



"the shipping people"

(199301001779 (256516-W))

E.A. TECHNIQUE (M) BERHAD
(Registration No. 199301001779 (256516-W))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER AND PERIOD ENDED 30 SEPTEMBER 2024



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(199301001779 (256516-W))

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

	Note	Quarter Ended			Period Ended		
		30.09.2024 RM'000	30.09.2023 RM'000	Changes %	30.09.2024 RM'000	30.09.2023 RM'000	Changes %
Revenue	B1	31,560	31,734	(1)	93,367	99,947	(7)
Cost of sales		(18,464)	(22,012)	(16)	(55,092)	(66,506)	(17)
Gross profit		13,096	9,722	35	38,275	33,441	14
Administrative expenses		(4,416)	(4,916)	(10)	(18,570)	(13,226)	40
Other operating income	B3	25,235	1,611	>100	175,878	5,373	>100
Other operating expenses		247	1,054	(77)	(8,176)	380	>(100)
Net (loss)/gain on impairment of financial instruments		(339)	-	>100	(3,034)	1,127	>(100)
Results from Operating activities		33,823	7,471	>100	184,373	27,095	>100
Finance income		122	5	>100	565	193	>100
Finance costs		(1,454)	(2,175)	(33)	(4,787)	(6,693)	(28)
Profit before tax		32,491	5,301	>100	180,151	20,595	>100
Taxation	B6	(4,872)	(183)	>100	(50,989)	(183)	>100
Profit for the period		27,619	5,118	>100	129,162	20,412	>100
Profit attributable to: Owners of the Company		27,619	5,118	>100	129,162	20,412	>100

	Note	Quarter Ended		Period Ended	
		30.09.2024	30.09.2023	30.09.2024	30.09.2023
Earnings Per Share attributable to owners of the Company:	B12				
Basic EPS (sen)		2.08	0.96	16.00	3.85
Diluted EPS (sen)		2.07	- *	15.84	- *

* The EPS for comparative period is not diluted.

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.



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

	Note	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
Assets			
Property, plant and equipment	A9	382,670	393,329
Right-of-use assets		1,784	1,946
Deferred tax assets		492	708
Non-current assets		384,946	395,983
Inventories		145	99
Trade and other receivables		33,856	31,799
Tax recoverable		75	33
Deposits		819	11,416
Cash and cash equivalents		23,256	31,028
		58,151	74,375
Non-current assets held for sale		14,501	14,290
Current assets		72,652	88,665
Total assets		457,598	484,648
Equity and liabilities			
Share capital		259,330	179,755
Share option reserve		250	-
Retained earnings/(Accumulated Losses)		6,860	(122,302)
Total equity		266,440	57,453
Other payables		-	12,849
Loans and borrowings	B8	74,796	84,266
Lease liabilities		2,240	2,386
Deferred tax liabilities		50,402	-
Non-current liabilities		127,438	99,501
Trade and other payables		40,876	286,435
Lease liabilities		192	183
Loans and borrowings	B8	22,595	40,923
Current tax liabilities		57	153
Current liabilities		63,720	327,694
Total liabilities		191,158	427,195
Total equity and liabilities		457,598	484,648
		RM	RM
Net assets per share attributable to owners of the Company		0.20	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.

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

	<-----Non-distributable----->		Distributable	
	Share capital RM'000	Share option reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	Total equity RM'000
At 1 January 2023	179,755	-	(142,248)	37,507
Profit and total comprehensive income for the period	-	-	20,412	20,412
At 30 September 2023	<u>179,755</u>	<u>-</u>	<u>(121,836)</u>	<u>57,919</u>
At 1 January 2024	179,755	-	(122,302)	57,453
Profit and total comprehensive income for the period	-	-	129,162	129,162
Contributions by distributions to owners of the Company				
Issuance of ordinary shares	79,575	-	-	79,575
Share-based payment transactions	-	250	-	250
At 30 September 2024	<u>259,330</u>	<u>250</u>	<u>6,860</u>	<u>266,440</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 September 2024**

	Period Ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	180,151	20,595
Adjustments for:		
Property, plant and equipment		
Loss/(Gain) on disposal	244	(1,254)
Depreciation	17,738	23,006
Right-of-use-assets:		
Depreciation	162	167
Finance costs on:		
Conventional financing	259	1,187
Revolving credits	83	-
Profit charge on Islamic financing	4,328	5,380
Accretion of interest on lease liabilities	117	126
Interest on fixed deposits	(565)	(193)
Net loss/(gain) on impairment of financial instruments	3,034	(1,127)
Share-based payment expenses	250	-
Unrealised foreign exchange loss	467	942
Operating profit before changes in working capital	206,268	48,829
Changes in working capital:		
Inventories	(46)	944
Trade, other receivables and contract assets	(5,091)	(3,710)
Trade, other payables and contract liabilities	(258,735)	(4,361)
Cash (used in)/generated from operations	(57,604)	41,702
Interest received	565	193
Interest paid on conventional financing and revolving credit	(342)	(1,314)
Profit paid on Islamic financing	(4,328)	(5,380)
Tax paid	(509)	(99)
Net cash (used in)/generated from operating activities	(62,218)	35,102
Cash flows from investing activities		
Net placement in short term deposits, fixed and security deposits pledged	10,597	45,956
Additions to property, plant and equipment	(9,023)	(24,328)
Proceeds from disposal of property, plant and equipment	1,700	21,146
Net cash generated from investing activities	3,274	42,774



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

	Note	Period Ended	
		30.09.2024	30.09.2023
		RM'000	RM'000
Cash flows from financing activities			
Proceed from issuance of ordinary share		79,575	-
Repayment of conventional term loan		(9,802)	(23,033)
Repayment of Islamic term financing facilities		(18,347)	(21,313)
Repayment of lease liabilities		(254)	(131)
Net cash generated from/(used in) financing activities		51,172	(44,477)
Net (decrease)/increase in cash and cash equivalents		(7,772)	33,399
Cash and cash equivalents at beginning of financial year		31,028	11,154
Cash and cash equivalents at end of financial period	(i)	23,256	44,553

(i) Cash and cash equivalents

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

	Period Ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
Cash and cash equivalents	23,256	44,837
Less: Bank Overdrafts	-	(284)
	23,256	44,553

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.

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

A1 BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* and paragraph 9.22 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

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
• Amendments that are part of Annual Improvements - Volume 11: <ul style="list-style-type: none"> - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards - Amendments to MFRS 7, Financial Instruments: Disclosures - Amendments to MFRS 9, Financial Instruments - Amendments to MFRS 10, Consolidated Financial Statements - Amendments to MFRS 107, Statement of Cash Flows 	1 January 2026



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	1 January 2027
<ul style="list-style-type: none">• MFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
<ul style="list-style-type: none">• 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>	Deferred

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 expressed an unqualified opinion with material uncertainties related to going concern on the Group's financial statements for the year ended 31 December 2023. On 27 June 2024, the Group completed its regularisation plan to address the matter.

A3 SEASONALITY OR CYCLICALITY OF OPERATION

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 except for the items disclosed in B3.

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

A8 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on its products and services, and has only one reportable segment.

The Group's reportable segment consists solely of vessel charter hire segment, which is the operator of marine vessels for the transportation and offshore storage of oil and gas, and the provider of port marine services.

The performance of the segment is measured based on revenue, as included in the internal management report. Hence, no other disclosure is made for segment assets, segment liabilities, or segment capital expenditures.

	Charter hire RM'000
30 September 2024	
Revenue:	
External customers	<u>93,367</u>
30 September 2023	
Revenue:	
External customers	<u>99,947</u>

Geographical segments

The geographical location of customers predominantly operates within Malaysia.

Major customers

There are four external customers (as at 30 September 2023: four) in charter hire segment, who contribute 82% (as at 30 September 2023: 74%) on total revenues of the Group amounting to RM77,096,000 (as at 30 September 2023: RM73,892,000) respectively.



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

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There is no valuation of property, vessels and equipment brought forward from the previous audited financial statements, as the Group does not adopt a revaluation policy on property, vessels and equipment.

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 November 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.



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 Scheme of Arrangement (“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. Pursuant to the above, the Company had fulfilled its repayment obligations to Scheme Creditors before 11 July 2024 under the SOA.

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.

A14 CHANGES IN THE STRUCTURE OF THE GROUP

As at 27 June 2024, the shareholding of the Group has been transferred from Sindora Berhad (former immediate holding company), Kulim (Malaysia) Berhad (former intermediate holding company) and Johor Corporation (former ultimate holding company) to Voultier Sdn. Bhd., which was incorporated in Malaysia.



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

A15 FAIR VALUE INFORMATION

The carrying amounts of bank balances, deposits, short term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The tables below analyses other financial instruments at fair value.

30 September 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial liabilities				
Islamic financing facilities	-	-	93,816	93,816
Conventional financing facilities	-	-	3,575	3,575
	-	-	97,391	97,391

31 December 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial liabilities				
Islamic financing facilities	-	-	111,916	111,916
Conventional financing facilities	-	-	13,273	13,273
	-	-	125,189	125,189

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivatives financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.



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

A15 FAIR VALUE INFORMATION (CONTINUED)

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2023: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Islamic financing facilities and lease liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the Group at the reporting date.



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

B1 REVIEW OF THE PERFORMANCE OF THE GROUP

Review of performance for the cumulative quarter 9 months ended 30 September 2024

	Period Ended		Changes %
	30.09.2024 RM'000	30.09.2023 RM'000	
Revenue	93,367	99,947	(7)
Cost of sales	(55,092)	(66,506)	(17)
Gross profit	38,275	33,441	14
Profit before tax	180,151	20,595	>100
Profit for the financial period	129,162	20,412	>100

The Group recorded a revenue of RM93.4 million for the period ended 30 September 2024 as compared to RM99.9 million in the previous corresponding period, a decrease of RM6.5 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 RM180.2 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 9 months of 2024 was RM19.2 million.

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

B1 REVIEW OF THE PERFORMANCE OF THE GROUP (CONTINUED)

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

	Third Quarter Ended		
	30.09.2024	30.09.2023	Changes
	RM'000	RM'000	%
Revenue	31,560	31,734	(1)
Cost of sales	(18,464)	(22,012)	(16)
Gross profit	13,096	9,722	35
Profit before tax	32,491	5,301	>100
Profit for the financial period	27,619	5,118	>100

The Group recorded a revenue of RM31.6 million for the period ended 30 September 2024 as compared to RM31.7 million in the previous corresponding period, a decrease of RM0.1 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 posted a PBT of RM32.5 million for the quarter ended 30 September 2024, as compared to a PBT of RM5.3 million in the preceding quarter. The increase in PBT mainly due to further write backs to other income from the creditor scheme as compared to corresponding previous quarter.

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

B2 MATERIAL CHANGES IN THE QUARTERLY RESULTS

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

	Quarter Ended		
	30.09.2024 RM'000	30.06.2024 RM'000	Changes %
Revenue	31,560	30,604	3
Cost of sales	(18,464)	(19,369)	(5)
Gross profit	13,096	11,235	17
Profit before tax	32,491	140,766	>(100)
Profit for the financial period	27,619	94,649	>(100)

The Group recorded a revenue of RM31.6 million for the current quarter ended 30 September 2024, as compared to RM30.6 million in the preceding quarter, an increase of RM1.0 million due slightly higher utilisation rate from fast crew boats segment.

The group's PBT of RM32.5 million posted lower as compared to a PBT of RM140.8 million in the previous quarter due to 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 in the previous quarter.

B3 OTHER INCOME

	Third Quarter Ended			Period Ended		
	30.09.2024 RM'000	30.09.2023 RM'000	Changes %	30.09.2024 RM'000	30.09.2023 RM'000	Changes %
Insurance claim	409	616	(34)	413	3,389	(88)
Other income	24,826	995	>100	175,465	3,111	>100
Total other income	25,235	1,611	>100	175,878	6,500	>100

The settlement arrangements with scheme creditors under the SOA enabled the Group to recognise a one-off net income of RM173,383,052 during the current period, resulting from the debt waiver.



(199301001779 (256516-W))

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

B4 COMMENTARY ON PROSPECTS

As at 30 September 2024, the Group's order book was RM146.63 million with additional RM240.17 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 for the 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 Company was awarded a Contract extension via a Letter of Contract Extension dated 26 September 2024 for three (3) Harbour tug Boats. The contract duration will be for 2 years commence in November 2024. The contract value is approximately RM40.95 million for the duration of two (2) years.

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.

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

B6 TAXATION

	Third Quarter Ended			Period Ended		
	30.09.2024	30.09.2023	Changes	30.09.2024	30.09.2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Income Tax :						
Current taxation	371	179	>100	371	179	>100
Under provision of tax in prior year	-	4	>(100)	-	4	>(100)
Deferred tax :						
Current period	4,501	-	>100	50,618	-	>100
Total taxation	4,872	183	>100	50,989	183	>100

The effective tax rate for the individual quarter ended 30 September 2024 is 15%, below the statutory tax rate, primarily driven by an over-provision of tax in the prior period. In contrast, the effective tax rate for the cumulative quarter ended 30 September 2024 is 28%, surpassing the statutory rate, largely due to higher non-deductible expenses.

B7 STATUS OF CORPORATE PROPOSALS

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



(199301001779 (256516-W))

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

B8 LOANS AND BORROWINGS

Details of the Group's borrowings are as follows:

	As at 30.09.2024								
	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	-	74,796	74,796	1,039	17,981	19,020	1,039	92,777	93,816
Conventional financing									
Term Loans	-	-	-	-	1,433	1,433	-	1,433	1,433
Revolving Credits	-	-	-	-	2,142	2,142	-	2,142	2,142
	-	74,796	74,796	1,039	21,556	22,595	1,039	96,352	97,391

Note :

Foreign denomination refers to borrowing in USD currency with a foreign exchange of USD/RM:4.1225.

	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 September 2024.

PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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.

PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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.

	Third Quarter Ended		Period Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit for the financial period attributable to equity holders of the Company (RM'000)	27,619	5,118	129,162	20,412
Weighted average number of ordinary shares in issue ('000)	1,326,500	530,500	807,496	530,500
Basic earnings per share (sen)	2.08	0.96	16.00	3.85

Diluted earnings per share

The calculation of diluted earnings per ordinary share at 30 September 2024 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Third Quarter Ended	Period Ended
	30.09.2024	30.09.2024
Profit for the financial period attributable to equity holders of the Company (RM'000)	27,619	129,162
Basic weighted average number of ordinary shares in issue ('000)	1,326,500	807,496
Effect of share options on issue ('000)	7,754	7,751
Diluted weighted average number of ordinary shares ('000)	1,334,254	815,247
Diluted earnings per share (sen)	2.07	15.84

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

CHENG CHIA PING, MAICSA 1032514
CHUA SIEW CHUAN, MAICSA 0777689
(Secretaries)