



TAS OFFSHORE BERHAD

Registration No : 200801008892 (810179-T)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

<u>CONTENTS</u>	<u>PAGE</u>
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	1
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	4 - 5
NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134)	6 - 9
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS	10 - 13



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 29 FEBRUARY 2024

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER 29 FEB 2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 28 FEB 2023 RM'000	CURRENT YEAR TO DATE 29 FEB 2024 RM'000	PRECEDING YEAR TO DATE 28 FEB 2023 RM'000
Revenue	34,550	5,549	67,793	17,840
Cost of sales	(26,478)	(4,485)	(51,379)	(14,861)
Gross profit	<u>8,072</u>	<u>1,064</u>	<u>16,414</u>	<u>2,979</u>
Other income	1,423	235	2,558	1,370
Administrative expenses	(1,777)	(536)	(5,008)	(4,474)
Operating profit/(loss)	<u>7,718</u>	<u>763</u>	<u>13,964</u>	<u>(125)</u>
Finance costs	(35)	(62)	(202)	(213)
Profit/(Loss) before taxation	<u>7,683</u>	<u>701</u>	<u>13,762</u>	<u>(338)</u>
Taxation	(1,621)	(47)	(3,266)	(99)
Profit/(Loss) for the period	<u>6,062</u>	<u>654</u>	<u>10,496</u>	<u>(437)</u>
Other comprehensive loss				
<i>Items that will be reclassified subsequently to profit or loss, net of tax effects :</i>				
Loss on foreign currency translation	-	-	-	(1)
Total other comprehensive loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
Total comprehensive income/(loss) for the period	<u>6,062</u>	<u>654</u>	<u>10,496</u>	<u>(438)</u>
Attributable to owners of the Company				
- Profit/(Loss) for the period	6,062	654	10,496	(437)
- Total comprehensive income/(loss) for the period	6,062	654	10,496	(438)
Earnings/(Loss) per share attributable to ordinary equity holders of the Company (sen)				
- Basic	3.39	0.37	5.87	(0.24)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024

	UNAUDITED AS AT 29 FEB 2024 RM'000	AUDITED AS AT 31 MAY 2023 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	19,240	19,751
Other investments	34,284	29,027
Deferred tax assets	3,242	1,672
	<u>56,766</u>	<u>50,450</u>
Current Assets		
Other investments	966	524
Inventories	77,682	57,111
Contract assets	-	2,515
Trade and other receivables	13,375	20,038
Derivatives financial assets	-	2
Tax recoverable	131	125
Deposits, cash and bank balances	11,875	21,672
	<u>104,029</u>	<u>101,987</u>
Total Assets	<u>160,795</u>	<u>152,437</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Parent		
Share capital	117,640	117,640
Treasury shares	(365)	(365)
Accumulated losses	(13,349)	(22,056)
Total Equity	<u>103,926</u>	<u>95,219</u>
Non-Current Liabilities		
Bank borrowings	425	557
Retirement benefits	1,446	1,332
Deferred tax liabilities	1,840	1,875
	<u>3,711</u>	<u>3,764</u>
Current Liabilities		
Trade and other payables	41,731	35,388
Contract liabilities	6,338	10,510
Bank borrowings	2,598	6,989
Derivative financial liabilities	20	11
Current tax payable	2,471	556
	<u>53,158</u>	<u>53,454</u>
Total Liabilities	<u>56,869</u>	<u>57,218</u>
Total Equity and Liabilities	<u>160,795</u>	<u>152,437</u>
Net assets per share (RM)	0.5811	0.5321

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 29 February 2024

	Attributable to Owners of the Parent			Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	
Balance as at 1 June 2023	117,640	(365)	(22,056)	95,219
Profit for the period	-	-	10,496	10,496
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the period	-	-	10,496	10,496
Interim dividend of 1.0 sen per share in respect of the financial year ending 31 May 2024	-	-	(1,789)	(1,789)
Balance as at 29 February 2024	117,640	(365)	(13,349)	103,926

For the year ended 31 May 2023

	Attributable to Owners of the Parent				Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Foreign Currency Translation Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	
Balance as at 1 June 2022	117,640	(303)	11,682	(37,332)	91,687
Profit for the financial year	-	-	-	15,276	15,276
Other comprehensive income/(loss)	-	-	(11,682)	-	(11,682)
Total comprehensive income for the financial year	-	-	(11,682)	15,276	3,594
Share repurchased	-	(62)	-	-	(62)
Balance as at 31 May 2023	117,640	(365)	-	(22,056)	95,219

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 29 FEBRUARY 2024

	CURRENT YEAR TO DATE 29 FEB 2024 RM'000	PRECEDING FINANCIAL YEAR 31 MAY 2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	13,762	16,829
Adjustments for:		
Defined benefit obligations	115	146
Depreciation of property, plant and equipment	1,116	1,339
Interest expense	283	275
Interest income	(248)	(345)
Income from unit trust funds	(598)	(545)
Inventories written off	-	4
Loss on disposal of investments measured at FVTPL	9	50
Net reversal of allowance for impairment losses on trade receivables	-	(265)
(Gain)/Loss on changes in fair value of investments measured at FVTPL	(766)	930
Loss/(Gain) on fair value changes of derivative financial instruments	11	(166)
Gain on disposal of property, plant and equipment	(18)	(183)
Unrealised gain on foreign exchange	(1,461)	(138)
Gain on derecognition of a subsidiary	-	(11,681)
Reversal of write-down in inventories	-	(1,316)
Waiver of debts	(163)	(60)
Operating profit before working capital changes	12,042	4,874
Increase in inventories	(20,572)	(26,030)
Decrease/(Increase) in contract assets	2,515	(2,141)
(Decrease)/Increase in contract liabilities	(4,172)	9,539
Decrease/(Increase) in trade and other receivables	6,883	(13,912)
Increase in trade and other payables	6,442	23,312
Cash generated from/(utilised in) operations	3,138	(4,358)
Interest received	88	104
Interest paid	(21)	(3)
Tax paid, net of tax refunded	(2,961)	(1,405)
Net cash from/(used in) operating activities	244	(5,662)
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from investments in unit trust funds	598	545
Interest received on fixed deposits	155	173
Proceeds from disposal of investments in unit trust funds	3,090	1,500
Proceeds from disposal of property, plant and equipment	350	205
Purchase of property, plant and equipment	(937)	(3,860)
Investments in unit trust funds	(7,544)	(595)
Placement in debt instrument	(483)	(483)
Withdrawal/(placement) in fixed deposits	4,015	(8,173)
Net cash used in investing activities	(756)	(10,688)

TAS OFFSHORE BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

	CURRENT YEAR TO DATE 29 FEB 2024 RM'000	PRECEDING YEAR TO DATE 31 MAY 2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(1,789)	-
Increase in fixed deposits pledged as security	(80)	(146)
Acquisition of treasury shares	-	(62)
Net (repayment)/drawdown of bank borrowings	(5,656)	171
Interest paid on bank borrowings	(262)	(273)
Net cash used in financing activities	<u>(7,787)</u>	<u>(310)</u>
Net decrease in cash and cash equivalents	(8,299)	(16,660)
Cash and cash equivalents at beginning of financial period	11,123	27,737
Effect of foreign exchange rate changes	1,304	46
Cash and cash equivalents at the end of financial period	<u>4,128</u>	<u>11,123</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdrafts	(1,133)	-
Short term deposits and cash and bank balances	6,614	11,123
Fixed deposits with licensed bank	5,261	10,549
As per statement of financial position	<u>10,742</u>	<u>21,672</u>
Less : Fixed deposits held as an investment	(4,159)	(8,173)
Less : Fixed deposits pledged as security	(2,455)	(2,376)
	<u>4,128</u>	<u>11,123</u>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) : INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements contain condensed consolidated financial statement and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of TAS Offshore and its subsidiaries ("the Group"). The interim financial statements and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and should be read in conjunction with the consolidated financial statements of the Group for the financial year ended 31 May 2023.

The accounting policies adopted by the Group in the preparation of these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 May 2023 except for changes arising from the adoption of the amendments to MFRSs as set out below.

(a) Amendments to MFRSs adopted by the Group

The amendments to MFRSs which became effective during the current reporting period and adopted by the Group are as follows :

MFRS 17, Insurance Contracts

Amendments to MFRS 17, Insurance Contracts

Amendment to MFRS 17 - Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 - Disclosure of Accounting Policies

Amendments to MFRS 108 - Definition of Accounting Estimates

Amendments to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 - International Tax Reform - Pillar Two Model Rules

The adoption of the above amendments to MFRSs did not have any significant impact on the Group's financial statements.

(b) New MFRS and amendments to MFRSs issued but not yet effective

The Group has not early adopted the following new MFRS and amendments to MFRSs that have been issued but are not yet effective :

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7 - Supplier Finance Arrangements

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 - Lack of Exchangeability

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) : INTERIM FINANCIAL REPORTING

A1. Basis of preparation (Cont'd)

(b) New MFRS and amendments to MFRSs issued but not yet effective (Cont'd)

Effective for annual periods beginning on or after a date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will apply the above new MFRS and amendments to MFRSs that are applicable once they become effective. The initial applications are not expected to have any significant impact on the Group's financial statements.

A2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company and its subsidiaries for the financial year ended 31 May 2023 were not qualified

A3. Seasonal or cyclical factors

The Group do not experience any material seasonality in its business, as its business operations are relatively stable throughout the year.

A4. Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual in their nature, size or incidence for the current financial period under review.

A5. Material changes in estimates

There were no changes in the estimates that have had a material effect in the current financial period under review.

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

As at 29 February 2024, the total number of ordinary shares repurchased and retained as treasury shares are 1,144,199 shares .

A7. Dividends

The Company has paid a single-tier interim dividend of one sen per ordinary share for the financial year ending 31 May 2024 amounted to RM1,788,578 on 30 October 2023.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) : INTERIM FINANCIAL REPORTING**A8. Segmental information**

The Group's operations comprise mainly of shipbuilding and ship repairing activities which collectively are considered as one business segment. Accordingly, segment reporting by business segment has not been disclosed. The revenue from external customers by location of customers is set out below :-

	Current Quarter 29 Feb 2024 RM'000	Current Period to date 29 Feb 2024 RM'000
Malaysia	257	719
Singapore	6,640	10,360
Indonesia	27,653	56,714
	<u>34,550</u>	<u>67,793</u>

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review and financial year-to-date.

A10. Capital commitments**RM'000**

The capital commitments as at 29th February 2024 is as follow :

Authorised and contracted capital expenditure	
- Acquisition of property, plant and equipment	<u>1,201</u>

A11. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current quarter and financial period to date.

A12. Changes in composition of the group

There were no changes in the composition of the Group during the financial period under review.

A13. Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets that has arisen since the last annual reporting date.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) : INTERIM FINANCIAL REPORTING

A14. Significant related party transactions

The Company entered into the following transactions with related parties during the financial period :

	Transaction value for 3 months ended 29 Feb 2024 RM'000	Current Period-To-Date 29 Feb 2024 RM'000
(i) Transaction with companies in which certain directors of the Company have substantial interest :		
Tuong Aik (Sarawak) Sdn Bhd		
- Purchase of marine paint	-	8
HCF Services Sdn Bhd		
- Filter installation	221	262
	<u>221</u>	<u>270</u>

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favourable than those transacted with unrelated parties.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its subsidiaries

(a) Financial review for current quarter and financial year to date

	Individual Period			Cumulative		
	(3rd quarter)					
	Current	Preceding Year	Changes	Current	Preceding Year	Changes
	Year	Corresponding		Year	Corresponding	
	Quarter	Quarter		To-date	Period	
	29/2/2024	28/2/2023		29/2/2024	28/2/2023	
	RM'000	RM'000		RM'000	RM'000	%
Revenue	34,550	5,549	523%	67,793	17,840	280%
Operating Profit/(Loss)	7,718	763	912%	13,964	(125)	11271%
Profit/(Loss) Before Tax	7,683	701	996%	13,762	(338)	4172%
Profit/(Loss) After Tax	6,062	654	827%	10,496	(437)	2502%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,062	654	827%	10,496	(437)	2502%

The Group recorded a revenue of RM34.55 million for the current quarter ended 29 February 2024, which was 523% higher than the revenue in the preceding year corresponding quarter. The increase in revenue was mainly due to more vessels were delivered.

The higher profit before tax of RM7.68 million for the current quarter as compared with the preceding year corresponding quarter was mainly due to more vessels were delivered and higher gain on fair value changes of investments measured at fair value through profit or loss.

In the opinion of the directors, the result for the current quarter and financial period to date have not been affected by any transactions or events of a material nature which has arisen between 31 May 2023 and the date of this report.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

	Current quarter ended 29 Feb 2024	Preceding quarter ended 30 Nov 2023	Variance	
	RM'000	RM'000	RM'000	
Revenue	34,550	28,409	6,141	22%
Profit/(Loss) before tax	7,683	6,125	1,558	25%

The Group recorded higher revenue of RM34.55 million representing an increase of RM6.25 million or 22% higher than the preceding quarter. The higher revenue recorded during the current quarter was due to more vessels were delivered.

Profit before tax for the current quarter amounting to RM7.68 million as compared with preceding quarter profit of RM6.13 million representing an increase of RM1.56 million or 25% higher than the preceding quarter. The higher profit for current quarter was mainly due to more vessels being delivered.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B3. Commentary on prospects**

According to the Indonesia Mining and Energy Forum (IMEF), China and India will boost Indonesia's coal production in 2024. This is due to the ongoing construction plans for large-capacity coal-fired power plants in China and India, the two largest coal-importing countries. Indonesia government officials said the nickel production is projected to increase in 2024, with several new smelters starting operations after the country contributed to nearly half of global output in 2023. The demand for coal by nickel smelters are on a continuous rise. Moreover, according to Indonesia Ministry of Energy and Mineral Resources (ESDM), the country electricity demand is expected to grow with the start up of 35,000 megawatt(MW) of new steam power plant projects. The International Energy Agency(IEA)'s electricity analysis and forecast for 2024-2026 expected Indonesia's coal-fired generation to increase by around 5% during the period and the domestic coal demand to reach 284 million tonnes by 2026, up from less than 200 million tonnes in 2024.

The strong momentum of the mining industry in Indonesia augurs well for the Group as the demand for tugboats is expected to remain steady to support the transportation of bulk materials across the archipelago.

The Board remains optimistic about our prospects as the Group is well-positioned to benefit from the rising demand for tugboats and strong client base in Indonesia.

B4. Variance between actual profit from forecast profit

The Group did not issue any profit forecast for the current financial period or in the prior financial period and therefore no comparison is available.

B5. Profit before tax

Included in the profit before tax are the following items:

	CURRENT YEAR QUARTER 29 FEB 2024 RM'000	CURRENT YEAR TO DATE 29 FEB 2024 RM'000
Interest income	(59)	(248)
Other income including investment income	(234)	(598)
Interest expense	51	283
Depreciation & amortization	391	1,116
(Gain)/Loss on disposal of property, plant & equipment	-	(18)
(Gain)/Loss on disposal of financial assets at FVTPL	-	9
Foreign exchange (gain)/loss - realised	438	807
Foreign exchange (gain)/loss - unrealised	(680)	(1,461)
(Gain)/Loss on fair value changes of derivative financial instruments	16	11
(Gain)/Loss on changes in fair value of investments measured at FVTPL	<u>(1,236)</u>	<u>(766)</u>

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B6. Taxation

Income tax expense:	Current Quarter RM'000	Current Period to date RM'000
Current tax	1,453	4,871
Deferred tax income	168	(1,605)
Total tax expense	<u>1,621</u>	<u>3,266</u>

B7. Group borrowings and debt securities

Total Group's borrowing as at 29 February 2024 were as follows:

	As at 29 February 2024		
	Long term RM'000	Short term RM'000	Total RM'000
<u>Secured</u>			
- Bank overdraft	-	1,133	1,133
- Bankers acceptance	-	977	977
- Term loan	-	299	299
- Hire purchase payable	425	189	614
	<u>425</u>	<u>2,598</u>	<u>3,023</u>
	As at 28 February 2023		
	Long term RM'000	Short term RM'000	Total RM'000
<u>Secured</u>			
- Bankers acceptance	-	1,768	1,768
- Term loan	299	3,606	3,905
- Hire purchase payable	29	68	97
	<u>328</u>	<u>5,442</u>	<u>5,770</u>

B8. Material litigation

As at the date of this interim financial report, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and our Board is not aware of any proceedings pending or threatened against our Group or any facts likely to give rise to any proceedings which might materially and adversely affect our Group's financial position or business.

B9. Dividends

The Board of Directors has declared a single-tier interim dividend of one sen per ordinary share for the financial year ending 31 May 2024, paid on 30 October 2023 to depositors whose names appear in the Record of Depositors on 12 October 2023.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B10. Earnings per share**

	Current Quarter ended 29 Feb 2024	Current Year-to-Date 29 Feb 2024
Net profit attributable to ordinary equity holders of the Company (RM'000)	<u>6,062</u>	<u>10,496</u>
Weighted average number of shares in issue ('000)	<u>178,858</u>	<u>178,858</u>
Basic earnings per share (sen)	3.39	5.87

Basic earnings per share of the Company is calculated by dividing net profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.