

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017**

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

**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**For The Period Ended 30 June 2017**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.06.2017 RM'000	30.06.2016 RM'000 Restated	30.06.2017 RM'000	30.06.2016 RM'000 Restated
Revenue	B1	113,400	123,268	209,919	240,924
Cost of sales		(150,409)	(114,428)	(302,012)	(222,106)
<b>Gross (loss)/profit</b>		(37,009)	8,840	(92,093)	18,818
Other operating income / (expenses)					
-Net gain / (loss) on foreign exchange		9,815	(4,179)	13,023	8,989
-Others		2,819	216	6,942	487
Administrative expenses		(8,179)	(3,436)	(15,454)	(6,822)
<b>Results from operating activities</b>		(32,554)	1,441	(87,582)	21,472
Finance income		154	247	275	483
Finance costs		(4,209)	(6,513)	(11,063)	(12,297)
<b>(Loss)/profit before tax</b>	B2	(36,609)	(4,825)	(98,370)	9,658
Taxation	B5	(106)	(2,501)	(219)	(5,029)
<b>(Loss)/profit for the financial period</b>		(36,715)	(7,326)	(98,589)	4,629

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

**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**For The Period Ended 30 June 2017 (Continued)**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
		RM'000	RM'000	RM'000	RM'000
			Restated		Restated
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the Company		(36,715)	(7,326)	(98,589)	4,629
		<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
<b>(Loss)/earnings per share attributable to owners of the Company (sen)</b>					
Basic	B11	(7.28)	(1.45)	(19.56)	0.92
		<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

*The above Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.*

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

**Unaudited Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2017**

	Note	30.06.2017 RM'000	Audited 31.12.2016 RM'000
<b><u>ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	A9	807,012	707,244
Intangible assets		2,057	4,776
Trade and other receivables		2,585	3,027
		<hr/>	<hr/>
		811,654	715,047
		<hr/>	<hr/>
<b><u>Current assets</u></b>			
Trade and other receivables		44,528	226,123
Tax receivable		389	-
Short term deposits		-	189,474
Cash, bank balances and deposits		19,165	25,334
		<hr/>	<hr/>
		64,082	440,931
		<hr/>	<hr/>
<b>Total assets</b>		<hr/> <b>875,736</b> <hr/>	<hr/> <b>1,155,978</b> <hr/>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Current liabilities</u></b>			
Trade and other payables		235,567	175,715
Loans and borrowings	B7	81,289	384,663
Tax payable		-	10,890
		<hr/>	<hr/>
		316,856	571,268
		<hr/>	<hr/>

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

**Unaudited Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2017 (Continued)**

	Note	30.06.2017 RM'000	Audited 31.12.2016 RM'000
<b><u>Non-current liabilities</u></b>			
Loans and borrowings	B7	374,131	301,487
Deferred tax liabilities		9,537	9,422
		<hr/>	<hr/>
		383,668	310,909
		<hr/>	<hr/>
Total liabilities		700,524	882,177
		<hr/>	<hr/>
Net assets		175,212	273,801
		<hr/>	<hr/>
<b><u>Equity attributable to owners of the Company</u></b>			
Share capital	A6	169,100	126,000
Share premium		-	43,100
Retained earnings		6,112	104,701
		<hr/>	<hr/>
Total equity		175,212	273,801
		<hr/>	<hr/>
Total equity and liabilities		875,736	1,155,978
		<hr/>	<hr/>
<b>Net assets per share attributable to owners of the Company (RM)</b>			
		0.35	0.54
		<hr/>	<hr/>

*The above Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.*

**E.A. TECHNIQUE (M) BERHAD**  
**(Incorporated in Malaysia)**  
**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**For The Period Ended 30 June 2017**

	<-----Attributable to owners of the Company----->				
	<-----Non-distributable----->			Distributable	
	Number of shares '000	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000
<b>At 1 January 2017</b>	504,000	126,000	43,100	104,701	273,801
Adjustments for effects of Companies Act 2016 (Note a)	-	43,100	(43,100)	-	-
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	(98,589)	(98,589)
<b>At 30 June 2017</b>	<b>504,000</b>	<b>169,100</b>	<b>-</b>	<b>6,112</b>	<b>175,212</b>
<b>At 1 January 2016 (Note A14)</b>	504,000	126,000	43,100	100,962	270,062
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	30,023	30,023
As reported	-	-	-	(25,394)	(25,394)
Prior year adjustment (Note A14)	-	-	-	4,629	4,629
As restated	-	-	-	(5,040)	(5,040)
Dividend	-	-	-	-	-
<b>At 30 June 2016</b>	<b>-</b>	<b>126,000</b>	<b>43,100</b>	<b>100,551</b>	<b>269,651</b>

**Note a**

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM43,100,000 has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

*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 2016 and the accompanying explanatory notes attached to these interim financial statements.*

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

**Unaudited Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 30 June 2017**

	<b>6 months ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(Loss)/profit before tax</b>	(98,370)	9,658
Adjustments for:		
Finance income	(275)	(483)
Finance costs	11,063	12,297
Depreciation of property, plant and equipment	30,671	28,258
Amortisation of intangible asset	2,719	-
Unrealised foreign exchange gain	(21,699)	(8,989)
Operating (loss)/profit before changes in working capital	(75,891)	40,741
Changes in working capital:		
Receivables	182,037	9,435
Payables	73,196	(5,690)
Cash flows generated from operations	179,342	44,486
Interest received	275	483
Interest paid	(11,063)	(12,297)
Income tax paid	(4,337)	(2,850)
Net cash generated from operating activities	164,217	29,822

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

**Unaudited Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 30 June 2017 (Continued)**

	<b>6 months ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(130,438)	(41,180)
Decrease/(increase) in fixed and security deposits	189,474	(24,903)
Net cash generated from / (used in) investing activities	<u>59,036</u>	<u>(66,083)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	-	(5,040)
Bank borrowings		
- Proceeds (Loan/Financing/Lease)	102,864	44,258
- Repayment (Loan/Financing/Lease)	(333,595)	(14,342)
Net cash (used in)/generated from financing activities	<u>(230,731)</u>	<u>24,876</u>
<b>Net changes in cash and cash equivalents</b>	<b>(7,478)</b>	<b>(11,385)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD (Note (i))</b>	<b>10,148</b>	<b>20,127</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD (Note (i))</b>	<b><u>2,670</u></b>	<b><u>8,742</u></b>



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

**Unaudited Condensed Consolidated Statement of Cash Flows**  
**For the Period Ended 30 June 2017 (Continued)**

**(i) Cash and cash equivalents**

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

	<b>6 months ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
Cash and bank balances	8,729	8,742
Short term deposits	-	89,571
Fixed and security deposits with licensed banks	10,436	12,025
	<b>19,165</b>	<b>110,338</b>
Less: Bank overdrafts (Note B7)	(6,059)	-
	13,106	110,338
Less : Short term deposits	-	(89,571)
Less: Fixed and security deposits pledged	(10,436)	(12,025)
	<b>2,670</b>	<b>8,742</b>

*The above unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.*

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

**A NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017**

**A1 BASIS OF PREPARATION**

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

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2016.

Standards, amendments to published standards and interpretations that are effective

The Group has applied the following amendments for the financial year beginning on 1 January 2017:

- Amendments to MFRS 12 'Disclosure of Interest in Other Entities'.
- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative'.
- Amendments to MFRS 112 'Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses'.

The adoption of these amendments has required additional disclosures. Other than that, the adoption of these amendments did not have any material impact on the financial statements for the current financial period.

Standards that have been issued but not yet effective

The Group has yet to adopt these new standards.

- MFRS 1 'Amendments to MFRS 1' (Annual improvements to MFRS standards 2014-2016 cycle) (effective from 1 January 2018).
- MFRS 2 'Classification and Measurement of Share-based Payment Transactions' (Amendments to MFRS 2) (effective from 1 January 2018).
- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".
- MFRS 15 'Revenue from contracts with customers' and 'Clarifications to MFRS 15' (effective from 1 January 2018).
- Amendments to MFRS 128 'Investment in Associates and Joint Ventures' (effective from 1 January 2018).
- MFRS 16 'Leases' (effective from 1 January 2019).

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

**A       NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**A1               BASIS OF PREPARATION (CONTINUED)**

Standards that have been issued but not yet effective (continued)

The effects of the above new standards and amendments to standards and interpretation are currently being assessed by the Directors.

**A2       AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the annual financial statements for the financial year ended 31 December 2016 was unqualified.

**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**

The effect of change in the estimates of amounts reported in prior financial years that has a material effect in the current quarter under review is disclosed in Note A14.

**A6       DEBT AND EQUITY SECURITIES**

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

**A7       DIVIDENDS**

There were no dividends paid during the quarter.

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

**A       NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**A8       SEGMENT REPORTING**

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

**(i)       Marine transport and FSO**

Our product tankers are used to transport refined petroleum products, known as Clean Petroleum Products, from oil refineries to end-users or to another refinery for further processing.

FSU/FSOs are typically used to support production platforms as an offshore Oil & Gas storage facility at brown fields; and Liquid Petroleum Gas ("LPG") tankers are used to transport liquefied gases including propane, butane and other gases.

Offshore Supply Vessels, namely fast crew boats, are primarily used to transport personnel/light cargoes between shore and platform, platform and platform or other offshore facilities.

**(ii)       Port Marine Services**

The port marine services that we provide at the ports include towage services comprising towing, pushing or manoeuvring vessels.

**(iii)       Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC")**

Marine Engineering services are divided into 2 segments i.e. provision of marine engineering solutions and shipbuilding & ship repair activities. Marine engineering solutions encompass provision of marine engineering solution and EPCIC activities.

**(iv)       Others**

Other operating segments involve activities of mooring services where we have mooring personnel to secure vessels to floating structures and fixtures at the wharf.

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

**A NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

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

**Period ended 30 June 2017**

<b>Business Segments</b>	<b>Marine Transport and FSO RM'000</b>	<b>Port Marine Services RM'000</b>	<b>EPCIC RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Revenue	60,346	38,597	110,215	761	209,919
<u>Results</u>					
Earnings/(loss) before interest, taxation, depreciation and amortisation	25,954	30,168	(110,445)	130	(54,193)

**A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

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

**A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There were no material events subsequent to the end of current financial quarter and financial period-to-date that have not been reflected in this interim financial report.

**A11 CHANGES IN THE COMPOSITION OF THE GROUP**

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

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

**A13 CAPITAL COMMITMENTS**

Capital expenditures not provided for in the interim financial report as at 30 June 2017 are as follows:

	<b>RM'000</b>
Approved by the Directors but not contracted	7,539
	<hr/>
	7,539
	<hr/> <hr/>
Analysed as follows:	
Shipyard under construction	7,539
	<hr/>
	7,539
	<hr/> <hr/>

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

**A NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**A14 PRIOR YEAR ADJUSTMENTS**

During the financial period, the Group has made prior year adjustments in relation to the following:

- The effects of prior year adjustments made in relation to the financial year ended 31 December 2015;
- Over-recognition of revenue from construction contract due to understatement of estimated total budgeted costs used to calculate percentage of completion; and
- The effect of unrealised foreign exchange losses on Amount Due from Customer Contract recognised at reporting date using closing rate.

	As previously stated 30.06.2016 RM'000	Note (a) RM'000	Note (b) RM'000	Note (c) RM'000	As restated 30.06.2016 RM'000
<b>At 30 June 2016</b>					
<b>Unaudited Consolidated statement of comprehensive income</b>					
Revenue	260,790	-	(19,866)	-	240,924
Costs of sales	(222,106)	-	-	-	(222,106)
Other operating income	15,004	-	-	(5,528)	9,476
<b>Unaudited Consolidated statement of cash flows</b>					
Profit before tax	35,052	-	(19,866)	(5,528)	9,658
Unrealised foreign exchange gain	(14,517)	-	-	5,528	(8,989)
Changes in amount due from contract customer	(25,985)	-	19,866	-	(6,119)
<b>Unaudited Consolidated statement of changes in equity</b>					
Retained earnings as at 1 January 2016	138,630	(37,668)	-	-	100,962
Retained earnings as at 30 June 2016	163,613	(37,668)	(19,866)	(5,528)	100,551





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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017**

**B1 REVIEW OF THE PERFORMANCE OF THE GROUP**

**Review of performance for the cumulative quarter 6 months ended 30 June 2017**

The Group recorded a revenue of RM209.92 million for the six months period ended 30 June 2017 as compared to RM240.92 million in previous year's corresponding period, a decrease of 12.9%. The reduction was mainly due to lower contribution from EPCIC as the project is nearing completion. In addition, there was also a drop in revenue from Marine Transport and FSO segment due to dry-docking of FSU Nautica Muar.

The Group posted a loss before tax of RM98.37 million for the cumulative quarter, as compared to profit before tax of RM9.66 million in the previous year's corresponding period. The loss was mainly due to higher EPCIC costs and administrative expenses in the cumulative quarter.

The higher cost of EPCIC was mainly due to additional request for work from the client, of which we will pursue for its recovery in future quarters. The increase in administrative expenses was due to discount on receivables and amortization of goodwill for the acquisition of Libra Perfex Precision Sdn Bhd.

Included in the loss before tax, the Group has provided for a foreseeable loss of RM78.49 million as a result of increased EPCIC project costs against its contract sum recognized to date.

The Group had also recorded net gain on foreign exchange of RM13.02 million for the current cumulative quarter ended 30 June 2017.

**Review of performance for the current quarter 3 months ended 30 June 2017**

The Group recorded a revenue of RM113.40 million for the current quarter ended 30 June 2017, a decrease of 8.0% as compared to the previous year's corresponding quarter of RM123.27 million.

The reduction was mainly due to lower revenue from EPCIC.

The Group posted a loss before tax of RM36.61 million for the current quarter as compared to loss before tax of RM4.83 million for the previous year's corresponding quarter. The loss was due to the provision of foreseeable loss of RM47.53 million under the EPCIC project.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B2. MATERIAL CHANGES IN THE QUARTERLY RESULTS**

The Group recorded a loss before tax of RM36.61 million for the current quarter as compared to loss before tax of RM61.76 million in the preceding Quarter 1 2017 due to higher profit contributed by Marine Transport segment and lower loss recorded for the EPCIC project.

**B3. CURRENT YEAR PROSPECTS**

The Group is expected to deliver one (1) unit of chemical tanker and one (1) unit of oil tanker to clients in Q3 2017. Further to this, the Group will also be earning the charter income for FSU Nautica Muar under its agreement with Vestigo Petroleum Sdn Bhd (VPSB) by Q3 2017.

As at 30 June 2017, the Group's orderbook was approximately RM0.64 billion with additional RM339.0 million for extension period.

The Group has long term contracts for its marine vessels to provide a stable and recurring revenue stream. The Group remains focused to ensure a consistent high utilization rate to maximize earning.

The Group remains optimistic on its operating performance in view of the deployment of FSU Nautica Muar, the chemical tanker and oil tanker in Q3 2017. The overall performance of the Group will depend on the closing of the EPCIC project.

**B4 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.

**B5 TAXATION**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Income tax expense	(106)	(2,501)	(219)	(5,029)

The Group's effective tax rates for the 6 months ended 30 June 2017 was lower than the Malaysian Statutory tax rate. This was due to the utilisation of tax losses against the taxable income and also exempt income for certain segments which are not taxable.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B6 STATUS OF CORPORATE PROPOSALS**

On 22 November 2016, the Group entered into a conditional Sale and Purchase Agreement (“SPA”) with MTC Engineering Sdn. Bhd. (“MTCE”) in relation to the proposed acquisition of topside equipment currently attached to EAT’s vessel known as FSU Nautica Muar, comprising amongst others, extended well test system, flare tower system, metering skid, cargo pump, quick release hook and helideck (collectively known as the “Topside Equipment”) for a total purchase consideration of USD24.0 million.

The Circular prepared by the due diligence working group (“DDWG”) for the Proposed Acquisition had been duly approved on 25 January 2017 by Bursa Malaysia. Our independent advisor, Mercury Securities Sdn Bhd had submitted the Independent Advice Letter (IAL) to Bursa Malaysia for approval for the IAL to be issued to the non-interested shareholders of E.A. Technique (M) Berhad (“EAT”) in respect of the Proposed Acquisition. The IAL was duly approved by Bursa Malaysia on 14 February 2017.

The Group has received approval from the Shareholders on the Acquisition of the Topside Equipment from MTCE in its Extraordinary General Meeting which was held on 20 March 2017 at Puteri Pacific Hotel, Johor Bahru.

All conditions precedents to the SPA have been met by all parties. The disbursements to the respective parties have been completed on 23 June 2017.

The acquisition has been duly completed and an announcement was made on 1 August 2017. The Novation of Revised Contract between MTCE, EAT and Vestigo Petroleum Sdn Bhd (“VPSB”) was entered on 11 April 2017. Pursuant to the Novation of Revised Contract, the Company will lease the FSU with the Topside Equipment directly to VPSB.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B7 LOANS AND BORROWINGS**

Details of the Group's borrowings are as follows:

	<b>30.06.2017</b>	<b>Audited 31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
Islamic financing		
- Term loans (secured)	35,705	330,939
- Bank overdrafts (unsecured)	6,059	5,344
	<u>41,764</u>	<u>336,283</u>
Conventional financing		
- Term loans (secured)	30,907	41,792
- Finance lease liabilities (secured)	218	188
- Revolving credits (unsecured)	8,400	6,400
	<u>39,525</u>	<u>48,380</u>
	<u><u>81,289</u></u>	<u><u>384,663</u></u>

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B7 BORROWINGS (CONTINUED)**

	<b>30.06.2017</b>	<b>Audited 31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Islamic financing		
- Term loans (secured)	208,129	125,487
	<u>208,129</u>	<u>125,487</u>
Conventional financing		
- Term loans (secured)	165,730	175,673
- Finance lease liabilities (secured)	272	327
	<u>166,002</u>	<u>176,000</u>
	<u>374,131</u>	<u>301,487</u>
Total	<u>455,420</u>	<u>686,150</u>

**B8 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK**

The Group does not have any derivative financial instruments for the quarter ended 30 June 2017.

**B9 MATERIAL LITIGATIONS**

There was none.

**B10 DIVIDEND PAYABLE**

There was no dividend payment proposed during the quarter.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B11 (LOSS) / EARNINGS PER SHARE**

**Basic (loss) / earnings per share**

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

	<b>As at 30.06.2017</b>	<b>As at 30.06.2016 Restated</b>
(Loss)/profit for the financial period attributable to equity holders of the Company (RM'000)	(98,589)	4,629
Weighted average number of ordinary shares in issue ('000)	504,000	504,000
Basic (loss) / earnings per share (sen)	<u>(19.56)</u>	<u>0.92</u>

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B12 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

The following analysis of realised and unrealised retained profits/(accumulated losses) is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	<b>As at 30.06.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total retained profits of the Company and its subsidiaries		
- Realised gains	123,064	175,052
- Unrealised loss	(116,952)	(70,351)
	<hr/> 6,112	<hr/> 104,701
Total group retained earnings as per Consolidated Statement of Changes in Equity	<hr/> <hr/> 6,112	<hr/> <hr/> 104,701