



"the shipping people"

Company No : 256516-W

E.A. TECHNIQUE (M) BERHAD (256516-W)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER AND PERIOD ENDED 30 JUNE 2024**



Company No : 256516-W

**Unaudited Condensed Consolidated Statement of Comprehensive Income
For The Second Quarter and Financial Period Ended 30 June 2024**

	Note	Quarter Ended			Year Ended		
		30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Revenue	B1	30,604	33,902	(10)	61,807	68,213	(9)
Cost of sales		(19,369)	(19,860)	(2)	(36,628)	(44,494)	(18)
Gross profit		11,235	14,042	(20)	25,179	23,719	6
Administrative expenses		(12,021)	(5,241)	>100	(16,849)	(8,309)	>100
Other operating income	B3	150,637	2,002	>100	150,643	4,889	>100
Other operating expenses		(7,757)	(766)	>100	(8,423)	(675)	>100
Results from Operating activities		142,094	10,037	>100	150,550	19,624	>100
Finance income		268	29	>100	443	188	>100
Finance costs		(1,596)	(2,262)	(29)	(3,333)	(4,518)	(26)
Profit before tax		140,766	7,804	>100	147,660	15,294	>100
Taxation	B6	(46,117)	-	>(100)	(46,117)	-	>(100)
Profit for the period		94,649	7,804	>100	101,543	15,294	>100
Profit attributable to:							
Owners of the Company		94,649	7,804	>100	101,543	15,294	>100
Earnings Per Share							
attributable to owners of the Company							
Basic EPS (sen)	B12	7.14	1.47		7.66	2.88	

The above Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



Company No : 256516-W

**Unaudited Condensed Consolidated Statement of Financial Position
as at 30 June 2024**

	Note	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000 (Audited)
Assets			
Property, plant and equipment	A9	383,103	393,329
Right-of-use assets		1,838	1,946
Deferred tax assets		476	708
Non-current assets		385,417	395,983
Inventories		99	99
Trade and other receivables		29,774	31,799
Tax recoverable		111	33
Deposits		816	11,416
Cash and cash equivalents		62,877	31,028
		93,677	74,375
Non-current assets held for sale		14,291	14,290
Current assets		107,968	88,665
Total assets		493,385	484,648
Equity and liabilities			
Share capital		259,330	179,755
Share option reserve		1,173	-
Accumulated Losses		(20,760)	(122,302)
Total equity		239,743	57,453
Other payables		12,848	12,849
Loans and borrowings	B8	77,956	84,266
Lease liabilities		2,289	2,386
Deferred tax liabilities		45,885	-
Non-current liabilities		138,978	99,501
Trade and other payables		87,580	286,435
Lease liabilities		189	183
Loans and borrowings	B8	26,895	40,923
Current tax liabilities		-	153
Current liabilities		114,664	327,694
Total liabilities		253,642	427,195
Total equity and liabilities		493,385	484,648
		RM	RM
Net assets per share attributable to owners of the Company		0.18	0.11

The above Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



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**Unaudited Condensed Consolidated Statement of Changes in Equity
For The Period Ended 30 June 2024**

	<-----Non-distributable----->		Distributable	Total equity RM'000
	Share capital RM'000	Share option reserve RM'000	Accumulated losses RM'000	
At 1 January 2023	179,755	-	(142,248)	37,507
Profit and total comprehensive income for the period	-	-	15,294	15,294
At 30 June 2023	<u>179,755</u>	<u>-</u>	<u>(126,954)</u>	<u>52,801</u>
At 1 January 2024	179,755	-	(122,302)	57,453
Profit and total comprehensive income for the period	-	-	101,543	101,543
Contributions by distributions to owners of the Company				
Issuance of ordinary shares	79,574	-	-	79,574
Issuance of share for Employee's Shares Scheme ("ESS")	-	1,173	-	1,173
At 30 June 2024	<u>259,329</u>	<u>1,173</u>	<u>(20,759)</u>	<u>239,743</u>

The above Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



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**Unaudited Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2024**

	Note	Period Ended	
		30.06.2024 RM'000	30.06.2023 RM'000
Cash flows from operating activities			
Profit before tax		147,660	15,294
Adjustments for:			
Property, plant and equipment			
Loss on disposal		244	-
Depreciation		11,887	15,243
Right-of-use-assets:			
Depreciation		108	112
Finance costs on:			
Conventional financing		222	847
Revolving credits		56	-
Profit charge on Islamic financing		2,977	3,587
Accretion of interest on lease liabilities		78	84
Interest on fixed deposits		(443)	(188)
Net loss/(gain) on impairment of financial instruments		2,695	(1,127)
Unrealised foreign exchange loss		651	793
Operating profit before changes in working capital		166,135	34,644
Changes in working capital:			
Inventories		-	943
Trade, other receivables and contract assets		(669)	(5,799)
Trade, other payables and contract liabilities		(198,092)	(18,897)
Cash (used in)/generated from operations		(32,626)	10,891
Interest received		443	188
Interest paid on conventional financing		(356)	(931)
Profit paid on Islamic financing		(2,977)	(3,587)
Tax (paid)/refund		(232)	179
Net cash (used in)/generated operating activities		(35,748)	6,740
Cash flows from investing activities			
Redemption in short term deposits, fixed and security deposits pledged		10,602	45,961
Additions to property, plant and equipment		(1,908)	(19,916)
Net cash generated from investing activities		8,694	26,045



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**Unaudited Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2024 (continued)**

	Note	Period Ended	
		30.06.2024	30.06.2023
		RM'000	RM'000
Cash flows from financing activities			
Proceed from issuance of ordinary share		79,575	-
Repayment of conventional term loan		(7,730)	(10,276)
Repayment of Islamic term financing facilities		(12,851)	(8,859)
Repayment of lease liabilities		(91)	(89)
Net cash generated from/(used in) financing activities		58,903	(19,223)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		31,028	11,154
Cash and cash equivalents at end of financial period	(i)	62,877	24,715

(i) Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	Period Ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash and cash equivalents	62,877	25,781
Less: Bank Overdrafts	-	(1,066)
	62,877	24,715

The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

A1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023.

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2023, except for the following which were adopted at the beginning of the current financial period. These pronouncements are either not relevant or do not have any material impact on the Group's financial statements for the current financial period.

Description

- Amendments to MFRS 101 Presentation of Financial Statements - *Non-Current Liabilities With Covenants*
- Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-Current*
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - *Supplier Finance Arrangements*
- Amendments to MFRS 16 Leases - *Lease Liability in a Sale and Leaseback*

Standards, amendments and interpretations issued but not yet effective

The amendments that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - <i>Lack of exchangeability</i>	1 January 2025
• Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instrument: Disclosure - <i>Amendments to the Classification and Measurement Financial Instruments</i>	1 January 2026



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A1 BASIS OF PREPARATION (CONTINUED)

Standards, amendments and interpretations issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
<ul style="list-style-type: none">• MFRS 18 Presentation and Disclosure in Financial Statements• MFRS 19 Subsidiaries without Public Accountability: Disclosures• Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<ul style="list-style-type: none">1 January 20271 January 2027Deferred

The Directors expect that the adoption of the above amendments will have no material impact on the financial statements in the period of initial application.

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors have expressed an unqualified opinion on the Group and the Company's audited financial statements for the financial year ended 31 December 2023.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations have not been significantly affected by any seasonal or cyclical trend.

A4 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter under review.

A5 CHANGE IN ACCOUNTING ESTIMATES

There were no changes in accounting estimates or errors that have a material effect in the current quarter under review.

A6 DEBT AND EQUITY SECURITIES

There were no cancellation, resale and prepayment of debt and equity securities during the current quarter other than loans repayments in accordance with the Group's loans repayment schedules.

A7 DIVIDENDS

There was no dividend paid during the quarter.



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A8 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal management reporting as follows:

(i) Marine transport and Floating Storage Unit / Floating, Storage and Offloading Vessel (FSU/FSO)

Our product tankers are used to transport refined petroleum products from oil refineries to end-users.

FSU/FSOs are typically used as storage facility at offshore Oil & Gas.

Fast crew boats are primarily used to transport personnel between shore and platform, platform and platform or other offshore facilities.

(ii) Port Marine Services

The port marine services provided by the Company are towage services comprising of towing, pushing or manoeuvring vessels.

(iii) Marine Engineering Services

Marine Engineering services relates to shipbuilding and ship repairs.

(iv) Others

Other operating segments include mooring services activities.

The Group assesses the performance of the operating segments based on revenue and earnings before interest, taxation, depreciation and amortisation (EBITDA).

Revenue

	Second Quarter Ended		Period Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Marine transport and FSO	11,040	15,859	22,401	32,412
Port marine services	19,564	18,043	39,406	35,801
	30,604	33,902	61,807	68,213



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

EBITDA

	Second Quarter Ended		Period Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Marine transport and FSO	53,720	8,313	59,073	16,621
Port marine services	94,565	9,445	103,915	18,359
	148,284	17,757	162,988	34,979

There is no revenue generated and cost incurred for marine engineering services and others during the current and preceding quarter.

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group has not carried out valuation on its property, plant and equipment in the current financial quarter.

A10 MATERIAL EVENTS

a) Classification as PN17 Issuer

On 25 February 2022, the Company announced that the Company is an affected listed issuer as the Company had triggered the criteria prescribed under Paragraph 8.04, and Paragraph 2.1(e) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

Pursuant to PN17 of the Listing Requirements, the Company is required to submit a regularisation plan to Bursa Securities or Securities Commission for approval within 12 months from the announcement date.

On 9 February 2023, the Company submitted an extension of time application to Bursa Securities for a 6 months extension from 24 February 2023 to 24 August 2023 to submit its regularisation plan which was granted by Bursa Securities vide its letter dated 2 March 2023.

On 11 April 2023, Malacca Securities had, on behalf of the Board, announced a regularisation plan, which comprised a proposed shares consolidation, proposed shares issuance, proposed mandatory general offer and proposed private placement which was submitted to Bursa Securities on 26 April 2023. Due to unforeseen circumstances, this regularisation plan application was withdrawn on 24 July 2023.

On 10 August 2023, the Company submitted an extension of time application to Bursa Securities for a 6 months extension from 24 August 2023 to 23 February 2024 to submit its regularisation plan which was granted by Bursa Securities vide its letter dated 4 September 2023.



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A10 MATERIAL EVENTS (CONTINUED)

a) Classification as PN17 Issuer (continued)

On 7 November 2023, Malacca Securities had, on behalf of the Board, announced a regularisation plan, which comprised a proposed shares issuance, proposed exemption of mandatory general offer and proposed establishment of an employees' shares scheme.

On 10 November 2023, Malacca Securities had, on behalf of the Board, announced that the application in relation to the Proposed Regularisation Plan had been submitted.

On 1 December 2023, Malacca Securities had, on behalf of the Board, announced that the Company and the Subscribers have agreed via supplemental agreements dated 1 December 2023, to revise the Subscription Price of RM0.09 to RM0.10 per Subscription Share. As such, the consideration payable by the respective Subscribers shall increase accordingly.

On 30 May 2024, Malacca Securities had, on behalf of the Board, announced that Bursa Securities had resolved to approve the Proposed Regularisation Plan which comprised a proposed shares issuance, proposed exemption and proposed establishment of an employees' shares scheme ("ESS") ("Proposed ESS"). The approval granted by Bursa Securities for the Proposed Regularisation Plan is subject to the conditions set by Bursa Securities.

On 24 June 2024, Malacca Securities had, on behalf of the Board, announced that the ordinary resolutions as set out in the Notice of Extraordinary General Meeting ("EGM") was duly passed by way of poll and the shareholders of the Company approved the regularisation plan.

On 26 June 2024, the Company had offered and awarded 13,262,500 ESS Options to Encik Nasrul Asni Muhammad Dain, the Chief Executive Officer of the Company.

On 27 June 2024, Malacca Securities had, on behalf of the Board, announced that the listing and quotation of 795,750,000 Subscription Shares in relation to the Proposed Shares Issuance. Following therewith, the Company had, on the same date, completed its regularisation plan.

Pursuant to PN17 of the Listing Requirements, the Company is required to record 2 consecutive quarters of profit prior to applying for an upliftment of its PN17 status.

Further developments on the above matter will be announced to Bursa.



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A10 MATERIAL EVENTS (CONTINUED)

b) Proposed debt restructuring exercise

On 28 February 2022, the High Court had granted the following orders to the company:

- i. a restraining order pursuant to Section 368 of the Act ("Restraining Order") for a period of three months which is valid until 28 May 2022.
- ii. an order pursuant to Section 366(1) of the Act to summon meetings of the creditors of the Company. Permission is given to the Company to hold the Court Convene Meeting ("CCM") within three months from the date of this order.

The duration of three months for the initial restraining order and for permission to hold the CCM can be extended by way of a further Court Order upon application.

On 25 May 2022, the Company announced that, the High Court of Malaya at Kuala Lumpur ("High Court") granted, among others, an extension of time for leave to convene the creditors' meeting and an extension of the restraining order for a further six (6) months from 28 May 2022.

On 5 December 2022 the Court-convened creditors' meeting pursuant to section 366 of the Companies Act 2016 ("Act") was held by the Company. The proposed scheme of arrangement presented in the Court-convened creditors' meeting has been approved by the requisite majority in value of the creditors present and voting at the Court convened meeting, obtaining a 90.95% in value approval.

On 4 January 2023, the Company, has obtained from the High Court of Malaya at Kuala Lumpur the following Order pursuant to section 366 of the Companies Act 2016 to sanction the Company's scheme of arrangement ("Order"). The Order sets out, among others:

- i. That the Scheme of Arrangement contained in the Explanatory Statement, read together with the Updated List of Adjudicated Scheme Debts of the Company and the Errata dated 30.11.2022, is approved and sanctioned by this Honourable Court so as to be binding upon the Company, and the Scheme Creditors as defined therein; and
- ii. That an office copy of the Order shall be lodged with the Companies Commission of Malaysia.

On 12 January 2023 ("Lodgement Date"), the Company, had lodged with the Companies Commission of Malaysia the sealed Order granted on 4 January 2023, sanctioning the Company's scheme of arrangement ("Sanction Order"). With the lodgment of the Sanction Order, the schemes of arrangement have now taken effect. The Company envisages implementing the scheme within eighteen (18) months from the lodgement date.

On 27 June 2024, the Malacca Securities had, on behalf of the Company, announced the completion of the Regularisation Plan under the Scheme of Arrangement ("SOA").



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A10 MATERIAL EVENTS (CONTINUED)

b) Proposed debt restructuring exercise (continued)

On 28 June 2024, the Company had commenced the cash settlement / distributions to the Scheme Creditors under the SOA, as detailed below:

1. Settlement Tranche 1: Net Proceeds Paid out Pari Passu to Scheme Creditors

A sum of RM28,966,782.00 being the net proceeds from the sale of four Divestment vessels was made to the Scheme Creditors on 28 June 2024.

A balance sum of RM10,462,325.75 being the net proceeds from the sale of the Divestment Vessel "M.T. Nautica Muar" which was deposited as Security Deposit for Karina Shipping Ltd.'s claims in the Kuala Lumpur High Court Admiralty In Rem No: WA-27NCC-12-02/2021 ("In Rem Action") is subject to the outcome of the In Rem Action including any appeals therefrom. Thus, any distribution of this sum shall be made after the final disposal of the In Rem Action including any appeals therefrom.

2. Settlement Tranche 2: Fund-Raising Proceeds Allocated to be Paid out Pari Passu to Scheme Creditors

A sum of RM30,987,846.00 (as set out in paragraph 3.16 of the Explanatory Statement dated 11 November 2022) was paid to Scheme Creditors on 28 June 2024 i.e. within seven (7) days from the receipt of funds by TMF Trustee Malaysia Bhd, the appointed trustee for the distribution of the funds raised under the Fund-Raising Exercise.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

There are no material changes in the composition of the Group during the current quarter.

A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Since the last Statement of Financial Position, there were no material changes in contingent liabilities and contingent assets.

A13 CAPITAL COMMITMENTS

There are no capital commitments during the current quarter.



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**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024**

B1 REVIEW OF THE PERFORMANCE OF THE GROUP

Review of performance for the cumulative quarter 6 months ended 30 June 2024

	Period Ended		Changes %
	30.06.2024 RM'000	30.06.2023 RM'000	
Revenue	61,807	68,213	(9)
Cost of sales	(36,628)	(44,494)	(18)
Gross profit	25,179	23,719	6
Profit before tax	147,660	15,294	>100
Profit for the financial period	101,543	15,294	>100

The Group recorded a revenue of RM61.8 million for the period ended 30 June 2024 as compared to RM68.2 million in the previous corresponding period, a decrease of RM6.4 million in revenue. Lower revenue was mainly due to FSO vessel contract expired, offset against higher utilisation rate from fast crew boats and port operation segment.

The group's profit before tax (PBT) of RM147.6 million was arrived at after taking into account write backs to other income as a result of the creditor scheme as well as costs associated with the group's implementation of the PN17 regularisation plan. After excluding these one off items, the group's core earnings for the first 6 months of 2024 was RM12.2 million.



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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B1 REVIEW OF THE PERFORMANCE OF THE GROUP (CONTINUED)

Review of performance for the current quarter 3 months ended 30 June 2024

	Second Quarter Ended		
	30.06.2024	30.06.2023	Changes
	RM'000	RM'000	%
Revenue	30,604	33,902	(10)
Cost of sales	(19,369)	(19,860)	(2)
Gross profit	11,235	14,042	(20)
Profit before tax	140,766	7,804	>100
Profit for the financial period	94,649	7,804	>100

The Group recorded a revenue of RM30.6 million for the period ended 30 June 2024 as compared to RM33.9 million in the previous corresponding period, a decrease of RM3.3 million in revenue. Lower revenue was mainly due to FSO vessel contract expired, offset against higher utilisation rate from fast crew boats and port operation segment.

The group's PBT of RM140.7 million was arrived at after taking into account write backs to other income as a result of the creditor scheme as well as costs associated with the group's implementation of the PN17 regularisation plan. After excluding these one off items, the group's core earnings for the current quarter ended 30 June 2024 was RM5.3 million.



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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B2 MATERIAL CHANGES IN THE QUARTERLY RESULTS

Review of performance for the current quarter compared to immediate preceding quarter

	Quarter Ended		Changes %
	30.06.2024 RM'000	31.03.2024 RM'000	
Revenue	30,604	31,203	(2)
Cost of sales	(19,369)	(17,259)	12
Gross profit	11,235	13,944	(19)
Profit before tax	140,766	6,894	>100
Profit for the financial period	94,649	6,894	>100

The Group recorded a revenue of RM30.6 million for the current quarter ended 30 June 2024, as compared to RM31.2 million in the preceding quarter, a decrease of RM0.6 million due lower utilisation rate from fast crew boats segment.

The group's PBT of RM140.7 million was arrived at after taking into account write backs to other income as a result of the creditor scheme as well as costs associated with the group's implementation of the PN17 regularisation plan. After excluding these one off items, the group's core earnings for the current quarter ended 30 June 2024 was RM5.3 million.

B3 OTHER INCOME

	Second Quarter Ended			Period Ended		
	30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Insurance claim	-	-	>(100)	4	2,773	>(100)
Other income	150,637	2,002	>100	150,639	2,116	>100
Total other income	150,637	2,002	>100	150,643	4,889	>100



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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B4 COMMENTARY ON PROSPECTS

As at 30 June 2024, the Group's order book was RM136.4 million with additional RM281.2 million for extension period.

The Company was awarded a Contract extension by Northport (Malaysia) Bhd ("Northport") via a Letter of Extension dated 30 October 2023 for the Term Contract to Operate and Charter Two (2) Z-Peller Harbour tug Boats. The contract duration will be for a primary period of one (1) year which shall commence in January 2024. The contract value is approximately RM6.35 million for the duration of the one (1) year.

The Company was awarded a contract by PETRONAS Carigali Sdn Bhd ("PCSB") for Provision of Fast Crew Boat (FCB). The contract duration will be for a primary period of 180 days which shall commence in July 2024. The contract value is approximately RM3.55 million for the duration of 6 months.

The above contract of tugboats will contribute positively to the earnings and net tangible assets of the Company for the financial year ending 31 December 2024.

The company continues to improve on operational efficiencies to maximise vessels' utilisation rate, implement cost savings and containment through strategic procurement program, ensure extension of existing contracts and practice effective cash management. Additionally, the Company is continuously seeking new business opportunities and contracts that will contribute positively to earnings stability and cash flow certainty.

B5 PROFIT FORECAST / GUARANTEE

The Group is not subject to any variance of actual profit from forecast profit/profit guarantee for the current financial period under review.

B6 TAXATION

	Second Quarter Ended			Period Ended		
	30.06.2024	30.06.2023	Changes	30.06.2024	30.06.2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Deferred tax :						
Current period	46,117	-	>(100)	46,117	-	>(100)
Total taxation	46,117	-	>(100)	46,117	-	>(100)

The Company has unabsorbed tax losses of RM68.9 million and unutilised capital allowances of RM22.3 million. Pursuant to the Finance Act 2018, unabsorbed tax losses in a year of assessment can only be carried forward for a maximum period of 10 consecutive years of assessment. The unutilised capital allowances do not expire under the current tax legislation.

B7 STATUS OF CORPORATE PROPOSALS

There is no current Corporate Proposal undertaken by the Group during the period ended 30 June 2024.



"the shipping people"

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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B8 LOANS AND BORROWINGS

Details of the Group's borrowings are as follows:

	As at 30.06.2024								
	Long Term			Short Term			Subtotal Borrowings		
	Foreign RM'000	Ringgit RM'000	Total RM'000	Foreign RM'000	Ringgit RM'000	Total RM'000	Foreign RM'000	Ringgit RM'000	Total RM'000
Secured									
Islamic financing									
Term Loans	-	77,956	77,956	3,176	18,107	21,283	3,176	96,063	99,239
Conventional financing									
Term Loans	-	-	-	-	3,470	3,470	-	3,470	3,470
Revolving Credits	-	-	-	-	2,142	2,142	-	2,142	2,142
	-	77,956	77,956	3,176	23,719	26,895	3,176	101,675	104,851

Note :

Foreign denomination refers to borrowing in USD currency with a foreign exchange of USD/RM:4.7150.

	As at 31.12.2023								
	Long Term			Short Term			Subtotal Borrowings		
	Foreign RM'000	Ringgit RM'000	Total RM'000	Foreign RM'000	Ringgit RM'000	Total RM'000	Foreign RM'000	Ringgit RM'000	Total RM'000
Secured									
Islamic financing									
Term Loans	-	84,266	84,266	9,277	18,373	27,650	9,277	102,639	111,916
Conventional financing									
Term Loans	-	-	-	-	11,130	11,130	-	11,130	11,130
Revolving Credits	-	-	-	-	2,143	2,143	-	2,143	2,143
	-	84,266	84,266	9,277	31,646	40,923	9,277	115,912	125,189

Note :

Foreign denomination refers to borrowing in USD currency with a foreign exchange of USD/RM:4.5925.

B9 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

The Group does not have any derivative financial instruments as at the period ended 30 June 2024.



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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B10 MATERIAL LITIGATIONS

a) ARBITRATION

On 27 July 2023, The Board announced that a Notice of Arbitration was served on the Solicitors of the Respondent Vestigo Petroleum Sdn Bhd ("VPSB"), who are duly authorized to accept service on behalf of VPSB.

The crux of the arbitration proceedings is in relation to the bareboat charter agreement of FSU Nautica Muar ("Vessel") effective from 9 May 2017 which was entered into between the Company and VPSB.

On 22 December 2023, the Company submitted its Statement of Claim. On 16 February 2024, VPSB submitted its Statement of Defence. On 12 April 2024, the Company submitted its Reply to Defence.

In this arbitration proceedings, the Company's claims against VPSB include the unpaid charter hire of the Vessel between 20 January 2021 and 5 December 2022, damages for tort of conversion, costs of Vessel's restoration and repair, general damages and arbitration costs.

b) HIGH COURT CIVIL SUIT

On 16 August 2023, The Board announced that a Writ and Statement of Claim dated 15 August 2023 was served on the Solicitors of the Respondent, Vestigo Petroleum Sdn Bhd ("VPSB"), who are duly authorized to accept service on behalf of VPSB.

The Company will commence a High Court civil suit in Kuala Lumpur against VPSB in relation to a dispute arising from a contract for ship management services dated 28 February 2020, entered into between the Company and VPSB.

In this High Court proceedings, the Company's claims against VPSB include general damages, costs and interest.

VPSB filed their Defence and Counterclaim on 19 September 2023 in which they counterclaimed for general damages, interest and costs.

The Company has appointed Messrs Mohanadass Partnership to represent and assist the Company in the arbitration and High Court proceedings.

The arbitration and high court proceedings are not expected to have any potential business or operational impact on the Company. At this juncture, the Company is unable to determine reliably the financial impact of the arbitration and litigation proceedings as this is subject to any counterclaim that may be raised by VPSB in the course of the arbitration and litigation proceedings.

The Company will announce any further developments on the arbitration and High Court proceedings as and when they arise.



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**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)**

B11 DIVIDEND PAYABLE

There was no dividend payment proposed during the period.

B12 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the Group's net profit attributable to ordinary equity holders by the average number of ordinary shares in issue during the financial period.

	Period Ended	
	30.06.2024	30.06.2023
Profit for the financial period attributable to equity holders of the Company (RM'000)	101,543	15,294
Weighted average number of ordinary shares in issue ('000)	1,326,250	530,500
Basic earnings per share (sen)	7.66	2.88

By Order of the Board
E.A. TECHNIQUE (M) BERHAD

NURALIZA BINTI A. RAHMAN, MAICSA 7067934
SABARUDIN BIN HARUN, MIA 30423
(Secretaries)