



TAS OFFSHORE BERHAD

Registration No : 200801008892 (810179-T)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 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 - 8
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS	9 - 12

**TAS OFFSHORE BERHAD**

Registration No : 200801008892 (810179-T)

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

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER 31 AUG 2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 AUG 2023 RM'000	CURRENT YEAR TO DATE 31 AUG 2024 RM'000	PRECEDING YEAR TO DATE 31 AUG 2023 RM'000
Revenue	44,309	4,835	44,309	4,835
Cost of sales	(33,276)	(3,983)	(33,276)	(3,983)
Gross profit	11,033	852	11,033	852
Other income	47	582	47	582
Administrative expenses	(3,174)	(1,392)	(3,174)	(1,392)
Operating profit	7,906	42	7,906	42
Finance costs	(92)	(88)	(92)	(88)
Profit/(Loss) before taxation	7,814	(46)	7,814	(46)
Taxation	(1,840)	(39)	(1,840)	(39)
Profit/(Loss) for the period	5,974	(85)	5,974	(85)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	5,974	(85)	5,974	(85)
Attributable to owners of the Company				
- Profit/(Loss) for the period	5,974	(85)	5,974	(85)
- Total comprehensive income/(loss) for the period	5,974	(85)	5,974	(85)
Earnings/(Loss) per share attributable to ordinary equity holders of the Company (sen)				
- Basic	3.34	(0.05)	3.34	(0.05)

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 2024 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024

	UNAUDITED AS AT 31 AUG 2024 RM'000	AUDITED AS AT 31 MAY 2024 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	20,424	19,590
Other investments	29,429	30,862
Deferred tax assets	3,276	4,484
	<u>53,129</u>	<u>54,936</u>
Current Assets		
Other investments	1,047	1,047
Inventories	92,329	94,843
Contract assets	7,754	-
Trade and other receivables	24,896	38,728
Tax recoverable	199	197
Deposits, cash and bank balances	20,907	5,115
	<u>147,132</u>	<u>139,930</u>
Total Assets	<u>200,261</u>	<u>194,866</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Parent		
Share capital	117,640	117,640
Treasury shares	(365)	(365)
Accumulated losses	(9,995)	(15,969)
Total Equity	<u>107,280</u>	<u>101,306</u>
Non-Current Liabilities		
Bank borrowings	424	384
Retirement benefits	1,525	1,485
Deferred tax liabilities	1,817	1,828
	<u>3,766</u>	<u>3,697</u>
Current Liabilities		
Trade and other payables	23,956	21,101
Contract liabilities	52,323	55,082
Dividend payable	-	1,788
Bank borrowings	11,325	9,675
Current tax payable	1,611	2,217
	<u>89,215</u>	<u>89,863</u>
Total Liabilities	<u>92,981</u>	<u>93,560</u>
Total Equity and Liabilities	<u>200,261</u>	<u>194,866</u>
Net assets per share (RM)	0.5998	0.5664

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 2024 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 31 August 2024

	Attributable to Owners of the Company			Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	
Balance as at 1 June 2024	117,640	(365)	(15,969)	101,306
Profit for the period	-	-	5,974	5,974
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the period	-	-	5,974	5,974
Balance as at 31 August 2024	117,640	(365)	(9,995)	107,280

For the year ended 31 May 2024

	Attributable to Owners of the Company			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 financial year	-	-	9,664	9,664
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the financial year	-	-	9,664	9,664
Dividend declared/paid	-	-	(3,577)	(3,577)
Balance as at 31 May 2024	117,640	(365)	(15,969)	101,306

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 2024 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 AUGUST 2024

	CURRENT YEAR TO DATE 31 AUG 2024 RM'000	PRECEDING FINANCIAL YEAR 31 MAY 2024 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,814	12,800
Adjustments for:		
Defined benefit obligations	40	153
Depreciation of property, plant and equipment	318	1,593
Interest expense	134	368
Interest income	(18)	(460)
Income from unit trust funds	(275)	(866)
Inventories written off	-	39
Property, plant and equipment written off	-	5
Gain on disposal of investments measured at FVTPL	(11)	(37)
Net reserval of allowance for impairment losses on trade receivables	-	(5)
Loss/(Gain) on changes in fair value of investments measured at FVTPL	658	(1,279)
Loss/(Gain) on fair value changes of derivative financial instruments	-	(9)
Gain on disposal of property, plant and equipment	-	(18)
Unrealised loss/(gain) on foreign exchange	539	(337)
Waiver of debts	-	(163)
Operating profit before working capital changes	<u>9,199</u>	<u>11,784</u>
Decrease/(Increase) in inventories	2,514	(37,771)
(Increase)/Decrease in contract assets	(7,754)	2,516
Increase in contract liabilities	48,418	23,415
Decrease/(Increase) in trade and other receivables	12,896	(18,761)
(Decrease)/Increase in trade and other payables	<u>(48,277)</u>	<u>6,976</u>
Cash from/(utilised) in operations	16,996	(11,841)
Interest received	19	98
Interest paid	(21)	(31)
Tax paid, net of tax refunded	<u>(1,251)</u>	<u>(4,344)</u>
Net cash from/(used in) operating activities	15,743	(16,118)
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from investments in unit trust funds	275	805
Interest received on fixed deposits	-	292
Proceeds from disposal of investments in unit trust funds	1,000	7,240
Proceeds from disposal of property, plant and equipment	-	350
Purchase of property, plant and equipment	(1,151)	(1,769)
Investments in unit trust funds	(215)	(7,713)
Placements in debt instruments	-	(500)
Withdrawal of fixed deposits	-	10,549
Net cash (used in)/from investing activities	<u>(91)</u>	<u>9,254</u>

TAS OFFSHORE BERHAD

Registration No. 200801008892 (810179-T)

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

	CURRENT YEAR TO DATE 31 AUG 2024 RM'000	PRECEDING YEAR TO DATE 31 MAY 2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(1,789)	(1,789)
Net (repayment)/drawdown of bank borrowings	(772)	2,512
Interest paid on bank borrowings	(113)	(337)
Net cash (used in)/from financing activities	<u>(2,674)</u>	<u>386</u>
Net increase/(decrease) in cash and cash equivalents	12,978	(6,478)
Cash and cash equivalents at beginning of financial period	5,115	11,123
Effect of foreign exchange rate changes	<u>351</u>	<u>470</u>
Cash and cash equivalents at the end of financial period	<u>18,444</u>	<u>5,115</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdrafts	(2,463)	-
Short term deposits and cash and bank balances	<u>20,907</u>	<u>5,115</u>
	<u>18,444</u>	<u>5,115</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 2024 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 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 2024.

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 2024 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 :

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

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 2025

Amendments to MFRS 121 - Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability : Disclosures

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.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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

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 2024 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 August 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 ended 31 May 2024 amounted to RM1,788,578 on 18 June 2024.

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 Aug 2024 RM'000	Current Period to date 31 Aug 2024 RM'000
Malaysia	271	271
Singapore	6,386	6,386
Indonesia	37,652	37,652
	<u>44,309</u>	<u>44,309</u>

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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

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 31st August 2024 is as follow :

Authorised and contracted capital expenditure	
- Acquisition of property, plant and equipment	<u>12,001</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.

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 Aug 2024 RM'000	Current Period-To-Date 31 Aug 2024 RM'000
(i) Transaction with companies in which certain directors of the Company have substantial interest :		
HCF Services Sdn Bhd		
- Filter installation	36	36
	<u>36</u>	<u>36</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 AUGUST 2024

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

B1. Review of performance of the Company and its subsidiaries

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	
	31/8/2024	31/8/2023		31/8/2024	31/8/2023	
	RM'000	RM'000		RM'000	RM'000	%
Revenue	44,309	4,835	816%	44,309	4,835	816%
Operating Profit	7,906	42	18724%	7,906	42	18724%
Profit/(Loss) Before Tax	7,814	(46)	17087%	7,814	(46)	17087%
Profit/(Loss) After Tax	5,974	(85)	7128%	5,974	(85)	7128%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	5,974	(85)	7128%	5,974	(85)	7128%

The Group recorded a revenue of RM44.31 million for the current quarter ended 31 August 2024, marking an increase of RM39.47 million or 816% higher than the revenue in the preceding year corresponding quarter. The impressive growth in revenue was mainly due to an increase in the number of vessels delivered.

The profit before tax for the first quarter rose to RM7.81 million as compared to a loss before tax of RM0.05 million recorded in preceding year corresponding quarter. The higher profit before tax was attributable to more vessels were delivered.

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 2024 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 Aug 2024	Preceding quarter ended 31 May 2024	Variance	
	RM'000	RM'000	RM'000	
Revenue	44,309	4,538	39,771	876%
Profit/(Loss) before tax	7,814	(1,023)	8,837	864%

The Group kicks off the new financial year with higher revenue of RM44.31 million representing an increase of RM39.77 million or 876% higher than the preceding quarter. The revenue growth for the current quarter was due to more vessels were completed and delivered to the customers.

Profit before tax for the current quarter climbed to RM7.81 million, up from a loss of RM1.02 million in the preceding quarter representing a growth of RM8.84 million or 864% quarter-on-quarter. The surge in profit for current quarter was attributable to higher revenue driven by increase in the number of vessels delivered.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

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

The robust growth of the mining industry in Indonesia has been a substantial propellant that drives the market demand for tugboats and barges. Given the archipelagic nature of Indonesia which necessitates extensive maritime transport, coupled with the escalating demands in mining and agriculture sectors, the tugboats market is expected to grow significantly. According to the Indonesia Barge Fleet Market Report, the country's barge fleet market is projected to grow at a Compound Annual Growth Rate (CAGR) of 5.10% between 2024 to 2032. The transportation and logistics sectors in Indonesia exploit barges and tugboats for transporting bulk commodities due to the convenient and cost-effective nature of barge transportation. The positive outlook of the tugboats market augurs well for the Group where around 90% of our contracts on hand are from Indonesia with the remaining 10% from Singapore.

The Board remains optimistic about our prospects and confident in the Group's ability to achieve sustainable growth with the strong order book.

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 AUG 2024 RM'000	CURRENT YEAR TO DATE 31 AUG 2024 RM'000
Interest income	(18)	(18)
Other income including investment income	(275)	(275)
Interest expense	134	134
Depreciation & amortization	318	318
(Gain)/Loss on disposal of property, plant & equipment	-	-
(Gain)/Loss on disposal of financial assets at FVTPL	(11)	(11)
Foreign exchange (gain)/loss - realised	715	715
Foreign exchange (gain)/loss - unrealised	539	539
(Gain)/Loss on fair value changes of derivative financial instruments	-	-
(Gain)/Loss on changes in fair value of investments measured at FVTPL	658	658

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2024

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B6. Taxation**

Income tax expense:	Current Quarter 31 AUG 2024	Current Period to date 31 AUG 2024
	RM'000	RM'000
Current tax	643	643
Deferred tax expense	1,197	1,197
Total tax expense	<u>1,840</u>	<u>1,840</u>

B7. Group borrowings and debt securities

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

	As at 31 Aug 2024		
	Long term RM'000	Short term RM'000	Total RM'000
<u>Secured</u>			
- Bank overdraft	-	2,463	2,463
- Bankers acceptance	-	5,660	5,660
- Revolving credit	-	3,000	3,000
- Hire purchase payable	424	202	626
	<u>424</u>	<u>11,325</u>	<u>11,749</u>
	As at 31 Aug 2023		
	Long term RM'000	Short term RM'000	Total RM'000
<u>Secured</u>			
- Bank overdraft	-	654	654
- Bankers acceptance	-	2,943	2,943
- Revolving credit	-	3,000	3,000
- Term loan	-	2,111	2,111
- Hire purchase payable	506	220	726
	<u>506</u>	<u>8,928</u>	<u>9,434</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

No interim dividend has been proposed or declared for the current quarter and financial period to-date.

TAS OFFSHORE BERHAD

Registration No. 200801008892 (810179-T)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 AUGUST 2024**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B10. Earnings per share**

	Current Quarter ended 31 Aug 2024	Current Year-to-Date 31 Aug 2024
Net profit attributable to ordinary equity holders of the Company (RM'000)	<u>5,974</u>	<u>5,974</u>
Weighted average number of shares in issue ('000)	<u>178,858</u>	<u>178,858</u>
Basic earnings per share (sen)	3.34	3.34

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.