



KEYFIELD INTERNATIONAL BERHAD

Registration number 202001038989 (1395310-M)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOURTH QUARTER ENDED 31 DECEMBER 2023**



KEYFIELD INTERNATIONAL BERHAD

Registration number 202001038989 (1395310-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023

	Note	Unaudited Individual Quarter (3 months)		Audited Cumulative Period (12 months)	
		Current Year Quarter 31/12/2023 RM'000	Preceding Year Corresponding Quarter 31/12/2022 RM'000	Current Year- To-Date 31/12/2023 RM'000	Preceding Year Corresponding Period 31/12/2022 RM'000
Revenue		119,533	67,603	430,451	236,204
Cost of sales		(73,741)	(39,073)	(241,272)	(146,632)
Gross profit		45,792	28,530	189,179	89,572
Other income		441	566	1,592	9,000
		46,233	29,096	190,771	98,572
Administrative expenses		(9,234)	(4,404)	(23,073)	(14,447)
Other expenses		(1,675)	(2,361)	(7,222)	(6,559)
Finance costs		(3,221)	(2,424)	(13,931)	(8,722)
Impairment losses on financial assets		-	(4,307)	-	(4,307)
Gain on dissolution of a subsidiary		-	499	-	499
Share of losses of an equity accounted associate		(8)	3	(23)	(25)
Profit before taxation	B6	32,095	16,102	146,522	65,011
Income tax expense	B7	(9,217)	(3,010)	(39,407)	(15,160)
Profit after taxation		22,878	13,092	107,115	49,851
Other comprehensive expenses		-	(181)	-	(112)
Total comprehensive income for the financial period/year		22,878	12,911	107,115	49,739



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023 (Cont'd)

	Note	Unaudited Individual Quarter (3 months)		Audited Cumulative Period (12 months)	
		Current Year Quarter 31/12/2023 RM'000	Preceding Year Corresponding Quarter 31/12/2022 RM'000	Current Year- To-Date 31/12/2023 RM'000	Preceding Year Corresponding Period 31/12/2022 RM'000
Profit after taxation attributable to:					
Owners of the Company		22,123	12,830	105,475	48,877
Non-controlling interests		755	262	1,640	974
		<u>22,878</u>	<u>13,092</u>	<u>107,115</u>	<u>49,851</u>
Total comprehensive income attributable to:					
Owners of the Company		22,123	12,649	105,475	48,765
Non-controlling interests		755	262	1,640	974
		<u>22,878</u>	<u>12,911</u>	<u>107,115</u>	<u>49,739</u>
Earnings per share (Sen)					
- Basic	B10	<u>4.4</u>	<u>2.6</u>	<u>21.1</u>	<u>9.8</u>
- Diluted	B10	<u>2.8</u>	<u>1.6</u>	<u>13.2</u>	<u>6.1</u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Audited As At 31 Dec 2023 RM'000	Audited As At 31 Dec 2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Investment in an associate		206	229
Property, plant and equipment		501,154	368,567
Investment property		1,524	1,555
Right-of-use assets		14,454	19,068
Other investments		218	218
		<u>517,556</u>	<u>389,637</u>
CURRENT ASSETS			
Inventories		3,351	2,141
Trade receivables		93,561	88,008
Other receivables, deposits and prepayments		3,949	735
Current tax assets		-	72
Fixed deposits with licensed banks		4,241	6,240
Cash and bank balances		68,540	17,024
		<u>173,642</u>	<u>114,220</u>
TOTAL ASSETS		<u>691,198</u>	<u>503,857</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		125,260	125,260
Retained profits		163,127	62,712
Equity attributable to owners of the Company		<u>288,387</u>	<u>187,972</u>
Non-controlling interests		<u>6,005</u>	<u>4,365</u>
TOTAL EQUITY		<u>294,392</u>	<u>192,337</u>
NON-CURRENT LIABILITIES			
Cumulative redeemable non-convertible preference shares ("CRNCPS")		139,447	136,778
Lease liabilities	B9	4,384	8,040
Other payables		88,255	2,000
Borrowings	B9	6,186	27,461
Deferred tax liabilities		65,464	29,634
		<u>303,736</u>	<u>203,913</u>
CURRENT LIABILITIES			
Trade payables		40,673	33,719
Other payables and accruals		32,346	7,338
CRNCPS		3,563	3,563
Amount owing to a subsidiary		-	-
Lease liabilities	B9	10,259	10,897
Borrowings	B9	2,625	51,877
Current tax liabilities		3,604	213
		<u>93,070</u>	<u>107,607</u>
TOTAL LIABILITIES		<u>396,806</u>	<u>311,520</u>
TOTAL EQUITY AND LIABILITIES		<u>691,198</u>	<u>503,857</u>
NET ASSETS PER SHARE (RM)		0.58	0.38



KEYFIELD INTERNATIONAL BERHAD
202001038989 (1395310-M)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	Share Capital RM'000	Non- distributable Foreign Exchange Translation Reserves RM'000	Distributable Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2022	125,260	113	15,918	141,291	3,391	144,682
Profit after taxation for the financial year	-	-	48,877	48,877	974	49,851
Other comprehensive expenses for the financial year:						
- foreign currency translation differences	-	(113)	-	(113)	-	(113)
Distribution by owners of the Company:						
- dividends	-	-	(2,083)	(2,083)	-	(2,083)
Balance at 31.12.2022 / 1.1.2023	<u>125,260</u>	<u>-</u>	<u>62,712</u>	<u>187,972</u>	<u>4,365</u>	<u>192,337</u>
Profit after taxation for the financial year	-	-	105,475	105,475	1,640	107,115
Distribution to owners of the Company:						
- dividends for FYE 2022 paid in FYE 2023	-	-	(5,060)	(5,060)	-	(5,060)
Balance at 31.12.2023	<u>125,260</u>	<u>-</u>	<u>163,127</u>	<u>288,387</u>	<u>6,005</u>	<u>294,392</u>



KEYFIELD INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Audited Current Year- To-Date (12 months) RM'000	Audited Preceding Year Corresponding Period (12 months) RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	146,522	65,011
Adjustments for:		
Accretion of interest on CRNCPS	2,669	2,260
Allowance for impairment losses on trade receivables	-	4,307
Depreciation:		
- property, plant and equipment	28,001	18,864
- investment property	31	16
- right-of-use assets	9,454	6,489
Other interest expenses	13,112	8,194
Interest expense on lease liabilities	819	529
Share of losses of an equity accounted associate	23	25
Net unrealised gain on foreign exchange	(39)	-
Gain on dissolution of a subsidiary	-	(499)
Loss/(Gain) on lease modification	18	(177)
Dividend income:		
- an associate	-	(98)
Interest income	(584)	(107)
Fair value gain on CRNCPS	-	(7,282)
Operating profit/(loss) before working capital changes carried forward	200,026	97,532
Increase in inventories	(1,210)	(440)
Increase in trade and other receivables	(8,767)	(24,228)
Increase/(Decrease) in trade and other payables	8,542	(5,208)
Decrease in amount owing to a related party	-	(1,015)
Cash from/(for) operations activities	198,591	66,641
Interest paid	(13,931)	(3,932)
Income tax paid	(170)	(222)
Tax refunds	56	-
NET CASH FROM OPERATING ACTIVITIES	184,546	62,487
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	448
Additions:		
- other investment	-	(218)
Dividends received from:		
- an associate	-	98
Interest income received	584	107
Proceeds from disposal of property, plant and equipment	-	250
Purchase of property, plant and equipment	(31,572)	(11,789)
Increase in pledged fixed deposit with a licensed bank	(1,805)	-
Decrease/(increase) in fixed deposit restricted for use	3,804	(61)
NET CASH FOR INVESTING ACTIVITIES	(28,989)	(11,165)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (Cont'd)

	Audited Current Year- To-Date (12 months) RM'000	Audited Preceding Year Corresponding Period (12 months) RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loans	3,000	10,116
Net (repayment)/drawdown of revolving credits	(19,941)	11,301
Dividend paid	(5,010)	(2,083)
Net repayment to a shareholder	-	(4,946)
Redemption of CRNCPS	-	(15,563)
Repayment to a related party	-	(1,000)
Repayment to third parties	(19,391)	(5,206)
Repayment of lease liabilities	(9,152)	(6,389)
Repayment of term loans	(53,586)	(35,228)
NET CASH FOR FINANCING ACTIVITIES	(104,080)	(48,998)
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,477	2,324
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	39	44
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	17,024	14,656
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	68,540	17,024



A NOTES TO THE INTERIM FINANCIAL REPORT – FOURTH QUARTER ENDED 31 DECEMBER 2023

A1. Basis of Preparation

The interim financial report of Keyfield International Berhad (“Keyfield” or “the Company”) and its subsidiaries (“Keyfield Group” or “the Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“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 (“Listing Requirements”).

This is the first interim financial report on the Group’s consolidated results for the fourth quarter ended 31 December 2023 (“4Q2023”) announced by the Company in compliance with the Listing Requirements. Our Group has been in existence since 30 December 2020 and the figures for fourth quarter ended 31 December 2022 (unaudited) and financial year ended 31 December 2022 (“FYE 2022”) (audited) have been presented herewith for comparative purposes.

The condensed consolidated interim financial report should be read in conjunction with the accountant’s report (“Accountant’s Report”) as disclosed in Section 11 of the Company’s prospectus dated 26 March 2024 (“Prospectus”), the Group’s audited consolidated financial statements for the financial year ended 31 December 2023 (“FYE 2023”) and the accompanying explanatory notes in this report.

A2. Significant Accounting Policies

The significant accounting policies applied by the Group in this interim financial report are consistent with those adopted in preparation of the Group’s audited consolidated financial statements for FYE 2023 and the Accountant’s Report, except for the adoption of the following new accounting standards, interpretations and amendments that have been issued by the Malaysian Accounting Standards Board (“MASB”).

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period(s).

MFRSs and/or IC Interpretations (Including the consequential amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is not expected to have any material impact on the financial statements of the Group upon their initial adoption.

A3. Audit Qualification

There was no qualification on the audited consolidated financial statements of the Group for FYE 2023 nor FYE 2022.



A4. Seasonal or Cyclical Factors

Due to the relatively adverse weather conditions typically during the period from December to March in the South-China Sea where our vessels currently operate in, the Group generally records lower chartering activities during this period as compared to the second and third quarters of each year. During this time, the Group's vessels might not be chartered out or might be chartered out at lower daily charter rate compared to other months. As a result, the Group generally records lower revenue and lower utilisation rate for its own accommodation vessels in the first and fourth quarters as compared to the second and third quarters of each year.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period under review.

A6. Material Changes in Estimates

There were no material changes in estimates for the financial period under review.

A7. Debt and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations or shares held as treasury shares by the Company during the financial period under review.

A8. Dividends

There was no dividend paid during the current quarter ended 31 December 2023.

Subsequent to 31 December 2023, interim dividend for FYE 2023 amounting to RM15.03 million representing 3.0 sen per ordinary share was declared on 15 February 2024 and paid to the then existing shareholders of Keyfield on 22 February 2024.

Further, the Company had on 22 February 2024 paid dividends amounting to RM4.3 million in respect of the 3% cumulative redeemable non-convertible preference shares ("Keyfield CRNCPS"), of which RM3.6 million is in respect of FYE 2023 and RM0.7 million is in respect of financial year ending 31 December 2024 ("FYE 2024"). Such Keyfield CRNCPS dividends have been accounted for in the financial statements as finance costs in accordance with the relevant MFRS.

No other dividend has been or will be declared or paid in respect of FYE 2023 prior to our listing.

A9. Property, plant and equipment

In year to date up to 31 December 2023, the Group had acquisitions of property, plant and equipment amounting to RM160.6 million, comprising mainly of acquisitions of vessels amounting to RM154.5 million for Keyfield Lestari (RM24.5 million), Blooming Wisdom (RM85.0 million) and Keyfield Helms 1 (RM45.0 million) and the balance comprising mainly of vessel equipment (RM3.6 million) and dry-docking (RM1.9 million).

A10. Capital Commitments

As at 31 December 2023, the Group had contractual capital commitments amounting to RM1.238 million (31 December 2022: RM nil) in respect of the purchase of vessel equipment, all of which has been incurred as at the date of this announcement.



A11. Segmental Information

The Group operates predominantly in Malaysia and in one business segment, i.e. in the chartering of accommodation vessels and the provision of related onboard services. We categorise our revenue into those generated by own vessels and third-party vessels. Geographical segmental information is not applicable.

Our revenue for the current financial period ended 31 December 2023 is set out below:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
<u>Own Vessels</u>				
Chartering	62,537	36,028	225,307	119,062
Catering	13,702	5,536	48,432	19,614
Others ⁽¹⁾	3,781	3,324	16,018	11,871
Subtotal	80,020	44,888	289,757	150,547
<u>Third Party Vessels</u>				
Chartering	32,622	18,825	113,449	70,441
Catering	4,963	2,025	18,444	10,424
Others ⁽¹⁾	1,928	1,865	8,801	4,792
Subtotal	39,513	22,715	140,694	85,657
Total	119,533	67,603	430,451	236,204

Note:

(1) Others refer to revenue from VSAT internet charges, BMS / TMS, rental of project equipment such as life jackets, gangway accessories, air tugger and others.

A12. Material Events Subsequent to the Statement of Financial Position Date

Save as disclosed in Note A8 and below, there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report:

- (i) On 26 January 2024, Keyfield Offshore Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with Khas Jejaka Sdn Bhd, a subsidiary of Muhibbah Engineering (M) Berhad, to purchase a vessel namely IMS Aman for a total purchase consideration of RM34.8 million. The Group has fully paid for this vessel in cash via its internal funds and taken delivery of this vessel on 31 January 2024; and
- (ii) On 26 March 2024, the Company issued the Prospectus in respect its initial public offering ("IPO") in conjunction with the public issue of a total of 208,960,000 new ordinary shares in Keyfield at the issue price of RM0.90 per share and its listing on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Full details of the IPO are contained in the Prospectus. The listing of Keyfield's entire enlarged issued and paid-up ordinary share capital on Bursa Malaysia is tentatively scheduled for 22 April 2024.

A13. Changes in Composition of our Group

There were no changes in the composition of our Group for the current period ended 31 December 2023.



A14. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of a material nature for the current financial period.

A15. Derivatives

There were no derivatives used in the current period ended 31 December 2023.

A16. Fair Value of Financial Instruments

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current period ended 31 December 2023.

A17. Related Party Transactions

The related party transactions for the year to date up to 31 December 2023 is as follows:

	Cumulative Quarter	
	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2023	31 December 2022
	Audited	Audited
	RM'000	RM'000
Dividend on ordinary shares to directors	2,341	936
Dividend on ordinary shares to shareholders	2,669	1,068
Dividend on Keyfield CRNCPS to a substantial shareholder	2,325	1,949
Directors' fees	304	272
Directors' remuneration other than fees	3,592	2,732
Other key senior management's remuneration	1,884	1,842
Rental of office units from person connected to a substantial shareholder	537	-
Capitalisation of debt owing to a substantial shareholder by Keyfield Resolute Sdn Bhd into Keyfield CRNCPS	-	65,000
Acquisition of 100% equity interest in Keyfield Resolute Sdn Bhd from a substantial shareholder, satisfied via issuance of Keyfield CRNCPS	-	11,800
Dividend received from Naka Bayu Sdn Bhd	-	98
Chartering of vessel from Keyfield Resolute Sdn Bhd (prior to our acquisition of Keyfield Resolute Sdn Bhd)	-	390



B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

Current and Cumulative Quarter ended 31 December 2023 (“4Q2023”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Year Corresponding Period-to-date
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Unaudited	Unaudited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	119,533	67,603	430,451	236,204
Gross profit	45,792	28,530	189,179	89,572
Profit before tax (“PBT”)	32,095	16,102	146,522	65,011
PATAMI	22,123	12,649	105,475	48,765

The Group recorded total revenue of RM119.5 million in 4Q2023, which was an increase of RM51.9 million or 76.8% compared to revenue of RM67.6 million in 4Q2022. The increase in revenue was contributed by revenue from own vessels (increase by RM35.1 million or 78.2%) and third party vessels (increase by RM16.8 million or 74.0%).

The increase in revenue for own vessels was mainly due to:

- i) The number of chartered days for own vessels in 4Q2023 was 665 days, representing a utilisation rate of 72.3% as compared to 447 days in 4Q2022, representing a utilisation rate of 69.4%. The increase in number of chartered days was mainly contributed by Keyfield Lestari, Blooming Wisdom and Keyfield Helms 1; and
- ii) The increase in average daily charter rate (“DCR”) for our own vessels in 4Q2023 by 16.6% as compared to 4Q2022 due to improved market conditions for our vessel chartering business.

The increase in revenue for third party vessels was due to the higher number of chartered days of 540 in 4Q2023 as compared to 331 in 4Q2022. We had chartered a total of 8 third party vessels in 4Q2023 as compared to 5 in 4Q2022 to cater to demand from our customers. Meanwhile, average DCR for third party vessels also increased by 6.2% in 4Q2023 as compared to 4Q2022.

Arising from the increase in revenue above, our total gross profit for 4Q2023 was RM45.8 million, an increase of RM17.3 million or 60.5% over previous corresponding period.

Overall, on a full year basis, the Group recorded revenue of RM430.5 million and profit after tax after minority interests (“PATAMI”) of RM105.5 million for FYE 2023. These represent increases of 82.2% and 115.7% over FYE 2022’s revenue and PATAMI, mainly driven by higher number of own vessels, higher utilisation rate of 78.8% in 2023 as compared to 65.7% in FYE 2022 for own vessels, higher number of chartered days for third party vessels and higher average DCR achieved in FYE 2023.

In FYE2023, Keyfield recorded a total of 2,624 chartered days for its own vessels, representing a utilisation rate of 78.8% compared with 1,488 chartered days, representing a utilisation rate of 65.7% in FYE2022. Meanwhile, the number of chartered days for third party vessels increased to 1,772 in FYE2023 compared with 1,141 in FYE2022. The increase in number of chartered days was underpinned by robust demand for our vessels from customers.



B2. Comparison with the Immediate Preceding Quarter's Results

	3-MONTHS ENDED		Variance + / (-)	
	Current Quarter	Preceding Quarter		
	31 December 2023	30 September 2023		
	Unaudited	Unaudited		
	RM'000	RM'000	RM'000	%
Revenue	119,533	148,951	(29,418)	(19.8)
Gross profit	45,792	74,033	(28,241)	(38.2)
Profit before tax	32,095	62,651	(30,556)	(48.8)
PATAMI	22,123	45,803	(23,680)	(51.7)

The Group's revenue for 4Q2023 was RM29.4 million lower than that for 3Q2023. This was mainly due to lower number of chartered days for 4Q2023 of 1,205 days comprising 665 days for own vessels and 540 days for third party vessels, as compared to 3Q2023 of 1,496 days comprising 854 days for own vessels and 642 days for third party vessels.

As disclosed in Note A4 above, the Group generally records lower chartering activities in the first and fourth quarters compared to the second and third quarters. In 3Q2023, we had higher vessel chartering activities and we recorded own vessels' utilisation rates of 92.8% as compared to 72.3% in 4Q2023.

Resulting from this, our gross profit, PBT and PATAMI for 4Q2023 was also seasonally lower as compared to 3Q2023.

B3. Commentary on Prospects

Keyfield Group is involved in the provision of offshore accommodation via its vessel chartering business and currently mainly serves the offshore oil and gas industry in Malaysia. For the current financial year ending 31 December 2024 ("FYE 2024"), we expect our business activities and its prospects to be closely related the level of offshore activities in Malaysia.

In December 2023, PETRONAS had issued its 'Petronas Activity Outlook 2024-2026' where it had projected a steady outlook for the Malaysian offshore activities for these years. With this steady outlook, offshore oil and gas activities such as exploration, production, maintenance and decommissioning are expected to be maintained or increased, thus auguring well for demand conditions in the markets where we operate in. Meanwhile, we expect supply conditions for offshore vessels, particularly accommodation workboats which we specialise in, to remain tight in 2024 due to shortage of suitable vessels to support offshore activities.

Based on our order book which consists of contracted charters to date amounting to RM662.6 million (as at 29 February 2024), of which RM356.9 million is in respect of FYE 2024, we are cautiously optimistic of our prospects. We remain steadfast in our commitment to manage our fleet and operations in a prudent and careful manner, remaining vigilant to the challenges of the ever-changing business environment which we operate in and beyond.

As at the date of this announcement, our fleet consists of 11 own vessels, namely 2 smaller-sized vessels (1 anchor handling tug supply boat and 1 geotechnical platform supply vessel), 8 medium-sized vessels or accommodation workboats ("AWBs") of which 5 are equipped with Dynamic Positioning 2 ("DP2") systems, and 1 larger-sized vessel or barge, and all of these are currently being chartered by our customers. In addition, we are currently chartering 7 third-party vessels to our customers.

B4. Profit Forecast

The Group did not issue profit forecast in any announcement or public document during the current quarter and financial period under review.

B5. Material Litigation

As of the date of this interim financial report, the Group is not engaged in any governmental, legal or arbitration proceedings which may have or have had material or significant effects on the Group's financial position or profitability.



B6. Profit Before Tax

Profit before tax is arrived at after charging/(crediting):

	Current Quarter		Year-to-date	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	Unaudited	Unaudited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Interest income	(277)	(22)	(584)	(107)
Accretion of interest on CRNCPS	665	678	2,669	2,260
Fair value gain on CRNCPS	-	-	-	(7,282)
Interest expense on lease liabilities	229	214	819	529
Interest expense on borrowings	2,992	2,211	13,112	8,194
Depreciation of property, plant & equipment	8,175	5,219	28,001	18,864
Depreciation of investment property	8	8	31	16
Depreciation of right-of-use assets	2,756	2,339	9,454	6,489
Write off of receivables	-	-	-	-
Gain on dissolution of a subsidiary	-	(499)	-	(499)
Net impairment losses on financial assets	-	4,307	-	4,307
Realised (gain) on foreign exchange	(5)	(14)	(142)	(320)
Unrealised (gain) on foreign exchange	(5)	-	(159)	-
Realised loss on foreign exchange	212	1,161	212	1,161
Unrealised loss on foreign exchange	120	-	120	-

B7. Taxation

	Current Quarter		Year-to-date	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	Unaudited	Unaudited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Income tax	3,510	82	3,577	397
Deferred tax	5,707	2,928	35,830	14,763
Total tax expense	9,217	3,010	39,407	15,160
Effective tax rate (%)	28.7	18.7	26.9	23.3
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The Group's effective tax rate was at 26.9% for year-to-date ended 31 December 2023. The effective tax rate was higher than the statutory tax rate of 24.0% mainly due to certain expenses such as IPO expenses and Keyfield CRNCPS dividends not being deductible for taxation purposes.



B8. Status of Corporate Proposals

Save as disclosed below, there were no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

On 26 March 2024, the Company issued the Prospectus in relation to the IPO comprising the public issue of 208,960,000 new ordinary shares in the Company at an IPO price of RM0.90 per share. Full details of the IPO are contained in the Prospectus.

The listing of and quotation for the Group's entire issued share capital on the Main Market of Bursa Securities is tentatively scheduled to be on 22 April 2024 ("Listing").

B9. Utilisation of Proceeds from the Public Issue

The estimated gross proceeds arising from the Public Issue of approximately RM188.1 million shall accrue entirely to Keyfield and will be utilised in the following manner:

Utilisation of proceeds	Estimated timeframe for utilisation ⁽¹⁾	RM'000	%
Redemption of Keyfield CRNCPS	1 month	61,500	32.7
Repayment of bank borrowings	3 months	3,000	1.6
Settlement of balance purchase consideration for Blooming Wisdom	1 month	65,000	34.6
Settlement of balance purchase consideration for Helms 1	1 month	35,000	18.6
Working capital	12 months	14,564	7.7
Estimated listing expenses	1 month	9,000	4.8
		188,064	100.00

Note:

(1) From the date of listing our Shares.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus dated 26 March 2024.

B10. Basic and Diluted Earnings per Share ("EPS")

The basic and diluted EPS for the current quarter is computed as follows:

	Individual Quarter		Year-to-date	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Unaudited	Unaudited	Audited	Audited
Profit attributable to owners of the Group (RM'000)	22,123	12,830	105,475	48,877
Basic EPS (sen) ⁽¹⁾	4.4	2.6	21.1	9.8
Diluted EPS (sen) ⁽²⁾	2.8	1.6	13.2	6.1

Notes:

(1) Calculated based on the PAT attributable to owners of the Company divided by the existing ordinary share capital of 501,040,000 Shares before the IPO.

(2) Calculated based on the PAT attributable to owners of the Company divided by the enlarged ordinary share capital of 800,000,000 Shares after the IPO. (Note: before taking into account any potential exercise of employee share option scheme ("ESOS") options, which have yet to be implemented by the Company as at the date of this announcement.



B11. Borrowings and Lease Liabilities

The Group's borrowings and lease liabilities, including financial instruments and other financing arrangements, are as follows:

	31 December 2023	31 December 2022
	Audited	Audited
	RM'000	RM'000
<u>Current</u>		
<u>Secured and/or guaranteed:</u>		
Term loans	2,625	31,936
Amount owing to vendors of Blooming Wisdom and Keyfield Helms 1	24,354	-
Revolving credits	-	19,941
	<u>26,979</u>	<u>51,877</u>
<u>Unsecured and unguaranteed:</u>		
Keyfield CRNCPS	3,563	3,563
Lease liabilities ⁽¹⁾	10,259	10,897
	<u>13,822</u>	<u>14,460</u>
Total short-term borrowings and lease liabilities	<u>40,801</u>	<u>66,337</u>
<u>Non-current</u>		
<u>Secured and/or guaranteed:</u>		
Term loans	6,186	27,461
Amount owing to vendors of Blooming Wisdom and Keyfield Helms 1	88,255	-
Other borrowings	-	-
	<u>6,186</u>	<u>27,461</u>
<u>Unsecured and unguaranteed:</u>		
Keyfield CRNCPS	139,447	136,778
Lease liabilities ⁽¹⁾	4,384	8,040
	<u>143,831</u>	<u>144,818</u>
Total long-term borrowings and lease liabilities	<u>150,017</u>	<u>172,279</u>
Total borrowings and lease liabilities	<u>190,818</u>	<u>238,616</u>

Note:

- (1) In accordance with MFRS 16 *Leases*, we have classified our bareboat agreements for the respective charters of Daya Indah Satu and Daya Ceria in FYE 2023 (FYE 2022: Daya Indah Satu and Keyfield Helms 1) and our tenancy agreements for our head office as Right-of-Use Assets and the corresponding liabilities as lease liabilities in our statement of financial position respectively.