



OCEAN VANTAGE HOLDINGS BERHAD

REGISTRATION NO.: 201801036887 (1298917-H)

Interim Financial Report
For The First Quarter Ended
31 March 2022



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2022⁽¹⁾

	Notes	-- Individual Quarter --		-- Cumulative Quarter --	
		3 months ended		3 months ended	
		Unaudited 31/03/2022 RM'000	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2022 RM'000	Unaudited 31/03/2021 RM'000
Revenue	A9	26,782	28,219	26,782	28,219
Cost of sales		(21,911)	(23,318)	(21,911)	(23,318)
Gross profit		4,871	4,901	4,871	4,901
Other income		65	514	65	514
Administrative expenses		(2,959)	(1,913)	(2,959)	(1,913)
Profit from operations		1,977	3,502	1,977	3,502
Finance costs		(78)	(17)	(78)	(17)
Profit before taxation ("PBT")	B13	1,899	3,485	1,899	3,485
Taxation	B5	(509)	(1,061)	(509)	(1,061)
Profit after taxation ("PAT")		1,390	2,424	1,390	2,424
Profit /(Loss) for the financial period attributable to:					
Owners of the Company		1,386	2,477	1,386	2,477
Non-controlling interests		4	(53)	4	(53)
		1,390	2,424	1,390	2,424
Earnings per share attributable to owners of the parent (sen)					
- Basic	B12	0.34	0.60	0.34	0.60
- Diluted	B12	0.34	0.60	0.34	0.60

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 2021 and the accompanying explanatory notes attached to this interim financial report.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022⁽¹⁾

	Notes	Unaudited As at 31/03/2022 RM'000	Audited As at 31/12/2021 RM'000
Non-current asset			
Property, plant and equipment		9,068	7,908
Current assets			
Inventories		137	163
Trade receivables		41,554	49,421
Contract assets		942	242
Other receivables, deposit and prepayments		865	1,027
Current tax assets		114	102
Fixed deposit placed with financial institutions		6,550	6,550
Cash and bank balances		18,275	10,889
		<u>68,437</u>	<u>68,394</u>
Total assets		<u>77,505</u>	<u>76,302</u>
Equity			
Share capital		37,087	37,087
Reserves		(12,695)	(12,695)
Retained earnings		36,841	35,455
		<u>61,233</u>	<u>59,847</u>
Non-controlling interests		(231)	(235)
		<u>61,002</u>	<u>59,612</u>
Non-current liabilities			
Bank borrowings	B9	2,284	1,398
Deferred tax liabilities		129	123
		<u>2,413</u>	<u>1,521</u>
Current liabilities			
Bank borrowings	B9	467	220
Trade payables		11,535	11,270
Contract liabilities		22	293
Other payables and accruals		1,342	2,007
Current tax liabilities		724	1,379
		<u>14,090</u>	<u>15,169</u>
Total liabilities		<u>16,503</u>	<u>16,690</u>
Total equity and liabilities		<u>77,505</u>	<u>76,302</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	0.15

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 2021 and the accompanying explanatory notes attached to this interim financial report.

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 31 March 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2022⁽¹⁾**

	-----Non-distributable-----			Distributable Retained earnings RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Other reserve RM'000	Reorganisation deficit RM'000			
Balance as at 1 January 2021	37,087	2,336	(15,031)	25,415	59	49,866
Profit/(Loss) for the financial period	-	-	-	2,477	(53)	2,424
Balance as at 31 March 2021	37,087	2,336	(15,031)	27,892	6	52,290
Balance as at 1 January 2022	37,087	2,336	(15,031)	35,455	(235)	59,612
Profit for the financial period	-	-	-	1,386	4	1,390
Balance as at 31 March 2022	37,087	2,336	(15,031)	36,841	(231)	61,002

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 2021 and the accompanying explanatory notes attached to this interim financial report.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2022⁽¹⁾

	Unaudited 3 months ended	
	31/03/2022 RM'000	31/03/2021 RM'000
Cash Flows from Operating Activities		
Profit before taxation	1,899	3,485
Adjustments for:		
Depreciation of property, plant and equipment	359	268
Interest expenses	78	17
Interest income	(16)	(36)
Unrealised gain on foreign exchange	(43)	(223)
Operating profit before working capital changes	<u>2,277</u>	<u>3,511</u>
Changes in working capital		
Inventories	26	-
Trade and other receivables	8,080	(9,244)
Trade and other payables	(400)	1,202
Contract assets	(700)	6,752
Contract liabilities	(271)	-
Cash generated from operations	<u>9,012</u>	<u>2,221</u>
Income tax paid	(1,171)	(521)
Net cash generated from operating activities	<u>7,841</u>	<u>1,700</u>
Cash Flows from Investing Activities		
Interest received	16	36
Purchase of property, plant and equipment	(266)	(108)
Proceeds from disposal of investment in short term fund	-	2,004
Net cash (used in)/generated from investing activities	<u>(250)</u>	<u>1,932</u>
Cash Flows from Financing Activities		
Interest paid	(78)	(17)
Repayment of term loans	(16)	(15)
Repayment of finance lease liabilities	-	(16)
Repayment of lease liabilities	(106)	(48)
Net cash used in financing activities	<u>(200)</u>	<u>(96)</u>
Net change in cash and cash equivalents	<u>7,391</u>	<u>3,536</u>
Effect of exchange rate fluctuations on cash held	<u>(5)</u>	<u>-</u>
Cash and cash equivalents as at beginning of financial year	<u>10,889</u>	<u>16,592</u>
Cash and cash equivalents as at end of financial period	<u>18,275</u>	<u>20,128</u>

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 2021 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 2021 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 2021. 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 2021. 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 2022.

(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

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 31 March 2022

**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 2022**

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
- 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 2021 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 was 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.

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 31 March 2022

**A9. Segmental Reporting**

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

	31 March 2022						31 March 2021					
	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	5,480	19,384	1,918	-	-	26,782	11,486	15,071	1,662	-	-	28,219
Inter-segment revenue	1,305	-	-	1,154	(2,459)	-	110	-	-	368	(478)	-
	<u>6,785</u>	<u>19,384</u>	<u>1,918</u>	<u>1,154</u>	<u>(2,459)</u>	<u>26,782</u>	<u>11,596</u>	<u>15,071</u>	<u>1,662</u>	<u>368</u>	<u>(478)</u>	<u>28,219</u>
Segment profit	1,269	3,164	438	-	-	4,871	1,346	3,120	435	-	-	4,901
Other income						65						514
Unallocated expenses						(2,959)						(1,913)
Finance costs						(78)						(17)
Income tax expense						(509)						(1,061)
Profit for the period						<u>1,390</u>						<u>2,424</u>
Results:												
<i>Included in the measure of segment profit are:</i>												
Employee benefit expenses	181	256	-	-	-	437	202	457	-	-	-	659
Depreciation	213	-	-	-	-	213	184	-	-	-	-	184



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	
	3 months ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
Secured		
Bank guarantee	3,271	55

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	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Charged by a related party:				
- Rental of premise	33	33	33	33
- Legal consultancy services	45	45	45	45

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 statement.



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		Variance	
	Quarter Ended			
	31/03/2022 ("Q1/22") RM'000	31/03/2021 ("Q1/21") RM'000	RM'000	%
Revenue	26,782	28,219	(1,437)	-5.09%
PBT	1,899	3,485	(1,586)	-45.51%

The Group recorded revenue of RM26.78 million for the financial quarter ended Q1/22. This was mainly contributed by the supply of manpower segment, RM19.38 million or approximately 72.37% 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 amounting to RM5.48 million or approximately 20.46% and RM1.92 million or approximately 7.17%, respectively.

The Group registered a PBT of RM1.90 million in the current financial quarter under review.

(b) Comparison between current financial quarter and financial year-to-date results

	Unaudited		Variance	
	Quarter Ended			
	31/03/2022 ("Q1/22") RM'000	31/03/2021 ("Q1/21") RM'000	RM'000	%
Revenue	26,782	28,219	(1,437)	-5.09%
PBT	1,899	3,485	(1,586)	-45.51%

For Q1/22, the Group recorded revenue of RM26.78 million as compared to financial quarter Q1/21 of RM28.22 million. The decrease in revenue was mainly due to the lesser revenue contribution from EPC and project management segment by RM6.01 million as the large-scale solar farm ("EPCC Project") was completed in financial quarter Q2/21. The revenue from the supply of manpower segment increased by approximately RM4.31 million in the current quarter as compared to financial quarter Q1/21 whereby the Group continued to benefit from higher demand from customers due to favourable oil price.

Overall, the Group recorded a slightly higher gross profit ("GP") margin due to the higher GP margin recorded in EPC and project management segment. The improvement in margin for EPC and project management segment is mainly due to absence of lower margin EPCC Project in the current quarter as compared to financial quarter Q1/21. Meanwhile, the manpower supply segment continues to see contraction in GP margin due to higher recovery costs revenue generated as a result 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.



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

(b) Comparison between current financial quarter and financial year-to-date results (Cont'd)

The significant increase in administrative expenses in financial quarter Q1/22 as compared to financial quarter Q1/21 was mainly due to higher staff costs and professional fee incurred for the new ERP system and compliance related expenses.

B2. Comparison with immediate preceding quarter's results

	Unaudited Quarter Ended		Variance	
	31/03/2022 ("Q1/22") RM'000	31/12/2021 ("Q4/21") RM'000	RM'000	%
Revenue	26,782	33,310	(6,528)	-19.60%
PBT	1,899	1,125	774	68.80%

The Group recorded a decrease in revenue by RM6.53 million or 19.60% in financial quarter Q1/22 as compared to preceding Q4/21. The decrease in revenue was mainly due to lower revenue contribution from supply of manpower segment of RM5.14 million, EPC and project management segment amounting to RM1.33 million and supply of material, tools and equipment segment of RM0.06 million. The decrease in supply of manpower segment and EPC and project management segment are due to certain work orders have ended during the current financial quarter.

The Group recorded lower overall GP margin during the current financial quarter ended Q1/22 as compared to preceding quarter ended Q4/21 mainly arising from supply of manpower segment due to higher recovery costs revenue generated.

The decrease in administrative expenses for the current financial quarter ended Q1/22 is mainly due to the recognition of impairment loss on trade receivables of RM2.21 million in preceding quarter ended Q4/21 and higher staff costs whereby the staff bonus payout was incurred in preceding quarter ended Q4/21.

B3. Commentary on prospects

With the countries worldwide, including Malaysia, relaxing travel restriction and moving towards endemic stage for Covid-19, the Group do hope the recovery in oil & gas ("O&G") sector to be more visible which should favour the Group's business across all segments.

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 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.

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 31 March 2022



On 5 April 2022, the Group's wholly owned subsidiary, Ocean Vantage Engineering Sdn Bhd, has successfully in its bidding as a subcontractor of Petrofac Engineering Service (Malaysia) Sdn. Bhd. for the civil, building and piling works for additional gas sales facilities 2 ("the Project") in Bintulu, Sarawak with estimated contract sum of RM71,324,818. The Board opined that this Project should contribute positively to the Group's earnings from second quarter year 2022 onwards. The Group continues to be optimistic of the opportunities available in Sarawak especially in Bintulu, for both O&G and non O&G industries.

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	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Malaysian Income Tax				
- Current tax	503	876	503	876
- Deferred tax liabilities	6	185	6	185
	<u>509</u>	<u>1,061</u>	<u>509</u>	<u>1,061</u>
Effective tax rates	26.80%	30.44%	26.80%	30.44%

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 (“**SC**”) 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 (“**Proposed Special Issue**”).

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.

On 31 March 2022, M&A Securities on behalf of the Board had submitted an application to Bursa Securities for an extension of time up to 30 June 2022 to implement and complete the Proposed Special Issue. Bursa Securities had via its letter dated 21 April 2022 approved to grant the Company an extension of time of up to 30 June 2022 to complete the implementation of 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 25 February 2022.

MOU between OVH and PCI Engineering (M) Sdn. Bhd (“PCIEM”)

On 8 April 2022, the Company has entered into a MOU with PCIEM to collaborate in forming a business venture to set up a pipeline coating business (“Cooperation Agreement”) to serve the domestic market in Malaysia as well as South East Asia, Australia and its related region based on the understanding and commitments as contained in the MOU.

There has been no material development since the last update announcement on 8 April 2022.

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:-

Details of Utilisation	Proposed Utilisation	Actual Utilised	Unutilised Amount	Estimated timeframe for utilisation from Listing
	RM’000	RM’000	RM’000	
Broadening the range of support services	3,236	894	2,342	Within 24 months
Capital expenditure for the downstream O&G segment	8,592	3,209	5,383	Within 24 months
General working capital	6,544	3,467	3,077	Within 24 months
Listing expenses	3,000	3,000	-	Immediately
	21,372	10,570	10,802	

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 3 months ended	
	31/03/2022 RM'000	31/03/2021 RM'000
<u>Secured</u>		
Current liabilities		
Finance lease liabilities	-	32
Lease liabilities	402	202
Term loan	65	63
	467	297
Non-current liabilities		
Lease liabilities	1,051	28
Term loan	1,233	1,298
	2,284	1,326
Total bank borrowings	2,751	1,623

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	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Profit after tax attributable to owners of the Company	1,386	2,477	1,386	2,477
Weighted average number of ordinary shares ('000)	411,000	411,000	411,000	411,000
Basic EPS (sen) ⁽¹⁾	0.34	0.60	0.34	0.60
Diluted EPS (sen) ⁽²⁾	0.34	0.60	0.34	0.60



B12. Earnings Per Share (“EPS”) (Cont’d)

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.

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Auditor's remuneration				
- current year	27	23	27	23
Depreciation of property, plant and equipment	359	268	359	268
Interest expense	78	17	78	17
Interest income	(16)	(36)	(16)	(36)
Realised loss/(gain) on foreign exchange	2	(4)	2	(4)
Rental expense on:				
- Premises	5	11	5	11
- Machinery and equipment	-	14	-	14
Unrealised gain on foreign exchange	(43)	(223)	(43)	(223)

BY ORDER OF THE BOARD

24 MAY 2022