



"the shipping people"

Company No : 256516-W

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

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023**

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

Unaudited Condensed Consolidated Statement of Comprehensive Income
For The Fourth Quarter and Financial Year Ended 31 December 2023

	Note	Quarter Ended			Year Ended		
		31.12.2023	31.12.2022	Changes	31.12.2023	31.12.2022	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
		(Reviewed)			(Restated)		
Revenue	B1	33,132	41,726	(21)	133,079	153,640	(13)
Cost of sales		(19,053)	(38,777)	(51)	(85,559)	(128,693)	(34)
Gross profit		14,079	2,949	>100	47,520	24,947	90
Administrative expenses		(6,653)	(8,708)	(24)	(19,879)	(20,502)	(3)
Other operating (expenses)/income :							
- Net gain/(loss) on foreign exchange		(419)	1,240	>100	(1,293)	(7,231)	(82)
- Other income	B3	3,589	4,574	(22)	10,089	5,899	71
- Gain on disposal of assets		-	1,477	>(100)	1,254	2,166	(42)
- Reversal of impairment loss		288	12,963	>(100)	288	12,963	>(100)
Results from Operating activities		10,884	14,495	(25)	37,979	18,242	>100
Finance income		50	131	(62)	243	224	8
Finance costs		(1,650)	(2,712)	(39)	(8,343)	(9,489)	(12)
Profit before tax		9,284	11,914	(22)	29,879	8,977	>100
Taxation	B6	(6,004)	7,320	>(100)	(6,187)	7,320	>(100)
Profit for the period		3,280	19,234	(83)	23,692	16,297	45
Profit attributable to:							
Owners of the Company		3,280	19,234	(83)	23,692	16,297	45

	Note	Quarter Ended		Year Ended	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		(Reviewed)		(Restated)	
Earnings Per Share attributable to owners of the Company					
Basic EPS (sen)	B12	0.62	3.63	4.47	3.07

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 31 December 2023

	Note	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000 (Restated)
Assets			
Property, plant and equipment	A9	393,329	411,994
Right-of-use assets		1,946	1,977
Deferred tax assets		708	6,604
Non-current assets		395,983	420,575
Inventories		99	1,042
Trade and other receivables		31,799	24,587
Tax recoverable		33	216
Deposits		11,416	17,971
Cash and cash equivalents		31,028	42,631
		74,375	86,447
Non-current assets held for sale		14,290	19,892
Current assets		88,665	106,339
Total assets		484,648	526,914
Equity and liabilities			
Share capital		179,755	179,755
Accumulated Losses	A14	(122,302)	(145,994)
Total equity		57,453	33,761
Other payables		12,849	-
Loans and borrowings	B8	84,266	121,737
Lease liabilities		2,386	2,170
Non-current liabilities		99,501	123,907
Trade, other payables and contract liabilities		286,435	317,047
Lease liabilities		183	384
Loans and borrowings	B8	40,923	51,491
Current tax liabilities		153	324
Current liabilities		327,694	369,246
Total liabilities		427,195	493,153
Total equity and liabilities		484,648	526,914
		RM	RM
Net assets per share attributable to owners of the Company		0.11	0.06

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)
(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity
For The Year Ended 31 December 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
Total comprehensive income for the year	-	16,297	16,297
- Previously reported	-	20,043	20,043
- Prior year adjustments (A14)	-	(3,746)	(3,746)
Profit and total comprehensive income for the year, restated	-	16,297	16,297
At 31 December 2022 (Restated)	179,755	(145,994)	33,761
At 1 January 2023 (Restated)	179,755	(145,994)	33,761
Total comprehensive income for the year	-	23,692	23,692
At 31 December 2023	179,755	(122,302)	57,453

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)
(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flows
For The Year Ended 31 December 2023

	Note	Year Ended	
		31.12.2023	31.12.2022
		RM'000	RM'000
			(Audited)
Cash flows from operating activities			
Profit before tax		29,879	8,977
Adjustments for:			
Property, plant and equipment			
Gain on disposal		(1,254)	(2,181)
Depreciation		31,231	39,530
Reversal of impairment		(288)	(12,963)
Written off		-	15
Right-of-use-assets:			
Depreciation		221	160
Finance costs on:			
Bank overdraft		74	335
Conventional financing		1,073	1,816
Revolving credits		189	321
Profit charge on Islamic financing		6,839	6,868
Accretion of interest on lease liabilities		168	149
Interest on fixed deposits		(243)	(224)
(Reversal)/Net loss for impairment losses on receivable		(585)	1,298
Unrealised foreign exchange loss		675	4,713
Operating profit before changes in working capital		67,979	48,814
Changes in working capital:			
Inventories		943	(935)
Trade, other receivables and contract assets		(6,759)	(6,727)
Trade, other payables and contract liabilities		(18,307)	(8,458)
Cash generated from operations		43,856	32,694
Interest received		243	224
Interest paid on conventional financing		(1,503)	(2,621)
Profit paid on Islamic financing		(6,839)	(6,868)
Tax paid		(279)	(180)
Net cash generated from operating activities		35,478	23,249
Cash flows from investing activities			
Redemption/(Placement) in short term deposits, fixed and security deposits pledged		6,555	(13,806)
Additions to property, plant and equipment		(26,568)	(10,393)
Proceeds from disposal of property, plant and equipment		21,146	82,533
Net cash generated from investing activities		1,133	58,334



Company No : 256516-W

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

Unaudited Condensed Consolidated Statement of Cash Flows
For The Year Ended 31 December 2023 (continued)

	Note	Year Ended	
		31.12.2023	31.12.2022
		RM'000	RM'000
			(Audited)
Cash flows from financing activities			
Repayment of conventional term loan		(22,629)	(29,449)
Repayment of Islamic term financing facilities		(22,959)	(12,783)
Net repayment of hire purchases liabilities		-	(7)
Repayment of lease liabilities		(175)	(122)
Net cash used in financing activities		(45,763)	(42,361)
Net (decrease)/increase in cash and cash equivalents		(9,152)	39,222
Cash and cash equivalents at beginning of financial year		40,180	958
Cash and cash equivalents at end of financial year	(i)	31,028	40,180

(i) Cash and cash equivalents

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

	Year Ended	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash and cash equivalents	31,028	13,605
Fixed and security deposits with licensed banks	-	29,026
	31,028	42,631
Less: Bank Overdrafts	-	(2,451)
	31,028	40,180

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 101, Presentation of Financial Statements – Disclosures of Accounting Policies
- 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 121 The Effects of Changes in Foreign Exchange Rates - <i>Lack of exchangeability</i>	1 January 2025
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred



Company No : 256516-W

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PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

A1 BASIS OF PREPARATION (CONTINUED)

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

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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

	Fourth Quarter Ended		Year Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Marine transport and FSO	14,428	22,268	59,757	72,726
Port marine services	18,704	19,458	73,322	80,914
	33,132	41,726	133,079	153,640



Company No : 256516-W

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

PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

EBITDA

	Fourth Quarter Ended		Year Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Marine transport and FSO	8,240	559	31,038	3,327
Port marine services	10,615	22,674	38,085	41,866
	18,855	23,233	69,123	45,193

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group has carried out valuation on its property, plant and equipment in the current financial year.

A10 MATERIAL EVENTS

a) Classification as PN17 Issuer

On 25 February 2022, the Company announced that the Company is an effected 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.



Company No : 256516-W

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

**PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND
FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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.

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

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.



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**PART A : NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND
FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

A10 MATERIAL EVENTS (CONTINUED)

b) Proposed debt restructuring exercise (continued)

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.

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 31 December 2023.



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 FOURTH QUARTER AND
FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

A14 PRIOR YEAR ADJUSTMENTS ("PYA")

The comparative figures of the Group and the Company have been restated due to the following prior year adjustments:

During the year, the Group and the Company made prior-year adjustments in relation to the over-recognition of unutilised capital allowances in the Year of Assessment 2021 ("YA2021") tax returns, which was used as a basis for arriving at deferred tax assets in the financial year 2022. The prior year financial statements have been restated accordingly to correct these misstatements.

The effects of prior year adjustments are disclosed below:

	As previously report RM'000	Prior Year Adjustment RM'000	As restated RM'000
<u>As at 31 December 2022</u>			
<i>Statement of Comprehensive Income</i>			
Taxation	11,066	(3,746)	7,320
<i>Statement of Financial Position</i>			
Assets			
Deferred tax assets	10,350	(3,746)	6,604
Equity			
Accumulated Losses	(142,248)	(3,746)	(145,994)



E.A. TECHNIQUE (M) BERHAD (256516-W)
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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

B1 REVIEW OF THE PERFORMANCE OF THE GROUP

Review of performance for the cumulative quarter 12 months ended 31 December 2023

	Year Ended		
	31.12.2023	31.12.2022	Changes
	RM'000	RM'000	%
Revenue	133,079	153,640	(13)
Cost of sales	(85,559)	(128,693)	(34)
Gross profit	47,520	24,947	90
Profit before tax	29,879	8,977	>100
Profit for the financial year	23,692	16,297	45

The Group recorded a revenue of RM133.0 million for the year ended 31 December 2023 as compared to RM153.6 million in the previous corresponding year, resulted in decrease of RM20.6 million in revenue. Lower revenue was mainly due to FSO vessel contract expired in August 2023.

The Group recorded a profit before tax (PBT) of RM29.9 million for the year ended 31 December 2023, as compared to RM9.0 million in the previous corresponding year. The higher PBT was mainly due to lower laid up cost of vessels disposed in 2022, lower substitute vessels' cost, lower foreign exchange loss, waiver of amount due to trade creditors and gain on disposal of a FSU.



Company No : 256516-W

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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

B1 REVIEW OF THE PERFORMANCE OF THE GROUP (CONTINUED)

Review of performance for the current quarter 3 months ended 31 December 2023

	Fourth Quarter Ended		
	31.12.2023	31.12.2022	Changes
	RM'000	RM'000	%
Revenue	33,132	41,726	(21)
Cost of sales	(19,053)	(38,777)	(51)
Gross profit	14,079	2,949	>100
Profit before tax	9,284	11,914	(22)
Profit for the financial period	3,280	19,234	(83)

The Group recorded a revenue of RM33.1 million for the quarter ended 31 December 2023 as compared to RM41.7 million in the previous corresponding year, resulted in decrease of RM8.6 million in revenue. Lower revenue mainly due to FSO vessel contract expired in August 2023 and tankers operated on spot charter in 2022.

The Group recorded a PBT of RM9.28 million for the quarter ended 31 December 2023, as compared to a PBT of RM11.9 million in the previous corresponding quarter. The lower PBT was mainly due to reversal of impairment of vessels of RM0.3 million in 2023 (2022: RM12.9 million).

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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

B2 MATERIAL CHANGES IN THE QUARTERLY RESULTS

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

	Quarter Ended		Changes %
	31.12.2023 RM'000	30.09.2023 RM'000	
Revenue	33,132	31,734	4
Cost of sales	(19,053)	(22,012)	(13)
Gross profit	14,079	9,722	45
Profit before tax	9,284	5,301	75
Profit for the financial period	3,280	5,118	(36)

The Group recorded a revenue of RM33.1 million for the current quarter ended 31 December 2023, as compared to RM31.7 million in the preceding quarter, an increase of RM1.40 million due to reimburseable claim for FSO vessel and new contract secured by fast crew boat in October 2023.

The Group posted a PBT of RM9.3 million for the quarter ended 31 December 2023, as compared to a PBT of RM5.3 million in the preceding quarter. The higher PBT was mainly due to lower demobilization cost incurred for FSO vessel in current quarter.

B3 OTHER INCOME

	Fourth Quarter Ended			Year Ended		
	31.12.2023 RM'000	31.12.2022 RM'000	Changes %	31.12.2023 RM'000	31.12.2022 RM'000	Changes %
Insurance claim	28	793	(96)	3,417	1,941	76
Other income	3,561	3,781	(6)	6,672	3,958	69
Total other income	3,589	4,574	(22)	10,089	5,899	71



E.A. TECHNIQUE (M) BERHAD (256516-W)
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PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

B4 COMMENTARY ON PROSPECTS

As at 31 December 2023, the Group's order book was RM186.4 million with additional RM269.2 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 was 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 RM12.62 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 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 has recently been awarded a Contract extension by Petroleum Nasional Berhad ("PETRONAS") via a Letter of Contract Amendment and Extension dated 7 November 2023. The Contract extension is for Term Contract For Provision For Supply And Operation Of Three (3) Harbour Tugs. The contract duration will be for a primary period of two (2) years which has commenced in December 2023. The contract value is approximately RM18.4 million for the duration of two (2) years.

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 ended 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.

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

PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

B6 TAXATION

	Fourth Quarter Ended			Year Ended		
	31.12.2023	31.12.2022	Changes	31.12.2023	31.12.2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Income Tax :						
Current taxation	(105)	(300)	65	(288)	(366)	21
Under provision of tax in prior year	(4)	136	>(100)	(4)	202	>(100)
Deferred tax :						
Current year	(4,883)	6,573	>(100)	(4,883)	6,573	>(100)
Prior year	(1,012)	911	>(100)	(1,012)	911	>(100)
Total taxation	(6,004)	7,320	>(100)	(6,187)	7,320	>(100)

The Company has unabsorbed tax losses of RM218.1 million and unutilised capital allowances of RM49.6 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 obtained the approval of its shareholders at an EGM held on 12 March 2022, amongst others, 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 March 2023 to enter into a Memorandum of Agreement ("MOA") for the said disposal. On 9 March 2023, the Company entered into a MOA with Alpha Metallum DMCC ("Alpha") for the disposal of NMR for a cash consideration of USD5.20 million ("NMR Disposal").

However, on 3 May 2023, the Company decided to terminate the MOA dated 9 March 2023 for the NMR Disposal. This is due to the Company not receiving the deposit for the NMR Disposal from Alpha within the stipulated timeframe.

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

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

On 19 September 2023, the Proposed Disposal was completed following the delivery of the vessel to buyer on 16 September 2023 and the receipt of full payment by the Company on 19 September 2023 from the escrow agent.

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

PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

B8 LOANS AND BORROWINGS

Details of the Group's borrowings are as follows:

	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
Bank Overdraft	-	-	-	-	-	-	-	-	-
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.

	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	101,917	110,531	14,747	9,596	24,343	23,361	111,513	134,874
Bank Overdraft	-	-	-	-	2,451	2,451	-	2,451	2,451
Conventional financing									
Term Loans	-	9,055	9,055	-	22,564	22,564	-	31,619	31,619
Revolving Credits	-	2,151	2,151	-	2,133	2,133	-	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:4.4056.

B9 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

The Group does not have any derivative financial instruments as at the year ended 31 December 2023.

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

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS
FOR THE FORTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 April 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 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 out of and in relation to 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.

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	
	31.12.2023	31.12.2022
Profit for the financial period attributable to equity holders of the Company (RM'000)	23,692	16,297
Weighted average number of ordinary shares in issue ('000)	530,500	530,500
Basic earnings per share (sen)	4.47	3.07

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

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