



KEYFIELD INTERNATIONAL BERHAD

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

**INTERIM FINANCIAL REPORT
SECOND QUARTER ENDED 30 JUNE 2024**



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 ENDED 30 JUNE 2024

	Note	Unaudited Individual Quarter (3 months)		Unaudited Cumulative Period (6 months)	
		Current Year Quarter 30/06/2024 RM'000	Preceding Year Corresponding Quarter 30/06/2023 RM'000	Current Year- To-Date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
Revenue		198,976	106,564	305,367	161,967
Cost of sales		(90,268)	(55,256)	(145,552)	(92,613)
Gross profit		108,708	51,308	159,815	69,354
Other income		683	842	1,140	1,035
		109,391	52,150	160,955	70,389
Administrative expenses		(9,257)	(5,077)	(14,993)	(8,629)
Other expenses		(3,248)	(2,600)	(4,407)	(3,489)
Finance costs		(1,543)	(4,040)	(4,443)	(6,484)
Share of losses of an equity accounted associate		(5)	(3)	(8)	(11)
Profit before taxation	B6	95,338	40,430	137,104	51,776
Income tax expense	B7	(25,112)	(9,677)	(36,242)	(13,729)
Profit after taxation		70,226	30,753	100,862	38,047
Other comprehensive expenses		-	-	-	-
Total comprehensive income for the financial period		70,226	30,753	100,862	38,047



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (Cont'd)

	Note	Unaudited Individual Quarter (3 months)		Unaudited Cumulative Period (6 months)	
		Current Year Quarter 30/06/2024 RM'000	Preceding Year Corresponding Quarter 30/06/2023 RM'000	Current Year- To-Date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
Profit after taxation attributable to:					
Owners of our Company		70,039	30,160	100,338	37,570
Non-controlling interests		187	593	524	477
		70,226	30,753	100,862	38,047
Total comprehensive income attributable to:					
Owners of our Company		70,039	30,160	100,338	37,570
Non-controlling interests		187	593	524	477
		70,226	30,753	100,862	38,047
Earnings per share (Sen)					
- Basic	B10	9.37	6.02	16.07	7.50
- Diluted	B10	9.03	3.64	15.38	4.54



KEYFIELD INTERNATIONAL BERHAD

202001038989 (1395310-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Unaudited As At 30 Jun 2024 RM'000	Audited As At 31 Dec 2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Investment in an associate		197	206
Property, plant and equipment		523,294	501,154
Investment property		1,508	1,524
Right-of-use assets		32,691	14,454
Other investments		218	218
		<u>557,908</u>	<u>517,556</u>
CURRENT ASSETS			
Inventories		4,645	3,351
Trade receivables		170,642	93,561
Other receivables, deposits and prepayments		16,302	3,949
Fixed deposits with licensed banks		5,257	4,241
Cash and bank balances		86,203	68,540
		<u>283,049</u>	<u>173,642</u>
TOTAL ASSETS		<u>840,957</u>	<u>691,198</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		388,316	125,260
Employee Share Option Reserve		4,205	-
Retained profits		240,434	163,127
Equity attributable to owners of our Company		<u>632,955</u>	<u>288,387</u>
Non-controlling interests		<u>6,502</u>	<u>6,005</u>
TOTAL EQUITY		<u>639,457</u>	<u>294,392</u>
NON-CURRENT LIABILITIES			
Cumulative redeemable non-convertible preference shares ("CRNCPS")		-	139,447
Lease liabilities	B11	14,754	4,384
Other payables		-	88,255
Borrowings	B11	-	6,186
Deferred tax liabilities		78,377	65,464
		<u>93,131</u>	<u>303,736</u>
CURRENT LIABILITIES			
Trade payables		57,526	40,673
Other payables and accruals		5,688	32,346
CRNCPS		-	3,563
Lease liabilities	B9	18,307	10,259
Borrowings	B9	-	2,625
Current tax liabilities		26,848	3,604
		<u>108,369</u>	<u>93,070</u>
TOTAL LIABILITIES		<u>201,500</u>	<u>396,806</u>
TOTAL EQUITY AND LIABILITIES		<u>840,957</u>	<u>691,198</u>
NET ASSETS PER SHARE (RM)		0.80	0.58



KEYFIELD INTERNATIONAL BERHAD

202001038989 (1395310-M)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Share Capital RM'000	Non- distributable Employee Share Option Reserve RM'000	Distributable Retained Profits RM'000	Attributable to Owners of our Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2023	125,260	-	62,712	187,972	4,365	192,337
Profit after taxation for the financial year	-	-	105,425	105,425	1,690	107,115
Other comprehensive expenses for the financial year:						
Distribution by owners of our Company:						
- dividends	-	-	(5,010)	(5,010)	(50)	(5,060)
Balance at 31.12.2023 / 1.1.2024	<u>125,260</u>	<u>-</u>	<u>163,127</u>	<u>288,387</u>	<u>6,005</u>	<u>294,392</u>
Profit after taxation for 1.1.2024 until 30.06.2024	-	-	100,338	100,338	524	100,862
Other comprehensive expenses for the financial year:						
Issuance of ordinary shares to partially redeem CRNCPS	81,000	-	-	81,000	-	81,000
Issuance of ordinary shares through public issue / IPO	188,064	-	-	188,064	-	188,064
Shares issuance expenses for the IPO	(6,008)	-	-	(6,008)	-	(6,008)
Total transactions with the owners of the Company	<u>263,056</u>	<u>-</u>	<u>-</u>	<u>263,056</u>	<u>-</u>	<u>263,056</u>
Share options to employees	-	4,205	-	4,205	-	4,205
Distribution to owners of our Company:						
- dividends for FYE 2023 paid in FYE 2024	-	-	(15,031)	(15,031)	-	(15,031)
- dividends for FYE 2024 paid in FYE 2024	-	-	(8,000)	(8,000)	-	(8,000)
Dividend in respect of Keyfield Endeavour CRCPS	-	-	-	-	(27)	(27)
Balance at 30.06.2024	<u>388,316</u>	<u>4,205</u>	<u>240,434</u>	<u>632,955</u>	<u>6,502</u>	<u>639,457</u>



KEYFIELD INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Unaudited Current Year- to-date (6 months) RM'000	Unaudited Preceding Year Corresponding Year-to-date (6 months) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	137,104	51,776
Adjustments for:		
Accretion of interest on Keyfield CRNCPS	3,053	1,339
Depreciation:		
- property, plant and equipment	16,878	12,452
- investment property	16	16
- right-of-use assets	7,271	4,177
Other interest expenses	3,862	6,138
Interest expense on lease liabilities	581	346
Share of losses of an equity accounted associate	9	11
Net unrealised losses on foreign exchange	169	-
Interest income	(807)	(238)
Loss on lease modification	-	18
Share options to employees	4,205	-
Operating profit before working capital changes	172,341	76,035
(Increase)/decrease in inventories	(1,294)	693
Increase in trade and other receivables	(89,434)	(27,071)
Increase in trade and other payables	14,541	5,597
Cash from operations activities	96,154	55,254
Interest paid	(8,006)	(8,622)
Income tax paid	(85)	(49)
NET CASH FROM OPERATING ACTIVITIES	88,063	46,583
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	807	238
Purchase of property, plant and equipment	(39,018)	(34,327)
Increase in pledged fixed deposit with a licensed bank	(1,016)	(594)
NET CASH FOR INVESTING ACTIVITIES	(39,227)	(34,683)
CASH FLOWS FOR FINANCING ACTIVITIES		
Net drawdown of revolving credits	-	16,005
Dividend paid	(23,050)	(5,035)
Repayment to third parties	(112,609)	-
Repayment of lease liabilities	(7,090)	(4,068)
Repayment of term loans	(8,811)	(16,063)
Redemption of CRNCPS	(61,500)	-
Net proceeds from public issue of ordinary shares / IPO	182,056	-
NET CASH FOR FINANCING ACTIVITIES	(31,004)	(9,161)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,832	2,739
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(169)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	68,540	17,024
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	86,203	19,763



A NOTES TO THE INTERIM FINANCIAL REPORT – SECOND QUARTER ENDED 30 JUNE 2024

A1. Basis of Preparation

The Interim Financial Report of Keyfield International Berhad (“Keyfield” or “our Company”) and its subsidiaries (“Keyfield Group” or “our 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 Interim Financial Report should be read in conjunction with the audited financial statements of our Group for the financial year ended 31 December 2023 (“AFS FYE 2023”).

A2. Significant Accounting Policies

The significant accounting policies applied by our Group in this Interim Financial Report are consistent with those adopted in preparation of our Group’s AFS FYE2023, except for the adoption of the following amendments to the MFRS, which are effective for annual periods beginning on or after 1 January 2024:

- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)
- Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)
- Non-Current Liabilities with Covenants (Amendments to MFRS 101)
- Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)

Our Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the current financial period/year:

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 121: Lack of Exchangeability	1 January 2025

Our Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period(s). The application of these amendments to MFRS is not expected to have any significant effect to the financial statements of our Group.

A3. Audit Qualification

There was no qualification on our Group’s AFS FYE 2023.

A4. Seasonal or Cyclical Factors

Due to the relatively adverse weather conditions (monsoon season), typically during the period from December to March in the South-China Sea, where our vessels currently operate in, our Group generally records lower chartering activities during the first and fourth quarters compared to the second and third quarters of each year. During the monsoon season, our Group’s vessels might not be chartered out or might be chartered out at lower daily charter rate compared to other months.

Our Group generally records higher revenue and utilisation rate in the second and third quarters compared to the first and fourth 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 our 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

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

In conjunction with our IPO, our Company also issued 90,000,000 new ordinary shares in our Company at the issue price of RM0.90 per share, being the IPO price, to redeem 324,000,000 3% cumulative redeemable non-convertible preference shares (“Keyfield CRNCPS”), as further detailed on Page 109, Section 6.2.8(ii) of our Prospectus. A further 246,000,000 Keyfield CRNCPS were redeemed from the IPO proceeds as detailed in Section B9 below. In total, all 570,000,000 Keyfield CRNCPS were fully redeemed during 2Q2024.

Our Company also implemented our employee share options scheme (“ESOS”), whereby we offered 28,000,000 ESOS options to our eligible directors, employees and crew members during 2Q2024, which have been accepted and can be exercised from 3Q2024 onwards. Full details of our ESOS are contained in our Prospectus.

Save as disclosed above, there were no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations or shares held as treasury shares by our Company during 2Q2024.

A8. Dividends

During 2Q2024, the following dividends were declared and paid:

- (i) On 30 April 2024, we paid RM0.7 million in dividends for the Keyfield CRNCPS 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 accounting standards. All Keyfield CRNCPS have been fully redeemed as at 30 April 2024 and upon the dividend payment above, there are no further dividends to be paid in respect of Keyfield CRNCPS; and
- (ii) On 24 June 2024, we paid RM8.0 million in dividends for ordinary shares in respect of FYE 2024, representing a dividend of 1.0 sen per share.

On 15 August 2024, Keyfield declared a second interim dividend of 3.0 sen per ordinary share in respect of FYE 2024 which will amount to approximately RM24.1 million in total, to entitled shareholders whose names appear in the Record of Depositors as at 30 August 2024 and which is to be paid on 13 September 2024. The actual total amount of dividends to be paid will depend on the number of ordinary shares in issuance on the entitlement date after accounting for the number of ESOS options which have been exercised prior to the dividend entitlement date. As at the date of this announcement, the total number of Keyfield ordinary shares in issuance is 802,205,350.

A9. Property, plant and equipment

In year to date up to 30 June 2024, our Group had acquisitions of property, plant and equipment amounting to RM39.0 million, out of which RM34.8 million was for the acquisition of our 11th own vessel, namely IMS Aman and the balance RM4.2 million was mainly in respect of vessel equipment and dry-docking.

In addition, our Group has made total payments of RM7.6 million in respect of the acquisition of Keyfield Itqan (formerly known as MV Belait Barakah) and the shipbuilding of the new Dynamic Positioning-2 Accommodation Work Boat (“New DP2 AWB”), both of which were announced on 25 June 2024. This RM7.6 million is included in our Group’s current assets as at 30 June 2024 as ‘Other receivables, deposits and prepayments’ as the respective acquisition and shipbuilding have yet to be completed as at 30 June 2024.



A10. Capital Commitments

As at 30 June 2024, our Group had the following material contractual capital commitments:

	Unaudited As at 30 Jun 2024	Audited As at 31 Dec 2023
	RM'000	RM'000
Contracted but not provided for	169,020	1,238

The capital commitments as at 30 June 2024 represents RM164.7 million for the balance amounts due for the acquisition of Keyfield Itqan (formerly known as MV Belait Barakah) and the shipbuilding of the New DP2 AWB and have been translated into RM based on the exchange rate of USD1:RM4.7195, being Bank Negara Malaysia's mid-rate as at 5.00 p.m. on 28 June 2024 and RM4.3 million in respect of vessel equipment and dry-docking for our own vessels. The actual capital commitment in RM for the above vessels will be based on the exchange rate prevailing on the actual date of payment. Part of these capital commitments have been subsequently paid as disclosed in Note A12 below.

A11. Segmental Information

Our Group operates predominantly in Malaysia and in one business segment, i.e. 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 30 June 2024 is set out below:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30 June 2024 RM'000	Preceding Year Corresponding Quarter 30 June 2023 RM'000	Current Year- to-date 30 June 2024 RM'000	Preceding Year Corresponding Year-to-date 30 June 2023 RM'000
<u>Own Vessels</u>				
Chartering	112,043	65,404	178,847	90,445
Catering	20,786	13,437	30,711	18,766
Others ⁽¹⁾	7,186	4,786	11,404	6,207
Subtotal	<u>140,015</u>	<u>83,627</u>	<u>220,962</u>	<u>115,418</u>
<u>Third-Party Vessels</u>				
Chartering	48,834	17,940	68,997	36,616
Catering	7,208	4,071	9,760	5,938
Others ⁽¹⁾	2,919	926	5,648	3,995
Subtotal	<u>58,961</u>	<u>22,937</u>	<u>84,405</u>	<u>46,549</u>
Total	<u>198,976</u>	<u>106,564</u>	<u>305,367</u>	<u>161,967</u>

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 below, there were no other material events subsequent to the end of 2Q2024 that have not been reflected in this interim financial report:

- (i) In July 2024, our Group made the payment of the balance purchase consideration of USD5.4 million (equivalent to RM25.5 million) for the acquisition of Keyfield Itqan (formerly known as MV Belait Barakah) via our internally generated funds. KOSB has also taken delivery of the vessel and this acquisition has been completed;
- (ii) In July 2024, our Group made a further payment of USD5.1 million (equivalent to RM24.1 million) towards the contract price for the shipbuilding contract for New DP2 AWB, via our internally generated funds. The shipbuilding is currently in progress with the tentative delivery date to be in the first quarter of 2026; and
- (iii) On 6 August 2024, our Group entered into a memorandum of Agreement to acquire a secondhand Anchor Handling Tug Supply vessel (“AHTS”) named MV Aulia for a purchase consideration of USD7.8 million (equivalent to RM34.6 million at the exchange rate of USD1:RM4.4300, the middle rate as at 5 August 2024 5.00 p.m., as quoted by Bank Negara Malaysia). Our Group has completed this acquisition on 13 August 2024.

A13. Changes in Composition of our Group

On 26 June 2024, our 51%-owned subsidiary, Keyfield Geomarine Sdn Bhd, changed its name to Keyfield Ship Services Sdn Bhd. There were no changes in the composition of our Group for 2Q2024.

A14. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of a material nature for 2Q2024.

A15. Derivatives

There were no derivatives used in 2Q2024.

A16. Fair Value of Financial Instruments

There were no gains or losses arising from fair value changes of our Group’s financial liabilities for 2Q2024.

A17. Related Party Transactions

The related party transactions for the year-to-date (“YTD”) up to 30 June 2024 is as follows:

	Cumulative Quarter	
	Current Year-to-date	Preceding Year Corresponding Year-to-date
	30 June 2024	30 June 2023
	Unaudited	Unaudited
	RM’000	RM’000
Dividend on Keyfield CRNCPS paid to a substantial shareholder	2,681	2,325
Redemption of 310,000,000 Keyfield CRNCPS held by a substantial shareholder via:		
(i) Issuance of 80,000,000 new Keyfield ordinary shares at RM0.90 each to the substantial shareholder	72,000	-
(ii) IPO proceeds	5,500	-
Directors’ fees	180	151
Directors’ remuneration other than fees	1,905	932
Other key senior management’s remuneration	946	593
Rental of office units from persons connected to a substantial shareholder	254	202



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 30 June 2024 (“2Q2024”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	198,976	106,564	305,367	161,967
Gross profit	108,708	51,308	159,815	69,354
Profit before tax (“PBT”)	95,338	40,430	137,104	51,776
PATAMI	70,039	30,160	100,338	37,570

Our Group recorded total revenue of RM199.0 million in 2Q2024, an increase of RM92.4 million (86.7%) compared to total revenue of RM106.6 million in 2Q2023. Out of this, revenue from own vessels increased by RM56.3 million (67.3%) to RM140.0 million (2Q2023: RM83.7 million) while revenue from third-party vessels increased by RM36.1 million (157.6%) to RM59.0 million (2Q2023: RM22.9 million).

On a cumulative YTD basis, our total revenue increased by RM143.4 million (88.5%), which is attributed to increase in revenue from own vessels by RM105.5 million (91.3%) and increase in revenue from third-party vessels by RM37.9 million (81.5%).

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

- i) The increase in average daily charter rate (“DCR”) for our own vessels in 2Q2024 compared to 2Q2023 due to improved market conditions for our vessel chartering business. We experienced higher average DCR in 2Q2024 mainly due to some of our vessels commencing new charter projects at higher DCR in 2024 compared to 2023 attributable to the robust demand and tight supply conditions in the markets we operate in.
- ii) The number of chartered days for own vessels in 2Q2024 was 970 days with utilisation rate of 96.9% (2Q2023: 808 days with utilisation rate of 93.8%). Cumulatively, the number of chartered days for own vessels YTD 2024 was 1,603 days with a utilisation rate of 82.4% (YTD 2023: 1,105 days with utilisation rate of 74.1%).

The increase in number of chartered days in 2Q2024 as compared with 2Q2023 was mainly contributed by:

- a) The utilisation rate of our Group’s 10 own vessels (excluding IMS Aman which we only acquired in 1Q2024 and Keyfield Itqan (formerly known as MV Belait Barakah) which we only completed the acquisition in July 2024) increased in 2Q2024 compared to 2Q2023, as a result of these own vessels being chartered earlier in 2024 compared to 2023 to support our customers’ offshore activities; and
- b) Meanwhile, IMS Aman contributed 91 chartered days in 2Q2024 (nil in 2Q2023 as we only acquired her in 1Q2024).

In 2Q2024, 10 of our own vessels achieved full utilisation. The increase in overall utilisation rates for 2Q2024 and YTD 2024 for our own vessels is indicative of the current robust demand in the industry we serve.



- iii) In line with the higher number of chartered days, catering revenue for own vessels increased by RM7.4 million (55.2%) due to higher number of passengers on board these vessels, another indication of the increased offshore activities where more of our customers' and their contractors' personnel were on board our vessels to carry out their activities.

Revenue from own vessels contributed 70.4% of total revenue in 2Q2024, compared to 78.5% in 2Q2023, with the remainder contributed by revenue from third-party vessels. There was an increase in the percentage of revenue contributed by third-party vessels in 2Q2024 as there was excess demand from our customers and due to our own vessels already achieving a utilisation rate of 96.9%, we had chartered third-party vessels to fulfil such excess demand.

Revenue from third-party vessels increased by RM36.1 million due to an increase in number of chartered days for third-party vessels to 733 days in 2Q2024, comprising 333 chartered days from third-party AWBs and 400 chartered days from third-party Anchor Handling Tug Supply ("AHTS") vessels. This was a marked increase from 285 third-party vessels' chartered days in 2Q2023, comprising 139 chartered days from third-party AWBs and 146 chartered days from third-party AHTS.

A summary of the total number of chartered days is shown in the table below:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	No. of days	No. of days	No. of days	No. of days
Own vessels	970	808	1,603	1,105
Third-party vessels:				
- AHTS	400	146	683	195
- AWB/Barge/Geotech	333	139	409	395
Subtotal third-party	733	285	1,092	590
Grand total	1,703	1,093	2,695	1,695

In addition, third-party AHTS vessels' chartered days increased to 400 days in 2Q2024 from 146 days in 2Q2023, as our Group secured more chartering projects for AHTS vessels after recently obtaining PETRONAS' SWEC Code for AHTS in December 2022 and being appointed as a Panel Contractor for AHTS in April 2024, in addition to the SWEC Code and PCC for other segments, namely AWB and Platform Supply Vessels ("PSV"). Kindly refer to Keyfield's announcement dated 30 May 2024 for more information on such appointment.

Notwithstanding the higher proportion of third-party vessels' chartered days being contributed by AHTS, for which the DCR is lower than that for AWBs, the average third-party vessels' DCR for 2Q2024 was still higher than 2Q2023 due to tight supply conditions for various types of offshore support vessels.

Arising from the increase in revenue, our Group recorded total gross profit of RM108.7 million in 2Q2024 and RM159.8 million YTD 2024, returning a gross profit margin ("GPM") of 54.6% and 52.3% respectively. This compares favourably against total gross profit of RM51.3 million in 2Q2023 and RM69.4 million YTD 2023, with GPM of 48.1% and 42.8% respectively. The increase in our Group's GPM was mainly due to higher average DCR for own vessels, partially offset by higher proportion of revenue contributed by third-party vessels for which the GPM is lower as compared to own vessels.

Meanwhile, our Group's administrative expenses increased by RM4.2 million in 2Q2024 compared with 2Q2023, mainly due to a non-cash expense for share options to employees of RM4.2 million being charged in 2Q2024 in respect of the ESOS options granted and accepted, in accordance with *MFRS 2, Share Based Payments*. Our Group expects to incur a further RM12.9 million in such non-cash expenses in 3Q2024 onwards until 1Q2028, being the vesting period for the ESOS options.



Our Group also expensed RM0.5 million and RM0.7 million for IPO expenses and RM2.4 million and RM3.1 million for accretion of interest on Keyfield CRNCPS in 2Q2024 and YTD 2024 respectively, which are not expected to recur in future quarters as our IPO has been completed and the Keyfield CRNCPS fully redeemed, both in 2Q2024. Other IPO expenses had already been expensed in previous quarters while an amount of RM6.0 million has been charged to our share capital account as shown in the Statement of Changes in Equity above.

Our finance cost for 2Q2024 was RM1.5 million compared to RM4.0 million in 2Q2023, as we have fully repaid all of our bank borrowings and other financial instruments such as Keyfield CRNCPS and amounts owing to vendors of Blooming Wisdom and Keyfield Helms 1 in 2Q2024. The only financial instruments which are outstanding are lease liabilities in respect of third-party vessels which we charter in and tenancy agreements for which the expiry dates are more than 1 year from 30 June 2024, accounted for in accordance with *MFRS 15, Leases*. Save for such lease liabilities, our gearing is zero and we are in a net cash position.

Our PATAMI for 2Q2024 and YTD 2024 is RM70.0 million and RM100.3 million respectively, an increase of 132.2% and 167.1% over corresponding period respectively. Furthermore, we have already achieved 95.1% of full year 2023's PATAMI in YTD 2024 (6 months).

Our 'core' operating PATAMI for 2Q2024 and YTD 2024, after adding back the non-cash share option expenses and non-recurring IPO expenses and accretion of interest on Keyfield CRNCPS, would be RM77.1 million and RM108.3 million respectively.

B2. Comparison with the Immediate Preceding Quarter's Results

	3-MONTHS ENDED		Variance + / (-)	
	Current Quarter	Preceding Quarter		
	30 June 2024	31 March 2024		
	Unaudited	Unaudited		
	RM'000	RM'000	RM'000	%
Revenue	198,976	106,391	92,585	87.0
Gross profit	108,708	51,107	57,601	112.7
Profit before tax	95,338	41,764	53,574	128.3
PATAMI	70,039	30,298	39,741	131.2

Our Group's revenue for 2Q2024 was RM92.6 million (87.0%) higher than that for 1Q2024 as typically, own vessels' utilisation rate for the first quarter of each year is the lowest due to the reason as explained in Note A4. We achieved 970 days with utilisation rate at 96.9% for 2Q2024 (1Q2024: 633 days with utilisation rate of 67.1%) for our own vessels. Furthermore, the number of chartered days for third-party vessels increased to 733 days in 2Q2024 compared to 359 days in 1Q2024 due to the excess demand as explained in Note B1.

Our gross profit for 2Q2024 more than doubled the gross profit for 1Q2024, reflecting the strong revenue growth underpinned mainly by high utilisation rate for our own vessels and increase in average DCR rates from 1Q2024 to 2Q2024. Our GPM of 54.6% in 2Q2024 was higher than 48.0% in 1Q2024 mainly due to higher utilisation rate and DCR for own vessels, partially offset by higher proportion of revenue from third-party vessels for which the GPM is lower as compared to own vessels.

Our profit before tax and PATAMI for 2Q2024 was 128.3% and 131.2% higher than 1Q2024 despite the non-cash expense for share options and non-recurring items as stated in Note B1 above.



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 FYE 2024 and foreseeable future, 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.

We are cautiously optimistic of our prospects due to the above factors as well as due to our order book in hand. As at 30 June 2024, our remaining order book consisting of contracted charters to date amounts to RM619.1 million, out of which RM337.5 million is in respect of the remaining six months of FYE 2024 and the balance in future financial years. 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 13 own vessels, namely 3 smaller-sized vessels (2 AHTS and 1 geotechnical vessel), 9 medium-sized vessels or AWBs of which 6 are equipped with Dynamic Positioning 2 ("DP2") systems, and 1 larger-sized barge. Save for Keyfield Itqan which we have only completed the acquisition in July 2024 and which is currently being prepared for chartering operations, all of our other 11 own vessels are currently being chartered by our customers. In addition, we are currently chartering various third-party vessels to our customers to meet demand in excess of the number of our own vessels.

B4. Profit Forecast

Our 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, our Group is not engaged in any governmental, legal or arbitration proceedings which may have or have had material or significant effects on our Group's financial position or profitability.



B6. Profit Before Tax

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

	Current Quarter		Year-to-date	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Interest income	(506)	(213)	(807)	(238)
Accretion of interest on CRNCPS	2,392	666	3,053	1,339
Interest expense on lease liabilities	390	129	581	346
Interest expense on borrowings	1,153	3,911	3,862	6,138
Depreciation of property, plant & equipment	8,639	7,364	16,878	12,452
Depreciation of investment property	8	9	16	16
Depreciation of right-of-use assets	4,515	1,470	7,271	4,177
Realised (gain) on foreign exchange	(154)	(123)	(276)	(268)
Unrealised (gain) on foreign exchange	-	-	(9)	-
Realised loss on foreign exchange	33	139	56	202
Unrealised loss on foreign exchange	142	-	178	-
Loss on lease modification	-	18	-	18
Share options to employees	4,205	-	4,205	-

B7. Taxation

	Current Quarter		Year-to-date	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Income tax	23,229	56	23,329	68
Deferred tax	1,883	9,621	12,913	13,661
Total tax expense	25,112	9,677	36,242	13,729
Effective tax rate (%)	26.3	23.9	26.4	26.5
Statutory tax rate (%)	24.0	24.0	24.0	24.0

Our Group's effective tax rate was at 26.4% for YTD 2024. The effective tax rate was higher than the statutory tax rate of 24.0% mainly due to certain expenses such as IPO expenses, Keyfield CRNCPS dividends and cost of share options to employees not being deductible for taxation purposes.



B8. Status of Corporate Proposals

There are no corporate proposals announced by our Company but not completed as at the date of this interim financial report.

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

Our Company's entire issued share capital was successfully listed on the Main Market of Bursa Securities 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	Time frame (months)	Proposed utilisation RM'm	Actual utilisation RM'm	Status
Redemption of Keyfield CRNCPS	1	61.5	61.5	Fully utilised
Repayment of bank borrowings	3	3.0	3.0	Fully utilised
Settlement of balance purchase consideration for Blooming Wisdom	1	65.0	65.0	Fully utilised
Settlement of balance purchase consideration for Helms 1	1	35.0	35.0	Fully utilised
Working capital	12	14.6	15.0	Fully utilised with another RM0.4 million re-allocated from estimated listing expenses
Estimated listing expenses	1	9.0	8.6	The final total listing expenses is RM8.6 million, all of which has been utilised. The balance RM0.4 million have been re-allocated to working capital
Total		188.1	188.1	Fully utilised

The utilisation of proceeds and the timeline above should be read in conjunction with our Prospectus.

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	
	30 June 2024 Unaudited	30 June 2023 Unaudited	30 June 2024 Unaudited	30 June 2023 Unaudited
Profit attributable to owners of our Company (RM'000)	70,039	30,160	100,338	37,570
Basic EPS (sen) ⁽¹⁾	9.37	6.02	16.07	7.50
Diluted EPS (sen) ⁽²⁾	9.03	3.64	15.38	4.54

Notes:

⁽¹⁾ Calculated based on the PAT attributable to owners of our Company divided by the weighted average number of ordinary shares in issuance for 2Q2024 of 747,435,604 shares (2Q2023: 501,040,000 shares) and YTD 2024 of 624,237,802 (YTD 2023: 501,040,000 shares).

⁽²⁾ Calculated based on the PAT attributable to owners of our Company divided by the weighted average number of ordinary shares in issuance and after taking into account the full potential exercise of ESOS options for 2Q2024 of 775,435,604 shares (2Q2023: 501,040,000 shares) and YTD 2024 of 652,237,802 shares (YTD 2023: 501,040,000 shares).



B11. Borrowings and Lease Liabilities

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Current</u>		
<u>Secured and/or guaranteed:</u>		
Term loans	-	2,625
Amount owing to vendors of Blooming Wisdom and Keyfield Helms 1	-	24,354
	<u>-</u>	<u>26,979</u>
<u>Unsecured and unguaranteed:</u>		
Keyfield CRNCPS	-	3,563
Lease liabilities ⁽¹⁾	18,307	10,259
	<u>18,307</u>	<u>13,822</u>
Total short-term borrowings and lease liabilities	<u>18,307</u>	<u>40,801</u>
<u>Non-current</u>		
<u>Secured and/or guaranteed:</u>		
Term loans	-	6,186
Amount owing to vendors of Blooming Wisdom and Keyfield Helms 1	-	88,255
	<u>-</u>	<u>94,441</u>
<u>Unsecured and unguaranteed:</u>		
Keyfield CRNCPS	-	139,447
Lease liabilities ⁽¹⁾	14,754	4,384
	<u>14,754</u>	<u>143,831</u>
Total long-term borrowings and lease liabilities	<u>14,754</u>	<u>238,272</u>
Total borrowings and lease liabilities	<u>33,061</u>	<u>279,073</u>

Note:

⁽¹⁾ In accordance with MFRS 16 *Leases*, we have classified the respective charters of 3 third-party vessels 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.

B12. Dividend declared

On 15 August 2024, Keyfield declared a second interim dividend of 3.0 sen per ordinary share in respect of FYE 2024 which will amount to approximately RM24.1 million in total, to entitled shareholders whose names appear in the Record of Depositors as at 30 August 2024 and which is to be paid on 13 September 2024. The actual amount of dividends to be paid will depend on the number of ordinary shares in issuance on the entitlement date after accounting for the number of ESOS options which have been exercised prior to the dividend entitlement date. As at the date of this announcement, the total number of Keyfield ordinary shares in issuance is 802,205,350.