



OCEAN VANTAGE HOLDINGS BERHAD

REGISTRATION NO.: 201801036887 (1298917-H)

Interim Financial Report
For The Fourth Quarter Ended
31 December 2022



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

	Notes	-- Individual Quarter --		-- Cumulative Quarter --	
		3 months ended		12 months ended	
		Unaudited 31/12/2022 RM'000	Unaudited 31/12/2021 RM'000	Unaudited 31/12/2022 RM'000	Unaudited 31/12/2021 RM'000
Revenue	A9	50,590	33,310	154,375	125,471
Cost of sales		(37,578)	(25,571)	(120,865)	(98,770)
Gross profit		13,012	7,739	33,510	26,701
Other income		320	67	462	229
Administrative expenses		(16,948)	(6,625)	(29,152)	(13,231)
(Loss)/Profit from operations		(3,616)	1,181	4,820	13,699
Finance costs		(91)	(56)	(522)	(130)
(Loss)/Profit before taxation ("PBT")	B13	(3,707)	1,125	4,298	13,569
Taxation	B5	(2,121)	(348)	(5,357)	(3,913)
(Loss)/Profit after taxation ("PAT")		(5,828)	777	(1,059)	9,656
(Loss)/Profit for the financial period attributable to:					
Owners of the Company		(5,970)	933	(1,063)	10,040
Non-controlling interests		142	(156)	4	(384)
		(5,828)	777	(1,059)	9,656
Earnings per share attributable to owners of the parent (sen)					
- Basic	B12	(1.42)	0.23	(0.26)	2.44
- Diluted	B12	(1.42)	0.23	(0.26)	2.44

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.

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2022

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

	Notes	Unaudited As at 31/12/2022 RM'000	Audited As at 31/12/2021 RM'000
Non-current asset			
Property, plant and equipment		12,005	7,908
Current assets			
Inventories		387	163
Trade receivables		50,760	49,421
Contract assets		11,987	242
Other receivables, deposit and prepayments		4,906	1,027
Current tax assets		185	102
Fixed deposit placed with financial institutions		12,449	6,550
Cash and bank balances		5,288	10,897
		<u>85,962</u>	<u>68,402</u>
Total assets		<u>97,967</u>	<u>76,310</u>
Equity			
Share capital		39,188	37,087
Reserves		(12,695)	(12,695)
Retained earnings		34,392	35,455
		<u>60,885</u>	<u>59,847</u>
Non-controlling interests		211	(235)
		<u>61,096</u>	<u>59,612</u>
Non-current liabilities			
Bank borrowings	B9	2,712	1,398
Deferred tax liabilities		733	123
		<u>3,445</u>	<u>1,521</u>
Current liabilities			
Bank borrowings	B9	6,744	228
Trade payables		22,707	11,270
Contract liabilities		-	293
Other payables and accruals		2,549	2,007
Current tax liabilities		1,426	1,379
		<u>33,426</u>	<u>15,177</u>
Total liabilities		<u>36,871</u>	<u>16,698</u>
Total equity and liabilities		<u>97,967</u>	<u>76,310</u>
Number of ordinary shares in issue ('000)		416,215	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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022⁽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 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
Balance as at 1 January 2022	37,087	2,336	(15,031)	35,455	(235)	59,612
(Loss)/Profit for the financial year	-	-	-	(1,063)	4	(1,059)
Transaction with owners:						
Issuance of new ordinary shares	2,101	-	-	-	-	2,101
Acquisition of subsidiaries in business combination under common control	-	-	-	-	-	-
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	442	442
Balance as at 31 December 2022	39,188	2,336	(15,031)	34,392	211	61,096

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

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Interim Financial Report For The Fourth Quarter Ended 31 December 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022⁽¹⁾**

	Unaudited 12 months ended	
	31/12/2022 RM'000	31/12/2021 RM'000
Cash Flows from Operating Activities		
Profit before taxation	4,298	13,569
Adjustments for:		
Depreciation of property, plant and equipment	1,775	1,132
Impairment loss on trade receivables	14,106	2,212
Interest expenses	522	130
Advances written off	-	97
Reversal of impairment loss on trade receivables	(16)	-
Interest income	(138)	(153)
Unrealised loss/(gain) on foreign exchange	308	(57)
Operating profit before working capital changes	<u>20,855</u>	<u>16,930</u>
Changes in working capital		
Inventories	(91)	(163)
Trade and other receivables	(19,509)	(27,465)
Trade and other payables	11,619	9,005
Contract assets	(11,745)	5,731
Contract liabilities	(293)	293
Cash generated from operations	836	4,331
Income tax paid	(4,784)	(4,384)
Net cash used in operating activities	<u>(3,948)</u>	<u>(53)</u>
Cash Flows from Investing Activities		
Interest received	67	103
Placement of fixed deposit with financial institutions	(5,828)	(6,500)
Purchase of property, plant and equipment	(2,477)	(846)
Proceeds from disposal of investment in short term fund	-	2,004
Net cash outflow from acquisition of a subsidiary	(112)	-
Net cash used in investing activities	<u>(8,350)</u>	<u>(5,239)</u>
Cash Flows from Financing Activities		
Interest paid	(522)	(130)
Proceeds from issuance of shares	2,101	-
Proceeds from non-controlling shareholders of subsidiaries	-	90
Drawdown from short term borrowing	5,732	8
Repayment of term loans	(56)	(62)
Repayment of lease liabilities	(665)	(280)
Net cash cash generated from/(used in) financing activities	<u>6,590</u>	<u>(374)</u>
Net change in cash and cash equivalents	<u>(5,708)</u>	<u>(5,666)</u>
Effect of exchange rate fluctuations on cash held	<u>99</u>	<u>(29)</u>
Cash and cash equivalents as at beginning of financial year	<u>10,897</u>	<u>16,592</u>
Cash and cash equivalents as at end of financial year	<u>5,288</u>	<u>10,897</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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) (“**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



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

<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 2022 (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.

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A9. Segmental Reporting

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

	31 Dec 2022						31 Dec 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	61,152	86,673	6,550	-	-	154,375	37,815	78,347	9,309	-	-	125,471
Inter-segment revenue	17,328	-	-	3,162	(20,490)	-	1,596	-	-	1,968	(3,564)	-
	<u>78,480</u>	<u>86,673</u>	<u>6,550</u>	<u>3,162</u>	<u>(20,490)</u>	<u>154,375</u>	<u>39,411</u>	<u>78,347</u>	<u>9,309</u>	<u>1,968</u>	<u>(3,564)</u>	<u>125,471</u>
Segment profit	15,619	16,923	968	-	-	33,510	6,649	17,822	2,230	-	-	26,701
Other income						462						229
Unallocated expenses						(29,152)						(13,231)
Finance costs						(522)						(130)
Income tax expense						(5,357)						(3,913)
Profit for the period						<u>(1,059)</u>						<u>9,656</u>
Results:												
<i>Included in the measure of segment profit are:</i>												
Employee benefit expenses	2,228	3,671	-	-	-	5,899	811	2,582	-	-	-	3,393
Depreciation	934	-	-	-	-	934	747	-	-	-	-	747

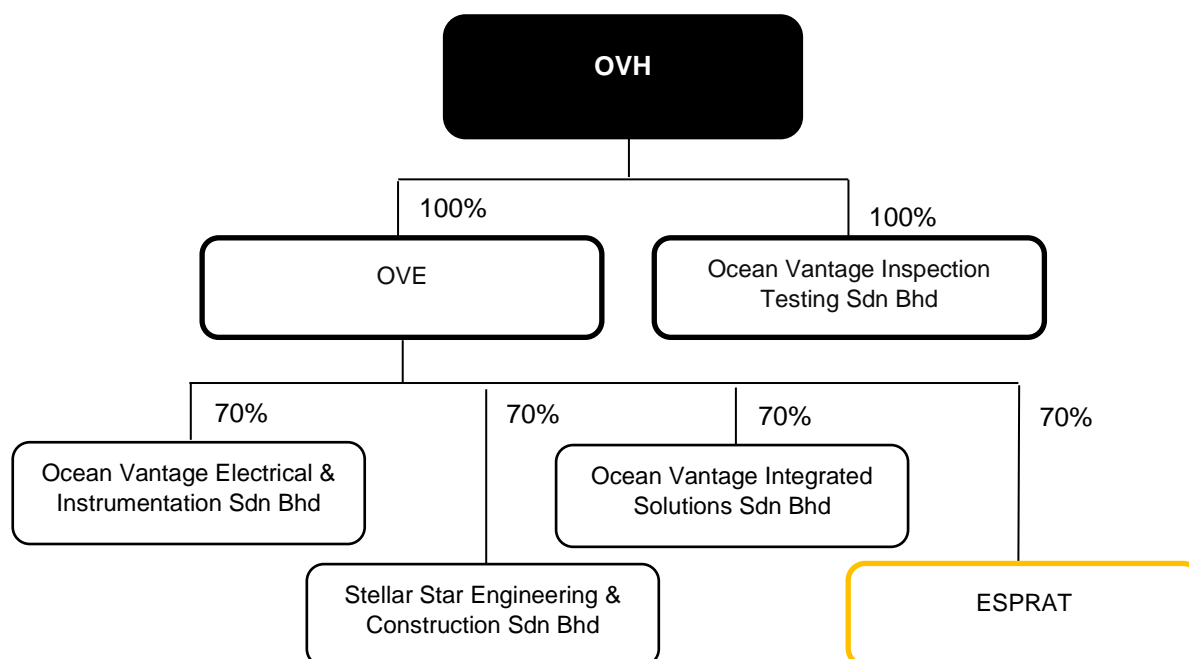


A10. Changes in the composition of the Group

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

On 7 October 2022, Ocean Vantage Engineering Sdn Bhd (“**OVE**”), the wholly-owned subsidiary of the Company has completed the acquisition of 700,000 ordinary shares, representing 70% of the enlarged total number of issued shares in Esprat Sdn. Bhd. (“**ESPRAT**”). Thereafter, ESPRAT became subsidiary of the Group.

OVH current corporate structure after the acquisition of the new subsidiary is as follows:



ESPRAT’s principal business activities are provision of specialised training and rental of equipment. ESPRAT is a multi-disciplined service provider to the petrochemical, energy, marine and civil industries supplying industrial rope access services and training, non-destructive testing inspection and pressurized habitat to numerous clients in Malaysia and internationally.

The issued and paid-up share capital is RM1,300,000.00 comprising 1,000,000 ordinary shares. The Directors and Shareholders in ESPRAT are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Directors					
Stuart Anak Utong	Malaysian	-	-	-	-
Rabika Tuah	Malaysian	-	-	-	-
Shareholders					
OVE	Malaysia	700,000	70.00	-	-
ESPRAT PTY. LTD	Australia	300,000	30.00	-	-
	Total	1,000,000	100.00	-	-

**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	
	31/12/2022	31/12/2021
	RM'000	RM'000
Secured		
Bank guarantee	9,353	568

A12. Capital commitments

There were no capital commitments in 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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Charged by a related party:				
- Rental of premise	33	33	132	132
- Legal consultancy services	45	45	180	180

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

Except as mentioned below, there were no other material events subsequent to the end of current financial quarter under review that have not been reflected in this interim financial statement.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Group's Performance

(a) Results for current financial quarter

	Unaudited		Variance	
	Quarter Ended			
	31/12/2022 ("Q4/22") RM'000	31/12/2021 ("Q4/21") RM'000	RM'000	%
Revenue	50,590	33,310	17,280	51.88%
PBT	(3,707)	1,125	(4,832)	-429.51%

The Group recorded revenue of RM50.59 million for the financial quarter ended Q4/22. This was mainly contributed by the EPC and project management segment and supply of manpower segment amounting to RM26.13 million or approximately 51.66% and RM22.65 million or approximately 44.77% of the Group's total revenue, respectively. The remaining revenue of RM1.81 million or approximately 3.57% was contributed by supply of material, tools and equipment segment.

The increase of revenue for the current financial quarter ended Q4/22 as compared to the previous financial quarter Q4/21 was contributed by the EPC and project management segment amounting to RM19.33 million. This was mainly due to the revenue derived from the Bintulu Additional Gas Sales Facility 2 ("**BAGSF 2**") project in the current financial quarter ended Q4/22. Meanwhile, both revenue from supply of manpower segment and supply of material, tools and equipment segment have reduced by RM1.88 million and RM0.17 million respectively.

The Group recorded slightly favourable overall GP margin during the current financial quarter ended Q4/22 as compared to the previous financial quarter Q4/21 mainly due to successful negotiation on the better contract rate for catering division.

The significant increase in administrative expenses by RM10.32 million for the current financial quarter ended Q4/22 was mainly due to impairment losses on trade receivables incurred in current financial quarter Q4/22 but the effect was mitigated by unrealised loss on foreign currency in current financial quarter ended Q4/22.

(b) Comparison between financial year-to-date results

	Unaudited		Variance	
	Year Ended			
	31/12/2022 ("Q4/22") RM'000	31/12/2021 ("Q4/21") RM'000	RM'000	%
Revenue	154,375	125,471	28,904	23.04%
PBT	4,298	13,569	(9,271)	-68.32%



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

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

For the current financial year end, the Group recorded a revenue of RM154.38 million as compared to the last financial year of RM125.47 million. The increase in revenue was mainly due to increase revenue from EPC and project management segment and supply of manpower segment by approximately RM23.33 million and RM8.33 million respectively. The increase of work progress for BAGSF 2 project further contribute to the increase for the current financial year as compared to last financial year. The increase in revenue from supply of manpower segment was due to the Group continuously to fulfil orders from rig operators. However, the supply of material, tools and equipment segment experience a decrease in revenue by RM2.76 million or approximately 29.64% due to business decision to halt business dealings with certain customers temporarily.

Overall, the Group's GP margin was relatively stable at the same level as recorded in both current and last financial year. The GP margin for EPC and project management segment has improved as compared to last financial year due to the absence of revenue contributed by low margin large-scale solar farm project in current financial year. However, the Group has recorded slightly lower gross profit ("GP") margin in supply of manpower segment. The contraction in GP margin for supply of manpower segment was due to hike in consumables in the catering division. Further, the GP margin from supply for material, tools and equipment segment was also witness a decreased due to the more competitive orders during the current financial year.

The significant increase in administrative expenses in the current financial year as compared to the last financial year was mainly due to higher impairment of trade receivables amounting to RM14.11 million and higher staff costs which was in tandem with higher business activity of the Group during the financial year.

B2. Comparison with immediate preceding quarter's results

	Unaudited		Variance	
	Quarter Ended			
	31/12/2022 ("Q4/22") RM'000	30/9/2022 ("Q3/22") RM'000	RM'000	%
Revenue	50,590	45,300	5,290	11.68%
PBT	(3,707)	3,107	(6,814)	-219.31%

The Group recorded an increase in revenue by RM5.29 million or 11.68% in the financial quarter Q4/22 as compared to the preceding financial quarter Q3/22. The increase in revenue was contributed mostly from the EPC and project management segment as the increase in work progress in BAGSF 2 project. However, the supply of manpower segment recorded a decrease in revenue as compared to the preceding financial quarter Q3/22 due to one of the catering contracts was ended in the current financial quarter.

The Group recorded favourable overall GP margin during the current financial quarter ended Q4/22 as compared to the preceding financial quarter ended Q3/22 mainly due to successful in negotiation on better contract rate for catering division.

The increase in administrative expenses by RM13.85 million for the current financial quarter ended Q4/22 was mainly due to impairment of trade receivables of RM11.00 million, higher staff related cost and unrealised loss on foreign currency.



B3. Commentary on prospects

Malaysia achieves a remarkable economic growth in year 2022 partly due to favourable key commodity price such as oil and palm oil, as Malaysia is a net exporter of these key commodities products.

Due to favourable oil prices, the expectation for the oil major to increase their spending and allocation especially in the regional upstream activities which bodes well for the Company outlook for the year 2023.

The Board decided to make further impairment for its trade receivables during the year which cause the group recorded its first ever loss making position since listing in year 2020. However, the Board will continue its efforts in strengthening the credit worthiness checking and minimise these credit risk of the Group moving forward.

As the global economic environment is expected to remain challenging at least for the short term and mid-term, we will continue to upskill our staff capability and continue our efforts in capturing new opportunity in both upstream and downstream businesses to fulfil its key long-term strategies.

Barring unforeseen circumstances, the Board remain optimistic that the Group financial performance in the financial year 2023 to remain resilience.

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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Malaysian Income Tax				
- Current tax	2,213	1,096	5,028	4,317
- (Over)/Underprovision in prior year	-	(296)	(281)	(148)
- Deferred tax liabilities	(92)	(452)	610	(256)
	<u>2,121</u>	<u>348</u>	<u>5,357</u>	<u>3,913</u>
Effective tax rates	57.22%	30.93%	124.64%	28.84%

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

Proposed subscription in ESPRAT

On 9 August 2022, OVE, a wholly-owned subsidiary of OVH, had entered into a Subscription Agreement (“**SA**”) for the subscription of 700,000 ordinary shares, representing 70% of the enlarged total number of issued shares in ESPRAT for a total cash consideration of RM1,000,000 only (“**Proposed Subscription**”).

The SA is conditional upon the following:

- (a) OVE being satisfied with the results of its legal, financial and/or business due diligence of ESPRAT; and
- (b) the execution of a rental distribution agreement to be entered into between ESPRAT and Enershield Pty Ltd T/A Safehouse Australia, being the South East Asia distributor of the Safehouse brand pressurized habitats (“**Safehouse Habitats**”). The rental distribution agreement will allow ESPRAT to import, market and rent Safehouse Habitats within Malaysia.

within 30 days from the date of the SA (“**Condition Period**”) or such further period as may be mutually agreed by both parties.

On 30 August 2022, OVE and the party to the SA have mutually agreed to extend the Condition Period for 30 days (i.e up to 10 October 2022) to fulfil the conditions listed above.

On 7 October 2022, the SA has been completed upon the fulfilment of the condition precedent set out within the SA.

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 November 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 30 November 2022.



B8. Status of utilisation of proceeds

Proceeds from the IPO

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.

On 21 July 2022, the Board had decided to extend the timeframe for the utilisation of IPO proceeds for an additional of 24 months from the initial timeframe for the utilisation of the IPO proceeds.

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> RM'000	<u>Actual Utilised</u> RM'000	<u>Unutilised Amount</u> RM'000	<u>Estimated timeframe for utilisation from Listing</u>
Broadening the range of support services	3,236	1,072	2,164	Within 48 months
Capital expenditure for the downstream O&G segment	8,592	3,555	5,037	Within 48 months
General working capital	6,544	4,304	2,240	Within 48 months
Listing expenses	3,000	3,000	-	Immediately
	<u>21,372</u>	<u>11,931</u>	<u>9,441</u>	

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

Proceeds from the Special Issue

The Special Issue has been completed following the listing of and quotation for a total of 8,939,564 Special Issue Shares at RM0.235 per shares on the ACE Market of Bursa Securities on 8 June 2022.

The details and status of the utilisation of proceeds from the Special Issue as at LPD are as follows:

<u>Details of Utilisation</u>	<u>Proposed Utilisation</u> RM'000	<u>Actual Utilised</u> RM'000	<u>Unutilised Amount</u> RM'000	<u>Estimated timeframe for utilisation from Listing</u>
Capital expenditure, acquisitions and investments	1,556	1,000	556	Within 36 months
Working Capital	424	424	-	Within 24 months
Estimated expenses	121	116	5	Immediately
	<u>2,101</u>	<u>1,540</u>	<u>561</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the announcement dated 3 September 2021.

OCEAN VANTAGE HOLDINGS BERHAD

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2022

**B9. Bank borrowings**

The Group's borrowings were as follows:

	Unaudited 12 months ended	
	31/12/2022 RM'000	31/12/2021 RM'000
<u>Secured</u>		
Current liabilities		
Bank overdraft	5,741	8
Lease liabilities	941	156
Term loan	62	64
	<u>6,744</u>	<u>228</u>
Non-current liabilities		
Lease liabilities	1,516	148
Term loan	1,196	1,250
	<u>2,712</u>	<u>1,398</u>
Total bank borrowings	<u>9,456</u>	<u>1,626</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.

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B12. Earnings Per Share (“EPS”)

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit after tax attributable to owners of the Company	<u>(5,970)</u>	<u>933</u>	<u>(1,063)</u>	<u>10,040</u>
Weighted average number of ordinary shares ('000)	<u>419,940</u>	<u>411,000</u>	<u>416,215</u>	<u>411,000</u>
Basic EPS (sen) ⁽¹⁾	<u>(1.42)</u>	<u>0.23</u>	<u>(0.26)</u>	<u>2.44</u>
Diluted EPS (sen) ⁽²⁾	<u>(1.42)</u>	<u>0.23</u>	<u>(0.26)</u>	<u>2.44</u>

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.

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Auditor's remuneration				
- current year	77	43	160	107
- underprovision in prior years	-	-	2	-
Advances written off	-	97	-	97
Depreciation of property, plant and equipment	569	304	1,775	1,132
Impairment loss on trade receivables	11,000	2,212	14,106	2,212
Reversal of impairment loss on trade receivables	-	-	(16)	-
Interest expense	91	56	522	130
Interest income	(39)	(67)	(138)	(153)
Realised (gain)/loss on foreign exchange	(4)	146	(203)	222
Rental expense on:				
- Premises	10	12	30	34
- Machinery and equipment	2,258	-	3,794	19
Unrealised loss/(gain) on foreign exchange	736	80	308	(57)

BY ORDER OF THE BOARD

28 February 2023

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