



KEYFIELD INTERNATIONAL BERHAD

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

**INTERIM FINANCIAL REPORT
THIRD QUARTER ENDED 30 SEPTEMBER 2024**



KEYFIELD INTERNATIONAL BERHAD

Registration number 202001038989 (1395310-M)
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Note	Individual Quarter (3 months)		Cumulative Period (9 months)	
		Unaudited Current Year Quarter 30/09/2024 RM'000	Audited Preceding Year Corresponding Quarter 30/09/2023 RM'000	Unaudited Current Year- To-Date 30/09/2024 RM'000	Audited Preceding Year Corresponding Period 30/09/2023 RM'000
Revenue		216,785	148,950	522,153	310,918
Cost of sales		(98,607)	(74,918)	(244,159)	(167,531)
Gross profit		118,178	74,032	277,994	143,387
Other income		571	116	1,711	1,151
		118,749	74,148	279,705	144,538
Administrative expenses		(10,901)	(5,208)	(25,894)	(13,839)
Other expenses		(1,198)	(2,058)	(5,605)	(5,547)
Finance costs		(465)	(4,227)	(4,908)	(10,710)
Share of losses of an equity accounted associate		(9)	(4)	(17)	(15)
Profit before taxation	B6	106,176	62,651	243,281	114,427
Income tax expense	B7	(24,935)	(16,461)	(61,178)	(30,190)
Profit after taxation		81,241	46,190	182,103	84,237
Other comprehensive expenses		-	-	-	-
Total comprehensive income for the financial period		81,241	46,190	182,103	84,237



KEYFIELD INTERNATIONAL BERHAD

202001038989 (1395310-M)

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

	Note	Individual Quarter (3 months)		Cumulative Period (9 months)	
		Unaudited Current Year Quarter 30/09/2024 RM'000	Audited Preceding Year Corresponding Quarter 30/09/2023 RM'000	Unaudited Current Year- To-Date 30/09/2024 RM'000	Audited Preceding Year Corresponding Period 30/09/2023 RM'000
Profit after taxation attributable to:					
Owners of our Company		81,116	45,782	181,454	83,352
Non-controlling interests		125	408	649	885
		81,241	46,190	182,103	84,237
Total comprehensive income attributable to:					
Owners of our Company		81,116	45,782	181,454	83,352
Non-controlling interests		125	408	649	885
		81,241	46,190	182,103	84,237
Earnings per share (Sen)					
- Basic	B10	10.11	9.14	26.53	16.64
- Diluted	B10	9.92	9.14	26.33	16.64



KEYFIELD INTERNATIONAL BERHAD

202001038989 (1395310-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Note	Unaudited As At 30 Sep 2024 RM'000	Audited As At 31 Dec 2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Investment in an associate		189	206
Property, plant and equipment		613,731	501,154
Investment property		1,500	1,524
Right-of-use assets		36,051	14,454
Other investments		218	218
		<u>651,689</u>	<u>517,556</u>
CURRENT ASSETS			
Inventories		4,424	3,351
Trade receivables		213,608	93,561
Other receivables, deposits and prepayments		7,510	3,949
Fixed deposits with licensed banks		5,264	4,241
Cash and bank balances		50,743	68,540
		<u>281,549</u>	<u>173,642</u>
TOTAL ASSETS		<u>933,238</u>	<u>691,198</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		393,075	125,260
Share application monies		32	-
Employee Share Option Reserve		4,468	-
Retained profits		297,463	163,127
Equity attributable to owners of our Company		<u>695,038</u>	<u>288,387</u>
Non-controlling interests		<u>4,121</u>	<u>6,005</u>
TOTAL EQUITY		<u>699,159</u>	<u>294,392</u>
NON-CURRENT LIABILITIES			
Cumulative redeemable non-convertible preference shares ("CRNCPS")		-	139,447
Lease liabilities	B11	18,443	4,384
Other payables		-	88,255
Borrowings	B11	-	6,186
Deferred tax liabilities		91,544	65,464
		<u>109,987</u>	<u>303,736</u>
CURRENT LIABILITIES			
Trade payables		61,436	40,673
Other payables and accruals		8,923	32,346
CRNCPS		-	3,563
Lease liabilities	B9	17,973	10,259
Borrowings	B9	-	2,625
Current tax liabilities		35,760	3,604
		<u>124,092</u>	<u>93,070</u>
TOTAL LIABILITIES		<u>234,079</u>	<u>396,806</u>
TOTAL EQUITY AND LIABILITIES		<u>933,238</u>	<u>691,198</u>
NET ASSETS PER SHARE (RM)	- 4 -	0.87	0.58



KEYFIELD INTERNATIONAL BERHAD

202001038989 (1395310-M)

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

	Share Capital	Non-distributable Share Application Monies	Non-distributable Employee Share Option Reserve	Distributable Retained Profits	Attributable to Owners of our Company	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	125,260	-	-	163,127	288,387	6,005	294,392
Profit after taxation for 1.1.2024 until 30.09.2024	-	-	-	181,454	181,454	649	182,103
Other comprehensive expenses for the financial year:							
Redemption of CRCPS dividend to minority interest	-	-	-	-	-	(2,500)	(2,500)
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	263,056	-	-	-	263,056	-	263,056
Share options to employees	-	-	6,449	-	6,449	-	6,449
Employee's share option exercised	4,759	-	(1,981)	-	2,778	-	2,778
Shares application monies received	-	32	-	-	32	-	32



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202001038989 (1395310-M)

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	-	-	-	(32,087)	(32,087)	-	(32,087)
Dividend in respect of Keyfield Endeavour CRCPS	-	-	-	-	-	(33)	(33)
Balance at 30.09.2024	393,075	32	4,468	297,463	695,038	4,121	699,159



KEYFIELD INTERNATIONAL BERHAD

202001038989 (1395310-M)

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

	Unaudited Current Year- to-date (9 months) RM'000	Audited Preceding Year Corresponding Year-to-date (9 months) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	243,281	114,427
Adjustments for:		
Accretion of interest on Keyfield CRNCPS	3,053	2,004
Depreciation:		
- property, plant and equipment	26,133	19,826
- investment property	24	23
- right-of-use assets	12,675	6,698
Interest expense on lease liabilities	1,046	590
Other interest expenses	3,862	10,120
Share of losses of an equity accounted associate	17	15
Net unrealised losses/(gains) on foreign exchange	421	(79)
Interest income	(894)	(307)
(Gain)/Loss on lease modification	(185)	18
Share options to employees	6,449	-
Operating profit before working capital changes	295,882	153,335
(Increase)/Decrease in inventories	(1,073)	749
Increase in trade and other receivables	(123,608)	(60,419)
Increase in trade and other payables	21,695	17,260
Cash from operations activities	192,896	110,925
Interest paid	(8,471)	(11,779)
Income tax paid	(2,943)	(119)
Tax refunds	-	56
NET CASH FROM OPERATING ACTIVITIES	181,482	99,083
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	894	307
Proceeds from disposal of property, plant and equipment	38	-
Purchase of property, plant and equipment	(138,619)	(30,372)
Increase in pledged fixed deposit with a licensed bank	(1,023)	(1,064)
NET CASH FOR INVESTING ACTIVITIES	(138,710)	(31,129)
CASH FLOWS FOR FINANCING ACTIVITIES		
Net repayment of revolving credits	-	(3,074)
Drawdown of term loans	-	3,000
Dividend paid	(47,151)	(5,010)
Repayment to third parties	(112,609)	(13,518)
Repayment of lease liabilities	(12,443)	(6,461)
Repayment of term loans	(8,811)	(23,326)
Redemption of CRNCPS	(61,500)	-
Redemption of CRCPS	(2,500)	-
Proceeds from shares issuance pursuant to employee share options	2,810	-
Net proceeds from public issue of ordinary shares / IPO	182,056	-
NET CASH FOR FINANCING ACTIVITIES	(60,148)	(48,389)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,376)	19,565
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(421)	79
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	68,540	17,024
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	50,743	36,668



A NOTES TO THE INTERIM FINANCIAL REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 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"). Kindly refer to our second quarter's result announcement on 15 August 2024 regarding the issuance of ordinary shares and redemption of CRNCPS in conjunction with our IPO.

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 can be exercised from 3Q2024 onwards. Full details of our ESOS are contained in our Prospectus. In 3Q2024, a total of 3,087,150 new ordinary shares in Keyfield were issued pursuant to the exercise of such ESOS options.

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 3Q2024.

A8. Dividends

During 3Q2024, the following dividends were declared and paid:

- (i) On 13 September 2024, we paid RM24.1 million in dividends for ordinary shares in respect of FYE 2024, representing a dividend of 3.0 sen per share.

On 14 November 2024, Keyfield declared a third interim dividend of 4.0 sen per ordinary share in respect of FYE 2024 which will amount to approximately RM32.1 million in total, to entitled shareholders whose names appear in the Record of Depositors as at 6 December 2024 and which is to be paid on 19 December 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 803,144,150.

A9. Property, plant and equipment

In year to date up to 30 September 2024, our Group had acquisitions of property, plant and equipment amounting to RM138.6 million, as follows:

- (i) RM102.8 million for the acquisitions of vessels, namely IMS Aman, Keyfield Itqan (formerly known as Belait Barakah) and Keyfield Aulia;
- (ii) RM28.7 million for payments made towards the shipbuilding of the new Dynamic Positioning-2 Accommodation Work Boat ('New DP2 AWB') which was announced on 25 June 2024. This amount is included in our Group's property, plant and equipment as at 30 September 2024 as 'Vessel construction work-in-progress'; and
- (iii) RM7.1 million in respect of vessel equipment and dry-docking for our own vessels.



A10. Capital Commitments

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

	Unaudited As at 30 September 2024	Audited As at 31 Dec 2023
	RM'000	RM'000
Contracted but not provided for	106,049	1,238

The capital commitments as at 30 September 2024 represent the following:

- (i) RM100.6 million for the balance amount due for the shipbuilding of the New DP2 AWB, translated into RM based on the exchange rate of USD1:RM4.1220, being Bank Negara Malaysia's mid-rate as at 5.00 p.m. on 30 September 2024; and
- (ii) RM5.4 million in respect of vessel equipment and dry-docking for our own vessels.

The actual capital commitment for the New DP2 AWB in RM will be based on the exchange rate prevailing on the actual date of payment(s).

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 September 2024 is set out below:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30 Sep 2024 RM'000	Preceding Year Corresponding Quarter 30 Sep 2023 RM'000	Current Year- to-date 30 Sep 2024 RM'000	Preceding Year Corresponding Year-to-date 30 Sep 2023 RM'000
<u>Own Vessels</u>				
Chartering	127,175	72,325	306,023	162,770
Catering	25,031	15,963	55,742	34,730
Others ⁽¹⁾	6,054	6,030	17,458	12,237
Subtotal	<u>158,260</u>	<u>94,318</u>	<u>379,223</u>	<u>209,737</u>
<u>Third-Party Vessels</u>				
Chartering	46,226	44,211	115,224	80,827
Catering	9,204	7,543	18,963	13,481
Others ⁽¹⁾	3,095	2,878	8,743	6,873
Subtotal	<u>58,525</u>	<u>54,632</u>	<u>142,930</u>	<u>101,181</u>
Total	<u>216,785</u>	<u>148,950</u>	<u>522,153</u>	<u>310,918</u>

Note:

- (1) Others refer to revenue from VSAT/satellite 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 3Q2024 that have not been reflected in this interim financial report:

- (i) On 23 October 2024, Keyfield had lodged the required information and relevant documents relating to the proposed establishment of an Islamic medium term notes programme of up to RM1.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”) with the Securities Commission Malaysia (“SC”). Kindly refer to our announcement on even date for further details.

As at the date of this announcement, Keyfield has yet to make any issuances under the Sukuk Wakalah Programme.

A13. Changes in Composition of our Group

There were no changes in the composition of our Group for 3Q2024.

A14. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of a material nature for 3Q2024.

A15. Derivatives

There were no derivatives used in 3Q2024.

A16. Fair Value of Financial Instruments

There were no gains or losses arising from fair value changes of our Group’s financial liabilities for 3Q2024.

A17. Related Party Transactions

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

	Cumulative Quarter	
	Current Year-to-date	Preceding Year Corresponding Year-to-date
	30 Sep 2024	30 Sep 2023
	Unaudited	Audited
	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 a substantial shareholder	72,000	-
(ii) IPO proceeds	5,500	-
Issuance of shares to directors and key senior management pursuant to exercise of share options	2,204	-
Directors’ fees	234	220
Directors’ remuneration other than fees	2,754	1,401
Other key senior management’s remuneration	1,252	881
Rental of office units from persons connected to a substantial shareholder	381	399



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 September 2024 (“3Q2024”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	216,785	148,950	522,153	310,918
Gross profit	118,178	74,032	277,994	143,387
Profit before tax (“PBT”)	106,176	62,651	243,281	114,427
PATAMI	81,116	45,782	181,454	83,352

Our Group recorded total revenue of RM216.8 million in 3Q2024, an increase of RM67.8 million (45.5%) compared to total revenue of RM149.0 million in 3Q2023. Out of this, revenue from own vessels increased by RM64.0 million (67.9%) to RM158.3 million (3Q2023: RM94.3 million) while revenue from third-party vessels increased by RM3.9 million (7.1%) to RM58.5 million (3Q2023: RM54.6 million).

On a cumulative YTD basis, our total revenue increased by RM211.2 million (68.0%), which is attributed to increase in revenue from own vessels by RM169.5 million (80.8%) and increase in revenue from third-party vessels by RM41.7 million (41.2%).

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 3Q2024 compared to 3Q2023 due to continued robust market conditions for our vessel chartering business. We experienced higher average DCR in 3Q2024 as compared to 3Q2023, especially for vessels which are equipped with DP-2 capability, which was attributable to the continued strong demand and tight supply conditions in the markets we operate in. In the third quarter of the year, offshore oil and gas activities in Malaysia are typically higher as compared to other quarters.
- ii) The number of chartered days for own vessels in 3Q2024 was 1,053 days with utilisation rate of 99.2% (3Q2023: 854 days with utilisation rate of 92.8%). Cumulatively, the number of chartered days for own vessels YTD 2024 was 2,656 days with a utilisation rate of 88.4% (YTD 2023: 1,959 days with utilisation rate of 81.3%).

The increase in number of chartered days in 3Q2024 as compared with 3Q2023 was mainly contributed by:

- a) The utilisation rate of our Group’s 10 own vessels (excluding IMS Aman and Keyfield Aulia which we only acquired in 1Q2024 and 3Q2024 respectively and Keyfield Itqan which is being prepared for chartering operations) increased by 6.7% in 3Q2024 compared to 3Q2023, to support our customers’ offshore activities; and
- b) Meanwhile, our two new vessels IMS Aman and Keyfield Aulia, which we acquired in 1Q2024 and 3Q2024 respectively, contributed 138 chartered days in 3Q2024 (nil in 3Q2023).

The high utilisation rates for 3Q2024 and YTD 2024 for our own vessels are indicative of the demand conditions in the industry we serve.



- iii) In line with the higher number of chartered days, catering revenue for own vessels increased by RM9.0 million (56.8%) in 3Q2024 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 third-party vessels increased by RM3.9 million in 3Q2024 as compared to 3Q2023. Despite the tight supply of third-party vessels during the peak third quarter, we managed to secure 658 third-party vessels' chartered days, an increase over the corresponding period last year albeit modestly.

Revenue from own vessels contributed 73.0% of total revenue in 3Q2024, compared to 63.3% in 3Q2023, with the remainder contributed by revenue from third-party vessels. This was due to a higher rate of revenue increase from own vessels as compared to third-party vessels.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30 Sep 2024	Preceding Year Corresponding Quarter 30 Sep 2023	Current Year-to-date 30 Sep 2024	Preceding Year Corresponding Year-to-date 30 Sep 2023
	No. of days	No. of days	No. of days	No. of days
Own vessels	1,053	854	2,656	1,959
Third-party vessels:	658	642	1,750	1,232
Grand total	1,711	1,496	4,406	3,191

Arising from the increase in revenue, our Group recorded total gross profit of RM118.2 million in 3Q2024 and RM278.0 million YTD 2024, returning a gross profit margin ("GPM") of 54.5% and 53.2% respectively. This compares favourably against total gross profit of RM74.0 million in 3Q2023 and RM143.4 million YTD 2023, with GPM of 49.7% and 46.1% respectively. The increase in our Group's GPM was mainly due to higher average DCR and higher utilisation rates for own vessels as well as higher proportion of revenue contributed by own vessels for which the GPM is higher than for third-party vessels.

Meanwhile, our Group's administrative expenses increased by RM5.7 million in 3Q2024 compared with 3Q2023, partly due to the non-cash expense for share options to employees of RM2.2 million being charged in 3Q2024 in respect of the ESOS options granted and accepted, in accordance with *MFRS 2, Share Based Payments*. Our Group expects to incur a further RM10.6 million in such non-cash expenses from 4Q2024 onwards until 1Q2028, being the vesting period for the ESOS options. Other increases in administrative expenses were mainly attributable to higher staff costs and vessel insurance costs to support our increased operations.

Our Group also expensed RM0.7 million for IPO expenses and RM3.1 million for accretion of interest on Keyfield CRNCPS in YTD 2024 respectively, all of which were incurred prior to 3Q2024.

Our finance cost for 3Q2024 of RM0.5 million relate to 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 September 2024, accounted for in accordance with *MFRS 15, Leases*. Save for such lease liabilities, our gearing as at 30 September 2024 is zero and we are in a net cash position.

Our PATAMI for 3Q2024 and YTD 2024 is RM81.1 million and RM181.5 million respectively, an increase of 77.2% and 117.7% over corresponding periods respectively. YTD 2024 PATAMI (9 months) is already 72.0% higher than full year 2023's PATAMI.

Our 'core' operating PATAMI for 3Q2024 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 RM83.3 million and RM191.6 million respectively.



B2. Comparison with the Immediate Preceding Quarter's Results

	3-MONTHS ENDED		Variance + / (-)	
	Current Quarter	Preceding Quarter		
	30 September 2024	30 June 2024		
	Unaudited	Unaudited		
	RM'000	RM'000	RM'000	%
Revenue	216,785	198,976	17,809	8.9
Gross profit	118,178	108,708	9,470	8.7
Profit before tax	106,176	95,338	10,838	11.4
PATAMI	81,116	70,039	11,077	15.8

Our Group's revenue for 3Q2024 was RM17.8 million (8.9%) higher than that for 2Q2024. Offshore oil and gas activities in Malaysia are typically higher in the third quarter of each year and this is also reflected in Keyfield's 3Q2024 revenue, which is the highest quarterly revenue in our history.

The increase in revenue above was contributed by own vessels, whereby we recorded 1,053 chartered days with 99.2% utilisation rate for 12 own vessels in 3Q2024 (2Q2024: 970 days with 96.9% utilisation rate for 10 own vessels), underpinning the increase in revenue.

Meanwhile, revenue contributed by third party vessels in 3Q2024 was relatively constant at RM58.5 million as compared to 2Q2024. The lower number of third-party vessels' chartered days, mainly due to Keyfield Aulia having been acquired by us in 3Q2024 (and therefore contributing to own vessels chartered days above), was offset by higher average DCR obtained.

Our gross profit for 3Q2024 was RM9.5 million higher than 2Q2024, resulting from the above increase in revenue. Our profit before tax and PATAMI was also correspondingly higher as a result. The increase in profit before tax was higher than that for gross profit due to lower other expenses in 3Q2024 (non-recurrences of IPO expenses and accretion of interest on CRNCPS).

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 September 2024, our remaining order book consisting of contracted charters to date amounts to RM450 million, out of which RM150 million is in respect of the remaining three 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 12 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 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Interest income	(87)	(69)	(894)	(307)
Lease income	(24)	(24)	(72)	(72)
Accretion of interest on CRNCPS	-	665	3,053	2,004
Interest expense on lease liabilities	465	244	1,046	590
Interest expense on borrowings	-	3,982	3,862	10,120
Depreciation of property, plant & equipment	9,255	7,374	26,133	19,826
Depreciation of investment property	8	7	24	23
Depreciation of right-of-use assets	5,404	2,521	12,675	6,698
Realised gain on foreign exchange	(52)	(22)	(328)	(290)
Unrealised gain on foreign exchange	(81)	(154)	(90)	(154)
Realised loss on foreign exchange	709	47	765	249
Unrealised loss on foreign exchange	333	75	511	75
Gain on lease modification	(185)	-	(185)	-
Loss on lease modification	-	-	-	18
Share options to employees	2,244	-	6,449	-



B7. Taxation

	Current Quarter		Year-to-date	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Income tax	11,769	(2)	35,099	66
Deferred tax	13,166	16,463	26,079	30,124
Total tax expense	24,935	16,461	61,178	30,190
Effective tax rate (%)	23.5	26.3	25.1	26.4
Statutory tax rate (%)	24.0	24.0	24.0	24.0

Our Group's effective tax rate was at 25.1% 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

Save as disclosed in Note A12 above, 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 has been fully utilised in 2Q2024. Kindly refer to our announcement dated 15 August 2024 for further details.

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 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of our Company (RM'000)	81,116	45,782	181,454	83,352
Basic EPS (sen) ⁽¹⁾	10.11	9.14	26.53	16.64
Diluted EPS (sen) ⁽²⁾	9.92	9.14	26.33	16.64

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 3Q2024 of 802,214,995 shares (3Q2023: 501,040,000 shares) and YTD 2024 of 683,988,484 (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 3Q2024 of 817,583,138 shares and YTD 2024 of 689,156,025 shares (3Q2023 and YTD 2023: no ESOS options).



B11. Borrowings and Lease Liabilities

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

	<u>30 September 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⁾	17,973	10,259
	<u>17,973</u>	<u>13,822</u>
Total short-term borrowings and lease liabilities	<u>17,973</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⁾	18,443	4,384
	<u>18,443</u>	<u>143,831</u>
Total long-term borrowings and lease liabilities	<u>18,443</u>	<u>238,272</u>
Total borrowings and lease liabilities	<u>36,416</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 14 November 2024, Keyfield declared a third interim dividend of 4.0 sen per ordinary share in respect of FYE 2024 which will amount to approximately RM32.1 million in total, to entitled shareholders whose names appear in the Record of Depositors as at 6 December 2024 and which is to be paid on 19 December 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 803,144,150.

For YTD2024, the Company had declared a cumulative dividend of 8.0 sen amounting to RM64.2 million, representing 35.4% of our YTD2024 PATAMI.