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# OCEAN VANTAGE HOLDINGS BERHAD

REGISTRATION NO.: 2018010136887 (1298917-H)

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Interim Financial Report  
For The Third Quarter Ended  
30 September 2020



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020<sup>(1)</sup>**

	Note	-- Individual Quarter --		-- Cumulative Quarter --	
		3 months ended		9 months ended	
		Unaudited 30/09/2020 RM'000	Unaudited 30/09/2019 <sup>(2)</sup> RM'000	Unaudited 30/09/2020 RM'000	Unaudited 30/09/2019 <sup>(2)</sup> RM'000
Revenue	A9	13,599	N/A	45,591	N/A
Cost of sales		(9,291)	N/A	(32,635)	N/A
<b>Gross profit</b>		<b>4,308</b>	<b>N/A</b>	<b>12,956</b>	<b>N/A</b>
Other income		418	N/A	658	N/A
Administrative expenses		(1,717)	N/A	(4,745)	N/A
Listing expenses		(1,409)	N/A	(1,476)	N/A
<b>Profit from operations</b>		<b>1,600</b>	<b>N/A</b>	<b>7,393</b>	<b>N/A</b>
Finance costs		(15)	N/A	(64)	N/A
<b>Profit before taxation ("PBT")</b>	B11	<b>1,585</b>	<b>N/A</b>	<b>7,329</b>	<b>N/A</b>
Taxation	B5	(1,107)	N/A	(2,514)	N/A
<b>Profit after taxation</b>		<b>478</b>	<b>N/A</b>	<b>4,815</b>	<b>N/A</b>
<b>Profit for the financial period attributable to:</b>					
Owners of the Company		496	N/A	4,833	N/A
Non-controlling interests		(18)	N/A	(18)	N/A
		<b>478</b>	<b>N/A</b>	<b>4,815</b>	<b>N/A</b>
<b>Earnings per share attributable to owners of the parent (sen)</b>					
- Basic	B10	0.13	N/A	1.39	N/A
- Diluted	B10	0.13	N/A	1.39	N/A

**Notes:**

<sup>(1)</sup> The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with Accountants' Report as disclosed in the Prospectus of the Company dated 30 June 2020 and the accompanying explanatory notes are an integral part of this interim financial report.

<sup>(2)</sup> No comparative figures for the preceding year's corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

\*N/A denotes not applicable



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020<sup>(1)</sup>**

	Note	Unaudited As at 30/09/2020 RM'000	Unaudited As at 30/09/2019 <sup>(2)</sup> RM'000
<b>Non-current asset</b>			
Property, plant and equipment		8,084	N/A
<b>Current assets</b>			
Trade receivables		15,546	N/A
Other receivables, deposit and prepayments		1,083	N/A
Current tax assets		6	N/A
Cash and bank balances		31,421	N/A
		<u>48,056</u>	<u>N/A</u>
<b>Total assets</b>		<u>56,140</u>	<u>N/A</u>
<b>Equity</b>			
Share capital		37,087	N/A
Reserves		(12,695)	N/A
Retained earnings		22,930	N/A
		<u>47,322</u>	<u>N/A</u>
Non-controlling interests		132	N/A
		<u>47,454</u>	<u>N/A</u>
<b>Non-current liabilities</b>			
Bank borrowings	B7	1,365	N/A
Lease liabilities		131	N/A
Deferred tax liabilities		382	N/A
		<u>1,878</u>	<u>N/A</u>
<b>Current liabilities</b>			
Bank borrowings	B7	125	N/A
Lease liabilities		195	N/A
Trade payables		2,958	N/A
Other payables and accruals		1,714	N/A
Current tax liabilities		1,816	N/A
		<u>6,808</u>	<u>N/A</u>
<b>Total liabilities</b>		<u>8,686</u>	<u>N/A</u>
<b>Total equity and liabilities</b>		<u>56,140</u>	<u>N/A</u>
Number of ordinary shares in issue ('000)		411,000	N/A
Net assets per share attributable to owners of the parent (RM)		0.12	N/A

**Notes:**

- (1) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with Accountants' Report as disclosed in the Prospectus of the Company dated 30 June 2020 and the accompanying explanatory notes are an integral part of this interim financial report.
- (2) No comparative figures for the preceding year's corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

\*N/A denotes not applicable

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020<sup>(1)</sup>**

	Share capital RM'000	Other reserve RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Balance as at 1 January 2020</b>	1,600	2,336	-	17,906	-	21,842
Profit for the financial period	-	-	-	4,833	(18)	4,815
<b>Transaction with owners:</b>						
Issuance of new ordinary shares	21,372					21,372
Acquisition of subsidiaries in business combination under common control	14,840		(15,031)	191		-
Non-controlling interest arising from incorporation of subsidiaries					150	150
Share issuance expenses	(725)					(725)
<b>Balance as at 30 September 2020</b>	<b>37,087</b>	<b>2,336</b>	<b>(15,031)</b>	<b>22,930</b>	<b>132</b>	<b>47,454</b>

**Note:**

<sup>(1)</sup> The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with Accountants' Report as disclosed in the Prospectus of the Company dated 30 June 2020 and the accompanying explanatory notes are an integral part of this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020<sup>(1)</sup>**

	Unaudited 9 months ended	
	30/09/2020 RM'000	30/06/2019 <sup>(2)</sup> RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	7,329	N/A
Adjustments for:		N/A
Depreciation of property, plant and equipment	765	N/A
Interest expenses	64	N/A
Interest income	(47)	N/A
Unrealised loss on foreign exchange	333	N/A
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	8,444	N/A
<b>Changes in working capital</b>		
Trade and other receivables	1,870	N/A
Trade and other payables	569	N/A
	<hr/>	<hr/>
Cash generated from operations	10,883	N/A
Income tax paid	(1,188)	N/A
	<hr/>	<hr/>
Net cash generated from operating activities	9,695	N/A
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(1,166)	N/A
Acquisition of subsidiaries	#	N/A
Interest received	47	N/A
	<hr/>	<hr/>
Net cash used in investing activities	(1,119)	N/A
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of shares	20,647	N/A
Proceeds from non-controlling shareholders of subsidiaries	150	N/A
Drawdown of bankers' acceptance	-	N/A
Repayment of term loans	(16)	N/A
Repayment of finance lease liabilities	(45)	N/A
Repayment of lease liabilities	(141)	N/A
Interest paid	(64)	N/A
	<hr/>	<hr/>
Net cash generated from financing activities	20,531	N/A
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	29,107	N/A
<b>Cash and cash equivalents as at beginning of financial year</b>	2,314	N/A
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<b>Cash and cash equivalents as at end of financial period</b>	31,421	N/A
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020<sup>(1)</sup> (CONT'D)**

**Notes:**

# Amount below RM1,000

- (1) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with Accountants' Report as disclosed in the Prospectus of the Company dated 30 June 2020 and the accompanying explanatory notes are an integral part of this interim financial report.
- (2) No comparative figures for the preceding year's corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

\*N/A denotes not applicable

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## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

### **A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING**

#### **A1. Basis of preparation**

The interim financial report of Ocean Vantage Holdings Berhad (“**OVH**” or “**the Company**”) and its subsidiaries (collectively known as “**the Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRSs**”) 134: Interim Financial Reporting and Rule 9.22 of the Listing Requirements.

This is the third interim financial statements on the Group’s unaudited condensed consolidated financial results for the third (3<sup>rd</sup>) quarter ended 30 September 2020 announced by the Group in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus dated 30 June 2020 and the accompanying explanatory notes are attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those as adopted in the audited financial statements for the financial year ended 31 December 2019. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

#### **A2. Significant accounting policies**

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those as disclosed in the Accountants’ Report in the Prospectus of the Company dated 30 June 2020. The Group has in addition adopted the following new and revised MFRSs, Amendments to MFRSs and IC Interpretations for the financial year beginning 1 January 2020.

##### **(a) New MFRS, Amendments/improvements to MFRSs and IC Interpretations**

- Amendments to MFRS 3	Business Combinations
- Amendments to MFRS 4	Insurance Contracts
- Amendments to MFRS 7	Financial Instruments: Disclosures
- Amendments to MFRS 9	Financial Instruments
- Amendments to MFRS 16	Leases
- Amendments to MFRS 101	Presentation of Financial Statements
- Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 139	Financial Instruments: Recognition and Measurements



## **A2. Significant accounting policies (cont'd)**

### **(b) New MFRS, Amendments/improvements to MFRSs and IC Interpretations, but not yet effective for annual period beginning on or after 1 January 2020.**

- MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
- MFRS 3	Business Combinations
- MFRS 4	Insurance Contracts
- MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
- MFRS 7	Financial Instruments: Disclosures
- MFRS 9	Financial Instruments
- MFRS 10	Consolidated Financial Statements
- MFRS 15	Revenue from Contracts with Customers
- MFRS 16	Leases
- MFRS 17	Insurance Contracts
- MFRS 101	Presentation of Financial Statements
- MFRS 107	Statements of Cash Flows
- MFRS 116	Property, Plant and Equipment
- MFRS 119	Employee Benefits
- MFRS 128	Investments in Associates and Joint Ventures
- MFRS 132	Financial instruments: Presentation
- MFRS 136	Impairment of Assets
- MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
- MFRS 138	Intangible Assets
- MFRS 139	Financial Instruments: Recognition and Measurements
- MFRS 140	Investment Property
- MFRS 141	Agriculture

## **A3. Auditors' report**

The audited financial statements of the Group for the financial year ended 31 December 2019 was not subject to any qualification.

## **A4. Seasonal or cyclical factors**

The business operations of the Group were not affected by seasonal or cyclical factors.

## **A5. Material unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

## **A6. Material changes in estimates**

There were no material changes in estimates that have a material effect in the current financial quarter under review.





#### **A7. Debt and equity securities**

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during current financial quarter under review.

In conjunction with the Company's listing on the ACE Market of Bursa Securities on 22 July 2020, the Company has undertaken an initial public offering ("IPO") comprising:-

- (i) Public issue of 82,200,000 new ordinary shares in the Company at an issue price of RM0.26 per share ("**IPO Price**") allocated 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 the 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 IPO price.

#### **A8. Dividends**

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

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**A9. Segmental Reporting**

The Group's reportable segmental information for the cumulative financial period is as follows:-

	<b>EPC and Project Management RM'000</b>	<b>Supply of Manpower RM'000</b>	<b>Supply of material, tools and equipment RM'000</b>	<b>Adjustment and eliminations RM'000</b>	<b>Total RM'000</b>
<b>30 September 2020</b>					
<b>Revenue:</b>					
External customers	11,650	30,238	3,703	-	45,591
Inter-segment revenue	100	-	-	(100)	-
	<u>11,750</u>	<u>30,238</u>	<u>3,703</u>	<u>(100)</u>	<u>45,591</u>
<b>Segment profit</b>	3,818	7,529	1,609	-	12,956
Other income					658
Unallocated expenses					(6,221)
Finance Costs					(64)
Income tax expense					(2,514)
Profit for the period					<u>4,815</u>
<b>Results:</b>					
<i>Included in the measure of segment profit are:</i>					
Employee benefit expenses	575	-	-	-	575
Depreciation	528	-	-	-	528
	<u>575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575</u>
	<u>528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>528</u>



**A10. Significant event subsequent to the end of the current Interim financial quarter**

Saved as disclosed in Note B6 below, there were no other material events subsequent to the end of current financial quarter under review that have not been reflected in this interim financial statements.

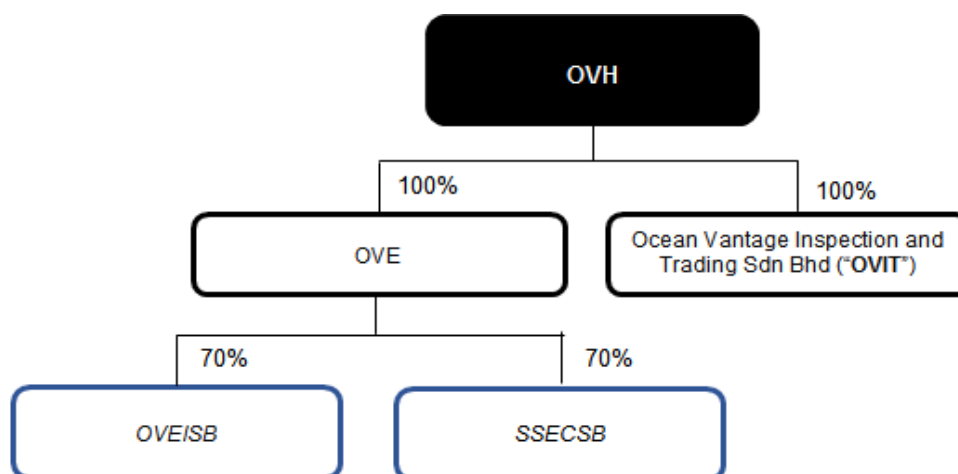
**A11. Changes in the composition of the Group**

Saved as disclosed below, there were no material changes in the composition of the Group during the current financial quarter under review.

On 7 September 2020, it was announced that Ocean Vantage Engineering Sdn Bhd (“**OVE**”), the wholly-owned subsidiary of the Company has incorporated the following companies as its new subsidiaries:-

<b>No.</b>	<b>Name of company</b>	<b>Date of incorporation</b>
1.	Ocean Vantage Electrical & Instrumentation Sdn. Bhd. (“ <b>OVEISB</b> ”) [Registration No. 20200106744 (1383064-X)]	7 September 2020
2.	Stellar Star Engineering & Construction Sdn. Bhd. (“ <b>SSECSB</b> ”) [Registration No. 202001026739 (1383059-H)]	7 September 2020

OVH current corporate structure after the incorporation of the subsidiaries is as follows:



- (i) OVEISB’s intended principal/business activities is for the provision of electrical and instrument services in oil and gas, green and renewable industries and other related industry and supply of electrical and instrument products to all industries.

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**A11. Changes in the composition of the Group (Cont'd)**

The issued and paid-up share capital is RM200,000.00 comprising 200,000 ordinary shares at RM1.00 each. The directors and shareholders in OVEISB are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
<b>Director</b>					
Yau Kah Tak	Malaysian	-	-	<sup>(i)</sup> 140,000	70.00
Martin Philip King Ik Piau	Malaysian	-	-	<sup>(ii)</sup> 140,000	70.00
Ir. Wong Kee Kong	Malaysian	60,000	30.00	-	-
<b>Shareholder</b>					
OVE	Malaysia	140,000	70.00	-	-
Ir. Wong Kee Kong	Malaysian	60,000	30.00	-	-
	<b>Total</b>	<b>200,000</b>	<b>100.00</b>	-	-

**Notes:**

- (i) Deemed interested by virtue of his shareholdings in OVH, which in turn is the holding company of OVE and OVEISB
- (ii) Deemed interested by virtue of his spouse's shareholdings in OVH, which in turn is the holding company of OVE and OVEISB
- (ii) SSECSB's intended principal/business activities is for the provision of engineering and construction services in the oil and gas, infrastructure and any other industries in civil and mechanical.

The issued and paid-up share capital is RM300,000.00 comprising 300,000 ordinary shares at RM1.00 each. The directors and shareholders in SSECSB are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
<b>Director</b>					
Martin Philip King Ik Piau	Malaysian	-	-	<sup>(i)</sup> 210,000	70.00
Yau Kah Tak	Malaysian	-	-	<sup>(ii)</sup> 210,000	70.00
Ir. Haw Seng Poh	Malaysian	90,000	30.00	-	-
<b>Shareholder</b>					
OVE	Malaysia	210,000	70.00	-	-
Ir. Haw Seng Poh	Malaysian	90,000	30.00	-	-
	<b>Total</b>	<b>300,000</b>	<b>100.00</b>	-	-

**Notes:**

- (i) Deemed interested by virtue of his shareholdings in OVH, which in turn is the holding company of OVE and SSECSB
- (ii) Deemed interested by virtue of his spouse's shareholdings in OVH, which in turn is the holding company of OVE and SSECSB

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**A12. Contingent assets and contingent liabilities**

Save as disclosed below, there were no other contingent assets and contingent liabilities as at the date of this interim financial statements.

	<b>Unaudited</b>	
	<b>9 months ended</b>	
	<b>30/09/2020</b>	<b>30/09/2019<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>		
Bank guarantee	<u>5</u>	<u>N/A</u>

**Note:**

- (1) No comparative figures for the preceding year's corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

**A13. Capital commitments**

The Group does not have any material capital commitments during the current financial quarter under review.

**A14. Significant related party transactions**

The Group's transactions with companies in which the directors or substantial shareholders have an interest in for the current financial quarter were as follows:-

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>30/09/2020</b>	<b>30/09/2019<sup>(1)</sup></b>	<b>30/09/2020</b>	<b>30/09/2019<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Charged by a related party:				
- Rental of premise	33	N/A	99	N/A
- Legal consultancy services	<u>15</u>	<u>N/A</u>	<u>15</u>	<u>N/A</u>

**Note:**

- (1) No comparative figures for the preceding year's corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

These transactions have been entered into in the normal course of business.

**A15. Fair value of financial liabilities**

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial quarter under review.

**A16. Valuation of property, plant and equipment**

The Group has not carried out any valuation of its property, plant and equipment in the current financial quarter.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Group's Performance****(a) Results for current financial quarter**

The Group recorded revenue of RM13.60 million for the financial quarter ended 30 September 2020. This was mainly driven by the supply of manpower segment, which contributed RM7.97 million or approximately 58.58% of the Group's total revenue. The EPC and project management segment contributed RM4.11 million or approximately 30.26% of the total revenue and remaining revenue of RM1.52 million or approximately 11.16% contributed from the supply of material, tools and equipment segment.

The Group registered a PBT of RM1.59 million in the current financial quarter under review. During the current financial quarter, the Group has recognised a one-off listing expenses amounting to RM1.41 million.

**(b) Results for financial year-to-date**

For the financial year-to-date, the Group recorded revenue of RM45.59 million with manpower remain the major contributor amounting to RM30.24 million or 66.33% of the total Group revenue which resulted the PBT of RM7.33 million.

Other income mainly consist of realised gain on foreign exchange amount to RM0.47 million.

Administrative expenses for the cumulative financial period were mainly consist of staff costs amounting to RM3.06 million, listing expenses of RM1.48 million and unrealised loss on foreign exchange of RM0.33 million.

**B2. Comparison with immediate preceding quarter's results**

	Quarter Ended		Variance	
	30/09/2020 RM'000	30/06/2020 RM'000	RM'000	%
Revenue	13,599	16,915	(3,316)	-19.60%
PBT <sup>(1)</sup>	1,585	2,886	(1,301)	-45.08%
Listing expense	1,409	67		
Adjusted PBT <sup>(2)</sup>	2,994	2,953	41	1.39%
Adjusted PBT (%)	22.02%	17.46%		

**Notes:**

(1) Included in PBT for quarter ended 30 June 2020 is one-off listing funded by internally generated funds.

(2) For illustration purpose only, the Group's normalised financial performance after adjusting for the one-off listing expenses



## **B2. Comparison with immediate preceding quarter's results (Cont'd)**

The Group recorded an decrease in revenue of RM3.32 million or 19.60% in current quarter ended 30 September 2020 as compared to preceding quarter ended 30 June 2020. The decrease is mainly due to lesser charges on the costs of quarantine being wages, accommodation, meals as well as service of healthcare professionals and security staff during the movement control order (“MCO”) period to customers as the uplift MCO during current financial quarter.

Adjusted profit before tax of the Group for current financial quarter was RM2.99 million, represent a slight increase as compared to RM2.95 million in the preceding financial quarter even though there is a decrease in revenue. Higher adjusted profit before tax margin recorded was mainly due to increase in demand for EPC services after MCO ended during this period. The higher sales for EPC segment has able to cover the fixed costs of this business segment which contributing to higher profit margin.

## **B3. Commentary on prospects**

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, conditional movement control order (“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.

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. Despite the decline in global oil prices, the Group has yet to be negatively impacted. However, it is still early to fully assess the impact of Covid-19 on Malaysia's offshore oilfield services industry. Any sustained 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 oil and gas (“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.

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.

The Group is deemed to fall under the essential services and permitted to continue operations during this period. However, during the initial period of MCO, the Group faced some disruption that affected the delivery coordination and transportation as certain suppliers were not able to fully operate their businesses during this period. Apart from the temporary delay from certain suppliers for the supply of materials, tools and equipment which have since been resolved, the Group operations did not encounter any major disruptions throughout the period of MCO and CMCO. The Group will continuously monitor the impact of Covid-19 on the operations and financial performance. The Group will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's operations.



**B3. Commentary on prospects (Cont'd)**

The Group are committed to sustain the resilience by exploring opportunities in both local and overseas market through broadening the range of support services and continue to explore downstream segment opportunities by utilising the IPO proceeds raised from the IPO.

The Board are of the opinion that the current challenging environment to remain in near term. However, the Board is cautiously optimistic that the Group is able of withstanding current uncertainties and is well-positioned to capture opportunities as the market recovers.

**B4. Profit forecast or profit guarantee**

The Group did not issued any profit forecast or profit guarantee during the current financial quarter under review.

**B5. Taxation**

	-- Individual Quarter --		-- Cumulative Quarter --	
	Unaudited		Unaudited	
	30/09/2020	30/09/2019 <sup>(1)</sup>	30/09/2020	30/09/2019 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Malaysian Income Tax				
- Current tax	1,074	N/A	2,555	N/A
- Deferred tax liabilities	33	N/A	(41)	N/A
	<u>1,107</u>	<u>N/A</u>	<u>2,514</u>	<u>N/A</u>
Effective tax rates	69.84%	N/A	34.30%	N/A

**Note:**

- (1) No comparative figures for the preceding year's corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.
- (2) The Group's effective tax rate is higher than the statutory income tax rate mainly due to non-deductible expenses such as one-off listing expenses.

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**B6. Status of corporate proposals and utilisation of proceeds**

On 30 June 2020, the Company issued its prospectus in relation to the public issue of 82,200,000 new Ordinary Shares (“**Public Issue**”) at IPO Price in conjunction with the IPO. The listing exercise of the Company’s enlarged share capital of 411,000,000 shares on the ACE Market of Bursa Securities was completed on 22 July 2020.

The gross proceeds of RM21.37 million raised from the IPO are intended to be utilised in the following manner:-

<b>Details of Utilisation</b>	<b>Proposed Utilisation</b>	<b>Actual Utilised</b>	<b>Unutilised Amount</b>	<b>Estimated timeframe for utilisation from Listing</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Broadening the range of support services	3,236	300	2,936	Within 24 months
Capital expenditure for the downstream O&G segment	8,592	2,786	5,806	Within 24 months
General working capital	6,544	270	6,274	Within 24 months
Listing expenses	3,000	3,000	-	Immediately
	<u>21,372</u>	<u>6,356</u>	<u>15,016</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 30 June 2020.

**B7. Bank borrowings**

The Group’s borrowings were as follows:

	<b>Unaudited 9 months ended</b>	
	<b>30/09/2020 RM'000</b>	<b>30/09/2019<sup>(1)</sup> RM'000</b>
<b><u>Secured</u></b>		
<b>Current liabilities</b>		
Finance lease liabilities	64	N/A
Term loan	61	N/A
	<u>125</u>	<u>N/A</u>
<b>Non-current liabilities</b>		
Finance lease liabilities	-	N/A
Term loan	1,365	N/A
	<u>1,365</u>	<u>N/A</u>
Total bank borrowings	<u>1,490</u>	<u>N/A</u>

**Note:**

<sup>(1)</sup> No comparative figures for the preceding year’s corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

All the group’s borrowings are denominated in Ringgit Malaysia.



**B8. Material litigation**

As at the date of this interim financial report, there were no material litigation involving the Group.

**B9. Dividends proposed**

There were no dividends proposed for the current financial quarter under review.

**B10. Earnings Per Share (“EPS”)**

	-- Individual Quarter --		-- Cumulative Quarter --	
	Unaudited		Unaudited	
	30/09/2020	30/09/2019 <sup>(1)</sup>	30/09/2020	30/09/2019 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company (RM'000)	496	N/A	4,833	N/A
Weighted average number of ordinary shares ('000)	383,600	N/A	347,067	N/A
Basic EPS (sen) <sup>(2)</sup>	0.13	N/A	1.39	N/A
Diluted EPS (sen) <sup>(3)</sup>	0.13	N/A	1.39	N/A

The basic and diluted EPS are calculated based on the Group's profit after taxation attributable to owners of the parent divided by the number of ordinary shares deemed in issue during the financial period.

**Notes:**

- (1) No comparative figures for the preceding year's corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.
- (2) Basic EPS is calculated by dividing the profit after tax attributable to owners of the Company by weighted average number of ordinary shares.
- (3) Diluted EPS for the current quarter and financial period to date ended 30 September 2020 is equivalent to the basic EPS as the Company does not have convertible options as at the end of the reporting period.

\*N/A denotes not applicable



**B11. Disclosure on selected expense/(income) items as required by the Listing Requirements**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	30/09/2020	30/09/2019 <sup>(1)</sup>	30/09/2020	30/09/2019 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>Profit before tax is arrived at after charging/(crediting):-</b>				
Auditor's remuneration				
- current year	13	N/A	39	N/A
Depreciation of property, plant and equipment	262	N/A	765	N/A
Interest expense	15	N/A	64	N/A
Interest income	(44)	N/A	(47)	N/A
Realised gain on foreign exchange	(300)	N/A	(469)	N/A
Rental expense on:		N/A		N/A
- Premises	12	N/A	33	N/A
- Machinery and equipment	22	N/A	47	N/A
Unrealised loss on foreign exchange	14	N/A	333	N/A

**Note:**

- <sup>(1)</sup> No comparative figures for the preceding year's corresponding period presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

**BY ORDER OF THE BOARD**

**23 NOVEMBER 2020**

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