



---

# OCEAN VANTAGE HOLDINGS BERHAD

REGISTRATION NO.: 201801036887 (1298917-H)

---

Interim Financial Report  
For The Fourth Quarter Ended  
31 December 2023

**OCEAN VANTAGE HOLDINGS BERHAD**

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023<sup>(1)</sup>**

	Notes	--- Individual Quarter ---  3 months ended		-- Cumulative Quarter --  12 months ended	
		Unaudited 31/12/2023 RM'000	Unaudited 31/12/2022 RM'000	Unaudited 31/12/2023 RM'000	Unaudited 31/12/2022 RM'000
Revenue	A9	34,092	51,319	169,692	155,104
Cost of sales		(40,338)	(38,269)	(151,337)	(121,556)
<b>Gross (loss)/profit</b>		<b>(6,246)</b>	<b>13,050</b>	<b>18,355</b>	<b>33,548</b>
Other income		277	320	584	462
Administrative expenses		(5,569)	(17,034)	(17,177)	(29,238)
<b>(Loss)/Profit from operations</b>		<b>(11,538)</b>	<b>(3,664)</b>	<b>1,762</b>	<b>4,772</b>
Finance costs		(87)	(91)	(750)	(522)
<b>(Loss)/Profit before taxation ("PBT")</b>	B12	<b>(11,625)</b>	<b>(3,755)</b>	<b>1,012</b>	<b>4,250</b>
Taxation	B5	2,727	(2,124)	2,499	(5,360)
<b>(Loss)/Profit for the financial year</b>		<b>(8,898)</b>	<b>(5,879)</b>	<b>3,511</b>	<b>(1,110)</b>
<b>Other comprehensive (loss)/income, net of tax</b>					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Reclassification adjustment of exchange translation reserve		-	-	1	-
<b>Total comprehensive (loss)/income for the financial year</b>		<b>(8,898)</b>	<b>(5,879)</b>	<b>3,512</b>	<b>(1,110)</b>
<b>(Loss)/Profit for the financial year attributable to:</b>					
Owners of the Company		(9,082)	(6,004)	3,501	(1,097)
Non-controlling interests		184	125	10	(13)
		<b>(8,898)</b>	<b>(5,879)</b>	<b>3,511</b>	<b>(1,110)</b>
<b>Total comprehensive (loss)/income for the financial year attributable to:</b>					
Owners of the Company		(9,082)	(6,004)	3,502	(1,097)
Non-controlling interests		184	125	10	(13)
		<b>(8,898)</b>	<b>(5,879)</b>	<b>3,512</b>	<b>(1,110)</b>
<b>(Loss)/Earnings per share attributable to owners of the parent (sen)</b>					
- Basic	B11	(2.16)	(1.43)	0.83	(0.26)
- Diluted	B11	(2.16)	(1.43)	0.83	(0.26)

**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 2022 and the accompanying explanatory notes attached to this interim financial report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023<sup>(1)</sup>**

	Notes	Unaudited As at 31/12/2023 RM'000	Audited As at 31/12/2022 RM'000
<b>Non-current asset</b>			
Property, plant and equipment		11,890	12,005
<b>Current assets</b>			
Inventories		331	387
Trade receivables		54,720	51,157
Contract assets		22,362	12,464
Other receivables, deposit and prepayments		5,618	5,412
Current tax assets		4,199	185
Fixed deposit placed with financial institutions		5,313	12,449
Cash and bank balances		14,913	5,288
		<u>107,456</u>	<u>87,342</u>
<b>Total assets</b>		<u>119,346</u>	<u>99,347</u>
<b>Equity</b>			
Share capital		39,188	39,188
Reserves		(12,695)	(12,695)
Retained earnings		37,860	34,358
		<u>64,353</u>	<u>60,851</u>
Non-controlling interests		204	194
		<u>64,557</u>	<u>61,045</u>
<b>Non-current liabilities</b>			
Bank borrowings	B8	1,379	2,765
Deferred tax liabilities		915	733
		<u>2,294</u>	<u>3,498</u>
<b>Current liabilities</b>			
Bank borrowings	B8	4,500	6,691
Trade payables		40,508	23,980
Contract liabilities		-	144
Other payables and accruals		7,398	2,560
Current tax liabilities		89	1,429
		<u>52,495</u>	<u>34,804</u>
<b>Total liabilities</b>		<u>54,789</u>	<u>38,302</u>
<b>Total equity and liabilities</b>		<u>119,346</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)		0.15	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 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 Fourth Quarter Ended 31 December 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023<sup>(1)</sup>**

	-----Non-distributable-----			-----Distributable-----		
	Share capital RM'000	Other reserves RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Balance as at 1 January 2022</b>	37,087	2,336	(15,031)	35,455	(235)	59,612
Loss for the financial year	-	-	-	(1,097)	(13)	(1,110)
<b>Transaction with owners:</b>						
Issuance of new ordinary shares	2,101	-	-	-	-	2,101
Non-controlling interests arising from acquisition of a subsidiary	-	-	-	-	442	442
<b>Balance as at 31 December 2022</b>	<b>39,188</b>	<b>2,336</b>	<b>(15,031)</b>	<b>34,358</b>	<b>194</b>	<b>61,045</b>
<b>Balance as at 1 January 2023</b>	39,188	2,336	(15,031)	34,358	194	61,045
Profit for the financial year	-	-	-	3,501	10	3,511
Other comprehensive income for the financial year	-	-	-	1	-	1
<b>Balance as at 31 December 2023</b>	<b>39,188</b>	<b>2,336</b>	<b>(15,031)</b>	<b>37,860</b>	<b>204</b>	<b>64,557</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

**OCEAN VANTAGE HOLDINGS BERHAD**

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023<sup>(1)</sup>**

	Unaudited 12 months ended	
	31/12/2023 RM'000	31/12/2022 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	1,012	4,250
Adjustments for:		
Depreciation of property, plant and equipment	2,331	1,775
Gain from bargain purchase arising from acquisition of a subsidiary	-	(31)
Impairment loss on trade receivables	-	14,106
Interest expenses	750	522
Other receivables written off	-	18
Reversal of impairment loss on trade receivables	(52)	(16)
Gain from disposal of rights of use asset	(8)	-
Gain from disposal of property, plant and equipment	(25)	-
Property, plant and equipment written off	9	-
Interest income	(209)	(138)
Unrealised (gain)/loss on foreign exchange	(232)	308
<b>Operating profit before working capital changes</b>	3,576	20,794
<b>Changes in working capital</b>		
Inventories	56	(91)
Trade and other receivables	(3,649)	(20,131)
Trade and other payables	21,654	12,604
Contract assets	(9,898)	(12,222)
Contract liabilities	(144)	(149)
Cash generated from operations	11,595	805
Income tax paid	(2,674)	(4,753)
Net cash generated from/(used in) operating activities	8,921	(3,948)
<b>Cash Flows from Investing Activities</b>		
Interest received	209	138
Changes in pledged deposits	1,522	(5,949)
Purchase of property, plant and equipment	(1,275)	(2,516)
Proceeds from disposal of property, plant and equipment	18	-
Net cash outflow from acquisition of a subsidiary	-	(50)
Net cash generated from/(used in) investing activities	474	(8,377)

**OCEAN VANTAGE HOLDINGS BERHAD**

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023<sup>(1)</sup> (Cont'd)**

	Unaudited 12 months ended	
	31/12/2023 RM'000	31/12/2022 RM'000
<b>Cash Flows from Financing Activities</b>		
Interest paid	(750)	(522)
Proceeds from issuance of shares	-	2,101
Drawdown of short term borrowing	11,189	3,713
Repayment of short term borrowing	(11,362)	(85)
Repayment of term loans	(1,257)	(56)
Repayment of hire purchase liabilities	(323)	(180)
Repayment of lease liabilities	(654)	(508)
Net cash (used in)/generated from financing activities	(3,157)	4,463
<b>Net change in cash and cash equivalents</b>	<b>6,238</b>	<b>(7,862)</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>(115)</b>	<b>99</b>
<b>Cash and cash equivalents as at beginning of financial year</b>	<b>3,176</b>	<b>10,939</b>
<b>Cash and cash equivalents as at end of financial year</b>	<b>9,299</b>	<b>3,176</b>

**Notes:**

- <sup>(1)</sup> 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



## **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.



**OCEAN VANTAGE HOLDINGS BERHAD**

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2023

**A9. Segmental Reporting**

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

	31 December 2023							31 December 2022					
	EPC and Project Management RM'000	Supply of Manpower RM'000	Supply of material, tools and equipment RM'000	Drilling Rig Charter RM	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
<b>Revenue:</b>													
External customers	84,625	77,268	6,496	1,303	-	-	169,692	61,881	86,673	6,550	-	-	155,104
Inter-segment revenue	33,829	-	-	50	3,851	(37,730)	-	17,328	-	-	3,162	(20,490)	-
	<u>118,454</u>	<u>77,268</u>	<u>6,496</u>	<u>1,353</u>	<u>3,851</u>	<u>(37,730)</u>	<u>169,692</u>	<u>79,209</u>	<u>86,673</u>	<u>6,550</u>	<u>3,162</u>	<u>(20,490)</u>	<u>155,104</u>
<b>Segment profit</b>	(3,043)	18,678	1,417	1,303	-	-	18,355	15,657	16,923	968	-	-	33,548
Other income							584						462
Unallocated expenses							(17,177)						(29,238)
Finance costs							(750)						(522)
Income tax expense							2,499						(5,360)
Profit/(Loss) for the financial year							<u>3,511</u>						<u>(1,110)</u>
<b>Results:</b>													
<i>Included in the measure of segment profit are:</i>													
Employee benefit expenses	5,314	1,556	-	-	-	-	6,870	2,228	3,671	-	-	-	5,899
Depreciation	1,152	-	-	-	-	-	1,152	934	-	-	-	-	934



**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>12 months ended</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>		
Bank guarantee	11,353	9,353

**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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	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**

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 Quarter Ended		Variance	
	31/12/2023 ("Q4/23") RM'000	31/12/2022 ("Q4/22") RM'000	RM'000	%
Revenue	34,092	51,319	(17,227)	-33.57%
PBT	(11,625)	(3,755)	(7,870)	209.59%

The Group recorded revenue of RM34.09 million for the current financial quarter Q4/23. This was mainly derived from the supply of manpower segment and EPC and project management segment amounting to RM19.26 million and RM12.53 million of the Group's total revenue respectively. The remaining revenue contribution of RM2.30 million were derived from supply of material, tools and equipment segment amounting to RM1.54 million and drilling rig charter segment amounting to RM0.76 million.

As compared to corresponding financial quarter Q4/22, the Group recorded a decrease in revenue of RM17.23 million or 33.57% across all segments of the Group except for drilling rig charter segment. The drop of revenue in EPC and project management segment was mainly due to Bintulu Additional Gas Sales Facility 2 ("BAGSF 2") project is toward completion, thus lead to lesser work in progress. The decrease in revenue from supply of manpower segment was due to lower recovery cost revenue during the current financial quarter Q4/23.

The overall GP margin has shown a decrease from 25.43% in the previous financial quarter Q4/22 to -18.32% in current financial quarter Q4/23, mainly due to the project loss incurred for BAGSF 2 project, predominately due to the escalation of materials and manpower costs.

The significant decrease in administrative expenses by RM11.46 million in current financial quarter Q4/23 as compared to corresponding financial quarter Q4/22 was due to the recognition of impairment on trade receivables of RM11 million in the corresponding financial quarter Q4/22.

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

	Unaudited Cumulative Quarter Ended		Variance	
	31/12/2023 ("Q4/23") RM'000	31/12/2022 ("Q4/22") RM'000	RM'000	%
Revenue	169,692	155,104	14,588	9.41%
PBT	1,012	4,250	(3,238)	-76.19%

The Group recorded a revenue of RM169.69 million for the current cumulative financial quarter Q4/23. The revenue was contributed by EPC and project management segment amounting to RM84.62 million, manpower supply segment amounting to RM77.27 million, supply of material, tools and equipment segment amounting to RM6.50 million and drilling rig charter segment amounting to RM1.30 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 Q4/23 as compared to the corresponding cumulative financial quarter Q4/22 was mainly derived from the EPC and project management segment amounting to RM22.74 million. This higher revenue contribution from EPC and project management segment is mainly due to higher revenue recognition from the BAGSF 2 project in the current cumulative financial quarter ended Q4/23. Meanwhile, revenue from supply of manpower segment has seen a decrease of RM9.40 million or 10.85% as compared to corresponding cumulative financial quarter Q4/22 due to lower contribution from catering division and lower recovery cost revenue generated.

The Group recorded a lower overall GP margin in current cumulative financial quarter Q4/23 at 10.82% as compared to corresponding cumulative financial quarter Q4/22 of 21.63%. The decrease was mainly due to the escalation of materials and manpower costs incurred in BAGSF 2 project which cause the GP margin for EPC and project management segment reduce significantly.

The reduction in administrative expenses by RM12.06 million for the current cumulative financial quarter Q4/23 compared to corresponding cumulative financial quarter Q4/22 is due to the recognition of impairment on trade receivables in the corresponding cumulative financial quarter Q4/22. However, the effect of decrease in administrative expenses is mitigated by the increase in staff costs and depreciation.

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

	Unaudited		Variance	
	Quarter Ended			
	31/12/2023	30/09/2023		
	("Q4/23")	("Q3/23")		
	RM'000	RM'000	RM'000	%
Revenue	34,092	39,382	(5,290)	-13.43%
PBT	(11,625)	2,875	(14,500)	-504.35%

The Group recorded a decrease in revenue by RM5.29 million in the financial quarter Q4/23 as compared to the preceding financial quarter Q3/23. The decrease in revenue was mainly contributed by lower revenue recognition in EPC and project management segment, majority from BAGSF 2 project, as well as reduced revenue contribution from manpower supply segment.

The overall GP margin has shown a decrease from 17.75% in the financial quarter Q3/23 to -18.32% in the current financial quarter Q4/23, mainly due to the project loss incurred for BAGSF 2 project, predominately due to the escalation of materials and manpower costs.

The current financial quarter Q4/23 recorded an increase in administrative expenses by RM1.39 million as compared to preceding financial quarter Q3/23, mainly due to increases in staff related expenses.



### B3. Commentary on prospects

Global oil and gas outlook will remain robust despite geopolitical conflicts in Europe and the Middle East that is seen to push energy prices higher and contribute to a slower economic growth while keeping inflation in check. As a counter measure, global oil and gas majors are investing into new technologies to increase production efficiency in its attempt to lower production costs in anticipation of an upcoming peak in oil and gas demand once global economic growth is accelerated as the industry will rely on barrels that are produced at the lowest cost and emissions possible. The group expects OPEC+ will continue its production restraint to keep prices near current levels.

The Group remains focus in pursuing its key long-term strategies to diversify its business interests to generate a sustainable revenue stream while maintaining a steady growth. The Group continues to pursue opportunities in the energy sector exploring potentials over entire value chain in the oil and gas, renewable energy, power generation, electric vehicle ecosystem, infrastructure and many more.

Barring any unforeseen circumstances, the Group remains cautiously optimistic of its continued positive performance in financial year 2024.

### 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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Malaysian Income Tax				
- Current tax	(2,639)	2,216	1,158	5,031
- Overprovision in prior years	-	-	(3,839)	(281)
- Deferred tax liabilities	(88)	(92)	182	610
	<u>(2,727)</u>	<u>2,124</u>	<u>(2,499)</u>	<u>5,360</u>
Effective tax rates	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(2)</sup>	126.12% <sup>(3)</sup>

#### Notes:

- (1) For the preceding financial quarter and current financial quarter under review, the effective tax rate is not applicable due to the losses incurred.
- (2) The Group's effective tax rate for current cumulative financial quarter under review is in positive territory as tax authority granted a tax refund to one of the Group subsidiaries.
- (3) The Group's effective tax rate for preceding cumulative financial 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 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 23 November 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 23 November 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	1,265	1,971	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	5,171	1,373	Within 48 months
Listing expenses	3,000	3,000	-	Immediately
	<u>21,372</u>	<u>13,215</u>	<u>8,157</u>	

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

**OCEAN VANTAGE HOLDINGS BERHAD**

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2023

**B8. Bank borrowings**

The Group's borrowings were as follows:

	<b>Unaudited</b>	
	<b>12 months ended</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Secured</u></b>		
<b>Current liabilities</b>		
Bank overdraft	-	2,112
Hire purchase liabilities	354	230
Lease liabilities	691	659
Short term borrowing	3,455	3,628
Term loan	-	62
	<u>4,500</u>	<u>6,691</u>
<b>Non-current liabilities</b>		
Hire purchase liabilities	974	872
Lease liabilities	405	697
Term loan	-	1,196
	<u>1,379</u>	<u>2,765</u>
<b>Total bank borrowings</b>	<u><b>5,879</b></u>	<u><b>9,456</b></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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**OCEAN VANTAGE HOLDINGS BERHAD**

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2023

**B11. Earnings Per Share (“EPS”)**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit after tax attributable to owners of the Company	<u>(9,082)</u>	<u>(6,004)</u>	<u>3,501</u>	<u>(1,097)</u>
Weighted average number of ordinary shares ('000)	<u>419,940</u>	<u>419,940</u>	<u>419,940</u>	<u>416,215</u>
Basic EPS (sen)	<u>(2.16)</u>	<u>(1.43)</u>	<u>0.83</u>	<u>(0.26)</u>
Diluted EPS (sen)	<u>(2.16)</u>	<u>(1.43)</u>	<u>0.83</u>	<u>(0.26)</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.

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



**OCEAN VANTAGE HOLDINGS BERHAD**

Registration No.: 201801036887 (1298917-H)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 December 2023

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited		Unaudited	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
<b>(Loss)/Profit before tax is arrived at after charging/(crediting):-</b>				
Auditor's remuneration				
- current year	38	67	159	150
- underprovision in prior years	-	-	-	2
- non-audit services	14	42	14	42
Depreciation of property, plant and equipment	587	569	2,331	1,775
Gain from disposal of rights of use asset	-	-	(8)	-
Gain from disposal of property, plant and equipment	(25)	-	(25)	-
Property, plant and equipment written off	9	-	9	-
Gain from bargain purchase arising from acquisition of a subsidiary	-	(31)	-	(31)
Impairment loss on trade receivables	-	11,000	-	14,106
Reversal of impairment loss on trade receivables	-	-	(52)	(16)
Other receivables written off	-	18	-	18
Interest expense	87	91	750	522
Interest income	(139)	(39)	(209)	(138)
Realised (gain)/loss on foreign exchange	(113)	(4)	64	(203)
Rental expense on:				
- Premises	16	10	102	30
- Machinery and equipment	2,497	2,288	11,763	3,824
Unrealised loss/(gain) on foreign exchange	220	736	(232)	308
	<u>220</u>	<u>736</u>	<u>(232)</u>	<u>308</u>

**BY ORDER OF THE BOARD****26 February 2024**