



OCEAN VANTAGE HOLDINGS BERHAD

REGISTRATION NO.: 201801036887 (1298917-H)

Interim Financial Report
For The Fourth Quarter Ended
31 December 2021

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021⁽¹⁾**

	Notes	--- Individual Quarter ---		-- Cumulative Quarter --	
		3 months ended		12 months ended	
		Unaudited 31/12/2021 RM'000	Unaudited 31/12/2020 RM'000	Unaudited 31/12/2021 RM'000	Unaudited 31/12/2020 RM'000
Revenue	A9	33,310	28,158	125,471	73,749
Cost of sales		(25,571)	(22,601)	(98,770)	(55,236)
Gross profit		7,739	5,557	26,701	18,513
Other income		67	74	229	732
Administrative expenses		(6,625)	(2,628)	(13,231)	(7,373)
Listing expenses		-	-	-	(1,476)
Profit from operations		1,181	3,003	13,699	10,396
Finance costs		(56)	(18)	(130)	(82)
Profit before taxation ("PBT")	B13	1,125	2,985	13,569	10,314
Taxation	B5	(348)	(573)	(3,913)	(3,087)
Profit after taxation ("PAT")		777	2,412	9,656	7,227
Profit /(Loss) for the financial period attributable to:					
Owners of the Company		933	2,485	10,040	7,318
Non-controlling interests		(156)	(73)	(384)	(91)
		777	2,412	9,656	7,227
Earnings per share attributable to owners of the parent (sen)					
- Basic	B12	0.23	0.60	2.44	2.02
- Diluted	B12	0.23	0.60	2.44	2.02

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)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021⁽¹⁾**

	Notes	Unaudited As at 31/12/2021 RM'000	Audited As at 31/12/2020 RM'000
Non-current asset			
Property, plant and equipment		7,908	7,936
Current assets			
Inventories		163	-
Trade receivables		47,561	22,868
Contract assets		2,103	7,834
Other receivables, deposit and prepayments		1,027	660
Current tax assets		102	44
Other investment		-	2,004
Fixed deposit placed with financial institutions		6,550	-
Cash and bank balances		10,889	16,592
		<u>68,395</u>	<u>50,002</u>
Total assets		<u>76,303</u>	<u>57,938</u>
Equity			
Share capital		37,087	37,087
Reserves		(12,695)	(12,695)
Retained earnings		35,455	25,415
		<u>59,847</u>	<u>49,807</u>
Non-controlling interests		(235)	59
		<u>59,612</u>	<u>49,866</u>
Non-current liabilities			
Bank borrowings	B9	1,398	1,394
Deferred tax liabilities		123	380
		<u>1,521</u>	<u>1,774</u>
Current liabilities			
Bank borrowings	B9	220	309
Trade payables		11,270	3,964
Contract liabilities		293	-
Other payables and accruals		2,008	490
Current tax liabilities		1,379	1,535
		<u>15,170</u>	<u>6,298</u>
Total liabilities		<u>16,691</u>	<u>8,072</u>
Total equity and liabilities		<u>76,303</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)		0.15	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 Fourth Quarter Ended 31 December 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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/(Loss) for the financial year	-	-	-	7,318	(91)	7,227
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 31 December 2020	37,087	2,336	(15,031)	25,415	59	49,866
Balance as at 1 January 2021	37,087	2,336	(15,031)	25,415	59	49,866
Profit/(Loss) for the financial year	-	-	-	10,040	(384)	9,656
Transaction with owners:						
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	90	90
Balance as at 31 December 2021	37,087	2,336	(15,031)	35,455	(235)	59,612

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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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021⁽¹⁾**

	Unaudited 12 months ended	
	31/12/2021 RM'000	31/12/2020 RM'000
Cash Flows from Operating Activities		
Profit before taxation	13,569	10,314
Adjustments for:		
Depreciation of property, plant and equipment	1,132	1,027
Impairment loss on trade receivables	2,212	-
Interest expenses	130	82
Advances written off	97	-
Interest income	(153)	(95)
Unrealised (gain)/loss on foreign exchange	(57)	501
Operating profit before working capital changes	16,930	11,829
Changes in working capital		
Inventories	(163)	-
Trade and other receivables	(27,465)	(4,760)
Trade and other payables	9,005	243
Contract assets	5,731	(7,834)
Contract liabilities	293	-
Cash generated from/(used in) operations	4,331	(522)
Income tax paid	(4,384)	(2,081)
Net cash used in operating activities	(53)	(2,603)
Cash Flows from Investing Activities		
Interest received	103	95
Investment in short term fund	-	(2,004)
Placement of fixed deposit with financial institutions	(6,500)	-
Purchase of property, plant and equipment	(846)	(1,280)
Proceeds from disposal of investment in short term fund	2,004	-
Net cash used in investing activities	(5,239)	(3,189)
Cash Flows from Financing Activities		
Interest paid	(130)	(82)
Proceeds from issuance of shares	-	20,647
Proceeds from non-controlling shareholders of subsidiaries	90	150
Repayment of term loans	(62)	(66)
Repayment of finance lease liabilities	(48)	(61)
Repayment of lease liabilities	(232)	(189)
Net cash (used in)/generated from financing activities	(382)	20,399
Net change in cash and cash equivalents	(5,674)	14,607
Effect of exchange rate fluctuations on cash held	(29)	(329)
Cash and cash equivalents as at beginning of financial year	16,592	2,314
Cash and cash equivalents as at end of financial year	10,889	16,592

Notes:

⁽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 4	Insurance Contracts
- MFRS 7	Financial Instruments: Disclosures
- MFRS 9	Financial Instruments
- MFRS 16	Leases
- MFRS 139	Financial Instruments: Recognition and Measurement



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 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
- MFRS 7	Financial Instruments: Disclosures	1 January 2023#
- MFRS 9	Financial Instruments	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 April 2021/ 1 January 2022^
- 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 112	Income Taxes	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#



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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**A9. Segmental Reporting**

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

	31 December 2021						31 December 2020					
	EPC and Project Management RM'000	Supply of Manpower RM'000	Supply of material, tools and equipment RM'000	Management fee 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	Management fee RM'000	Adjustment and eliminations RM'000	Total RM'000
Revenue:												
External customers	37,815	78,347	9,309	-	-	125,471	26,271	42,490	4,988	-	-	73,749
Inter-segment revenue	1,596	-	-	1,968	(3,564)	-	261	-	-	808	(1,069)	-
	<u>39,411</u>	<u>78,347</u>	<u>9,309</u>	<u>1,968</u>	<u>(3,564)</u>	<u>125,471</u>	<u>26,532</u>	<u>42,490</u>	<u>4,988</u>	<u>808</u>	<u>(1,069)</u>	<u>73,749</u>
Segment profit	6,649	17,822	2,230	-	-	26,701	5,478	11,331	1,704	-	-	18,513
Other income						229						732
Unallocated expenses						(13,231)						(8,849)
Finance costs						(130)						(82)
Income tax expense						(3,913)						(3,087)
Profit for the period						<u>9,656</u>						<u>7,227</u>
Results:												
<i>Included in the measure of segment profit are:</i>												
Employee benefit expenses	811	2,582	-	-	-	3,393	828	-	-	-	-	828
Depreciation	747	-	-	-	-	747	709	-	-	-	-	709



A10. Changes in the composition of the Group

There were no 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 12 months ended	
	31/12/2021 RM'000	31/12/2020 RM'000
Secured		
Bank guarantee	568	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	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
Charged by a related party:				
- Rental of premise	33	33	132	132
- Legal consultancy services	45	60	180	75

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

	Unaudited Quarter Ended		Variance	
	31/12/2021 ("Q4/21") RM'000	31/12/2020 ("Q4/20") RM'000	RM'000	%
Revenue	33,310	28,158	5,152	18.30%
PBT	1,125	2,985	(1,860)	-62.31%

The Group recorded revenue of RM33.31 million for the financial quarter ended Q4/21. This was mainly contributed by the supply of manpower segment, RM24.52 million or approximately 73.61% of the Group's total revenue. The remaining revenue was contributed by the EPC and project management segment and supply of material, tools and equipment segment, which contributed RM6.81 million or approximately 20.44% and RM1.98 million or approximately 5.95%, respectively.

As compared to the previous year financial quarter, the Group recorded an increase in revenue of RM5.15 million. The increase in revenue is mainly due to higher revenue derived from manpower supply segment and supply of material, tools and equipment segment as a result of strong demand from customers.

Overall, OVH recorded a higher gross profit ("GP") margin due to the higher GP margin recorded in EPC and project management segment and supply of material, tools and equipment segment. The improvement in margin for EPC and project management segment is mainly due to absence of lower margin large-scale solar farm ("**EPCC Project**") in the current quarter as compared to Q4/20. Meanwhile, the manpower supply segment continues to 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 increase in administrative expenses in Q4/21 as compared to Q4/20 was mainly due to higher staff costs in tandem with expansion of workforce and recognition of impairment loss on trade receivables of RM2.21 million. Due to significant increase in administrative expenses for Q4/21, the Group recorded a lower PBT of RM1.13 million as compared to PBT of RM2.99 million in Q4/20.



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

(b) Results for financial year-to-date

	Unaudited		Variance	
	Year Ended		RM'000	%
	31/12/2021 ("Q4/21") RM'000	31/12/2020 ("Q4/20") RM'000		
Revenue	125,471	73,749	51,722	70.13%
PBT ⁽¹⁾	13,569	10,314	3,255	31.56%
Listing expense	-	1,476	N/A	N/A
Adjusted PBT ⁽²⁾	13,569	11,790	1,779	15.09%

Notes:

(1) Included in PBT for year ended 31 December 2020 is one-off listing expense 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 RM125.47 million for the financial year ended Q4/21. This was mainly driven from the supply of manpower segment, which contributed RM78.35 million or approximately 62.45% of the Group's total revenue. The EPC and project management segment contributed RM37.82 million or approximately 30.14% of the total revenue and the remaining revenue of RM9.30 million or approximately 7.41% is derived from the supply of material, tools and equipment segment.

The significant increase in revenue of RM51.72 million or approximately 70.13% for the financial year ended Q4/21 from last financial year ended Q4/20 was contributed by all segments of the Group.

Despite the increase in revenue for the Group for the financial year ended Q4/21, 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 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 significant increase in administrative expenses for the financial year ended Q4/21 was mainly due to the expansion of workforce within the Group which led to higher staff cost, recognition of impairment loss on trade receivables of RM2.21 million and realised loss on foreign currency. Despite the increase in administrative expenses, the Group was able to generate higher adjusted PBT by RM1.78 million for current financial year ended Q4/21 as compared to last financial year ended Q4/20.



B2. Comparison with immediate preceding quarter's results

	Unaudited		Variance	
	Quarter Ended			
	31/12/2021	30/09/2021		
	("Q4/21")	("Q3/21")		
	RM'000	RM'000	RM'000	%
Revenue	33,310	28,861	4,449	15.42%
PBT	1,125	5,129	(4,004)	-78.07%

The Group recorded an increase in revenue by RM4.45 million or 15.42% in Q4/21 as compared to preceding Q3/21. The increase in revenue was mainly due to higher revenue contribution from EPC and project management segment amounting to RM3.71 million and supply of manpower segment of RM1.97 million. However, a drop in revenue contribution from supply of material, tools and equipment segment decreased by approximately RM1.23 million in the current quarter as compared to preceding Q3/21 due to the disruption in supply chain.

The Group recorded only a slightly lower overall GP margin during the current quarter ended Q4/21 as compared to preceding quarter ended Q3/21 across all segments.

The increase in administrative expenses for the current financial quarter ended Q4/21 is mainly due to higher staff headcount within the Group which leads to higher staff cost, recognition of impairment loss on trade receivables of RM2.21 million, realised loss on foreign currency and insurance premium paid for staff. The Group recorded a lower PBT by RM4.00 million for the current financial quarter ended Q4/21 as compared to preceding financial quarter ended Q3/21 mainly due to higher administrative expenses recorded in current financial quarter ended Q4/21.

B3. Commentary on prospects

The ongoing economic recovery happening globally as a result of successful vaccination programmes and better management of the COVID-19 pandemic have allowed more economic activities to resume. The global economy is expected to recover further due to the return of more economic activities. It is expected that the global oil consumption will increase and growing ahead of supply. Global oil demand has increased to 100mbpd in Q4/21. The attractiveness of current oil price and the expected demand for oil is expected to accelerate capital expenditure spending by both national and international oil majors. The group foresees the increase in the utilisation of drilling rigs as oil majors increase exploration and drilling activities in 2022 to mitigate possible shortage of supply. The groups also expect the demand of services that the Group offered in both upstream and downstream activities will increase in tandem with the increase of oil prices.

Both EPC and project management and manpower supply segments continue to contribute positively to the group's revenue. The expected increase in drilling rigs working in Malaysia and nearby regions augur well to further spur the demand of EPC and project management pre-contractual readiness and manpower supply for these rigs prior to commencing work with the oil operators. In our quest to further expand the range of services offered to our clients, the Group has procured advanced NDT equipment and foresee that this will have a positive impact on our future revenues.



B3. Commentary on prospects (Cont'd)

The Group through its various subsidiaries are actively participating in various tenders with the support of technological business partners that adds value to our proposals. We are also seeking non-organic growth opportunities through merger & acquisitions and strategic partnerships with both local and international players to strengthen our presence in the industry.

The Group remains committed to expand its renewable energy solutions portfolio and actively involve in the development of electric vehicle infrastructure related works.

The Board are of the opinion that the global oil & gas (“O&G”) industry will continue to strengthen its recovery amid the challenging environment and that the Group will benefit not only from the increase of activities but also from the continued diversification of the Group businesses.

Despite the Group exercise prudence in financial management by recognising impairment loss of trade receivables in relation to certain receivables, such as subsidiaries belonging to local listed companies, of which the management deemed the possibility of the recoverability is remote in current quarter, the Group still able to record a positive earnings. The Group is stepping up its efforts in the recoverability of these debts from respective companies including but not limited to pursuing legal action, if applicable.

The Group will maintain continued discipline in operational excellence and financial efficiency to improve profitability while continuing to be vigilant on any future impairment loss on trade receivables and 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	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Malaysian Income Tax				
- Current tax	1,096	594	4,317	3,149
- Overprovision in prior year	(296)	(19)	(148)	(19)
- Deferred tax liabilities	(452)	(2)	(256)	(43)
	<u>348</u>	<u>573</u>	<u>3,913</u>	<u>3,087</u>
Effective tax rates	30.93%	19.20%	28.84%	29.93%

The Group’s effective tax rate for current quarter under review is higher than the statutory income tax rate of 24% is mainly due to non-tax deductible expenses.



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.

On 10 December 2021, M&A Securities on behalf of the Board had submitted an application to the SC for an extension of time up to 30 June 2022 to implement and complete the Proposed Special Issue. The SC had vide its letter dated 7 January 2022, approved an extension of time of up to 30 June 2022 to implement and complete the Proposed Special Issue to comply with the Bumiputera Equity Requirement.

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 24 November 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>
	RM’000	RM’000	RM’000	
Broadening the range of support services	3,236	424	2,812	Within 24 months
Capital expenditure for the downstream O&G segment	8,592	3,081	5,511	Within 24 months
General working capital	6,544	3,231	3,313	Within 24 months
Listing expenses	3,000	3,000	-	Immediately
	<u>21,372</u>	<u>9,736</u>	<u>11,636</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	
	31/12/2021	31/12/2020
	RM’000	RM’000
Secured		
Current liabilities		
Finance lease liabilities	-	48
Lease liabilities	156	199
Term loan	64	62
	<u>220</u>	<u>309</u>
Non-current liabilities		
Lease liabilities	148	80
Term loan	1,250	1,314
	<u>1,398</u>	<u>1,394</u>
Total bank borrowings	<u>1,618</u>	<u>1,703</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	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company	933	2,485	10,040	7,318
Weighted average number of ordinary shares ('000)	411,000	411,000	411,000	363,050
Basic EPS (sen) ⁽¹⁾	0.23	0.60	2.44	2.02
Diluted EPS (sen) ⁽²⁾	0.23	0.60	2.44	2.02

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 year to date ended 31 December 2021 is equivalent to the basic EPS as the Company does not have convertible options as at the end of the reporting period.

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Auditor's remuneration				
- current year	43	48	107	87
Advances written off	97	-	97	-
Depreciation of property, plant and equipment	304	262	1,132	1,027
Impairment loss on trade receivables	2,212	-	2,212	-
Interest expense	56	18	130	82
Interest income	(67)	(48)	(153)	(95)
Realised loss/(gain) on foreign exchange	146	(10)	222	(479)
Rental expense on:				
- Premises	12	9	34	42
- Machinery and equipment	-	5	19	52
Unrealised loss/(gain) on foreign exchange	80	168	(57)	501

BY ORDER OF THE BOARD**24 FEBRUARY 2022**

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