



"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 2023**



Company No : 256516-W

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

Unaudited Condensed Consolidated Statement of Comprehensive Income
For The Second Quarter and Financial Period Ended 30 June 2023

	Note	Quarter Ended			Year Ended		
		30.06.2023	30.06.2022	Changes	30.06.2023	30.06.2022	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	B1	33,902	37,969	(11)	68,213	68,672	(1)
Cost of sales		(19,860)	(31,798)	38	(44,494)	(61,652)	28
Gross profit		14,042	6,171	>100	23,719	7,020	>100
Administrative expenses		(5,241)	(3,665)	(43)	(8,309)	(6,470)	(28)
Other operating (expenses)/income :							
- Net loss on foreign exchange		(766)	(3,766)	80	(675)	(4,542)	85
- Other income	B3	2,002	1,145	75	4,889	1,324	>100
- Loss on disposal of assets		-	(1,680)	100	-	(1,570)	100
Results from Operating activities		10,037	(1,795)	>100	19,624	(4,238)	>100
Finance income		29	34	(15)	188	63	>100
Finance costs		(2,262)	(2,256)	(0)	(4,518)	(4,439)	(2)
Profit/(loss) before tax		7,804	(4,017)	>100	15,294	(8,614)	>100
Taxation	B6	-	-	-	-	-	-
Profit/(loss) for the period		7,804	(4,017)	>100	15,294	(8,614)	>100
Profit/(loss) attributable to:							
Owners of the Company		7,804	(4,017)	>100	15,294	(8,614)	>100

	Note	Quarter Ended		Year Ended	
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
Earnings Per Share					
attributable to owners of					
the Company					
Basic EPS (sen)	B12	1.47	(0.76)	2.88	(1.62)

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 2022 and the accompanying explanatory notes attached to these interim financial statements.



Company No : 256516-W

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

Unaudited Condensed Consolidated Statement of Financial Position
as at 30 June 2023

	Note	As at 30.06.2023 RM'000	As at 31.12.2022 RM'000 (Audited)
Assets			
Property, plant and equipment	A9	416,667	411,994
Right-of-use assets		2,056	1,977
Deferred tax assets		10,350	10,350
Non-current assets		429,072	424,321
Inventories		99	1,042
Trade, other receivables and contract assets		31,401	24,587
Tax recoverable		2	216
Deposits		1,034	1,641
Cash and cash equivalents		25,781	58,961
		58,319	86,447
Non-current assets held for sale		19,892	19,892
Current assets		78,211	106,339
Total assets		507,284	530,660
Equity and liabilities			
Share capital		179,755	179,755
Accumulated Losses		(126,954)	(142,248)
Total equity		52,801	37,507
Loans and borrowings	B8	101,966	121,737
Lease liabilities		2,478	2,170
Non-current liabilities		104,444	123,907
Trade, other payables and contract liabilities		298,590	317,047
Lease liabilities		177	384
Loans and borrowings	B8	50,983	51,491
Current tax liabilities		289	324
Current liabilities		350,039	369,246
Total liabilities		454,483	493,153
Total equity and liabilities		507,284	530,660
		RM	RM
Net assets per share attributable to owners of the Company		0.10	0.07

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 2022 and the accompanying explanatory notes attached to these interim financial statements.



Company No : 256516-W

E.A. TECHNIQUE (M) BERHAD (256516-W)
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Unaudited Condensed Consolidated Statement of Changes in Equity
For The Period Ended 30 June 2023

	Non-distributable		
	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2022	179,755	(162,291)	17,464
Profit and total comprehensive income for the period	-	(8,614)	(8,614)
At 30 June 2022	<u>179,755</u>	<u>(170,905)</u>	<u>8,850</u>
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>(126,954)</u>	<u>52,801</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 2022 and the accompanying explanatory notes attached to these interim financial statements.



Company No : 256516-W

E.A. TECHNIQUE (M) BERHAD (256516-W)
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Unaudited Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2023

	Note	Period Ended	
		30.06.2023 RM'000	30.06.2022 RM'000
Cash flows from operating activities			
Profit/(loss) before tax		15,294	(8,614)
Adjustments for:			
Property, plant and equipment			
Loss on disposal		-	1,569
Depreciation		15,243	12,173
Right-of-use-assets:			
Depreciation		112	79
Finance costs on:			
Conventional financing		847	1,342
Profit charge on Islamic financing		3,587	3,023
Accretion of interest on lease liabilities		84	74
Interest on fixed deposits		(188)	(63)
Reversal for impairment losses on receivable		(1,127)	-
Unrealised foreign exchange loss		793	3,201
Operating profit before changes in working capital		34,644	12,784
Changes in working capital:			
Inventories		943	(1,450)
Trade, other receivables and contract assets		(5,799)	(3,091)
Trade, other payables and contract liabilities		(18,897)	(1,651)
Cash generated from operations		10,891	6,592
Interest received		188	63
Interest paid on conventional financing		(931)	(1,416)
Profit paid on Islamic financing		(3,587)	(3,023)
Tax refund/(paid)		179	(63)
Net cash generated from operating activities		6,740	2,153
Cash flows from investing activities			
Redemption in short term deposits, fixed and security deposits pledged		45,961	345
Additions to property, plant and equipment		(19,916)	(2,166)
Proceeds from disposal of property, plant and equipment		-	37,334
Net cash generated from investing activities		26,045	35,513

E.A. TECHNIQUE (M) BERHAD (256516-W)
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Unaudited Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2023 (continued)

	Note	Period Ended	
		30.06.2023	30.06.2022
		RM'000	RM'000
Cash flows from financing activities			
Repayment of conventional term loan		(10,276)	(15,982)
Repayment of Islamic term financing facilities		(8,859)	(4,743)
Drawdown from Islamic term financing facilities		-	71
Net repayment of finance lease		-	-
Repayment of lease liabilities		(89)	(63)
Net cash used in financing activities		(19,223)	(20,717)
Net increase in cash and cash equivalents		13,561	16,949
Cash and cash equivalents at beginning of financial year		11,154	6,443
Cash and cash equivalents at end of financial year	(i)	24,715	23,392

(i) Cash and cash equivalents

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

	Period Ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
Cash and cash equivalents	25,781	28,895
Less: Bank Overdrafts	(1,066)	(5,503)
	24,715	23,392

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 2022 and the accompanying explanatory notes attached to these interim financial statements.



Company No : 256516-W

E.A. TECHNIQUE (M) BERHAD (256516-W)
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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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 2022.

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 2022, 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 17 - *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Accounting Estimates*
- Amendments to MFRS 112 Income Taxes - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules*

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 101 Presentation of Financial Statements - <i>Non-current liabilities with covenants</i>	1 January 2024
• Amendment to MFRS 16 Leases - <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
• Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure - <i>Supplier Finance Arrangements</i>	1 January 2024
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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.



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

Auditor did not express an opinion to the audit report of the annual financial statements for the financial year ended 31 December 2022.

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 2023 (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 is ship building 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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Marine transport and FSO	15,859	17,503	32,412	28,040
Port marine services	18,043	20,466	35,801	40,632
	33,902	37,969	68,213	68,672



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

EBITDA

	Second Quarter Ended		Period Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Marine transport and FSO	8,313	(1,307)	16,621	(4,303)
Port marine services	9,445	5,208	18,359	12,318
	17,757	3,900	34,979	8,014

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group has yet to carry 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 to Bursa Malaysia Securities Berhad (Bursa) that the Company is classified as a PN17 issuer as it has triggered the prescribed criteria pursuant to Paragraph 8.04 of the Chapter 8, Paragraph 2.1(a) and Paragraph 2.1(e) of PN17 of the Listing Requirements.

Pursuant to PN17, the Company is required to submit a regularisation plan to either Bursa or Securities Commission (SC) for approval within 12 months from the announcement date.

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

On 26 April 2023, the Company has submitted its regularisation plan application to Bursa. However, due to unforeseen circumstances, the Company had on 24 July 2023 withdrawn the regularisation plan application.

The Company is in the midst of formulating a regularisation plan and will submit a regularisation plan application to Bursa in due course.

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 2023 (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 envisage to implement the scheme within eighteen (18) months from the lodgement date.



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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

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 is no capital commitments provided for in the interim financial report as at 30 June 2023.



Company No : 256516-W

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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 2023

B1 REVIEW OF THE PERFORMANCE OF THE GROUP

Review of performance for the cumulative quarter 6 months ended 30 June 2023

	Period Ended		Changes %
	30.06.2023 RM'000	30.06.2022 RM'000	
Revenue	68,213	68,672	(1)
Cost of sales	(44,494)	(61,652)	28
Gross profit	23,719	7,020	>100
Profit/(Loss) before tax	15,294	(8,614)	>100
Profit/(Loss) for the financial year	15,294	(8,614)	>100

The Group recorded a revenue of RM68.2 million for the period ended 30 June 2023 as compared to RM68.7 million in the previous corresponding year, resulted in decrease of RM0.5 million in revenue. Lower revenue mainly due to FSO vessel offhire for 16 days in the month of June 2023.

The Group recorded a profit before tax (PBT) of RM15.3 million for the period ended 30 June 2023, as compared to a loss before tax (LBT) of RM8.6 million in the previous corresponding year. The PBT was mainly due to lower laid up cost of vessels disposed, lower substitute vessel cost and lower forex loss.



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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 2023 (CONTINUED)

B1 REVIEW OF THE PERFORMANCE OF THE GROUP (CONTINUED)

Review of performance for the current quarter 3 months ended 30 June 2023

	Second Quarter Ended		
	30.06.2023	30.06.2022	Changes
	RM'000	RM'000	%
Revenue	33,902	37,969	(11)
Cost of sales	(19,860)	(31,798)	38
Gross profit	14,042	6,171	>100
Profit/(loss) before tax	7,804	(4,017)	>100
Profit/(loss) for the financial period	7,804	(4,017)	>100

The Group recorded a revenue of RM33.9 million for the quarter ended 30 June 2023 as compared to RM38.0 million in the previous corresponding year, resulted in decrease of RM4.1 million in revenue. Lower revenue mainly due to FSO vessel offhire for 16 days in the month of June 2023 and adjustment on revenue for one tanker in relation to prior year.

The Group recorded a PBT of RM7.8 million for the quarter ended 30 June 2023, as compared to a LBT of RM4.0 million in the previous corresponding year. The PBT was mainly due to lower laid up cost of vessels disposed, lower substitute vessel cost and lower forex loss.

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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 2023 (CONTINUED)

B2 MATERIAL CHANGES IN THE QUARTERLY RESULTS

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

	Quarter Ended		
	30.06.2023 RM'000	31.03.2023 RM'000	Changes %
Revenue	33,902	34,311	(1)
Cost of sales	(19,860)	(24,634)	19
Gross profit	14,042	9,677	45
Profit before tax	7,804	7,490	4
Profit for the financial period	7,804	7,490	4

The Group recorded a revenue of RM33.9 million for the current quarter ended 30 June 2023, as compared to RM34.3 million in the preceding quarter, a decrease of RM0.4 million due to FSO vessel offhire for 16 days in the month of June 2023.

The Group posted a PBT of RM7.8 million for the quarter ended 30 June 2023, as compared to a PBT of RM7.5 million in the preceding quarter. The increase in PBT mainly due to the waiver of amount owing to related parties.

B3 OTHER INCOME

	Second Quarter Ended			Period Ended		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Insurance claim	-	1,142	>(100)	2,773	1,148	>100
Other income	2,002	3	>100	2,116	176	>100
Total other income	2,002	1,145	75	4,889	1,324	>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 2023 (CONTINUED)

B4 COMMENTARY ON PROSPECTS

As at 30 June 2023, the Group's order book was RM197.0 million with additional RM294.1 million for extension period.

The Company was awarded a contract by PETCO Trading Labuan Company Limited ("PTLCL") for Provision of Long-term Charter Coastal Vessel Services for new tankers on 8 May 2019. The duration of the contract is for a primary period of five years with five extension options of one year each at PTLCL's option. The contract value is approximately RM106.3 million, excluding the option period and this contract has commenced in February 2023.

The Company has recently been awarded two contracts by Sungai Udang Port Sdn Bhd ("SUPSB"), a wholly-owned subsidiary of MISC Maritime Services Sdn Bhd via Letter of Award dated 27 July 2023 for the Provision and Operation of One Unit 25 Tonnes Bollard Pull Utility Tug and One Unit 40 Tonnes Bollard Pull Utility Tug for SUPSB ("Contracts"). The total value for both contracts are approximately RM 12.62 million, excluding the option period. The duration of each of the Contracts will be for a primary period of two years with an option to extend for another period of one year upon expiry of the initial term thereof, to be exercised at SUPSB's option, at the same terms and conditions. The commencement date of both contracts are 1 August 2023.

The above contracts of new tankers and tugboats will contribute positively to the earnings and net tangible assets of the Company for the financial year ending 31 December 2023 and beyond.

The company continues to improve on operational efficiencies to maximise vessel's 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		
	30.06.2023	30.06.2022	Changes	30.06.2023	30.06.2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Income Tax :						
Current taxation	-	-	-	-	-	-
Under provision of tax in prior year	-	-	-	-	-	-
Deferred tax :						
Temporary differences	-	-	-	-	-	-
Total taxation	-	-	-	-	-	-

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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 2023 (CONTINUED)

B6 TAXATION (CONTINUED)

The Company has unabsorbed tax losses of RM223.2 million and unutilised capital allowances of RM145.7 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

The Company had obtained the approval of its shareholders at an EGM held on 12.09.2022 for the disposal of a marine vessel, namely Nautica Muar ("NMR"), to a non-related third party to be identified for a total cash consideration of at least USD4.86 million. The Company had until 11.03.2023 to enter into a Memorandum of Agreement ("MOA") for the said disposal. On 09.03.2023, the Company had entered into a MOA with Alpha Metallum DMCC ("Alpha") for the disposal of NMR for a cash consideration of USD5.20 million.

However, on 03.05.2023, the Company had decided to terminate the MOA dated 09.03.2023 for the NMR Disposal. This is due to the Company did not receive the deposit for the NMR Disposal from Alpha within the stipulated timeframe.

On 27 June 2023, the Company had entered into a Memorandum of Agreement with Portland Vessels Ltd for the proposed disposal of a marine vessel, namely Nautica Muar, for a cash consideration of USD6.045 million or approximately RM27.89 million ("Proposed Disposal"). On 2 August 2023, the Company had issued its Circular to shareholders in respect of the Proposed Disposal.

On 17 August 2023, the Company had obtained its shareholders' approval for the Proposed Disposal at an extraordinary general meeting.

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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 2023 (CONTINUED)

B8 LOANS AND BORROWINGS

Details of the Group's borrowings are as follows:

	As at 30.06.2023								
	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	2,268	96,213	98,481	14,559	13,151	27,710	16,827	109,364	126,191
Bank Overdraft	-	-		-	1,064	1,064	-	1,064	1,064
									-
Conventional financing									
Term Loans	-	3,485	3,485	-	17,925	17,925	-	21,410	21,410
Revolving Credits	-	-		-	4,284	4,284	-	4,284	4,284
	2,268	99,698	101,966	14,559	36,424	50,983	16,827	136,122	152,949

Note :

Foreign denomination refers to borrowing in USD currency with a foreign exchange of USD/RM:4.669.

	As at 31.12.2022								
	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	8,614	101,918	110,532	14,747	9,596	24,343	23,361	111,514	134,875
Bank Overdraft	-	-		-	2,451	2,451	-	2,451	2,451
									-
Conventional financing									
Term Loans	-	11,205	11,205	-	20,413	20,413	-	31,618	31,618
Revolving Credits	-	-		-	4,284	4,284	-	4,284	4,284
	8,614	113,123	121,737	14,747	36,744	51,491	23,361	149,867	173,228

Note :

Foreign denomination refers to borrowing in USD currency with a foreign exchange of USD/RM:4.406.

B9 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

The Group does not have any derivative financial instruments as at the period ended 30 June 2023.

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

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

B10 MATERIAL LITIGATIONS

a) ARBITRATION

On 27 June 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 Company will commence arbitration against VPSB in relation to a dispute arising out of a contract for the lease of FSU Nautica Muar ("Vessel") dated 11.4.2017 ("Novation Agreement") entered into between the Company and VPSB.

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

b) HIGH COURT CIVIL SUIT

On 15 August 2023, The board announced that a Writ and Statement of Claim dated 15.8.2023 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 out of and in relation to a contract for ship management services dated 28.2.2020, entered into between the Company and VPSB.

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

The arbitration and litigation 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 has appointed Messrs Mohanadass Partnership to represent and assist the Company in the arbitration and litigation proceedings. The Company will announce any further developments on the arbitration and litigation proceedings as and when they arise.



Company No : 256516-W

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

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.

	Year Ended	
	30.06.2023	30.06.2022
Profit/(loss) for the financial period attributable to equity holders of the Company (RM'000)	15,294	(8,614)
Weighted average number of ordinary shares in issue ('000)	530,500	530,500
Basic earnings per share (sen)	2.88	(1.62)

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

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