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# OCEAN VANTAGE HOLDINGS BERHAD

REGISTRATION NO.: 201801036887 (1298917-H)

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Interim Financial Report  
For The Third Quarter Ended  
30 September 2023



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023<sup>(1)</sup>**

	Notes	--- Individual Quarter ---  3 months ended		-- Cumulative Quarter --  9 months ended	
		Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000
Revenue	A9	39,382	45,300	135,600	103,785
Cost of sales		(32,390)	(39,063)	(110,999)	(83,287)
<b>Gross profit</b>		<b>6,992</b>	<b>6,237</b>	<b>24,601</b>	<b>20,498</b>
Other income		174	17	640	142
Administrative expenses		(4,183)	(3,098)	(11,941)	(12,204)
<b>Profit from operations</b>		<b>2,983</b>	<b>3,156</b>	<b>13,300</b>	<b>8,436</b>
Finance costs		(108)	(49)	(663)	(431)
<b>Profit before taxation ("PBT")</b>	B12	<b>2,875</b>	<b>3,107</b>	<b>12,637</b>	<b>8,005</b>
Taxation	B5	2,159	(1,130)	(228)	(3,236)
<b>Profit for the financial period</b>		<b>5,034</b>	<b>1,977</b>	<b>12,409</b>	<b>4,769</b>
<b>Other comprehensive loss, net of tax</b>					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		14	-	-	-
Reclassification adjustments of exchange translation reserve		1	-	1	-
<b>Total comprehensive income for the financial period</b>		<b>5,049</b>	<b>1,977</b>	<b>12,410</b>	<b>4,769</b>
<b>Profit/(Loss) for the financial period attributable to:</b>					
Owners of the Company		5,498	2,095	12,583	4,907
Non-controlling interests		(464)	(118)	(174)	(138)
		<b>5,034</b>	<b>1,977</b>	<b>12,409</b>	<b>4,769</b>
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>					
Owners of the Company		5,513	2,095	12,584	4,907
Non-controlling interests		(464)	(118)	(174)	(138)
		<b>5,049</b>	<b>1,977</b>	<b>12,410</b>	<b>4,769</b>
<b>Earnings per share attributable to owners of the parent (sen)</b>					
- Basic	B11	1.31	0.50	3.00	1.18
- Diluted	B11	1.31	0.50	3.00	1.18

**Note:**

<sup>(1)</sup> 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 2022 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 Third Quarter Ended 30 September 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023<sup>(1)</sup>**

	Notes	Unaudited As at 30/09/2023 RM'000	Audited As at 31/12/2022 RM'000
<b>Non-current asset</b>			
Property, plant and equipment		12,332	12,005
<b>Current assets</b>			
Inventories		550	387
Trade receivables		59,923	51,157
Contract assets		31,304	12,464
Other receivables, deposit and prepayments		4,310	5,412
Current tax assets		2,974	185
Fixed deposit placed with financial institutions		4,833	12,449
Cash and bank balances		14,983	5,288
		<u>118,877</u>	<u>87,342</u>
<b>Total assets</b>		<u>131,209</u>	<u>99,347</u>
<b>Equity</b>			
Share capital		39,188	39,188
Reserves		(12,695)	(12,695)
Retained earnings		46,942	34,358
		<u>73,435</u>	<u>60,851</u>
Non-controlling interests		20	194
		<u>73,455</u>	<u>61,045</u>
<b>Non-current liabilities</b>			
Bank borrowings	B8	1,639	2,765
Deferred tax liabilities		1,003	733
		<u>2,642</u>	<u>3,498</u>
<b>Current liabilities</b>			
Bank borrowings	B8	3,725	6,691
Trade payables		49,588	23,980
Contract liabilities		433	144
Other payables and accruals		1,243	2,560
Current tax liabilities		123	1,429
		<u>55,112</u>	<u>34,804</u>
<b>Total liabilities</b>		<u>57,754</u>	<u>38,302</u>
<b>Total equity and liabilities</b>		<u>131,209</u>	<u>99,347</u>
Number of ordinary shares in issue ('000)		419,940	419,940
Net assets per share attributable to owners of the parent (RM)		0.17	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 2022 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 THIRD QUARTER ENDED 30 SEPTEMBER 2023<sup>(1)</sup>**

	Non-distributable				Distributable		Total equity RM'000
	Share capital RM'000	Foreign currency translation reserve RM'000	Other reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Non-controlling interests RM'000	
<b>Balance as at 1 January 2022</b>	37,087	-	2,336	(15,031)	35,455	(235)	59,612
Profit/(Loss) for the financial period	-	-	-	-	4,907	(138)	4,769
<b>Transaction with owners:</b>							
Issuance of new ordinary shares	2,101	-	-	-	-	-	2,101
<b>Balance as at 30 September 2022</b>	<b>39,188</b>	<b>-</b>	<b>2,336</b>	<b>(15,031)</b>	<b>40,362</b>	<b>(373)</b>	<b>66,482</b>
<b>Balance as at 1 January 2023</b>	39,188	-	2,336	(15,031)	34,358	194	61,045
Profit for the financial period	-	-	-	-	12,583	(174)	12,409
Other comprehensive loss for the financial period	-	-	-	-	1	-	1
<b>Balance as at 30 September 2023</b>	<b>39,188</b>	<b>-</b>	<b>2,336</b>	<b>(15,031)</b>	<b>46,942</b>	<b>20</b>	<b>73,455</b>

**Note:**

<sup>(1)</sup> 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 2022 and the accompanying explanatory notes attached to this interim financial report



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023<sup>(1)</sup>**

	Unaudited 9 months ended	
	30/09/2023 RM'000	30/09/2022 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	12,637	8,005
Adjustments for:		
Depreciation of property, plant and equipment	1,744	1,206
Impairment loss on trade receivables	-	3,106
Interest expenses	663	431
Reversal of impairment loss on trade receivables	(52)	(16)
Gain from disposal of rights of use asset	(8)	-
Interest income	(70)	(99)
Unrealised gain on foreign exchange	(452)	(428)
<b>Operating profit before working capital changes</b>	<u>14,462</u>	<u>12,205</u>
<b>Changes in working capital</b>		
Inventories	(162)	(509)
Trade and other receivables	(6,809)	631
Trade and other payables	24,041	3,254
Contract assets	(18,839)	(11,412)
Contract liabilities	289	(293)
Cash generated from operations	<u>12,982</u>	<u>3,876</u>
Income tax paid	(4,055)	(3,482)
Net cash generated from operating activities	<u>8,927</u>	<u>394</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	70	61
Placement of fixed deposit with financial institutions	-	(4,500)
Changes in pledged deposits	1,005	-
Purchase of property, plant and equipment	(1,120)	(1,753)
Net cash used in investing activities	<u>(45)</u>	<u>(6,192)</u>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(663)	(431)
Proceeds from issuance of shares	-	2,101
Drawdown of short term borrowing	9,246	-
Repayment of short term borrowing	(10,935)	7
Repayment of term loans	(1,257)	(41)
Repayment of hire purchase liabilities	(238)	-
Repayment of lease liabilities	(493)	(446)
Net cash (used in)/generated from financing activities	<u>(4,340)</u>	<u>1,190</u>
<b>Net change in cash and cash equivalents</b>	<u>4,542</u>	<u>(4,608)</u>
<b>Effect of exchange rate fluctuations on cash held</b>	<u>(101)</u>	<u>64</u>
<b>Cash and cash equivalents as at beginning of financial period</b>	<u>3,176</u>	<u>10,897</u>
<b>Cash and cash equivalents as at end of financial period</b>	<u>7,617</u>	<u>6,353</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 2022 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 2022 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 2022. 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 2022. 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 2023.

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

###### Amendments/Improvement to MFRSs

- MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
- MFRS 7	Financial Instruments: Disclosures
- MFRS 9	Financial Instruments
- MFRS 15	Revenue from Contracts with Customers
- MFRS 101	Presentation of Financial Statements
- MFRS 107	Statements of Cash Flows
- MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
- MFRS 112	Income Taxes
- MFRS 116	Property, Plant and Equipment
- MFRS 119	Employee Benefits



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

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

#### Amendments/Improvement to MFRSs (Cont'd)

- MFRS 132	Financial instruments: Presentation
- MFRS 136	Impairment of Assets
- MFRS 137	Provisions, Contingent Liabilities and Contingent Assets

### **(b) New MFRS, Amendments/improvements to MFRSs and IC Interpretations, but not yet effective for annual period beginning on or after 1 January 2023**

<u>Amendments/Improvements to MFRSs</u>		<b>Effective for financial periods beginning on or after</b>
- MFRS 10	Consolidated Financial Statements	Deferred
- MFRS 16	Leases	1 January 2024
- MFRS 101	Presentation of Financial Statements	1 January 2024
- MFRS 128	Investments in Associates and Joint Ventures	Deferred

## **A3. Auditors' report**

The audited financial statements of the Group for the financial year ended 31 December 2022 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:-

	30 September 2023							30 September 2022						
	EPC and Project Management	Supply of Manpower	Supply of material, tools and equipment	Drilling Rig Charter	Management fee	Adjustment and eliminations	Total	EPC and Project Management	Supply of Manpower	Supply of material, tools and equipment	Management fee	Adjustment and eliminations	Total	
	RM'000	RM'000	RM'000	RM	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>														
External customers	72,097	58,004	4,961	538	-	-	135,600	35,016	64,025	4,744	-	-	103,785	
Inter-segment revenue	26,933	-	-	(20)	2,950	(29,863)	-	8,111	-	-	2,546	(10,657)	-	
	<u>99,030</u>	<u>58,004</u>	<u>4,961</u>	<u>518</u>	<u>2,950</u>	<u>(29,863)</u>	<u>135,600</u>	<u>43,127</u>	<u>64,025</u>	<u>4,744</u>	<u>2,546</u>	<u>(10,657)</u>	<u>103,785</u>	
<b>Segment profit</b>	9,770	13,031	1,262	538	-	-	24,601	10,916	8,843	739	-	-	20,498	
Other income							640						142	
Unallocated expenses							(11,941)						(12,204)	
Finance costs							(663)						(431)	
Income tax expense							(228)						(3,236)	
Profit for the period							<u>12,409</u>						<u>4,769</u>	
<b>Results:</b>														
<i>Included in the measure of segment profit are:</i>														
Employee benefit expenses	3,932	1,239	-	-	-	-	5,171	1,087	2,495	-	-	-	3,582	
Depreciation	860	-	-	-	-	-	860	681	-	-	-	-	681	





**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.

	<b>Unaudited</b>	
	<b>9 months ended</b>	
	<b>30/09/2023</b>	<b>30/09/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>		
Bank guarantee	11,353	10,403

**A12. Capital commitments**

Capital commitments not provided for in current financial quarter under review are as follows:

	<b>Unaudited</b>	
	<b>9 months ended</b>	
	<b>30/09/2023</b>	<b>30/09/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Contracted but not provided for</b>		
Machinery	-	30

**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:-

	<b> --- Individual Quarter --- </b>		<b> --- Cumulative Quarter --- </b>	
	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>30/09/2023</b>	<b>30/09/2022</b>	<b>30/09/2023</b>	<b>30/09/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Charged by a related party:				
- Rental of premise	33	33	99	99
- Legal consultancy services	45	45	135	135

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.

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

**B1. Review of Group's Performance**

(a) Results for current financial quarter

	Unaudited Quarter Ended		Variance	
	30/09/2023	30/09/2022	RM'000	%
	("Q3/23")	("Q3/22")		
	RM'000	RM'000		
Revenue	39,382	45,300	(5,918)	-13.06%
PBT	2,875	3,107	(232)	-7.47%

The Group recorded revenue of RM39.38 million for the current financial quarter Q3/23. This was mainly contributed by the supply of manpower segment and EPC and project management segment amounting to RM20.96 million and RM16.45 million of the Group's total revenue, respectively. The remaining revenue contribution of RM1.43 million and RM0.54 million were derived from supply of material, tools and equipment segment and drilling rig charter segment.

As compared to corresponding financial quarter Q3/22, the Group recorded a decrease in revenue of RM5.91 million or 13.06% across all segments of the Group except for drilling rig charter segment in current financial quarter Q2/23. The drop of revenue in EPC and project management segment and supply of manpower segment are mainly due to the escalation of materials and manpower costs in BAGSF 2 project and a lower revenue contribution from the catering division and lower recovery cost revenue respectively.

The Group recorded an increase in administrative expenses in current financial quarter Q3/23 as compared to corresponding financial quarter Q3/22 due to increases in staff costs and unrealised foreign exchange loss.

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

	Unaudited Cumulative Quarter Ended		Variance	
	30/09/2023	30/09/2022	RM'000	%
	("Q3/23")	("Q3/22")		
	RM'000	RM'000		
Revenue	135,600	103,785	31,815	30.65%
PBT	12,637	8,005	4,632	57.86%

The Group recorded a revenue of RM135.60 million for the current cumulative quarter Q3/23. The revenue was contributed by EPC and project management segment amounting to RM72.10 million, manpower supply segment amounting to RM58 million, supply of material, tools and equipment segment amounting to RM4.96 million and drilling rig charter segment amounting to RM0.58 million.



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

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

The increase of revenue for the current cumulative financial quarter Q3/23 as compared to the corresponding cumulative financial quarter Q3/22 was mainly derived from the EPC and project management segment amounting to RM37.08 million. This higher revenue contribution from EPC and project management segment is mainly due to revenue recognition from the BAGSF 2 project in the current cumulative financial quarter ended Q3/23. Meanwhile, revenue from supply of manpower segment has seen a decrease of RM6.02 million or 9.40% as compared to corresponding cumulative financial quarter Q3/22 due to lower contribution from catering division and lower recovery cost revenue generated.

The Group recorded a lower overall GP margin in current financial quarter Q3/23 at 18.14% as compared to corresponding cumulative financial quarter Q3/22. The decrease was mainly due to the escalation of materials and manpower costs in BAGSF 2 project which cause the GP margin for EPC and project management segment reduce significantly.

The reduction in administrative expenses by RM0.26 million for the current cumulative financial quarter Q3/23 compared to corresponding cumulative financial quarter Q3/22 is due to the recognition of impairment on trade receivables in the corresponding cumulative financial quarter Q3/22. However, the effect of decrease in administrative expenses is mitigated by the increase in staff costs, depreciation, and foreign exchange loss.

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

	Unaudited		Variance	
	Quarter Ended			
	30/09/2023 ("Q3/23") RM'000	30/06/2023 ("Q2/23") RM'000	RM'000	%
Revenue	39,382	48,767	(9,385)	-19.24%
PBT	2,875	6,619	(3,744)	-56.56%

The Group recorded a decrease in revenue by RM9.39 million in the financial quarter Q3/23 as compared to the preceding financial quarter Q2/23. The decrease in revenue was mainly contributed by lower revenue recognition in EPC and project management segment, majority from BAGSF 2 project. However, the revenue contribution from manpower supply segment still continue to show an increase of RM3.00 million as compared to the preceding financial quarter Q2/2023.

The overall GP margin has shown a decrease from 20.81% in the financial quarter Q2/23 to 17.75% in the current financial quarter Q3/23 is mainly due to the escalation of materials and manpower costs in BAGSF 2 project.

The current financial quarter Q3/23 recorded an increase in administrative expenses by RM0.34 million, mainly due to increases in unrealised foreign exchange loss.



**B3. Commentary on prospects**

The global oil and gas outlook industry is to remain its robust outlook in which it is contribute by the global economic conditions and prolonged geopolitical tensions. Besides, the supply of oil and gas market is expected to be tighten due to the extended production cuts and voluntary cut by OPEC+ and OPEC respectively.

The major oil producers are expected to continue to increase their CAPEX due to prolonged lack of investment in the past. The Group continues its participation in various tenders, both onshore and offshore projects focusing in East Malaysia where most of the upcoming high-profile and high value projects were expected to announce.

In view of the above, the Group remains focused in pursuing its key long-term strategies to ensure the business model adopted is able to generate sustainable revenue stream over times. Therefore, the Group shall continue its investment in human capital development by multitasking the workforce to ensure we remain efficient and competitive.

Barring any unforeseen circumstances, the Group remains cautiously optimistic of its positive performance in the financial year ending 31 December 2023.

**B4. Profit forecast or profit guarantee**

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

**B5. Taxation**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Malaysian Income Tax				
- Current tax	1,647	842	3,797	2,815
- (Over)/Underprovision in prior year	(3,839)	(281)	(3,839)	(281)
- Deferred tax liabilities	33	569	270	702
	<u>(2,159)</u>	<u>1,130</u>	<u>228</u>	<u>3,236</u>
Effective tax rates	-75.10%	36.37%	1.80%	40.42%

The Group's effective tax rate for current financial quarter under review is in positive territory as tax authority granted a tax refund to one of the Group subsidiaries.



**B6. 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 August 2023.

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 24 August 2023.

**B7. 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>	<u>Actual Utilised</u>	<u>Unutilised Amount</u>	<u>Estimated timeframe for utilisation from Listing</u>
	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	
Broadening the range of support services	3,236	1,216	2,020	Within 48 months
Capital expenditure for the downstream O&G segment	8,592	3,779	4,813	Within 48 months
General working capital	6,544	4,948	1,596	Within 48 months
Listing expenses	3,000	3,000	-	Immediately
	<u>21,372</u>	<u>12,943</u>	<u>8,429</u>	

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

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**B8. Bank borrowings**

The Group's borrowings were as follows:

	<b>Unaudited</b>	
	<b>9 months ended</b>	
	<b>30/09/2023</b>	<b>30/09/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Secured</u></b>		
<b>Current liabilities</b>		
Bank overdraft	755	15
Hire purchase liabilities	348	225
Lease liabilities	683	568
Short term borrowing	1,939	-
Term loan	-	57
	<u>3,725</u>	<u>865</u>
<b>Non-current liabilities</b>		
Hire purchase liabilities	1,066	931
Lease liabilities	573	706
Term loan	-	1,215
	<u>1,639</u>	<u>2,852</u>
Total bank borrowings	<u>5,364</u>	<u>3,717</u>

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

**B9. Material litigation**

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

**B10. Dividends proposed**

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

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**B11. Earnings Per Share (“EPS”)**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company	5,498	2,095	12,583	4,907
Weighted average number of ordinary shares ('000)	419,940	416,960	419,940	414,973
Basic EPS (sen)	1.31	0.50	3.00	1.18
Diluted EPS (sen)	1.31	0.50	3.00	1.18

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.

The Group has no dilution impact in their earnings per share as there was no potential dilutive ordinary shares during the current financial period.

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**B12. Disclosure on selected expense/(income) items as required by the Listing Requirements**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
<b>Profit before tax is arrived at after charging/(crediting):-</b>				
Auditor's remuneration				
- current year	41	28	121	83
- underprovision in prior years	-	-	-	2
Depreciation of property, plant and equipment	582	464	1,744	1,206
Gain from disposal of rights of use asset	(1)	-	(8)	-
Impairment loss on trade receivables	-	-	-	3,106
Reversal of impairment loss on trade receivables	-	-	(52)	(16)
Interest expense	108	49	663	431
Interest income	(26)	(14)	(70)	(99)
Realised (gain)/loss on foreign exchange	(110)	(112)	177	(199)
Rental expense on:				
- Premises	37	4	86	20
- Machinery and equipment	2,902	1,045	9,266	1,536
Unrealised loss/(gain) on foreign exchange	258	(209)	(452)	(428)
	<u>258</u>	<u>(209)</u>	<u>(452)</u>	<u>(428)</u>

**BY ORDER OF THE BOARD****23 November 2023**

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