



TAS OFFSHORE BERHAD

Registration No : 200801008892 (810179-T)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MAY 2024

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TAS OFFSHORE BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MAY 2024

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER 31 MAY 2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAY 2023 RM'000	CURRENT YEAR TO DATE 31 MAY 2024 RM'000	PRECEDING YEAR TO DATE 31 MAY 2023 RM'000
Revenue	4,538	18,285	72,331	36,126
Cost of sales	(4,481)	(13,550)	(55,861)	(28,411)
Gross profit	57	4,735	16,470	7,715
Other income	(396)	13,438	2,162	14,808
Administrative expenses	(629)	(1,242)	(5,637)	(5,717)
Net reversal of impairment for financial assets	5	265	5	265
Operating (loss)/profit	(963)	17,196	13,000	17,071
Finance costs	(60)	(29)	(261)	(242)
(Loss)/Profit before taxation	(1,023)	17,167	12,739	16,829
Taxation	134	(1,454)	(3,132)	(1,553)
(Loss)/Profit for the period	(889)	15,713	9,607	15,276
Other comprehensive loss				
<i>Items that will be reclassified subsequently to profit or loss, net of tax effects :</i>				
Reclassification of foreign currency translation difference to profit or loss on subsidiary struck off	-	(11,682)	-	(11,682)
Total other comprehensive loss	-	(11,682)	-	(11,682)
Total comprehensive (loss)/income for the period	(889)	4,031	9,607	3,594
Attributable to owners of the Company				
- (Loss)/Profit for the period	(889)	15,713	9,607	15,276
- Total comprehensive (loss)/income for the period	(889)	4,031	9,607	3,594
(Loss)/Earnings per share attributable to ordinary equity holders of the Company (sen)				
- Basic	(0.50)	8.78	5.37	8.54

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 31 MAY 2024

	UNAUDITED AS AT 31 MAY 2024 RM'000	AUDITED AS AT 31 MAY 2023 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	19,590	19,751
Other investments	30,862	29,027
Deferred tax assets	4,484	1,672
	54,936	50,450
Current Assets		
Other investments	1,047	524
Inventories	94,843	57,111
Contract assets	-	2,515
Trade and other receivables	38,728	20,038
Derivatives financial assets	-	2
Tax recoverable	139	125
Deposits, cash and bank balances	5,115	21,672
	139,872	101,987
Total Assets	194,808	152,437
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Parent		
Share capital	117,640	117,640
Treasury shares	(365)	(365)
Accumulated losses	(16,027)	(22,056)
Total Equity	101,248	95,219
Non-Current Liabilities		
Bank borrowings	384	557
Retirement benefits	1,485	1,332
Deferred tax liabilities	1,828	1,875
	3,697	3,764
Current Liabilities		
Trade and other payables	72,278	35,388
Contract liabilities	3,905	10,510
Dividend payable	1,788	-
Bank borrowings	9,675	6,989
Derivative financial liabilities	-	11
Current tax payable	2,217	556
	89,863	53,454
Total Liabilities	93,560	57,218
Total Equity and Liabilities	194,808	152,437
Net assets per share (RM)	0.5661	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 31 May 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	-	-	9,607	9,607
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the period	-	-	9,607	9,607
Interim dividend of 2.0 sen per share in respect of the financial year ended 31 May 2024	-	-	(3,578)	(3,578)
Balance as at 31 May 2024	117,640	(365)	(16,027)	101,248

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 31 MAY 2024

	CURRENT YEAR TO DATE 31 MAY 2024 RM'000	PRECEDING FINANCIAL YEAR 31 MAY 2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	12,739	16,829
Adjustments for:		
Defined benefit obligations	153	146
Depreciation of property, plant and equipment	1,593	1,339
Interest expense	368	275
Interest income	(460)	(345)
Income from unit trust funds	(805)	(545)
Inventories written off	39	4
Property, plant and equipment written off	5	-
Loss on disposal of investments measured at FVTPL	(37)	50
Net reserval of allowance for impairment losses on trade receivables	(5)	(265)
(Gain)/Loss on changes in fair value of investments measured at FVTPL	(1,279)	930
Loss/(Gain) on fair value changes of derivative financial instruments	(9)	(166)
Gain on disposal of property, plant and equipment	(18)	(183)
Unrealised gain on foreign exchange	(337)	(138)
Gain on derecognition of a subsidiary	-	(11,681)
Reversal of write-down in inventories	-	(1,316)
Waiver of debts	(162)	(60)
Operating profit before working capital changes	11,785	4,874
Increase in inventories	(37,771)	(26,030)
Decrease/(Increase) in contract assets	2,515	(2,141)
(Decrease)/Increase in contract liabilities	(6,605)	9,539
Increase in trade and other receivables	(18,761)	(13,912)
Increase in trade and other payables	36,996	23,312
Cash utilised in operations	(11,841)	(4,358)
Interest received	98	104
Interest paid	(31)	(3)
Tax paid, net of tax refunded	(4,343)	(1,405)
Net cash used in operating activities	(16,117)	(5,662)
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from investments in unit trust funds	805	545
Interest received on fixed deposits	292	173
Proceeds from disposal of investments in unit trust funds	7,240	1,500
Proceeds from disposal of property, plant and equipment	350	205
Purchase of property, plant and equipment	(1,769)	(3,860)
Investments in unit trust funds	(7,713)	(595)
Placement in debt instrument	(500)	(483)
Withdrawal/(placement) in fixed deposits	10,549	(8,173)
Net cash from/(used in) investing activities	9,254	(10,688)

TAS OFFSHORE BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MAY 2024 (CONT'D)

	CURRENT YEAR TO DATE 31 MAY 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	-	(146)
Acquisition of treasury shares	-	(62)
Net drawdown of bank borrowings	2,512	171
Interest paid on bank borrowings	(337)	(273)
Net cash from/(used in) financing activities	<u>386</u>	<u>(310)</u>
Net decrease in cash and cash equivalents	(6,477)	(16,660)
Cash and cash equivalents at beginning of financial period	11,123	27,737
Effect of foreign exchange rate changes	469	46
Cash and cash equivalents at the end of financial period	<u>5,115</u>	<u>11,123</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short term deposits and cash and bank balances	5,115	11,123
Fixed deposits with licensed bank	-	10,549
As per statement of financial position	<u>5,115</u>	<u>21,672</u>
Less : Fixed deposits held as an investment	-	(8,173)
Less : Fixed deposits pledged as security	-	(2,376)
	<u>5,115</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 31 MAY 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 31 MAY 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 31 May 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 31 MAY 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 31 May 2024 RM'000	Current Period to date 31 May 2024 RM'000
Malaysia	303	1,022
Singapore	-	10,360
Indonesia	4,235	60,949
	<u>4,538</u>	<u>72,331</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

The capital commitments as at 31st May 2024 is as follow :

	RM'000
Authorised and contracted capital expenditure	
- Acquisition of property, plant and equipment	<u>1,230</u>

A11. Material events subsequent to the end of period reported

A wholly owned subsidiary, Pantas Marine Sdn. Bhd. had on 19 June 2024 entered into a sale and purchase agreement with Saragreen Sdn. Bhd. to acquire a parcel of land held under title Sublot 1 (Survey Lot 780) of Parent Lot 16 Block 12 Buan Land District (partly replaced by Parent Lot 42 Block 12 Buan Land District) for a total consideration of RM12,000,000.00.

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 31 MAY 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 31 May 2024 RM'000	Current Period-To-Date 31 May 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	24	286
	<u>24</u>	<u>294</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 31 MAY 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		
	(4th quarter)					
	Current	Preceding Year	Changes	Current	Preceding Year	Changes
	Year	Corresponding		Year	Corresponding	
	Quarter	Quarter		To-date	Period	
	31/5/2024	31/5/2023		31/5/2024	31/5/2023	
	RM'000	RM'000		RM'000	RM'000	%
Revenue	4,538	18,285	-75%	72,331	36,126	100%
Operating (Loss)/Profit	(963)	17,196	-106%	13,000	17,071	24%
(Loss)/Profit Before Tax	(1,023)	17,167	-106%	12,739	16,829	24%
(Loss)/Profit After Tax	(889)	15,713	-106%	9,607	15,276	37%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(889)	15,713	-106%	9,607	15,276	37%

The Group recorded a revenue of RM4.54 million for the current quarter ended 31 May 2024, which was 75% lower than the revenue in the preceding year corresponding quarter. The lower revenue was mainly due to fewer vessels were delivered.

The loss before tax of RM1.02 million for the current quarter as compared with the profit before tax of RM17.17 recorded in preceding year corresponding quarter. The higher profit before tax in preceding year corresponding quarter was attributable to more vessels were delivered and one-off gain arising from the striking off of a subsidiary.

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 31 May 2024	Preceding quarter ended 29 Feb 2024	Variance	
	RM'000	RM'000	RM'000	
Revenue	4,538	34,550	(30,012)	-87%
(Loss)/Profit before tax	(1,023)	7,683	(8,706)	-113%

The Group recorded lower revenue of RM4.54 million representing a decrease of RM30.01 million or 87% lower than the preceding quarter. The lower revenue recorded during the current quarter was due to fewer vessels were delivered.

Loss before tax for the current quarter amounting to RM1.02 million as compared with preceding quarter profit of RM7.68 million representing a decrease of RM8.71 million or 113% lower than the preceding quarter. The loss for current quarter was mainly due to fewer vessels were delivered and lower gain on changes in fair value of investments.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MAY 2024

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

B3. Commentary on prospects

Indonesia is in the market of wide-ranging critical minerals pact to boost its economy. According to Mordor Intelligence, the Indonesia coal market is expected to witness a Compound Annual Growth Rate (CAGR) of more than 6% during the forecast period between 2024 to 2029. Over the long term, factors like increasing electricity demand and supportive government policies are expected to drive the market. However, increasing environmental concern over the use of coal is a significant restraint hindering the market's growth.

CRIF Indonesia predicts that the mining sector in 2024 will continue to experience growth, albeit at a slightly lower rate than 2023. With a projected growth rate of 3.48%, the mining sector in Indonesia is still expected to perform positively.

The Board remains optimistic about our prospects as the Group is well-positioned to benefit from the steady development of mining industry 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 31 MAY 2024 RM'000	CURRENT YEAR TO DATE 31 MAY 2024 RM'000
Interest income	(212)	(460)
Other income including investment income	(207)	(805)
Interest expense	85	368
Depreciation & amortization	477	1,593
(Gain)/Loss on disposal of property, plant & equipment	-	(18)
(Gain)/Loss on disposal of financial assets at FVTPL	(46)	(37)
Foreign exchange (gain)/loss - realised	(863)	(56)
Foreign exchange (gain)/loss - unrealised	1,124	(337)
(Gain)/Loss on fair value changes of derivative financial instruments	(20)	(9)
(Gain)/Loss on changes in fair value of investments measured at FVTPL	<u>(513)</u>	<u>(1,279)</u>

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MAY 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	1,120	5,991
Deferred tax income	(1,254)	(2,859)
Total tax (income)/expense	<u>(134)</u>	<u>3,132</u>

B7. Group borrowings and debt securities

Total Group's borrowing as at 31 May 2024 were as follows:

	As at 31 May 2024		
	Long term RM'000	Short term RM'000	Total RM'000
<u>Secured</u>			
- Bankers acceptance	-	6,501	6,501
- Revolving credit	-	3,000	3,000
- Hire purchase payable	384	174	558
	<u>384</u>	<u>9,675</u>	<u>10,059</u>
	As at 31 May 2023		
	Long term RM'000	Short term RM'000	Total RM'000
<u>Secured</u>			
- Bankers acceptance	-	3,764	3,764
- Term loan	-	3,002	3,002
- Hire purchase payable	557	223	780
	<u>557</u>	<u>6,989</u>	<u>7,546</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 the following dividend during the financial year :

- (i) A single-tier interim dividend of one sen per ordinary share, paid on 30 October 2023 to depositors whose names appear in the Record of Depositors on 12 October 2023.
- (ii) A single-tier interim dividend of one sen per ordinary share, paid on 18 June 2024 to depositors whose names appear in the Record of Depositors on 28 May 2024.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MAY 2024

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

B10. Earnings per share

	Current Quarter ended 31 May 2024	Current Year-to-Date 31 May 2024
Net profit attributable to ordinary equity holders of the Company (RM'000)	<u>(889)</u>	<u>9,607</u>
Weighted average number of shares in issue ('000)	<u>178,858</u>	<u>178,858</u>
Basic earnings per share (sen)	(0.50)	5.37

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.