedures where the control measures include amongst others:

- (i) Wearing of face masks;
- (ii) Taking and recording daily body temperatures before entering the work places;
- (iii) Sanitise of hands prior to entering work places and all employees are encouraged to sanitise or wash their hands with soap and water frequently throughout the day;
- (iv) Sanitise all common areas of work places 3 times a day (i.e. before commencement of work, after lunch and after close of business); and
- (v) Practice 1 metre social distancing at the work place particularly at common areas such as at the pantry area and photocopying station.

In addition to the above, our Group adopted pre-emptive measures to contain Covid-19 in our business operations.

(i) Personnel screening

- Prior to returning to office/workshop, all key management and office-based staff were required to declare their state of health to our human resource department.
- Employees who were exhibiting symptoms of Covid-19 and employees who had come into contact with suspected Covid-19 patients were required to immediately seek medical advice from the Crisis Preparedness and Response Centre (CPRC) Kebangsaan hotline.
- Employees returning or living in red zones or those living in enhanced mandatory controlled order (EMCO) declared areas were exempted from returning to office and continued to work from home. These employees will be required to undergo Covid-19 swab tests to assess their medical condition.

(ii) Workplace arrangements

- We adopted a rotation system, whereby 50% of our employees worked from the office for 14 days while the remaining 50% of our employees continued to work from home. Once this 14-day period ended, we rotated teams, and the employees who previously worked from the office began working from home to

7. BUSINESS OVERVIEW (Cont'd)

provide way to the employees who previously worked from home to work from the office.

- Our office premise was sanitised prior to employees returning to office. Subsequent to employees returning to office, all surfaces in the office are disinfected regularly.
- Employees are subject to temperature monitoring using a handheld forehead thermometer at the entrance to the office when reporting to work every morning and when returning from lunch. Those with a temperature reading above of 37.5°C shall be subjected to a Covid-19 swab test. Daily monitoring of temperatures will be recorded in a log book.
- Interstate travel for business is permitted if necessary. Employees were encouraged to leverage on technology to carry out virtual meetings and tele-conference to the extent possible.
- Overseas travel for business and personal purposes are restricted.

(iii) Manpower supply quarantine protocol

- All crew are required to participate in a '14 days' (or less, subject to local jurisdiction requirements) onshore quarantine procedure before being deployed to offshore rigs as well as upon returning from the offshore rig. The quarantine period will be scheduled in advance to the deployment dates determined by our customers to avoid downtime for crew change.
- The quarantine venue, being a hotel premise identified and rented by our Group, was inspected by officials from Malaysia's Ministry of Health prior to the commencement of crew quarantine.
- Healthcare professionals (i.e. nurses) are engaged to conduct temperature monitoring using a handheld forehead thermometer twice a day for the duration of the quarantine period.
- Security staffs are engaged to monitor crew under quarantine, to ensure that this crew do not exit the hotel premises or receive visitors.
- The cost of quarantine, being wages, accommodation, meals as well as services of healthcare professionals and security staff, are ultimately borne by our customers.

Our procurement of materials and services faced some disruption in the first quarter of 2020 during the initial period of MCO that affected the delivery coordination and transportation as certain suppliers were not able to fully operate their businesses during this period. Subsequent to PETRONAS issuing a statement on its position that O&G, production, refining, storage, supply and distribution of fuel and lubricants are considered essential services and all operations falling within the above essential services including all support services should continue, our Group was able to resume coordinating delivery and transportation of materials from our suppliers. Apart from the temporary delay from certain suppliers for our supply of materials, tools and equipment which have since been resolved, our Group operations did not encounter any major disruptions throughout the period of MCO and CMCO.

7. BUSINESS OVERVIEW (Cont'd)

As at 4 May 2020, we have cash and bank balances of RM3.58 million and unutilised credit facilities of RM0.38 million. Taking into consideration our existing available liquid funds and that our operations were not affected, we do not foresee any circumstances which may materially affect the liquidity position of our Group.

7.13.2 Decline in global oil price

Reacting to the Covid-19 pandemic, globally, governments around the world are also putting their citizens on lockdown, thus reducing economic activities, and consequently the fall in demand for oil. The fall in demand has aggravated the decline of crude oil price caused by the price war initiated by Saudi Arabia in response to Russia's refusal to reduce oil production in order to keep prices for oil at moderate level. Transport disruptions and an economic decline have weakened demand for crude oil. While it is still early to fully assess the impact of Covid-19 on Malaysia's offshore oilfield services industry, the decline in demand for crude oil could result in lower activities, possible project deferments or cancellations and increased margin pressures across the board in all value chains within the O&G industry in the short term. There is potentially an increased risk of delay in contract awards and activities within the upstream space in 2020 as Malaysia has committed to a production cut. Despite the decline in global oil price, our Group have not been negatively impacted. Our Group will continuously monitor the impact of falling oil price on our operations and financial performance.

As at LPD, we have not received any indication of or requests from our customers for the deferment or cancellation/termination of existing works/projects.

7.14 TECHNOLOGY USED

Our business activities are based on the application of technology and the expertise of our employees and sub-contractors to serve our customers. We adopt a continuous improvement approach to gain new skills and knowledge. The technologies that are relevant to our Group include the following:

(i) Welding technology

We utilise welding technology for our fabrication activities, as well as for our asset maintenance operations during the replacement of corroded and faulty parts and components. Welding is a process that joins metals and is often done by melting the work pieces and adding a filler material to form a pool of molten material that cools to become a strong joint.

(ii) NDT

NDT techniques are used to evaluate the integrity of a component or system without causing permanent damage. We currently utilise a number of NDT techniques to perform tasks such as inspecting welds and the structural integrity of pipes. The NDT techniques that we use are:

(a) Dye penetrant inspection

Often used to detect casting, forging and welding surface defects such as hairline cracks, surface porosity, leaks, and fatigue cracks on metals through the usage of a penetrant.

To carry out a dye penetration inspection, the surface first has to be cleaned, whereby this can be done by degreasing the surface. The penetrant liquid is then applied with either a spray or a brush, and any excess penetrant is then

7. BUSINESS OVERVIEW (Cont'd)

removed. A developer is then applied before a visual inspection of the test surface is carried out. Finally, a post-inspection cleaning is carried out using anti-corrosion solutions.

(b) Magnetic particle inspection

Used to detect surface and near-surface flaws in ferromagnetic materials with a permanent or electro-magnet. This method is primarily used for crack detection and is applicable to all metals which can be strongly magnetised.

A magnetic particle inspection is carried out by first cleaning the area to be examined. The area is then magnetised with a permanent or electro-magnet. Ferromagnetic particles are then applied to the surface while the area is still magnetised, and any excess ferromagnetic particles are removed with a light air stream from a bulb, syringe, or other sources of low pressure dry air. These ferromagnetic particles will gather at areas of magnetic flux leakage and form indications characteristic of the type of discontinuity detected. These indications will then be interpreted and evaluated.

(c) Ultrasonic thickness gauging

Used to measure a material's thickness using ultrasonic waves, without requiring access to both sides of a part. The thickness of metals can be measured using this method. The thickness of the part or structure is determined by accurately measuring the time required for the ultrasonic pulse to travel through the thickness of the metal.

(d) Ultrasonic flaw detection

Used to detect flaws such as cracks, voids, porosity and other internal discontinuities in metals. These ultrasonic waves produce distinctive echo patterns when reflecting from flaws, and these echo patterns can be displayed and recorded by portable instruments.

(e) Eddy current inspection

Uses electromagnetic induction to detect surface and subsurface defects such as cracks and corrosion on conductive materials. Different levels of frequencies are used, where high frequency is used to detect surface defects while low frequency is used to detect sub-surface defects.

(f) Borescope inspection

A borescope is a precision optical instrument with illumination. It is used for visual/optical inspections, particularly for areas that are inaccessible by other means, or for areas where gaining access by other means would require destructive, time consuming and/or costly activities. This is made possible by a camera that is connected to an eyepiece via a relay tube, which may be flexible or rigid.

(g) Positive material identification

Refers to the analysis of a metallic alloy to establish composition by reading the quantities by percentage of its constituent elements. Positive material identification is typically carried out by using X-ray fluorescence or optical emission spectrometry.

7. BUSINESS OVERVIEW (Cont'd)**(iii) Electrical and instrumentation proficiency**

Electrical proficiency encompasses the study and application of electricity and electromagnetism while instrumentation proficiency refers to the accurate measurement of electrical properties. We apply the principles of electrical and instrumentation proficiency on practical situations such as hook up and commissioning, and maintenance of various types of systems for offshore facilities.

7.15 KEY MACHINERY AND EQUIPMENT

A summary of the key machinery and equipment owned and used by us are set out below:

Machinery and equipment	Function	No of units	NBV as at 31 December 2019 RM'000
Cutting machines	Used to cut raw materials	3	5
Gantry crane	Used for fabrication work lifting	1	43
Pressure pump	A high pressure water jetting pump used for cleaning	2	207
Magnetic drilling machine	A portable drilling machine with a magnetic base that is used to drill holes in steel or other magnetic materials	1	20
Welding machines	Used for metal welding, where metals include cast iron, steel, stainless steel, aluminium, copper and brass	12	224
Load cells	Equipment for load testing	5	94
			593

7.16 OPERATING CAPACITIES AND OUTPUT

Our Group is principally involved the provision of support services for the O&G industry, primarily focusing on upstream oilfield services, which include EPC and project management; supply of manpower, supply of materials, tools and equipment; and the provision of drilling rig charter services. As such, conventional measures of production capacity and utilisation are not relevant to our operations.

7.17 QUALITY CONTROL AND QUALITY ASSURANCE PROCEDURES

Our Group places strong emphasis on quality management to ensure that the quality of our deliverables comply with relevant regulations and to maintain our reputation and market standing.

In line with this, we have implemented a Quality Management System that complies with the ISO 9001:2015 standards and requirements. This Quality Management System creates a framework that helps coordinate and direct our Group's activities to meet customer requirements while meeting the requirements of the ISO 9001:2015 standard.

7. BUSINESS OVERVIEW (Cont'd)

We also carry out an annual internal audit to verify the effectiveness of our Quality Management System and to ensure compliance with the ISO 9001:2015 standard. Discrepancies found during the internal audit are then documented and investigated for the cause of the non-conformance and counter measures are implemented to prevent recurrence.

As a testament to our quality commitment, OVE has been certified compliant to ISO 9001:2015, details of which are as follows:

Year first achieved	Current validity period	Certification	Scope	Awarding body
OVE				
2016	15 July 2019 – 14 July 2022	ISO 9001:2015	EPC, installation, commissioning and maintenance services of onshore and offshore facilities for O&G, petrochemical and related industries	Bureau Veritas Certification (Malaysia) Sdn Bhd

Further, OVE was approved by DNV for meeting its standards for the manufacture of offshore containers in relation to its fabrication works in 2015, thus providing our customers with assurance of the quality of our products. Amongst the offshore containers that we manufacture are containers, cargo baskets, lifting frames and gas bottle racks. In 2016, OVIT was certified for thickness measurement of hull structures by Bureau Veritas Certification (Malaysia) Sdn Bhd.

Subsequently in January 2019, OVIT was approved to engage in the provision of thickness measurement on ships under the rules for approval of manufacturers and service suppliers of the society by Nippon Kaiji Kyokai, a ship classification society based in Japan. This enables the Group to perform work on ships registered under the society. In October 2019, OVIT was approved to engage in the provision of thickness measurements of hull structures using standards and requirements set by Registro Italiano Navale (RINA), a ship classification and certification society based in Italy.

7.18 OCCUPATIONAL SAFETY, HEALTH AND ENVIRONMENT

Our Group places strong emphasis on the health and safety of our employees and subcontractors. In line with this, we are committed to comply with the relevant occupational health and safety requirements.

We adopt occupational safety, health and environment practices which allows us to comply to the relevant regulations such as the International Maritime Organisation, Occupational Safety and Health Act Regulation 1994, Factories and Machinery Act 1967, and Environment Quality Act 1974. We ensure that any health, safety and environmental matters raised by our employees and subcontractors go through the proper channels to result in a resolution.

7.19 RESEARCH AND DEVELOPMENT

Due to the nature of our business, we are not required to undertake and have not undertaken any research and development activities.

7. BUSINESS OVERVIEW (Cont'd)

7.20 COMPETITIVE STRENGTHS

7.20.1 We are able to scale our operations in tandem with the demand for our services

We have structured our business to be flexible and scalable, which we believe is an important factor in building a platform for long term business growth and sustainability. As a result, we are able to provide our customers with a range of services across our value chain. These services range from:

- (i) EPC and project management;
- (ii) supply of manpower;
- (iii) supply of materials, tools and equipment; and
- (iv) provision of drilling rig charter services.

We have developed in-house project management competency that covers various stages in the life of an offshore O&G field. This expertise has allowed us to manage upstream oilfield projects in accordance with an existing project development plan under our project management services. We have developed in-house EPC competencies, which when applied towards offshore facility projects, allow us to design, engineer, procure and project manage our activities.

Nonetheless, we outsource selected services and/or labour intensive services. This enables us to tap into the O&G market as a service provider without committing to high fixed overheads, thus giving us the flexibility to adapt to fluctuations in crude oil price levels.

We had, in the past, witnessed financial growth despite fluctuating oil prices that resulted in a slowdown in exploration and production activities. As a result of this slowdown, O&G drilling contractors opted to outsource certain services instead of maintaining their own in-house teams to save cost due to the scarcity of long term contracts. However, our revenue grew from RM17.65 million in FYE 2016 to RM58.28 million in FYE 2019 as we were able to fulfil the needs of our customers for EPC and project management as well as the supply of manpower during this period of slowdown. As a service provider, we are able to meet such demands without incurring significant fixed overheads.

Our business model, coupled with our other key competitive strengths as highlighted below, has enabled our Group to remain profitable during challenging times.

7.20.2 We have an experienced key senior management team

Our Group has an experienced and dedicated key senior management team that is led by Kenny Ronald Ngalin as our Managing Director, who has more than 17 years of working experience in the O&G industry. He is supported by our Executive Directors and key senior management team, comprising Martin Philip King Ik Piau, Yau Kah Tak, Chang Vun Lung and Thomas Jalong. We have an experienced and dedicated key senior management team that brings together a range of on-the-ground knowledge with exposure in local and foreign markets, as well as business segments.

During the course of his career, Kenny Ronald Ngalin has served at several local and international O&G companies as Rig Medic in various projects and short assignments in Malaysia, Thailand, Vietnam, Brunei, Indonesia and Singapore, Sudan, China and Nigeria. Our Executive Director, Yau Kah Tak, has experience in EPC and project management for the O&G industry, having served in Malaysia, Brazil, Indonesia, Thailand, Vietnam, Singapore, India, Bangladesh, Cameroon, Australia and Russia. With these past working

7. BUSINESS OVERVIEW (Cont'd)

experiences in these countries allows the Group to make more informed decision with better consideration or risk calculation when supporting customers in foreign markets, from the stand point of local support, logistic constraints as well as import and export restriction.

Executive	Position	Years of relevant experience
Martin Philip King Ik Piau	Executive Director – Operations & Project	19 years
Yau Kah Tak	Executive Director – Marketing & Strategic Planning	19 years
Thomas Jalong	General Manager	40 years
Chang Vun Lung	Chief Financial Officer	19 years

Please refer to Section 5.2.2 and 5.3.2 of this Prospectus for further details on the profiles of our key senior management team.

7.20.3 We have PETRONAS license and the necessary track record in various safety and quality standards for our operations

PETRONAS License

There are specific regulatory barriers to entry in the O&G industry in Malaysia owing to the licensing requirements imposed by PETRONAS. Only suitable qualified vendors and/or service providers are issued any licenses by PETRONAS owing to the stringent procedures implemented, and this indirectly acts as a barrier to entry to help mitigate the competitive intensity within the O&G industry in Malaysia. The PETRONAS license permits the provision of products and services to the upstream O&G sector in Malaysia and downstream sector of PETRONAS Group of Companies.

In this respect, OVE is a PETRONAS licensed vendor. As at the LPD, we are licensed with a total of 189 SWEC Codes from PETRONAS. As such, we are well positioned to benefit from this strength that represents a barrier to entry for new participants in Malaysia’s O&G industry. Please refer to Section 6.7 of this Prospectus for further details on our licenses.

Safety records and quality standards

Commitment to quality and possessing a strong safety track record are critical pillars in the O&G industry, and we comply with the relevant occupational health and safety requirements.

Our subsidiary, OVE, is certified compliant to ISO 9001:2015 for the scope of EPC, installation, commissioning and maintenance services of onshore and offshore facilities for O&G, petrochemical and related industries.

In line with our commitment to occupational health and safety, our Group’s safety track record has improved over the past three financial years under review. Based on our internal records, our total manhours without loss time injury increased from 200,022 hours in FYE 2016 to 397,696 hours in FYE 2017, 420,500 hours in FYE 2018 and 963,439 hours in FYE 2019.

Our safety track record provides our customers with assurance, enabling us to retain existing customers and secure new customers.

7. BUSINESS OVERVIEW (Cont'd)

7.20.4 We have access to skilled human resources for the supply of manpower services

We have access to O&G talent through our in-house database of drilling, marine and maintenance crew as well as onshore crew for O&G projects. As at the LPD, we have more than 850 candidates in our in-house database.

Our in-house database allows us to fulfil our customers' staffing needs based on their requirements in a timely manner. Having this internal database enable our Group to identify available manpower resources and recommend them to our customers in a timely manner to fulfil their staffing needs. As at LPD, we have 307 contractual workers currently being deployed at our customers' locations.

Our access to skilled manpower has helped our Group in securing more supply of manpower assignments. Our track records in securing customers and paying our manpower/subcontractors in a timely manner have encouraged these skilled contractual workers to remain with or have preference to work with us.

7.20.5 We have established relationship with our customers

We have established relationships with international drilling contractors such as Transocean Group, Maersk Group and Seadrill Group, with whom we have secured and retained as our customers for more than 5 years due, in part, to our service levels in meeting their requirements. Often times, these customers have requested for our services when they venture into new O&G projects globally.

We have delivered our services for customers operating in over 15 countries in the regions of Asia Pacific, Middle East, Africa, Europe and the Americas. We recorded a rise in revenue from RM17.65 million in FYE 2016 to RM58.28 million in FYE 2019 despite the challenging operating environment in the O&G industry, partly due to the relationships we have established with our major customers.

Please refer to Sections 7.9 of this Prospectus for further details on our top five customers for the FYE 2016 to 2019 respectively.

7.21 FUTURE PLANS AND BUSINESS STRATEGIES

7.21.1 We intend to broaden our range of support services in EPC and project management segment to capture opportunities in the O&G industry

We intend to further expand our range of support services for the upstream O&G industry to include underwater diving services, as well as advanced NDT and inspection services in an effort to broaden our revenue stream. In meeting our customers' needs and assisting them to overcome operational obstacles, we will continue to expand our capabilities in order to provide a wider range of O&G support services to our customers. To facilitate this initiative, we have allocated RM3.24 million from the proceeds of the IPO for the enhancement and strengthening of our capabilities which will include expenditure on the following:

Details	Estimated cost	
	RM'000	RM'000
Underwater diving Services		
(a) Purchase of NDT equipment:		
• Underwater diving containers		500
• Eddy Current testing equipment		100
• Magnetic particle inspection equipment		30
• Ultrasonic testing equipment		100

7. BUSINESS OVERVIEW (Cont'd)

Details	Estimated cost	
	RM'000	RM'000
<ul style="list-style-type: none"> • High pressure water blasters equipment • Cameras and underwater tools 	400 70	1,200
(b) Audit fees to obtain license issued by International Marine Contractors Association (IMCA)	100	
Audit fees for the attainment of classification society certification for Under Water Inspection in Lieu of Dry-docking (UWILD) and In Water Surveys (IWS):		
<ul style="list-style-type: none"> • Class Bureau Veritas (BV) • Class Det Norske Veritas Germanischer Lloyd (DNV GL) • Class American Bureau of Shipping (ABS) • Class Nippon Kaiji Kyokai (ClassNK) • Class Registro Italiano Navale (RINA) 	20 20 20 20 20	200
Advanced NDT and inspection services		
Purchase of testing and inspection equipment and tools:		
<ul style="list-style-type: none"> • Borescope inspection equipment • Phased Array and Long Range Ultrasonic Testing equipment • Corrosion mapping hydrogen detector equipment • Alternating current field measuring equipment 	236 400 400 200	1,236
Staff cost relating to hiring 1 engineer and 1 sales and marketing personnel for broadening the range of our support services		600
		3,236

Over the next 24 months, we intend to improve our technological offering and aim to develop in-house capabilities in underwater diving services and advanced NDT inspection services by upskilling the skill sets of our employees to undertake advanced inspection services.

As at the LPD, we offer underwater inspection and repair services on hulls, spudcans (base cones on jack-up drilling rigs) and pipelines of offshore rigs as well as advanced NDT and inspection services to our customers. However, we have to engage subcontractors to perform these services, as we do not have the in-house expertise and when required, we rent the necessary equipment to perform such services. We have yet to secure any underwater diving services and advanced NDT and inspection services work, which we believe is due to our Group not having the necessary in-house expertise and equipment, to be able to quote competitively.

We intend to purchase underwater and advanced NDT equipment and attain IMCA license and classification society certification, which is a requirement for us to undertake and offer our customers underwater diving and advanced NDT services using our in-house capabilities. We will achieve this through new staff recruitment in the areas of business development and project management, as well as equipment and tool purchases.

Underwater diving services and advanced NDT and inspection services are extension of services currently provided by our Group. Offshore drilling rigs have structure or sections that are above and under water. Currently, our services focus on sections that are above water. By investing in underwater diving services, we will be able to provide inspection services for entire rig (both above and under water sections). Advanced NDT is also an extension of the current conventional NDT service that we are offering. Advanced NDT involves the use of advance equipment such as Phased Array and Long Range Ultrasonic Testing equipment and Alternating current field measuring equipment.

7. BUSINESS OVERVIEW (Cont'd)

As more rigs are being activated in the O&G sector as a result of improving oil price, request for such underwater inspection services will increase. Our Group is in a strong position to secure such projects, especially for rigs customers that we are already providing existing EPC and project management as well as manpower supply services. These are additional source of revenue and having the extended services will enable our Group to be a more integrated and comprehensive service provider.

7.21.2 We intend to further strengthen our project management capabilities for the downstream O&G segment

We intend to further strengthen our project management capabilities for the downstream O&G segment to broaden our revenue stream in the next 24 months. In May 2018, we secured our first downstream O&G contract from ASEAN Bintulu Fertilizer Sdn Bhd for the provision of plant change project work in Bintulu, Sarawak. Since then, we have continued securing downstream O&G projects. As a result, we anticipate that most of our operations will be concentrated in the offshore oilfields in East Malaysia and onshore areas along the Sarawak Corridor of Renewable Energy (SCORE).

We intend to further strengthen our downstream project management capabilities to capture opportunities in downstream O&G segment. We will achieve this through new staff recruitment in the areas of business development and project management, training and development of existing staff as well as equipment and tool purchases.

To facilitate this initiative, we have allocated RM8.59 million from the proceeds of the IPO for the enhancement and strengthening of our capabilities which will include expenditure on the following:

Type of machinery/ equipment	Description/Function	No. of units	Total estimated cost RM'000
Diesel-fuelled welding machine	Diesel fuelled machine that enables welding work to be carried out on-site (i.e. without the need of on-site power supply)	24	1,380
Diesel-fuelled Air Compressor	Device that supplies compressed air for storage, and subsequent use in relevant tools and equipment or applications	6	636
Cabins	Containers that can be converted and used as on-site office or storage	4	570
Cold cutting machine	Machine used to perform cold cutting (i.e. without use of heat from torch (hot cutting) where open flame is used)	2	600
Milling machine	Machine used to perform milling operations on steel materials	2	176
Scaffolding materials	Materials used to erect for temporary work platform, structure or access on facilities.	120	2,420
Blasting and painting equipment	Equipment used to perform blasting and painting works for steel structures and piping	6	1,110

7. BUSINESS OVERVIEW (Cont'd)

Type of machinery/ equipment	Description/Function	No. of units	Total estimated cost RM'000
Hydro test equipment and fittings	Equipment and fittings used to test the pressure in a fluid, or exerted by a fluid on an immersed component	-	300
Lifting and rigging equipment	Equipment (ropes and chains) used for rigging and lifting activities	-	1,400
		Total	8,592

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8. INDUSTRY OVERVIEW



PROVIDENCE STRATEGIC PARTNERS SDN BHD
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Date: 5 June 2020

The Board of Directors
OCEAN VANTAGE HOLDINGS BERHAD
Lot 5570, 1st Floor, Jalan Desa Pujut
Desa Pujut Shophouse
Pusat Bandar Baru Permyjaya
98100 Miri, Sarawak
Malaysia.

Dear Sirs,

Outlook of Malaysia's Offshore Oilfield Services Industry and the Global Oil and Gas Industry in conjunction with the Listing of OCEAN VANTAGE HOLDINGS BERHAD on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD ("PROVIDENCE") has prepared this Outlook of Malaysia's Offshore Oilfield Services Industry and the Global Oil and Gas Industry for inclusion in the Prospectus of OCEAN VANTAGE HOLDINGS BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics.

For and on behalf of PROVIDENCE:

ELIZABETH DHOSS
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions, competitive landscape and government regulations.

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8. INDUSTRY OVERVIEW (Cont'd)



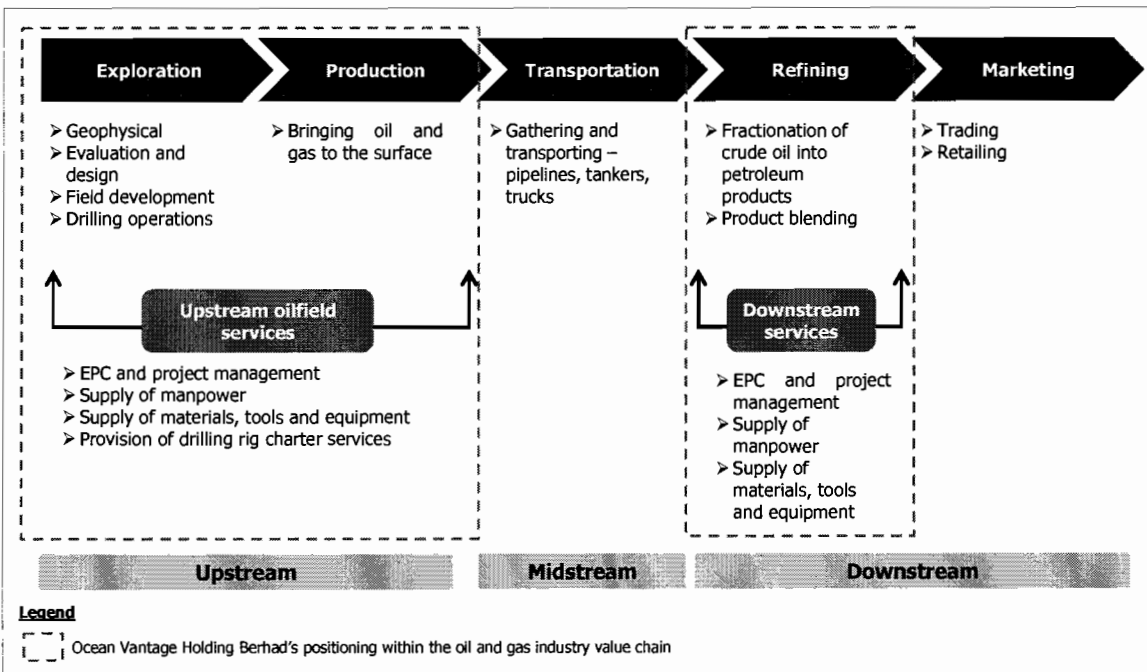
1 OFFSHORE OILFIELD SERVICES IN MALAYSIA

Oil and gas are fossil fuels formed from the decomposition and pressurisation of algae, plankton and other organisms trapped in sedimentary deposits. Over millions of years, the heat and geological pressure transforms these organic matters into hydrocarbons, which are compounds consisting entirely of hydrogen and carbon. The area which contains substantial volumes of hydrocarbon forms for commercial production is known as an oil field. The products obtained from an oil field are referred to as crude oil and natural gas, which are energy sources.

Oil fields can be discovered offshore or onshore. Oil and gas are considered important resources globally as they are used as transportation fuel, fuel for industrial operations, electricity generation, and in the production of fertilisers, pesticides, and a wide range of industrial products including plastics and polymers, textiles, paints, and dyes. As such, the oil and gas industry plays an important role in driving the global economy. The exploration, production and distribution of oil and gas have developed over the centuries and now involve processes that are complex and capital intensive.

Oil and gas companies and contractors in the upstream, midstream and downstream sectors of the oil and gas industry are supported by oil and gas support service providers. The range of services offered by these oil and gas support services providers include, amongst others, drilling, geological studies, extraction, fabrication, marine transportation, hook-up and commissioning services, platform maintenance, and manpower supply.

Ocean Vantage Holdings Berhad is principally involved in the provision of support services for the upstream and downstream segments of the oil and gas industry, where its range of services include project management; civil construction; electrical and instrumentation; supply chain management; and supply of manpower, tools and equipment.



1.1 INDUSTRY SIZE AND GROWTH POTENTIAL

Between 2010 and 2019, the oil and gas industry in Malaysia contributed between 7.5% and 11.0% of the country's gross domestic product ("GDP"), signifying its importance to overall economic development. Sabah and Sarawak are the key oil and gas producing states in Malaysia, where in 2018, Sabah's oil and gas industry contributed to 28.4% of the state's GDP, while Sarawak's oil and gas industry contributed to 23.5% of the state's GDP. Oil and gas is a key economic sector in Sarawak, with the state's history in oil and gas activities spanning back to 1910.

8. INDUSTRY OVERVIEW (Cont'd)

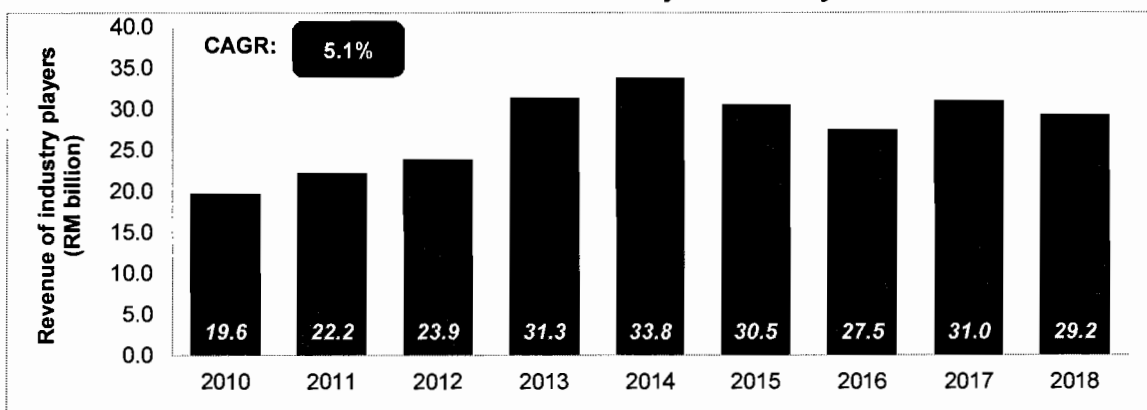


Malaysia's crude oil production comes from offshore fields. Malaysia's production of crude oil and condensates increased from 233.0 million barrels in 2010 to 248.9 million barrels in 2018 at a compound annual growth rate ("CAGR") of 0.8%. Over the same period, production of natural gas declined by 0.2% from 71,543 kilotonnes of oil equivalent ("ktoe") to 70,200 ktoe. In 2018, Malaysia was the 4th largest crude oil producing country and 4th largest natural gas producing country in Asia Pacific.

Oilfield services are required throughout the lifecycle of an oil and gas well. The oilfield services industry provides equipment and services to oil and gas exploration and production companies globally. As oil fields can be discovered offshore or onshore, oilfield services can be broadly divided into onshore oilfield services and offshore oilfield services. Oilfield services cover a wide range of services, including but not limited to, engineering, procurement, installation, commissioning and decommissioning services; ship chartering and management services; non-destructive inspection and testing services; manpower supply services; drilling rig supply services; and oil and gas equipment trading.

The offshore oilfield services industry in Malaysia, measured by the revenue of industry players, increased from RM19.6 billion in 2010 to RM29.2 billion in 2018 at a CAGR of 5.1%. In 2018, the project management and engineering, procurement and construction ("EPC") segment formed approximately 57.7% of the offshore oilfield services industry in Malaysia, while the supply of manpower segment and the supply of materials, tools and equipment segment comprised 0.8% and 4.0% respectively. The remaining 37.5% includes, amongst others, pipe manufacturing, installation and maintenance; repair and sale of marine vessels; vessel chartering and brokering; and well enhancement services. The offshore oilfield services industry in Malaysia is expected to further increase at a CAGR of 1.6% from RM29.2 billion in 2018 to RM31.1 billion in 2022 on the back of increasing oil and gas demand, the development of new technology for the exploitation of out of reach reserves, stabilising crude oil prices, and increasing rig count.

Offshore oilfield services industry size in Malaysia



Latest available as at 5 June 2020

Source: Companies Commission of Malaysia, PROVIDENCE analysis

The capital expenditure of oil and gas companies in Malaysia is an indicator of the outlook of the country's oil and gas industry. The capital expenditure of oil and gas companies is influenced by crude oil prices, where falling crude oil prices typically result in capital expenditure cuts. Between 2010 and 2018, the capital expenditure of Petroliaam Nasional Berhad ("PETRONAS") increased from RM37.1 billion to RM46.9 billion. PETRONAS typically allocates more than half of its capital expenditure for upstream exploration and production activities. In 2016 and 2017, due to weak global crude oil prices, PETRONAS reduced its capital expenditure in an effort to reduce costs. However, in 2018, PETRONAS increased its capital expenditure for the first time in three years, to RM46.9 billion, on the back of the recovery in oil prices and its ongoing cost-efficiency drive that boosted its profit in 2017. In 2019, PETRONAS further increased its capital investments to RM47.8 billion, mainly attributable to upstream projects.

PETRONAS currently has several ongoing major contracts in various categories in the oil and gas industry, whereby many of these key contracts are due for re-tendering in 2020 to 2021. These contracts include 12 contracts in the offshore fabrication category; one contract in the offshore installation category; one contract in the hook-up and commissioning and modification, construction and maintenance

8. INDUSTRY OVERVIEW (Cont'd)

category; one contract in the underwater services category; one contract in the marine vessels category; and 14 contracts in the others category, which includes, amongst others, coating and painting services, insulation services, and inspection corrosion monitoring services. This retendering exercise is expected to bode well for the offshore oilfield services industry. Further in October 2019, PETRONAS announced the first round of bidding for discovered resource opportunities ("DRO") and extending life of late life assets ("LLA") for four DRO clusters (namely Diwangsa cluster and Rhu-Ara cluster in the waters of Peninsular Malaysia as well as Bambazon cluster and Kerisi cluster in the waters of Sabah) and technical studies for two LLAs (namely Malong, Anding, Sotong and Tembungo fields), with bid submission in May 2020.

Between 2010 and 2017, the average price of Brent crude oil decreased from USD79.6 per barrel to USD54.4 per barrel. Despite the fall in crude oil prices, Malaysia's oil and gas industry has continued to be a significant contributor to the country's economy, and is expected to play an increasingly important role as the price of crude oil recovers due to the expected shortage of supply of oil arising from sanctions imposed on Iran, sanctions imposed by the United States of America ("USA") on Venezuela, as well as the decision of the Organisation of the Petroleum Exporting Countries ("OPEC") to maintain oil production levels in adherence with the oil production cuts that was implemented at the start of 2017. The deal for the OPEC to curb oil production was extended to last throughout 2018 in order to further reduce the glut of oil that built up during the oil crash between 2014 and 2016.¹ In 2018, the average price of Brent crude oil rose to USD71.07 per barrel before dipping to USD64.03 in 2019 arising from concerns of oversupply and weak demand. In July 2019, OPEC and its non-OPEC partners under the Vienna Agreement, agreed to an extension of existing production cuts through March 2020.

Malaysia's oil and natural gas policy historically has focused on maintaining the reserve base to ensure long-term supply security while providing affordable fuel to its population through subsidised fuel sales. Between 2010 and 2017, Malaysia's reserves of crude oil and condensates decreased from 5.8 billion barrels to 3.0 billion barrels, while the country's reserves of natural gas also witnessed a decrease from 88.6 trillion ft³ to 84.5 trillion standard ft³. Over the same period, Malaysia's oil reserves accounted for approximately 0.2% to 0.4% of global oil reserves, while Malaysia's natural gas reserves formed between 1.0% and 1.5% of global natural gas reserves.

The oil and gas reserves in Malaysia remained stable between 2010 and 2014, before declining due to the oil price crash that was a result of lower demand for oil and gas as countries such as the People's Republic of China ("China"), Russia, India, and Brazil experienced slower economic growth. The oil price crash resulted in a decrease in the number of proved crude oil reserves in Malaysia as proved oil and gas reserves were declassified as proved reserves during the oil price crash as the lower crude oil prices rendered them uneconomical to produce.

Reserves of crude oil and natural gas

Year	Reserves volume					
	Crude oil and condensates			Natural gas		
	Malaysia (billion barrels)	World (billion barrels)	Malaysia as percentage of the world (%)	Malaysia (trillion ft ³)	World (trillion ft ³)	Malaysia as percentage of the world (%)
2010	5.8	1,643.1	0.4	88.6	6,359.7	1.4
2011	5.9	1,681.3	0.4	90.0	6,738.5	1.3
2012	6.0	1,690.8	0.4	92.1	6,719.9	1.4
2013	5.9	1,698.7	0.3	98.3	6,776.6	1.5
2014	5.8	1,702.4	0.3	100.7	6,823.8	1.5
2015	5.9	1,689.6	0.3	100.4	6,761.6	1.5
2016	5.0	1,697.1	0.3	87.8	6,819.0	1.3
2017	3.6	1,696.6	0.2	96.6	6,831.7	1.4
2018	3.0	1,729.7	0.2	84.5	6,951.8	1.2

Source: Energy Commission of Malaysia, BP Statistical Review of World Energy 2019, PROVIDENCE analysis

¹ Oil production cuts set to be extended throughout 2018, 30 November 2017, Financial Times

8. INDUSTRY OVERVIEW (Cont'd)**DEMAND CONDITIONS: KEY GROWTH DRIVERS****Increased demand for oil and gas**

Between 2010 and 2018, the global demand for crude oil, measured by consumption volume, increased from 32.3 billion barrels to 36.4 billion barrels at a CAGR of 1.5%. Over the same period, global demand for natural gas also recorded positive growth, increasing from 3,175.9 billion cubic metres ("m³") to 3,848.9 billion m³ at a CAGR of 2.4%. Moving forward, the global demand for crude oil is expected to further increase to 37.3 billion barrels in 2025, while the global demand for natural gas is expected to increase to 4,112.0 billion m³ in 2025.

The increased consumption of crude oil and natural gas by various end-users such as the transportation and power generation sectors, is creating high demand for energy. To meet this demand, governments and vendors are investing in exploration and production activities for increasing the production of oil and gas. The global production of crude oil increased from 30.4 billion barrels in 2010 to 34.6 billion barrels in 2018 at a CAGR of 1.6%, while global production of natural gas increased at a rate of 2.5% from 3,169.3 billion m³ to 3,848.9 billion m³. Over the same period, Malaysia's production of crude oil increased from 233.0 million barrels to 248.9 million barrels at a CAGR of 0.8%, while the country's production of natural gas declined at a rate of 1.7% from 71,543 ktoe to 62,334 ktoe. In 2018, Malaysia was the 23rd largest crude oil producing country, accounting for 0.7% of the global crude oil production, and the 12th largest natural gas producing country, forming approximately 1.9% of the global production of natural gas.

Production of crude oil and natural gas

Year	Production volume					
	Crude oil and condensates			Natural gas		
	Malaysia ('000 barrels)	World ('000 barrels)	Malaysia as percentage of the world (%)	Malaysia (ktoe)	World (ktoe)	Malaysia as percentage of the world (%)
2010	232,981	30,413,625	0.8	71,543	2,725,100	2.6
2011	207,974	30,669,855	0.7	69,849	2,810,800	2.5
2012	213,445	31,559,814	0.7	62,581	2,869,400	2.2
2013	210,022	31,598,050	0.7	64,406	2,903,000	2.2
2014	220,045	32,383,165	0.7	63,091	2,963,800	2.1
2015	241,491	33,414,655	0.7	62,119	3,026,200	2.1
2016	243,395	33,680,418	0.7	62,723	3,052,300	2.1
2017	254,405	33,816,885	0.8	67,400	3,164,600	2.1
2018	248,896	34,572,274	0.7	62,334	3,325,762	1.9
CAGR	0.8%	1.6%	Not applicable	-1.7%	2.5%	Not applicable

Source: Energy Commission of Malaysia, BP Statistical Review of World Energy 2019, PROVIDENCE analysis

Natural gas is among the preferred fuel options for power generation. In many countries such as the USA, natural gas is the fastest growing fuel option. Gas fired power plants can be erected quickly with relatively lower initial investments, and the high operational flexibility and emissions from these plants are considerably lower than that from coal fired power plants. The earthquake in Japan which caused a partial meltdown in the Daiichi nuclear power plant in Fukushima has led to several nations reconsidering their nuclear strategies. With this recent incident in mind, natural gas is increasingly appearing as a safer and cleaner fuel option for power generation.

As demand for oil and gas increases, there will be an increasing development of new oil fields, thus creating opportunities for the offshore oilfield services industry.

Development of new technology for the exploitation of out of reach reserves

The oil and gas industry is dependent on exploration and production technology in order to tap into out of reach reserves. Among technologies currently being employed for exploration activities include seismic imaging, controlled source electromagnetism and earth systems modelling. However, industry stakeholders are of the opinion that these technologies can be further improved to increase the success of exploration activities.

8. INDUSTRY OVERVIEW (Cont'd)



New technology such as hydraulic fracturing has led to a renewed interest in aging oilfields such as the Permian Basin in Texas, USA. Hydraulic fracturing involves pumping a mixture of sand, water and chemicals underground at high temperature to release oil from hydrocarbons. This technique has made possible the extraction of shale oil and gas that was previously inaccessible, leading to the discovery of new oilfields in USA. Recently it has been discovered that with some adaptations, this technique is also able to boost production from mature oilfields such as the Permian Basin. The hydraulic fracturing technique has also managed to boost oil production in the Bakken Shale from approximately 1,800 barrels daily in 2001 to 95,000 barrels daily in 2016.

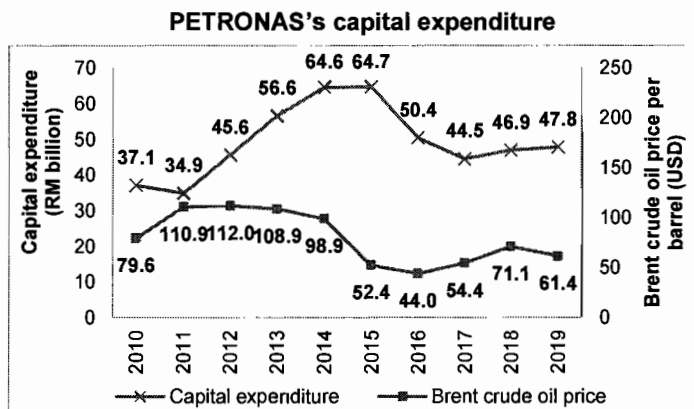
Technological advances and operational efficiencies have driven cost reductions, thus spurring the exploitation of out of reach reserves. Advanced drilling technology has made possible the exploitation of pre-salt reservoirs in Brazil's Tupi Field in the Santos Basin. Pre-salt reservoirs refer to hydrocarbon reservoirs buried below 6,500 feet of salt and drilling through the dense salt layer at enormous depths poses technological challenges. Taking into consideration the amount of reserves in this basin, Brazil is estimated to hold in excess of 6 trillion m³ of shale gas, or 20 times in excess of the nation's proven gas reserves in 2010². These technological advancements provide larger opportunities for oil exploration, thus positively affecting the oil and gas industry.

Technological advancements for exploration and production activities of out of reach reserves will aid in the exploration and development of oil fields, thus creating a greater need for oilfield services.

Stabilising crude oil prices drive the demand for offshore oilfield services

The collapse in oil prices in 2014 severely undercut revenues and forced sharp cutbacks in spending among oil and gas industry players. With commodities staging a recovery, following a multi-year price rout, activity in the oil and gas sector has begun to strengthen. With oil and gas prices recovering, oil and gas operators have increased investment for the development of oil and gas projects, which were earlier delayed or stalled. The oilfield service providers are expected to be benefitted from the same with increased activities on recovery.

Between 2010 and 2017, the capital expenditure of PETRONAS increased from RM37.1 billion to RM44.5 billion, before further increasing to RM46.9 billion in 2018. PETRONAS typically allocates more than half of its capital expenditure for upstream exploration and production activities. In 2018, PETRONAS increased its capital expenditure on the back of the recovery in oil prices and its ongoing cost-efficiency drive that boosted its profit in 2017.



Source: PETRONAS, World Bank

The offshore oilfield services industry in Malaysia is expected to grow on

the back of the increasing need to improve productivity from mature and new reserves, increasing focus on developing unconventional hydrocarbons, and increasing investments in deepwater and ultra-deepwater projects. Currently, major upstream oil and gas projects in Malaysia include the development of Bardegg 2 and Baronia Enhanced Oil Recovery Development Project, Integrated Bokor Phase 3 Enhanced Oil Recovery, and Betty Redevelopment projects offshore Miri, Sarawak, while major downstream oil and gas projects in the country include the development of the Pengerang Integrated Petroleum Complex ("PIPC") in Pengerang, Johor; and the construction of an integrated supply base in Bintulu; Sarawak.

Crude oil prices remained volatile in 2018, with the average Brent crude oil price fluctuating from a year-high of USD86.2 per barrel to a low of USD57.0 per barrel due to an oversupply of oil which was driven by demand concern and increased supply from USA. As a result, OPEC agreed to extend production cuts to June 2019 to help stabilise the oil market. Despite its volatility, crude oil prices are recovering, and this will create renewed investment interest in upstream development works, especially costly offshore rigs

² Source: International Energy Agency

8. INDUSTRY OVERVIEW (Cont'd)

which are profitable at current price levels, while encouraging major oil firms to increase their expenditure. As such, in 2019, PETRONAS further increased its capital expenditure to RM47.8 billion, where this capital expenditure will largely be targeted for the upstream segment, including under-development green fields and recent discoveries.³ However, as many oil and gas companies remain cautious, cost cutting still remains a priority and as such, oil and gas companies are also focusing on technologies that will automate processes, reduce risk and allow for a lower headcount.⁴

Although the volatility in crude oil prices persisted in 2019, the oil and gas industry is currently on a cyclical recovery⁵, and PETRONAS forecasts that Malaysia's production volume of crude oil and condensates is expected to stand at an average of approximately 1.7 million barrels of oil equivalent per day between 2019 and 2023. According to the World Bank in its Commodity Markets Outlook published in October 2019, crude oil prices are expected to moderate from their current levels and average at USD58 per barrel in 2020, and USD59.1 per barrel in 2021.

The upstream sector of Malaysia's oil and gas industry has a pipeline of potential projects focused on developing new growth areas or greenfield projects and maximising ultimate recovery of existing fields or brownfield projects. PETRONAS and its petroleum arrangement contractors will continue to mature potential development projects within its portfolio to sustain the desired production level. Recently, PETRONAS and its joint venture partners, Repsol S.A. and Mitsui Oil Exploration Co Ltd, have made the largest gas find in Indonesia in 18 years in the Sakakemang block in South Sumatera.⁶ PETRONAS forecasts that there will be 50 projects between 2018 to 2021, comprising 20 greenfield projects, where all these projects will involve new facilities development, and 30 brownfield projects, where approximately 10.0% of these projects will involve new facilities development.

An increase in rig count will have a positive effect on the offshore oilfield services industry

Oil rigs are structures located offshore to facilitate the exploration, extraction, storage and processing of oil and gas. Between 2010 and 2018, the number of active rigs worldwide declined at a rate of 3.7% from an average of 2,985 rigs to an average of 2,211 rigs. However, in recent years, the number of active rigs globally has been on an uptake, increasing from an average of 1,593 rigs in 2016 to an average of 2,211 rigs in 2018, at a CAGR of 17.8%. In 2019, the average number of active rigs rose to 2177 rigs. A similar trend was witnessed in the number of active rigs in Malaysia, where there was an uptake between 2016 and 2018 from an average of 4 rigs to an average of 7 rigs, recording a CAGR of 32.3%. In December 2019, the number of active rigs in Malaysia stood at 12 rigs.

The number of oil rigs is correlated with demand for offshore oilfield services, and thus, as the number of oil rigs continue to increase on the back of stabilising crude oil prices, this is expected to have a positive effect on the offshore oilfield services.

Government initiatives to boost the oil and gas industry in Malaysia

The Economic Transformation Programme ("ETP") and the Eleventh Malaysia Plan ("11MP") (2016 – 2020) are initiatives implemented by the Government in 2010 and 2016 respectively. These two initiatives aim to transform Malaysia into an advanced and high-income economy as well as an inclusive nation by 2020. Several measures were announced under the ETP and 11MP to boost development of Malaysia's oil and gas industry, whereby these measures include:

- **Ensuring gas supply security**

Gas supply security would be ensured through the construction of pipelines from the Malaysia-Thailand Joint Development Area to Kerteh, Terengganu; construction of the Regasification Terminal-2 in Pengerang, Johor; and the commissioning of two floating liquefied natural gas units offshore Sabah and Sarawak with a capacity of 2.7 million tonnes per annum.

- **Enhancing growth in the downstream sector**

Malaysia can capture the value created from international flows of crude oil and refined products by building a regional oil-storage hub and developing a regasification terminal for imported liquefied natural gas. In line with this, PIPC, a major development which will add 300,000 barrels per day of oil refining capacity in Malaysia, is currently under construction in Pengerang, Johor. Effective

³ Petronas higher capex to benefit local oil and gas service providers, 11 March 2019, New Straits Times

⁴ O&G industry looks to talent and technology on stronger outlook, 11 October 2018, The Malaysian Reserve

⁵ O&G sector to see buoyant activity across value chain, 12 March 2019, The Star

⁶ Petronas-Repsol JV makes largest gas find in Indonesia in 18 years, 20 February 2019, The Star

8. INDUSTRY OVERVIEW (Cont'd)



functionality of the PIPC can only be achieved when the necessary supporting infrastructure and public amenities are in place, thus, the Government will provide support to construct essential infrastructure such as roads, drainage, and utilities for this development.

- **Ensuring sustainability of production**

This initiative aims to extend the lifecycle of existing resources by optimising exploration, development and production activities. This is done by capturing value from mature fields through enhanced oil recovery, using innovative solutions to develop small fields, and intensifying exploration activities.

- **Establishing Malaysia as a regional oil and gas services and equipment hub**

Malaysia aspires to become an established regional oil and gas services and equipment hub. As such, Malaysia Petroleum Resources Corporation has embarked on several initiatives, including facilitating local oil and gas services and equipment companies' expansion into Asia Pacific and beyond; building Malaysia's reputation as a regional hub by establishing a Malaysian presence in prominent oil and gas exhibitions globally; and attracting oil and gas services and equipment multinational corporations to set up regional headquarters in Malaysia. Since 2017, the regional headquarters of the top five global oil and gas services and equipment multinational corporations and 18 of the top 50 global oil and gas services and equipment multinational corporations were already in Malaysia. The Government targets to have half of the top oil and gas services and equipment multinational corporations' regional headquarters in Malaysia by 2020.

TRENDS AND DEVELOPMENTS IMPACTING THE INDUSTRY

The upstream oil and gas segment in Malaysia is largely dominated by PETRONAS, which was granted exclusive rights over Malaysia's hydrocarbon resources under the Petroleum Development Act 1974. As such, PETRONAS, which is a major player in the oil and gas industry in Malaysia, is responsible for the development of the country's petroleum resources. As PETRONAS has exclusive rights to Malaysia's hydrocarbon resources, PETRONAS signs production sharing contracts ("PSC") with oilfield operators who are obligated to bear all finance and risks of exploration, development and production activities, in exchange for a share of total production. Oilfield operators with PSCs are required to comply with the national objective of maximising local participations of vendors for equipment, infrastructure, goods, materials, supplies and services in upstream oil and gas operations in Malaysia. In early 2011, PETRONAS introduced risk service contracts ("RSC") to stimulate the development of marginal projects and increase the recovery of Malaysia's hydrocarbon resources. Under the RSC, PETRONAS retains resource ownership, whilst the RSC partners hold responsibility for field development and operations.

Crude oil and natural gas are forms of fossil fuels whereby crude oil is primarily used as transportation fuel while natural gas is used across multiple end-user industries such as the transportation and power generation sectors, as fuel for industrial processes, and for residential and commercial heating. As an energy source, oil and gas can be substituted with alternative fuels such as nuclear power, solar power, ethanol, and wind power. However, these alternative forms of energy are still considered to be uneconomical substitutes as they are less efficient and more expensive than fossil fuels. As such, crude oil will continue to be consumed by the global economy, regardless of oil prices, and as a result, oilfield services will continue to be in demand.

Demand for oilfield services in Malaysia are dependent on oil and gas upstream and downstream activities in the country. In 2018, Malaysia was the 23rd largest crude oil producing country, accounting for 0.7% of the global crude oil production, and the 12th largest natural gas producing country, forming approximately 1.9% of the global production of natural gas. As a key oil and gas producing country, Malaysia has created a vibrant ecosystem which offers competitive rates and skilled manpower to support the growth of its oil and gas upstream and downstream sectors.

Between 2010 and 2017, total employment for oil and gas supporting activities declined by 1.2% from 19,782 persons to 18,146 persons.⁷ Nonetheless, major oil and gas companies in Malaysia are employing more local professionals and technical and vocational education and training graduates instead of foreign professionals as Malaysia is now able to produce its own local oil and gas talent.⁸ Further, in 2018, PETRONAS undertook a study to outline Malaysia's oil and gas services and equipment talent landscape. This study covers PETRONAS vendors, and will help to identify talent shortages and

⁷ Latest available as at 5 June 2020

⁸ Oil and gas sector hires more local graduates, trims forex losses, 19 February 2019, New Straits Times

8. INDUSTRY OVERVIEW (Cont'd)

excesses across the industry based on categories and skill sets to aid players in making key decisions to manage workforce planning, improve skill demand projection and highlight talent competency gap in skills and qualification to meet industry needs. The outcome of this study will help create an optimum and competent workforce in the industry.⁹

The performance of the oil and gas sector, including the oilfield services industry, is also dependent on the global crude oil price which may cause oil and gas companies to reduce their capital expenditure, defer or cancel projects that were deemed not profitable as a result of falling or low crude oil prices. This decrease in capital expenditure will result in reduced exploration and production activities in the oil and gas sector, and may negatively impact the demand for oilfield services. However, the effects of the volatility of crude oil prices may also result in a higher number of rigs being decommissioned to save cost when crude oil prices fall, and these rigs may then be commissioned again as crude oil prices recover. This will result in increased commissioning and decommissioning activities, depending on the global crude oil price.

The oil and gas sector in Malaysia are governed by several laws and regulations. Two of the main legislations governing the oilfield services industry in Malaysia are the Petroleum Development Act 1974 and the Petroleum Regulations 1974. The purpose of the Petroleum Development Act 1974 is to regulate the oil and gas and petrochemical industries in Malaysia, under which PETRONAS was granted exclusive rights over Malaysia's hydrocarbon resources. The Petroleum Regulations 1974 was established to divide the upstream and downstream oil and gas activities to different entities, with PETRONAS responsible for upstream oil and gas activities in Malaysia while the Ministry of International Trade and Industry ("MITI") as well as the Ministry of Domestic Trade, Co-Operatives and Consumerism ("MDTCC") are responsible for the regulation of Malaysia's downstream oil and gas activities. Companies involved in the exploration, development and production of hydrocarbon resources in Malaysia are required to obtain approval from PETRONAS. Oilfield service providers which are PETRONAS licence holders have an added advantage as they are able to provide goods / services to the upstream sector in the oil and gas industry.

With regards to downstream sector, companies involved in the refining of crude petroleum, the processing of natural gas and the manufacture of petroleum products and petrochemical products must first obtain a permit from MITI, while companies involved in the marketing and distribution of petroleum and petrochemical products must first obtain a licence from MDTCC. Nonetheless, oilfield service providers such as Ocean Vantage Holdings Berhad that are not involved in the exploration, development, production, refining of crude oil and processing of petroleum products and petrochemical products, as well as marketing and distribution are not required to obtain a permit from MITI or license from MDTCC.

The oilfield services industry in Malaysia, the segment in which Ocean Vantage Holdings Berhad is also governed by labour laws which include the Employment Act 1955, Immigration Act 1959 / 1963, Minimum Retirement Age Act 2012, Minimum Wages Order 2012, and Workmen's Compensation Act 1952. The Department of Labour under the Ministry of Human Resource is responsible for the administration of labour laws in Malaysia. In addition, the industry is also governed by the Occupational Safety and Health Act 1994, which is an act to make further provisions for securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work, to establish the National Council for Occupational Safety and Health, and for matters connected therewith. The Act is enforced by the Department of Occupational Safety and Health under the Ministry of Human Resources.

Impact of the coronavirus disease 2019 ("COVID-19") on Malaysia's oil and gas industry

Following a high number of coronavirus infections amongst the population in Malaysia, the Government of Malaysia announced a controlled movement order that took effect from 18 March 2020 and has since been extended on a bi-weekly basis to 12 May 2020. Under the controlled movement order, companies involved in the production of non-essential products and services are required to cease operations until 12 May 2020. On 10 May 2020, the Government of Malaysia announced an extension of the conditional movement control order from 13 May 2020 to 9 June 2020. Under the conditional movement control order, various economic sectors were reopened with strict standard operating procedures to be observed. Nonetheless, employees were also encouraged to work from home and provided with the necessary tools to remain connected and productive during this period.

⁹ Source: Petronas Activity Outlook 2019 - 2021

8. INDUSTRY OVERVIEW (Cont'd)

Pursuant to the announcement by the Government of Malaysia on the controlled movement order effective from 18 March 2020, PETRONAS issued a statement on its position that oil and gas, production, refining, storage, supply and distribution of fuel and lubricants are considered essential services as per the announcement made by the Prime Minister of Malaysia and specified under section 2 (First Schedule), Act 177, Industrial Relations Act 1967. Therefore, all operations falling within the above essential services including all support services should continue, with the respective parties' necessary working arrangements and precaution as may be appropriate, until advised otherwise by the Government. As such, offshore oilfield services industry players are deemed to fall under essential services and permitted to continue operations during this period.

Globally, as a result of COVID-19, Brent crude oil prices have fallen by almost two-thirds to USD23.34 per barrel in April 2020 from the USD65.85 per barrel in December 2019. In May 2020, Brent crude oil prices rose slightly to USD31.02 per barrel. Transport disruptions and an economic decline have weakened demand for crude oil.

While it is still early to fully assess the impact of COVID-19 on Malaysia's offshore oilfield services industry, the decline in demand for crude oil is expected to result in lower activities, possible project deferments or cancellations and increased margin pressures across the board in all value chains within the oil and gas industry in the short term. There is potentially an increased risk of delay in contract awards and activities within the upstream space in 2020 as Malaysia has committed to a production cut. A sharp and sustained decline in oil prices also tend to curb investments in the oil and gas sector. Nonetheless, there are still opportunities for offshore oilfield services industry players that offer manpower services as well as preservation and maintenance services for warm-stacked and cold-stacked assets during periods of low upstream exploration and production activities.

COMPETITIVE LANDSCAPE

There is a wide range of oilfield services available, ranging from seismic imaging to deepwater oil exploration. Larger offshore oilfield services industry players typically offer a broader range of offshore oilfield services, while smaller offshore oilfield services industry players are usually more specialised and focus on a market niche.

Ocean Vantage Holdings Berhad is principally involved in the provision of support services for the upstream and downstream segments of the oil and gas industry through its wholly-owned subsidiaries, Ocean Vantage Engineering Sdn Bhd and Ocean Vantage Inspection Testing Sdn Bhd, where its range of services include EPC and project management; supply of manpower; supply of materials, tools and equipment; provision of drilling rig charter services.

For the financial year ended ("FYE") 31 December 2018, Ocean Vantage Holdings Berhad's revenue amounted to RM30.5 million. Ocean Vantage Holding Berhad's three major revenue segments, comprising more than 10.0% of their revenue, are the EPC and project management segment; supply of manpower segment; and supply of materials, tools and equipment segment. Based on Ocean Vantage Holdings Berhad's revenue, relative to the revenues of other Malaysian offshore oilfield industry players (from the financial statements of each competitor for the FYE 2018), Ocean Vantage Holdings Berhad registered a market share of 0.07% in the EPC and project management segment, 6.07% in the supply of manpower segment, and 0.31% in the supply of materials, tools and equipment segment.

Ocean Vantage Holdings Berhad recorded a revenue of RM58.3 million in the FYE 31 December 2019, where its gross profit was RM14.8 million and gross profit margin was 25.4%. The major factors that contributed to Ocean Vantage Holdings Berhad achieving a higher gross profit margin relative to other industry players, save for Sea Horse Services Sdn Bhd and Maysville Sdn Bhd, are:

- Ocean Vantage Holdings Berhad has access to a wide database of drilling, marine and maintenance crew as well as onshore crew for oil and gas projects that allows it to fulfil customers' staffing needs in a timely manner. As at the LPD, Ocean Vantage Holdings Berhad has more than 850 candidates in its database;
- Ocean Vantage Holdings Berhad's database of crew are primarily Malaysian nationals, thereby allowing Ocean Vantage Holdings Berhad to save on expenditure such as visa expenses that other industry players may incur for the recruitment of foreign nationals; and
- Ocean Vantage Holdings Berhad is able to procure materials, tools and equipment for its business at competitive rates as it pays suppliers in a timely manner and within the suppliers' stipulated credit period.

8. INDUSTRY OVERVIEW (Cont'd)



Financial performance of selected offshore oilfield services industry players

The following sets out the latest available revenues of offshore oilfield services industry players that are involved in the provision of support services for the upstream and downstream segments of the oil and gas industry, with revenues for offshore oilfield services between RM10.0 million and RM120.0 million.

Industry player	Business segments	Latest available financial year ended	Revenue ^a (RM)	Gross profit (RM)	Gross profit margin (%)	Profit before tax (RM)	Profit after tax (RM)
Bayong Resources Sdn Bhd	Supply of manpower	31 December 2017 ^b	50,239,343	10,709,125	21.3	1,021,255	511,526
ETD Makmur (M) Sdn Bhd	Supply of materials, tools and equipment	31 December 2017 ^c	52,225,398	4,222,628	22.7	3,482,915	3,041,915
Kopetro Trading and Services Sdn Bhd	Supply of manpower; supply of materials, tools and equipment	31 December 2018	31,789,992	2,114,842	6.7	99,630	92,837
Maysville Sdn Bhd	EPC and project management; supply of manpower; supply of materials, tools and equipment	30 June 2019	17,243,747	5,623,749	32.6	2,165,299	1,678,952
MKN Odyssey Ventures Sdn Bhd	Supply of manpower; supply of materials, tools and equipment; provision of drilling rig charter services	31 March 2019	101,022,990	2,348,818	2.3	2,031,600	1,543,274
Ocean Vantage Holdings Berhad	EPC and project management; supply of manpower; supply of materials, tools and equipment; provision of drilling rig charter services	31 December 2019	58,284,131	14,788,493	25.4	9,147,932	6,916,963
Redtech Offshore Sdn Bhd	EPC and project management	30 June 2019	60,903,297	5,116,397	8.4	1,423,209	938,587
Sea Horse Services Sdn Bhd	EPC and project management; supply of materials, tools and equipment	31 December 2018	4,535,649	2,192,615	48.3	98,006	68,006
Time Marine Services Sdn Bhd	EPC and project management; supply of manpower; supply of materials, tools and equipment; provision of drilling rig charter services	31 December 2018	38,336,815	-1,518,991	-4.0	-6,849,131	-6,318,971
			Average		17.3		

Notes:

^a Save for Ocean Vantage Holdings Berhad, the segmental revenues for private companies are not publicly available from the Companies Commission of Malaysia

^b Latest available audited financials prior to classification as exempt private company on 30 June 2019

^c Latest available audited financials prior to classification as exempt private company on 30 September 2019

The rationale of using RM120.0 million to RM120.0 million as a criterion for identifying comparable companies is due to the following:

- Ocean Vantage Holding Berhad's revenue in FYE 31 December 2019 was RM58.3 million, in the mid-point of the revenue range criteria; and
- To allow identification of a wider range of comparable companies that compete with Ocean Vantage Holding Berhad in the EPC and project management; supply of manpower; supply of materials, tools and equipment; and provision of drilling rig charter service business segments respectively.

Latest available as at 5 June 2020

Source: Various annual reports, MATRADE, MOGSC, Companies Commission of Malaysia, PROVIDENCE analysis

8. INDUSTRY OVERVIEW (Cont'd)**2 GLOBAL OIL AND GAS INDUSTRY****INDUSTRY SIZE AND GROWTH POTENTIAL**

Global oil and gas reserves have been on the rise between 2010 and 2018, with crude oil and condensates increasing from 1.6 trillion barrels to 1.7 trillion barrels, while natural gas increased from 6,359.7 trillion cubic feet (ft³) to 6,951.8 ft³. Over the same period, the global oil and gas industry registered positive growth, as marginal increase took place in the production of crude oil and natural gas. The global production of crude oil and condensates increased from 30.4 billion barrels in 2010 to 34.6 billion barrels in 2018 at a CAGR of 1.6%. Over the same period, the production of natural gas increased at a rate of 2.5% from 2,725.1 million tonnes of oil equivalent ("mtoe") to 3,325.8 mtoe.

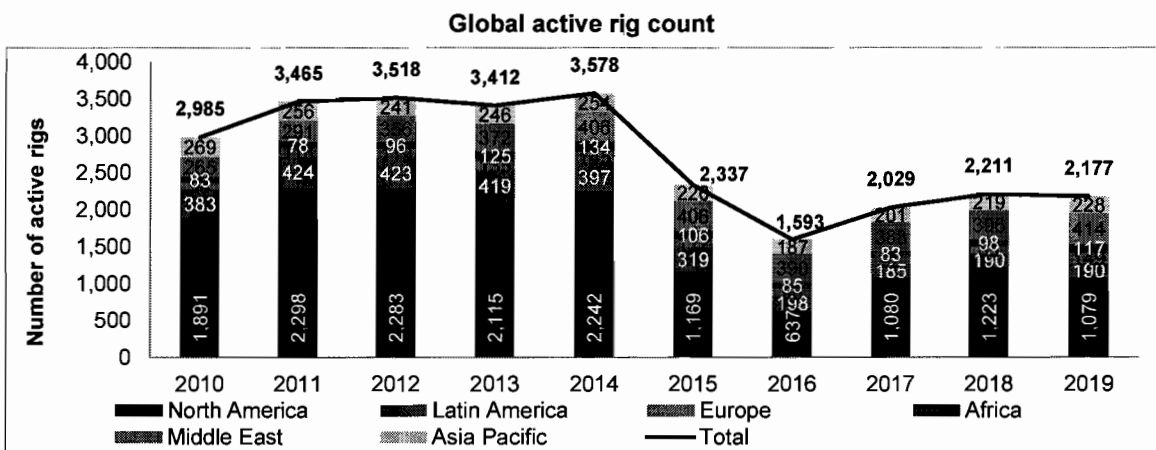
The capital expenditure of oil and gas companies worldwide is an indicator of the outlook of the global oil and gas industry. The capital expenditure of oil and gas companies is influenced by crude oil prices, where falling crude oil prices typically result in capital expenditure cuts. Between 2010 and 2017, the average price of Brent crude oil decreased from USD79.6 per barrel to USD54.4 per barrel. The average price of Brent crude oil witnessed a sharp drop from USD98.9 per barrel in 2014 to USD52.4 per barrel in 2015. This fall in price was attributed to the strong US dollar and an oversupply of oil, which was exacerbated by OPEC's stand on retaining output volume, and the anticipation of Iran's return to the oil markets.

As a result of the falling crude oil prices, there was a reduction in capital expenditure for the global oil and gas upstream sector. Project deferment and reprioritisation measures were also taken, thus resulting in operating expenditure and manpower rationalisation exercises as oil and gas companies sought to maintain profitability. The global oil market remained oversupplied in 2016, with crude oil prices further falling. Global capital expenditure of the upstream oil and gas sector stood at USD375.0 billion in 2016, almost less than half from a peak of USD715.0 billion in 2014, as upstream oil and gas companies remained cautious in investment and cash flow constraints resulted in lower numbers of high-risk exploration. In 2017, the average price of Brent crude oil increased to USD54.4 per barrel, partly due to OPEC's decision to cut oil and gas output. Due to indications of an oil price recovery, global capital expenditure of the upstream oil and gas sector increased to USD400.0 billion. However, oil and gas companies continued to remain cautious and many oil companies avoided hard-to-reach reservoirs such as high-cost frontier areas in the Arctic, and high-pressure, high-temperature plays, and instead, focused on drilling simpler and better wells located near existing infrastructure in order to keep costs low. Although the number of sanctioned projects grew in 2017, these projects were generally smaller with companies opting for faster returns and reduced risks. In 2018, the average price of Brent crude oil rose to USD71.07 per barrel before dipping to USD64.03 in 2019, largely attributed to strong supply from the USA and concerns of weaker demand arising from the trade war between USA and China.

Between 2010 and 2018, the number of active rigs worldwide declined at a rate of 3.7% from an average of 2,985 rigs to an average of 2,177 rigs. However, in recent years, the number of active rigs globally has been on an uptake, increasing from an average of 1,593 rigs in 2016 to an average of 2,177 rigs in 2019, at a CAGR of 11.0%. In 2019, the number of active rigs in North America comprised 49.6% (2018: 55.3%) of the total number of active rigs worldwide. This was followed by Middle East with 19.0% (2018: 17.9%), Asia Pacific with 10.5% (2018: 9.9%), Latin America with 8.7% (2018: 8.6%), Africa with 5.4% (2018: 4.4%), and Europe with 6.8% (2018: 3.8%).

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8. INDUSTRY OVERVIEW (Cont'd)



Source: Baker Hughes, PROVIDENCE analysis

Higher capital expenditure of oil and gas companies and increasing number of oil rigs is an indicator of higher exploration and production activities, and thus, bodes well for the production of oil and gas. Between 2010 and 2017, the global production of crude oil and condensates increased from 30.4 billion barrels to 34.6 billion barrels at a CAGR of 1.6%. Global production of crude oil is expected to further increase in line with the increasing capital expenditure as well as the uptake in the number of active rigs worldwide between 2016 and 2018, as the oil and gas industry recovers on the back of stabilising crude oil prices. In 2018, the USA was the largest oil producer with 5.6 billion barrels, forming 16.2% of global oil production. This was followed by the Kingdom of Saudi Arabia (“Saudi Arabia”) with 4.5 billion barrels (13.0%), and Russia with 4.2 billion barrels (12.1%). USA was also the largest oil consumer in 2017, where its consumption of crude oil stood at 7.3 billion barrels and accounted for 20.2% of global consumption of crude oil. This was followed by China with 4.7 billion barrels (13.0%), and India with 1.7 billion barrels (4.8%).

The Middle East region is a key producer of oil and natural gas, representing 33.5% of global oil production and 17.8% of global gas production in 2017. Crude oil reserves in the Middle East region can be found close to the surface and may be pooled in mega fields.¹⁰ There have been several oil and gas finds in the Middle East region in recent years, which amongst others, includes discoveries in the Khalij Al-Bahrain Basin in Bahrain, Mabrouk North East field in Oman, and the Arab Basin in the United Arab of Emirates. Despite production cuts made by OPEC to reduce the supply-demand mismatch of oil, oil production in the Middle East region continued to grow at a rate of 2.7% between 2010 and 2018, while natural gas production increased at a rate of 4.7% over the same period.

The Association of Southeast Nation (“ASEAN”) represents 10 countries in Southeast Asia, namely Brunei Darussalam (“Brunei”), Cambodia, Indonesia, Lao People’s Democratic Republic (“Laos”), Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. Crude oil in ASEAN is primarily produced by Brunei, Indonesia, Malaysia, Thailand, and Vietnam, with the region’s crude oil mainly derived from mature oil fields. Certain ASEAN member states such as Cambodia, Laos, Philippines and Singapore, have limited or no domestic oil production. As a net oil importer, ASEAN is vulnerable to the supply disruption and oil price fluctuation. Through the ASEAN Petroleum Security Agreement (APSA), Southeast Asian countries are to follow a code of conduct to manage the flow of petroleum in the region. In addition, to overcome ASEAN dependency on oil import, ASEAN countries, as well as China, Japan and South Korea, have agreed upon the necessity to implement oil stockpiling to minimise the impact of oil supply disruption and highly volatile oil market. To support the idea, the ASEAN member states need to enhance their oil infrastructures and policies to control the consequences of oil supply and price disruption with oil stockpiles.

On 8 May 2018, the USA reinstated sanctions on Iran after Washington withdrew from the Joint Comprehensive Plan of Action, commonly known as the Iran nuclear deal. For this round of sanctions, USA has toughened its stance by asking several countries to reduce Iranian oil imports to zero by 4 November 2018. Post deadline, USA granted waivers to eight countries, namely China, India, Republic of Korea (“South Korea”), Japan, Italy, Greece, Republic of China, and Turkey, to import oil from Iran for another 180 days. The waivers granted to the eight countries are temporary waivers which are expiring between March to April 2019, and USA is expected to extend waivers from sanctions on Iranian oil

¹⁰ Middle East Leads Global Supply of Conventional Oil, 20 December 2018, Rigzone

8. INDUSTRY OVERVIEW (Cont'd)

imports in May but may reduce the number of countries receiving them.¹¹ These waivers will contribute to the volatility of crude oil prices globally. Oil demand growth is expected to be at risk as soaring oil prices, contributed by the oil sanctions on Iran, and weakening emerging markets currencies could lead to higher oil import bill.

In addition, there was also a risk of demand erosion due to escalation of trade disputes between USA and China. The trade war between USA and China resulted in uncertainty around crude oil prices as China is one of the world's top importers of the commodity and any sign that demand for it might waver puts pressure on prices. Crude oil stabilised at the beginning of 2019 on reports that China plans to hold talks with the United States to settle their trade balance differences. Following the G20 summit, a 90-day truce was reportedly agreed by the USA and China. It was expected that, during that window, China would resume USA oil imports, but the overall outlook for trade flow between USA and China in 2019 remained subdued. During the year, China had already moved to substitute its imports of crude oil from USA with increased imports from Saudi Arabia and Russia. In January 2020, USA and China signed a partial trade agreement (phase 1 deal) that will see China purchasing an additional USD200 billion of goods and services from the USA over the next two years. In exchange, the USA has agreed to reduce tariffs on USD120 billion worth of Chinese products from 15% to 7.5%.

In September 2019, crude oil prices increased briefly following an attack on key energy installations in Saudi Arabia, however the price increase was relatively short lived, and prices returned to pre-attack levels by the end of the month because of Saudi Arabia's ability to bring production back online within weeks of the attack and global concerns about demand growth. Throughout 2019, increases in petroleum production in the USA put downward pressure on crude oil prices. In addition, the production increases likely limited the effect on prices from the attack on Saudi Arabia, production cut announcements from the OPEC, and sanctions imposed by the USA on Iran and Venezuela that limited crude oil exports from those countries.

Global oil prices crashed in March 2020 following a fallout between Saudi Arabia and Russia, two of the world's most important oil producers, over how to respond to the potential effects of the coronavirus outbreak. A meeting between the OPEC and ten other oil producing countries (known as OPEC+) ended on 6th March 2020 as Saudi Arabia failed to convince Russia to accept a more than 1 million barrels per day cut in production to offset falling demand due to slowing economic activity during the coronavirus emergency. In response to Moscow's refusal to agree to the cut, Riyadh cut its official selling price for April 2020 by USD6 to USD8 per barrel in an effort to pressure Russia, as well as signalled to raise its production levels. Brent crude oil, the global benchmark, plunged 24% to close at USD33.36 a barrel as a result of this fallout. Both countries are placing hope in their ability to weather a hopefully temporary period of low oil prices, as their economies remain dependent on the export of oil products. The shock to oil has also affected stock markets, which were already in a panic because of the novel coronavirus outbreak. On 11th March 2020, the United Arab Emirates has announced intentions to follow Saudi Arabia's move to raise oil output in April 2020. In response to the drop in price, multiple oil producers in North America cut the drilling of new wells.

As a result of COVID-19, global Brent crude oil prices have fallen by almost two-thirds to USD23.34 per barrel in April 2020 from the USD65.85 per barrel in December 2019. In May 2020, Brent crude oil prices rose slightly to USD31.02 per barrel. The oil market has been hit by an unprecedented combination of negative-demand and positive-supply shocks. Mitigation measures to stem the pandemic and a global recession have coincided with the collapse of the production agreement by OPEC and its partners in early March 2020. This stands in contrast with supply shocks facing many other industries, which likely face a reduction in supply due to mitigation measures.

Transport disruptions and an economic decline have weakened demand for crude oil. The largest factor driving the collapse in oil prices has been the sharp reduction in demand arising from mitigation measures. The unprecedented drop in transport in many countries has led to a sharp fall in fuel demand. Oil demand fell by 6% in the first quarter of 2020, and the International Energy Agency anticipates it will fall by 23% in the second quarter of 2020 as a growing number of countries have put in place mitigation measures, particularly the USA (the largest consumer of oil). The slowdown in economic growth will also reduce global oil consumption. Oil has a relatively high-income elasticity of demand, which suggests that declines in economic growth can lead to falls in oil demand.¹²

¹¹ U.S. likely to cut number of Iran oil sanctions waivers in May analysts, 18 January 2019, Reuters

¹² Special Focus, A Shock Like No Other: The Impact of COVID-19 on Commodity Markets, April 2020, World Bank

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS BEFORE MAKING AN APPLICATION FOR OUR SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND INDUSTRY

9.1.1 Our business is generally project-based and we are exposed to the risk of delay or premature termination of secured projects and/or may not be able to secure new projects

As at the LPD, we do not have any long terms contracts with our customers. We generate our revenue as and when we deliver our services and products based on purchase orders received.

It is the industry norm for a company that provides services to offshore O&G operators to render its services on a project-basis. Generally, works outsourced by offshore O&G operators to the external service providers will be done on a tender basis. In addition, there is no guarantee that the O&G operator will continue to cooperate with the same service provider upon the project completion.

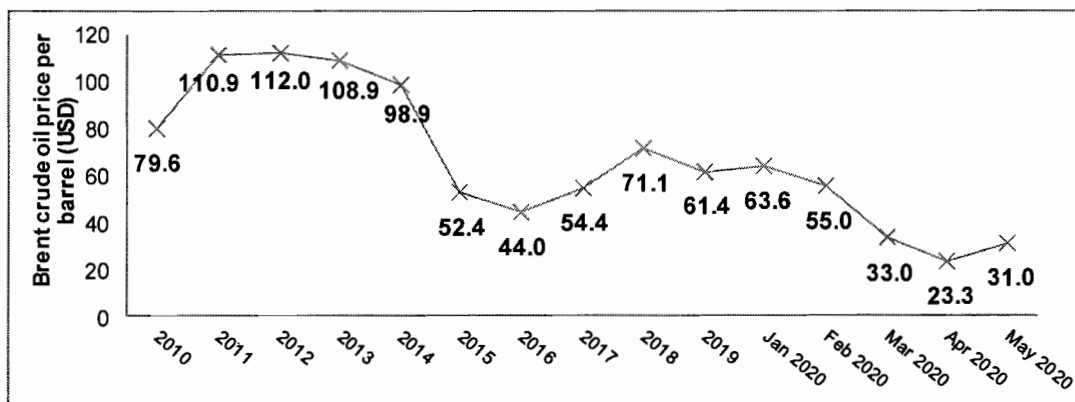
We may also encounter situations where customers delay the handover and delivery of our projects due to unforeseen circumstances such as poor market condition and shortage of funds faced by our customers. Such postponement in project timing may influence our management of workspace and resource allocation for the execution of subsequent projects and delay our revenue collection.

These situations will materially affect the performance of our business and subsequently impact our Group's financial position.

9.1.2 Our business operations and financial performance are reliant on O&G industry players

Most of our customers operate in the upstream O&G sector. As such, the level of capital spending and activity in the offshore exploration, development as well as production of crude oil and gas which are influenced by the fluctuation of crude O&G price, together with the expectation of future price changes, will significantly affect the performance of our business operation and financial position.

The following graph illustrates the movement of the Brent crude oil price from 2010 to May 2020:



Source: World Bank

9. RISK FACTORS *(Cont'd)*

In the context where the level of upstream activities diminishes due to changes in capital expenditure in the O&G industry or otherwise, this is likely to cause an adverse impact on our business prospects, operation and financial performance.

9.1.3 We may be affected by a fundamental change in PETRONAS' policies towards the O&G industry

PETRONAS' current policies in Malaysia towards the O&G industry include the imposition of licensing requirements. Under these policies, only companies with valid licenses may supply goods, products and services to upstream segment of the O&G industry in Malaysia and the PETRONAS group of companies in the downstream segment. In addition, these PETRONAS policies also restrict the ability of suppliers of goods, products and services to operate in Malaysia. These restrictions can require, for instance, foreign suppliers to use Malaysian content in their operations and to operate with a Malaysian partner or company either by forming a joint venture with the Malaysian partner or company or by designating the Malaysian partner or company as an executive agent representing the said foreign entity.

Our business in Malaysia is primarily dependent on license issued by PETRONAS for our domestic operations. Currently the license held by OVE is subject to renewal for every 3 years i.e. by 29 May 2022. Any fundamental change in PETRONAS's policies, such as a relaxation or liberalisation of licensing requirements for the provision of goods, products and services related to the O&G industry or permitting foreign suppliers to operate in Malaysia without restrictions (including without local content or local partner or company) would have an adverse effect on our business and financial performance.

9.1.4 The occurrence of Covid-19 pandemic and other possible similar future outbreaks could impact our business, financial performance and results of operations

Different regions in the world have from time to time experienced outbreaks of various viruses. At this time, a widespread global pandemic of the coronavirus infectious disease ("Covid-19") is taking place. As the virus and diseases it causes are relatively new, effective cure and vaccines are yet to be developed. At this time, the pandemic has resulted in state of emergencies being declared in various countries, travel restrictions being imposed, quarantines been established and various institutions and companies being closed.

The ongoing Covid-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on our Group. Firstly, a spread of such diseases among our Group's employees as well as any quarantines affecting our Group's employees or our Group's premises may reduce the possibility of our Group to carry out their work and thereby affecting the Group's operations. Secondly, the current pandemic and any possible future outbreaks of viruses may have an adverse effect on our suppliers and/or transportation companies, resulting in a deficit of materials and supplies necessary for our Group to carry out operations. Thirdly, any quarantines or spread of viruses may affect the possibility of the customers of our Group to carry out their operations (e.g. upstream and downstream O&G activities).

Pursuant to the announcement by the Government of Malaysia on the MCO effective from 18 March 2020, PETRONAS issued a statement on its position that O&G, production, refining, storage, supply and distribution of fuel and lubricants are considered essential services as per the announcement made by the Prime Minister of Malaysia and specified under section 2 (First Schedule), Act 177, Industrial Relations Act 1967. Therefore, all operations falling within the above essential services including all support services should continue, with the respective parties' necessary working arrangements and precaution as may be appropriate, until advised otherwise by the Government. As such, our Group's operations are deemed to fall under essential services and our Group is permitted to

9. RISK FACTORS (Cont'd)

continue operations during this period. During this period, our Group has taken steps to observe strict standard operating procedures to contain Covid-19. Please refer to Section 7.13 for further details on the Covid-19 standard operating procedures that our Group has adopted.

Further to the above, the Group may be adversely affected by the wider macroeconomic effect of the ongoing Covid-19 pandemic and any possible future outbreaks. While the final effects of the Covid-19 pandemic are at this stage difficult to assess, it is possible that it will have substantial negative effect on the markets in which we and our customers operate. These effects may also take place in case of any possible future outbreaks. Any negative effect on the economy may have a likewise impact the incomes of our customers, and consequently their demand for our services. Such effects may also result in the insolvency of our Group's business partners (being our customers and suppliers), which could affect the operations of our Group as well as our financial performance.

Globally, as a result of Covid-19, Brent crude oil prices have fallen by almost two-thirds to USD23.34 per barrel in April 2020 from the USD65.85 per barrel in December 2019. In May 2020, Brent crude oil prices rose slightly to USD31.02 per barrel. Transport disruptions and an economic decline have weakened demand for crude oil. While it is still early to fully assess the impact of Covid-19 on Malaysia's offshore oilfield services industry, the decline in demand for crude oil could result in lower activities, possible project deferments or cancellations and increased margin pressures across the board in all value chains within the O&G industry in the short term. There is potentially an increased risk of delay in contract awards and activities within the upstream space in 2020 as Malaysia has committed to a production cut.

9.1.5 We are dependent on our major customers

Our major customers comprised Transocean Group, Seadrill Group and Maersk Group. Collectively, these major customers contributed to more than 50.00% of our sales in the FYE 2016 to 2019. Our length of relationship with Transocean Group, Seadrill Group and Maersk Group is 7 years, respectively.

No.	Customers	Revenue contribution	
		RM'000	%
<u>FYE 2016</u>			
1.	Transocean Group	7,138	40.45
2.	Seadrill Group	1,119	6.34
3.	Maersk Group	1,107	6.28
		9,364	53.07
<u>FYE 2017</u>			
1.	Transocean Group	6,532	27.21
2.	Seadrill Group	6,050	25.20
3.	Maersk Group	3,417	14.23
		15,999	66.64
<u>FYE 2018</u>			
1.	Transocean Group	6,550	21.48
2.	Seadrill Group	5,867	19.24
3.	Maersk Group	4,467	14.65
		16,884	55.37
<u>FYE 2019</u>			
1.	Transocean Group	4,066	6.98
2.	Seadrill Group	20,519	35.20
3.	Maersk Group	8,117	13.93
		32,702	56.11

9. RISK FACTORS (Cont'd)

We expect that our major customers will continue to contribute significantly to our Group's revenue in the future. We do not have long-terms contracts with our major customers.

As such, we may be materially and adversely affected if we were to lose one or more of our major customers without securing new customers to replace the loss of business, or if we were to encounter difficulties in collecting payments from these major customers.

9.1.6 We may face credit risk and our customers may default in payment

We generally grant our customers credit periods of 30 to 60 days. We are thus exposed to credit risk arising from trade receivables due to unanticipated events or circumstances beyond our control, such as economic downturn.

We are also exposed to the risk of our customer's solvency status which may result in a seizure of our assets and/or equipment in the event our customers face liquidation proceedings, thereby rendering the seized asset and/or equipment unavailable for deployment to other customers and/or projects for unspecified period of time. Should this occur, our revenue and profitability will be adversely affected. The amount of trade receivables past due but not impaired (net of subsequent collections) stood at RM1.33 million representing 7.32% of the total trade receivables as at 31 December 2019.

Any significant delay or default in payment by our customers will result in impairment on trade receivables and may adversely affect our financial performance.

9.1.7 We are dependent on our executive Directors for continued success and the loss of their continued services may affect our business

The continued success of our Group is dependent, to a large extent, on the efforts, skills and experience of our Managing Director, Kenny Ronald Ngalin and our Group's Executive Directors, Yau Kah Tak and Martin Philip King Ik Piau, who are the driving force behind our Group's development and growth. Please refer to Section 5.2.2 of our Prospectus for further details of their qualifications and working experience.

The loss of any of these individuals without suitable and/or timely replacements and inability to attract new qualified workforce will result in adverse effect on our Group's operations and thus the financial position. As at the LPD, we have not subscribed for any key man insurance policies.

9.1.8 We may be subject to warranty claims for work defects

For projects that we participate in, we typically provide a warranty against defects for a period of three months. Nonetheless, some of our customers may require us to provide a longer defect period of up to 12 months. In the event of a defect during the warranty period, our customers may require us to replace the defective works and bear the reinstallation cost. Any substantial increase in warranty claims against our works will have an adverse impact on our business and operating results. For FYE 2016 to FYE 2019, we have not experienced any such claims.

9.1.9 We face competition from other industry players

Our Group operates in a competitive environment. Some of our competitors may be equipped with better facilities, resources and technical expertise that allow them to offer a more comprehensive range of services in comparison to us. Our Group's competitors may also be more aggressive in pricing to capture or retain greater market share or may incur lower operating costs and hence be willing to take on projects with a lower profit margin.

9. RISK FACTORS (Cont'd)

In addition, some of our competitors may even possess a larger customer base, robust relationships with suppliers and/or stronger financial strength. Our inability to compete effectively will impact our Group's financial performance.

9.1.10 We are subject to foreign exchange fluctuation risk

We derive a portion of our sales from overseas customers that are denominated in foreign currency. The following is the breakdown of our sales based on currency denomination:

Sales transacted	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
BND	-	-	21	0.09	19	0.06	-	-
RM	13,981	79.23	19,745	82.24	29,090	95.40	47,604	81.68
SGD	-	-	38	0.16	19	0.06	-	-
USD	3,664	20.77	4,205	17.51	1,364	4.48	10,680	18.32
	17,645	100.00	24,009	100.00	30,492	100.00	58,284	100.00

In the event the RM appreciates against the foreign currency between time the sales were recorded and the payment received from the overseas customers, our Group may register a loss on foreign exchange and vice versa. In the FYE 2016 and FYE 2017, we recorded realised losses on foreign exchange of RM0.07 million and RM0.02 million respectively.

As we currently do not hedge foreign currency exposure in general, any significant volatility in foreign exchange rate which is unfavourable to us may negatively affect our financial performance.

9.2 RISKS RELATING TO THE INVESTMENT IN OUR SHARES**9.2.1 No prior market for our Shares**

Prior to our Listing, there was no public trading for our Shares. The listing of our Shares on the ACE Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market.

9.2.2 Failure/delay in or termination/abortion of our Listing

Our Listing may be aborted or delayed should any of the following occurs:

- (i) The selected investors fail to subscribe for their portion of our IPO Shares;
- (ii) Our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and
- (iii) We are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.00% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

9. RISK FACTORS (Cont'd)

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

9.2.3 Volatility of our Share price and volume of our Shares

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. Other factors that may negatively affect investor sentiment more generally include natural disasters, health epidemics and outbreaks of contagious diseases. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

9.3 OTHER RISKS

9.3.1 Continued control by our Promoters/substantial shareholders

Our Promoters and substantial shareholders will collectively hold 70.00% of our enlarged share capital upon Listing. Because of the size of their shareholdings, our Promoters and substantial shareholder will have significant influence on the outcome of certain matters requiring the vote of our shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities.

9.3.2 Forward-looking/prospective statements

Certain statements or expectations or forecasts in this Prospectus are based on historical data which may not be reflective of our future results. Forward-looking statements in this Prospectus are based on assumptions and subject to uncertainties and contingencies.

There can be no assurance that such prospective statements or expectations or forecasts will materialise and actual results may be deviate significantly. Such deviation may have a material and adverse effect on us.