



OCEAN VANTAGE HOLDINGS BERHAD

REGISTRATION NO.: 201801036887 (1298917-H)

Interim Financial Report
For The Third Quarter Ended
30 September 2021

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Third Quarter Ended 30 September 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾**

	Note	--- Individual Quarter --- 3 months ended		-- Cumulative Quarter -- 9 months ended	
		Unaudited 30/09/2021 RM'000	Unaudited 30/09/2020 RM'000	Unaudited 30/09/2021 RM'000	Unaudited 30/09/2020 RM'000
Revenue	A9	28,861	13,599	92,161	45,591
Cost of sales		(21,252)	(9,291)	(73,199)	(32,635)
Gross profit		7,609	4,308	18,962	12,956
Other income		19	418	473	658
Administrative expenses		(2,459)	(1,717)	(6,917)	(4,745)
Listing expenses		-	(1,409)	-	(1,476)
Profit from operations		5,169	1,600	12,518	7,393
Finance costs		(40)	(15)	(74)	(64)
Profit before taxation ("PBT")	B13	5,129	1,585	12,444	7,329
Taxation	B5	(1,374)	(1,107)	(3,565)	(2,514)
Profit after taxation		3,755	478	8,879	4,815
Profit for the financial period attributable to:					
Owners of the Company		3,842	496	9,107	4,833
Non-controlling interests		(87)	(18)	(228)	(18)
		3,755	478	8,879	4,815
Earnings per share attributable to owners of the parent (sen)					
- Basic	B12	0.93	0.13	2.22	1.39
- Diluted	B12	0.93	0.13	2.22	1.39

Note:

⁽¹⁾ The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Third Quarter Ended 30 September 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021⁽¹⁾**

	Note	Unaudited As at 30/09/2021 RM'000	Audited As at 31/12/2020 RM'000
Non-current asset			
Property, plant and equipment		7,662	7,936
Current assets			
Trade receivables		49,837	22,868
Other receivables, deposit and prepayments		2,445	660
Contract assets		177	7,834
Other investment		-	2,004
Current tax assets		77	44
Fixed deposit		5,000	-
Cash and bank balances		9,297	16,592
		<u>66,833</u>	<u>50,002</u>
Total assets		<u>74,495</u>	<u>57,938</u>
Equity			
Share capital		37,087	37,087
Reserves		(12,695)	(12,695)
Retained earnings		34,522	25,415
		<u>58,914</u>	<u>49,807</u>
Non-controlling interests		(79)	59
		<u>58,835</u>	<u>49,866</u>
Non-current liabilities			
Bank borrowings	B9	1,297	1,394
Deferred tax liabilities		576	380
		<u>1,873</u>	<u>1,774</u>
Current liabilities			
Trade payables		10,327	3,964
Other payables and accruals		763	490
Bank borrowings	B9	406	309
Current tax liabilities		2,291	1,535
		<u>13,787</u>	<u>6,298</u>
Total liabilities		<u>15,660</u>	<u>8,072</u>
Total equity and liabilities		<u>74,495</u>	<u>57,938</u>
Number of ordinary shares in issue ('000)		411,000	411,000
Net assets per share attributable to owners of the parent (RM)		0.14	0.12

Note:

⁽¹⁾ The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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Interim Financial Report For The Third Quarter Ended 30 September 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾**

	-----Non-distributable-----			Distributable	Non-controlling	Total
	Share capital	Other reserve	Reorganisation deficit	Retained earnings	interests	equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	1,600	2,336	-	17,906	-	21,842
Profit for the financial period	-	-	-	4,833	(18)	4,815
Transaction with owners:						
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)
Balance as at 30 September 2020	37,087	2,336	(15,031)	22,930	132	47,454
Balance as at 1 January 2021	37,087	2,336	(15,031)	25,415	59	49,866
Profit/(Loss) for the financial period	-	-	-	9,107	(228)	8,879
Transaction with owners:						
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	90	90
Balance as at 30 September 2021	37,087	2,336	(15,031)	34,522	(79)	58,835

Note:

⁽¹⁾ The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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(Incorporated in Malaysia)

Interim Financial Report For The Third Quarter Ended 30 September 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾**

	Unaudited 9 months ended	
	30/09/2021 RM'000	30/09/2020 RM'000
Cash Flows from Operating Activities		
Profit before taxation	12,444	7,329
Adjustments for:		
Depreciation of property, plant and equipment	828	765
Interest expenses	74	64
Interest income	(86)	(47)
Unrealised (gain)/loss on foreign exchange	(137)	333
Operating profit before working capital changes	13,123	8,444
Changes in working capital		
Trade and other receivables	(28,510)	1,870
Trade and other payables	6,537	569
Contract assets	7,657	-
Cash (used in)/generated from operations	(1,193)	10,883
Income tax paid	(2,647)	(1,188)
Net cash (used in)/generated from operating activities	(3,840)	9,695
Cash Flows from Investing Activities		
Interest received	86	47
Placement of fixed deposit	(5,000)	-
Purchase of property, plant and equipment	(296)	(1,166)
Proceeds from disposal of investment in short term fund	2,004	-
Proceeds from acquisition of subsidiary	-	#
Net cash used in investing activities	(3,206)	(1,119)
Cash Flows from Financing Activities		
Interest paid	(74)	(64)
Proceeds from issuance of shares	-	20,647
Proceeds from non-controlling shareholders of subsidiaries	90	150
Repayment of term loans	(46)	(16)
Repayment of finance lease liabilities	(48)	(45)
Repayment of lease liabilities	(163)	(141)
Net cash (used in)/generated from financing activities	(241)	20,531
Net change in cash and cash equivalents	(7,287)	29,107
Effect of exchange rate fluctuations on cash held	(8)	-
Cash and cash equivalents as at beginning of financial year	16,592	2,314
Cash and cash equivalents as at end of financial period	9,297	31,421

Notes:

Amount below RM1,000

⁽¹⁾ The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.



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.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 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 annual audited financial statements for the financial year ended 31 December 2020. 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 adopted in the annual audited financial statements for the financial year ended 31 December 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 2021.

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

Amendments/Improvement to MFRSs

- MFRS 3	Business Combinations
- MFRS 7	Financial Instruments: Disclosures
- MFRS 9	Financial Instruments
- MFRS 16	Leases*
- MFRS 101	Presentation of Financial Statements
- MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
- MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board on 5 June 2020.



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 2021.

<u>New MFRS</u>		Effective for financial periods beginning on or after
- MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
- MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
- MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
- MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023
- MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
- MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
- MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
- MFRS 10	Consolidated Financial Statements	Deferred
- MFRS 15	Revenue from Contracts with Customers	1 January 2023#
- MFRS 16	Leases	1 January 2021
- MFRS 17	Insurance Contracts	1 January 2023
- MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
- MFRS 107	Statements of Cash Flows	1 January 2023#
- MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
- MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
- MFRS 119	Employee Benefits	1 January 2023#
- MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
- MFRS 132	Financial instruments: Presentation	1 January 2023#
- MFRS 136	Impairment of Assets	1 January 2023#
- MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
- MFRS 138	Intangible Assets	1 January 2023#
- MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2023#



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 2021 (Cont'd).

	Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs	
- MFRS 140 Investment Property	1 January 2023#
- MFRS 141 Agriculture	1 January 2022^

Notes:

^ The Annual Improvements to MFRS Standards 2018-2020

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

A3. Auditors' report

The audited financial statements of the Group for the financial year ended 31 December 2020 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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during current financial quarter under review.

A8. Dividends

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

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Interim Financial Report For The Third Quarter Ended 30 September 2021

**A9. Segmental Reporting**

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

	30 September 2021					30 September 2020				
	EPC and Project Management RM'000	Supply of Manpower RM'000	Supply of material, tools and equipment RM'000	Adjustment and eliminations RM'000	Total RM'000	EPC and Project Management RM'000	Supply of Manpower RM'000	Supply of material, tools and equipment RM'000	Adjustment and eliminations RM'000	Total RM'000
Revenue:										
External customers	31,008	53,822	7,331	-	92,161	11,650	30,238	3,703	-	45,591
Inter-segment revenue	2,395	-	-	(2,395)	-	100	-	-	(100)	-
	<u>33,403</u>	<u>53,822</u>	<u>7,331</u>	<u>(2,395)</u>	<u>92,161</u>	<u>11,750</u>	<u>30,238</u>	<u>3,703</u>	<u>(100)</u>	<u>45,591</u>
Segment profit	5,097	11,997	1,868	-	18,962	3,818	7,529	1,609	-	12,956
Other income					473					658
Unallocated expenses					(6,917)					(6,221)
Finance costs					(74)					(64)
Income tax expense					(3,565)					(2,514)
Profit for the period					<u>8,879</u>					<u>4,815</u>
Results:										
<i>Included in the measure of segment profit are:</i>										
Employee benefit expenses	565	1,943	-	-	2,508	575	-	-	-	575
Depreciation	553	-	-	-	553	528	-	-	-	528



A10. Changes in the composition of the Group

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

A11. 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.

	Unaudited 9 months ended	
	30/09/2021 RM'000	30/09/2020 RM'000
Secured		
Bank guarantee	168	5

A12. Capital commitments

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

A13. 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 --- 	
	Unaudited		Unaudited	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Charged by a related party:				
- Rental of premise	33	33	99	99
- Legal consultancy services	45	15	135	15

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

A14. 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.

A15. 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.

A16. Significant event subsequent to the end of the current Interim financial quarter

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.



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

	Quarter Ended Unaudited		Variance	
	30/09/2021 ("Q3/21") RM'000	30/09/2020 ("Q3/20") RM'000	RM'000	%
Revenue	28,861	13,599	15,262	112.23%
PBT ⁽¹⁾	5,129	1,585	3,544	223.60%
Listing expense	-	1,409		
Adjusted PBT ⁽²⁾	5,129	2,994	2,135	71.31%

Notes:

(1) Included in PBT for quarter ended 30 September 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.

The Group recorded revenue of RM28.86 million for the financial quarter ended Q3/21. This was mainly contributed by the supply of manpower segment, RM22.56 million or approximately 78.17% of the Group's total revenue. The remaining revenue was contributed by the supply of material, tools and equipment segment and EPC and project management segment, which contributed RM3.21 million or approximately 11.12% and RM3.09 million or approximately 10.71%, respectively.

As compared to the previous year financial quarter, the Group recorded an increase in revenue of RM15.26 million. The increase in revenue is mainly due to higher revenue derived from manpower supply segment as a result of strong demand from customers.

Despite the increased in revenue for the Group in Q3/21, OVH recorded a lower gross profit ("GP") margin across all segments. The lower GP margin recorded in EPC and project management segment was due to the higher project cost incurred during this pandemic period as compared to Q3/20. Meanwhile, the manpower supply segment also see contraction in GP margin due to higher recovery costs revenue generated as a results of compliance to the additional standard operating procedures during this pandemic period. The drop in GP margin for the supply of material, tools and equipment segment is mainly due to more strategic competitive bidding applied during this pandemic period.

The increase in administrative expenses in Q3/21 as compared to Q3/20 was mainly due to higher staff costs in tandem with expansion of workforce. Despite increase in administrative expenses, the Group is still able to recorded an improvement in adjusted PBT of approximately RM2.14 million for Q3/21 as compared to Q3/20 adjusted PBT.



B1. Review of Group's Performance (Cont'd)

(b) Results for financial year-to-date

	Period Ended		Variance	
	Unaudited			
	30/09/2021 ("Q3/21") RM'000	30/09/2020 ("Q3/20") RM'000	RM'000	%
Revenue	92,161	45,591	46,570	102.15%
PBT ⁽¹⁾	12,444	7,329	5,115	69.79%
Listing expense	-	1,409		
Adjusted PBT ⁽²⁾	12,444	8,738	3,706	42.41%

Notes:

(1) Included in PBT for quarter ended 30 September 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.

The Group recorded revenue of RM92.16 million for the financial period ended Q3/21. This was mainly driven from the supply of manpower segment, which contributed RM53.82 million or approximately 58.40% of the Group's total revenue. The EPC and project management segment contributed RM31.01 million or approximately 33.65% of the total revenue and the remaining revenue of RM7.33 million or approximately 7.95% is derived from the supply of material, tools and equipment segment.

The significant increase in revenue of RM46.57 million or approximately 102.15% for the financial period ended Q3/21 from last year financial period ended Q3/20 was mainly due to recognition of revenue derived from both supply of manpower segment and EPCC Project amounting to approximately RM23.58 million and RM19.36 million.

Despite the increase in revenue for the Group for the financial period ended Q3/21, OVH recorded a lower GP margin across all segments. The lower GP margin in EPC and project management segment was due to lower margin contributed by the large-scale solar farm ("EPCC Project"). Meanwhile, the manpower supply segment also see contraction in GP margin due to higher recovery costs revenue generated as a results of compliance to the additional standard operating procedures during this pandemic period. The drop in GP margin for supply of material, tools and equipment segment is mainly due to more strategic competitive bidding applied during this pandemic period.

The increase in administrative expenses for the financial period ended Q3/21 was mainly due to the expansion of workforce within the Group which led to higher staff cost. Despite the increase in administrative expenses, the Group was able to generate higher adjusted PBT by RM3.71 million for current financial period ended Q3/21 as compared to corresponding period in Q3/20.



B2. Comparison with immediate preceding quarter's results

	Quarter Ended		Variance	
	Unaudited			
	30/09/2021 ("Q3/21") RM'000	30/06/2021 ("Q2/21") RM'000	RM'000	%
Revenue	28,861	35,081	(6,220)	-17.73%
PBT	5,129	3,830	1,299	33.92%

The Group recorded a decrease in revenue by RM6.22 million or 17.73% in Q3/21 as compared to preceding Q2/21. The decrease in revenue was mainly due to the lesser revenue contribution from EPC and project management segment amounting to RM13.33 million as the large-scale solar farm ("EPCC Project") was completed in the last quarter. The revenue from manpower supply segment increased by approximately RM6.36 million in the current quarter as compared to preceding Q2/21 whereby the Group benefited from stronger demand from customers due to favourable oil price.

The Group recorded slightly higher overall GP margin during the current quarter ended Q3/21 as compared to preceding quarter ended Q2/21. The improvement in margin is mainly due to absence of lower margin EPCC Project in the current quarter as compared to the preceding quarter.

The increase in administrative expenses for the current financial quarter ended Q3/21 is mainly due to higher staff headcount within the Group which leads to higher staff cost. Despite the increase in administrative expenses, the Group was able to generate higher PBT by RM1.30 million for current financial quarter ended Q3/21 as compared to preceding financial quarter ended Q2/21.

B3. Commentary on prospects

Thanks to the Government of Malaysia continuous efforts, the country's vaccination program has managed to bring the COVID-19 pandemic under control and helped allow the Government to lift the Mandatory Movement Control Order ("MCO") and move into the recovery phase including allowing inter-state and some international travels to resume. With the continued stabilizing of crude oil prices, we are starting to see an increase in Oil & Gas ("O&G") activities globally. We expect oil majors and national oil companies to accelerate capex spending as world economies recover.

The easing of mandatory quarantine period requirements for crew changes assigned to offshore locations and increase of flight frequency within Malaysia has had a positive impact on our operations and we expect this to translate into some cost savings for the Group. The Group continues to remain positive of its domestic and international prospects going forward due to the continued stabilizing of crude oil prices from previous quarter that will potentially bring positive impact to the global O&G industry outlook. We continue to strengthen our presence in the domestic market providing various integrated solutions to our clients. The group foresees an increase of activities in the domestic market going forward and are optimistic of securing more work here in Malaysia.



B3. Commentary on prospects (Cont'd)

The recent contract awarded from SEA Hibiscus for the Development of Heart & Mind Program, the increase of manpower supply to support the drilling rig contractors, and various EPC and project management projects is testament of our continued growth to deliver better results. With the successful completion of the EPCC Project last quarter, the Group is now focused on leveraging on this recently acquired project experience to secure similar projects. The Group foresees the demand in floating solar farms to be an advantage as floating solar on water has better efficiency as it benefits from additional diffuse irradiation from surface reflections, requires no land clearing, minimal impact to the environment, can be constructed in any available body of water such as rivers, disused mining ponds, hydro dams and more. The Group remains steadfast in exploring the Renewable Energy Industry as well as making progress on potential electric vehicle infrastructure related work.

Utilising the proceeds raised from the IPO, the Group are exploring opportunities to introduce new services and equipment technologies through potential technological business partners to expand market share in more complex end of O&G value chain, in both upstream and downstream. We will strive to seek out non-organic growth opportunities through merger & acquisitions, and strategic partnerships both locally and globally with existing players to strengthen our presence in the industry.

The Board are of the opinion that the global O&G industry will continue to recover amid the challenging environment and that the Group will benefit not only from the increase of activities but also from the diversification of the Group business. The Group will maintain continued discipline in operational excellence and financial efficiencies to improve profitability while continuing to be vigilant on any future COVID-19 impacts.

B4. Profit forecast or profit guarantee

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

B5. Taxation

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Malaysian Income Tax				
- Current tax	1,233	1,074	3,221	2,555
- Overprovision in prior year	148	-	148	-
- Deferred tax liabilities	(7)	33	196	(41)
	<u>1,374</u>	<u>1,107</u>	<u>3,565</u>	<u>2,514</u>
Effective tax rates	26.79%	69.84%	28.65%	34.30%

The Group's effective tax rate for current quarter under review is higher than the statutory income tax rate of 24% mainly due to losses incurred in certain entities within the Group.



B6. Status update on corporate proposals announced but not completed

Proposal to comply with the Bumiputera equity condition

On 29 June 2021, M&A Securities Sdn Bhd ("**M&A Securities**") on behalf of the Board of Directors of OVH ("**Board**") announced that the Company had on 29 June 2021 submitted an application to the Equity Compliance Unit of the Securities Commission Malaysia to seek their approval to comply with the Bumiputera equity condition.

Securities Commission Malaysia has vide its letter dated 26 July 2021 has approved the proposal to comply with the Bumiputera equity condition.

On behalf of the Board of OVH, M&A Securities announced on 3 September 2021 that the Company proposes to implement a special issue of up to 82,200,000 new ordinary shares in OVH ("**OVH Share(s)**" or "**Share(s)**") ("**Special Issue Shares**") based on the following allocation:

- a) up to 61,650,000 Special Issue Shares will be issued to Bumiputera investors to be identified and approved by Ministry of International Trade and Industry Malaysia ("**MITI**") ("**Bumiputera Investors**"); and
- b) the balance of the Special Issue Shares to other investors ("**Other Investors**");

subject always that the allocation to the Bumiputera Investors set out in (a) above shall be allocated at least 12.50% of the enlarged share capital, at an issue price to be determined later.

On 24 September 2021, M&A Securities on behalf of the Board, announced that the listing application for the Proposed Special Issue has been submitted to Bursa Securities.

On 20 October 2021, M&A Securities on behalf of the Board announced that Bursa Securities has vide its letter dated 20 October 2021, approved the listing and quotation of up to 82,200,000 special issue shares representing up to 20% of the Company's issued shares to be issued pursuant to the Proposed Special Issue.

Further details of the proposal will be announced in due course.

B7. Status update on memorandum of understanding ("MOU")

MOU between OVH and ADL Solar Sdn. Bhd ("**ADL**")

On 19 March 2021, the Company has entered into a MOU with ADL for the purpose of forming a strategic partnership for mutual benefit and commercial consideration, by exploring and identifying opportunities related to the renewable energy business and to engage in discussion for the purposes of jointly preparing and submitting proposals/tenders to identify, mutually agreed project(s) based on the understanding and commitments in the collaborative effort as contained in the MOU.

There has been no material development since the last update announcement on 30 August 2021.



B8. Status of 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 RM0.26 per share in conjunction with the listing (“**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:-

<u>Details of Utilisation</u>	<u>Proposed Utilisation</u>	<u>Actual Utilised</u>	<u>Unutilised Amount</u>	<u>Estimated timeframe for utilisation from Listing</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Broadening the range of support services	3,236	394	2,842	Within 24 months
Capital expenditure for the downstream O&G segment	8,592	2,865	5,727	Within 24 months
General working capital	6,544	3,009	3,535	Within 24 months
Listing expenses	3,000	3,000	-	Immediately
	<u>21,372</u>	<u>9,268</u>	<u>12,104</u>	

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

B9. Bank borrowings

The Group's borrowings were as follows:

	Unaudited	
	30/09/2021	30/09/2020
	RM'000	RM'000
Secured		
Current liabilities		
Finance lease liabilities	-	64
Lease liabilities	342	195
Term loan	64	61
	<u>406</u>	<u>320</u>
Non-current liabilities		
Lease liabilities	31	131
Term loan	1,266	1,365
	<u>1,297</u>	<u>1,496</u>
Total bank borrowings	<u>1,703</u>	<u>1,816</u>

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



B10. Material litigation

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

B11. Dividends proposed

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

B12. Earnings Per Share (“EPS”)

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company (RM'000)	3,842	496	9,107	4,833
Weighted average number of ordinary shares ('000)	411,000	383,600	411,000	347,067
Basic EPS (sen) ⁽¹⁾	0.93	0.13	2.22	1.39
Diluted EPS (sen) ⁽²⁾	0.93	0.13	2.22	1.39

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) Basic EPS is calculated by dividing the profit after tax attributable to owners of the Company by weighted average number of ordinary shares.
- (2) Diluted EPS for the current quarter and financial period to date ended 30 June 2020 is equivalent to the basic EPS as the Company does not have convertible options as at the end of the reporting period.

Diluted EPS for the preceding year's corresponding period is calculated by dividing the profit after tax attributable to owners of the Company by the number of enlarged shares in issue after IPO.

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Third Quarter Ended 30 September 2021

**B13. Disclosure on selected expense/(income) items as required by the Listing Requirements**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Auditor's remuneration				
- current year	22	13	64	39
Depreciation of property, plant and equipment	285	262	828	765
Interest expense	40	15	74	64
Interest income	(18)	(44)	(86)	(47)
Realised loss/(gain) on foreign exchange	(175)	(300)	76	(469)
Rental expense on:				
- Premises	5	12	22	33
- Machinery and equipment	-	22	19	47
Unrealised (gain)/loss on foreign exchange	93	14	(137)	333

BY ORDER OF THE BOARD**23 NOVEMBER 2021**

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