



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER TO 30 SEPTEMBER 2014**

	3 months ended		9 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	37,825	34,991	113,478	87,703
Cost of services	(21,096)	(14,825)	(64,479)	(38,735)
Depreciation and amortisation	(6,210)	(6,459)	(18,573)	(17,446)
Gross profit	10,519	13,707	30,426	31,522
Other operating income / (loss)	313	1,613	2,356	39,229
Administrative expenses	(2,583)	(1,870)	(9,575)	(5,429)
Results from operating activities	8,249	13,450	23,207	65,322
Finance cost	(3,429)	(4,140)	(10,474)	(10,871)
Interest income	67	529	528	1,045
Profit before taxation	4,887	9,839	13,261	55,496
Income tax expense	(103)	(1,672)	(2,354)	(1,866)
Profit for the year, representing total comprehensive income for the year	4,784	8,167	10,907	53,630
Earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
Basic	1.23	2.09	2.80	4.15
Diluted	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Financial Information and Accountants' Report for the financial year ended 31.12.2013 as disclosed in the Prospectus of the Company dated 24 November 2014 and the accompanying explanatory notes as attached to this interim financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

	AS AT END OF CURRENT QUARTER 30.09.2014 (UNAUDITED) RM'000	AS AT FINANCIAL YEAR 31.12.2013 (AUDITED) RM'000
ASSETS		
Property, plant and equipment	518,129	435,908
Trade receivables	3,497	3,820
Non-current assets	521,626	439,728
Trade and other receivables	38,268	35,299
Cash and cash equivalents	8,033	21,205
Current assets	46,301	56,504
TOTAL ASSETS	567,927	496,232
EQUITY AND LIABILITIES		
Share capital	97,500	97,500
Retained earnings	97,440	86,533
Total equity	194,940	184,033
Loans and borrowings	238,199	218,160
Deferred tax liabilities	13,485	12,771
Non current liabilities	251,684	230,931
Trade and other payables	29,470	36,289
Tax payable	-	360
Loans and borrowings	91,833	44,619
Current liabilities	121,303	81,268
TOTAL LIABILITIES	372,987	312,199
TOTAL EQUITY AND LIABILITIES	567,927	496,232
NET ASSETS PER SHARE (RM)	0.50	0.47

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Financial Information and Accountants' Report for the financial year ended 31.12.2013 as disclosed in the Prospectus of the Company dated 24 November 2014 and the accompanying explanatory notes as attached to this interim financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	NO. OF SHARES	NOMINAL VALUE RM'000	DISTRIBUTABLE RETAINED EARNINGS RM'000	TOTAL RM'000
Balance as at 1 January 2013	44,040,816	44,041	82,666	126,707
Total comprehensive income for the period	-	-	56,903	56,903
Less: Dividend			(25,000)	(25,000)
Balance as at 30 September 2013	44,040,816	44,041	114,569	158,610
Balance as at 1 January 2014	390,000,000	97,500	86,533	184,033
Total comprehensive income for the period	-	-	10,907	10,907
Balance as at 30 September 2014	390,000,000	97,500	97,440	194,940

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014		
	AS AT 30.09.2014	AS AT 30.09.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,261	55,496
Adjustments for :	13,261	55,496
Amortisation and depreciation of:		
- property, plant and equipment	18,748	17,446
- disposal of associates	-	(37,455)
- disposal of property, plant and equipment	(31)	1,169
- continuing	10,474	10,871
Interest income	(528)	(1,045)
Share profit of equity-accounted associate	-	(2,947)
	28,663	(11,961)
Operating profit before changes in working capital	41,924	43,535
Changes in working capital:		
Receivables	(2,645)	(2,724)
Payables	(8,820)	2,811
Cash generated from operations	30,459	43,622
Interest received	528	1,045
Interest paid	(10,474)	(10,871)
Net cash (used in)/ generated from operating activities	20,513	33,796
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(100,969)	(51,293)
Proceeds from:		
- disposal of property, plant and equipment	31	-
- disposal of associates	-	66,863
Decrease/(Increase) in fixed and security deposits pledged	3,518	(3,193)
Net cash (used in)/generated from investing activities	(97,420)	12,377
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to:		
- shareholders of the Company	-	(27,000)
Proceeds from term loans	52,821	16,384
Proceeds from shareholder advances	38,667	-
Repayment of term loans	(14,750)	(13,546)
Repayment of islamic term financing facilities	(9,485)	(5,774)
Proceeds from the issue of shares:		
- RCCPS	-	2,494
Net cash (used in)/generated from financing activities	67,253	(27,442)
Net (decrease) in cash and cash equivalents	(9,654)	18,731
Cash and cash equivalents at 1 January	6,295	(1,336)
Cash and cash equivalents	(3,359)	17,395
Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:		
Cash and bank balances	(809)	18,756
Deposits with licensed banks	8,843	6,837
	8,034	25,593
Less:		
Deposits pledged	(8,843)	(6,837)
Bank overdraft	(2,549)	(1,361)
	(3,359)	17,395

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial reporting, issued by the Malaysian Accounting Standards Board (MASB). The Interim Financial Report should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2013.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited financial statements for the financial year ended 31 December 2013.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

On 1 January 2014, the Group adopted the following MFRSs, Amendments to MFRSs and IC Interpretations:-

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127 for Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014
Annual Improvements to MFRSs 2010-2012 Cycle	1 January 2014
Annual Improvements to MFRSs 2011-2013 Cycle	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations did not have any material impact on the financial performance or position of the Group.

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 9 Financial instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial instruments: Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
A3. Status on Qualification of Audited Financial Statements

The audit report of the Group's preceding year financial statement and for financial period ended 31 May 2014 was not qualified.

A4. Seasonality or Cyclicity of Operations

There were no abnormal seasonal factors that affect result for the quarter under review.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no significant items which unusually affect assets, liabilities, equity, net income or cash flows during the quarter under review.

A6. Change in Accounting Estimates

There were no changes in the accounting estimates reported in prior interim period or financial year that have material effect in the current financial quarter for the current financial period.

A7. Debt and Equity Securities

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

A8. Dividend Paid

There was no dividend paid during the quarter.

A9. Segmental Information

The Group's revenue is derived from two (2) main business segments, namely the following:-

	3 months ended		9 months ended	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Marine transportation and offshore storage operations	22,515	19,643	67,733	47,116
Port marine services	15,310	15,348	45,746	36,358
Fabrication works	-	-	-	4,229
	37,825	34,991	113,479	87,703

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in one industry that is the shipping industry.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
A10. Valuation of Property, Plant and Equipment

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

A11. Material Events Subsequent to the End of the Interim Period

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

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter.

A13. 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.

A14. Capital Commitment

Capital expenditures not provided for in the financial statements as at 30 September 2014 are as follows:

Vessel under construction

Approved and contracted for

Shipyard under construction

Approved but not contracted

Total

30.09.2014 RM'000	
	178,275
	10,751
	189,026

A15. Impairment of Assets

In accordance to MFRS136, the Group made its assessments of the assets and recognized any impairment accordingly.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
A16. Related Party Disclosures

Significant transactions between E.A. Technique (M) Berhad group and its related companies are as follows:

	9 months ended	
	30.09.2014	30.09.2013
	RM'000	RM'000
Holding company		
Sindora Berhad		
- Interest on advances	4	304
- Interest on RCCPS	-	99
Shareholders		
Dato' Ir Abdul Hak bin Md Amin		
- Interest on RCCPS	-	60
Datin Hamidah Omar		
- Rental paid	36	36
- Interest on RCCPS	-	26
Other related parties		
Pro Corporate Management Services Sdn Bhd		
- Secretarial costs	10	17
Tiram Travel Sdn Bhd		
- Travelling expenses	178	132
Berkat Global Sdn Bhd		
- Survey fees	338	156
Epasa shipping Agency Sdn Bhd		
- Shipping agency fees	187	478

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B1. Review of the Performance of the Group
Group Results and update

The Group recorded revenue of RM113.5 million for the cumulative quarters under review compared to the corresponding period 2013 with revenue of RM87.7 million, an increase of 29.42% due to the increase in revenue from marine transportation and offshore operations as well as port marine services operations.

The Group recorded a PBT of RM13.3 million for the cumulative quarters 2014 compared to PBT of RM55.5 million for the corresponding period in 2013, a decrease of 76.2 %. Higher PBT in the corresponding quarter 2013 was due to gain in disposal of an associate company amounting to RM37.5 million.

B2. Material Changes in the Quarterly Results

There were no material changes in the composition of the Group for the current financial quarter.

B3. Current Year Prospects

This year the Group acquired 2 units of harbor tugboat for port marine services and 1 unit of oil tanker which is in midst of being converted into an FSO. The FSO is expected to commence operations in April 2015. The Group also expects 6 new vessels which are under construction to be delivered in stages starting by end of financial ending 2014 until the second quarter of 2015. The expansion of our fleet of marine vessels is expected to enhance our revenue and profitability in the near future.

The Group remains focused to ensure its high utilization rate is maintained and enable us to maximize earnings from our marine vessels. In addition, our relatively long term contracts for our marine vessels provide us with a stable and recurring revenue stream.

In view of this, the Board of Directors remain cautiously optimistic that the company is able to sustain its profitability levels for the year.

B4. Profit Forecast/Profit Guarantee

The Company is not subjected to any profit forecast or profit guarantee requirement.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5. Taxation

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B8. Borrowings and Debt Securities

	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Non-current		
Secured:		
Obligations under finance leases	186	207
Term loans	238,013	217,953
Non-current loans and borrowings	238,199	218,160
Current		
Unsecured:		
Shareholders' advances	37,900	-
Secured:		
Bank overdrafts	2,549	3,452
Obligations under finance leases	67	67
Term loans	51,317	41,100
Current loans and borrowings	91,833	44,619
Total loans and borrowings	330,032	262,779

All borrowings of the Group are denominated in Ringgit Malaysia.

B9. Derivative Financial Instruments

The Group does not have any derivative financial instruments for the quarter ended 30 September 2014.

B10. Material Litigation, Claims and Arbitration

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to legal action.

B11. Dividend Proposed

There was no dividend payment proposed during the quarter.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B12. Earnings Per Share ("EPS")

The basic EPS has been calculated based on the consolidated net profit for the period and divided by the weighted number of ordinary shares in issue.

	3 months ended		9 months ended	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Net profit for the period	4,784	8,167	10,907	53,630
Weighted average no of share in issue	390,000	390,000	390,000	390,000
Basic earnings per share (sen)	1.23	2.09	2.80	⁽¹⁾ 4.15
Diluted earnings per share (sen)	-	-	-	-

Notes:

(1) Gain on disposal of an associate amounting to approximately RM37.5 million was excluded.

B13. Realised and unrealised profits or losses

Pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, the breakdown of retained profits of the Group as at the reporting date, is as follows :-

	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
The retained profits of the Group is made up as follows:		
- realised	97,439	86,533
- unrealised	-	-
	97,439	86,533
Add: Consolidation adjustments	-	-
Total retained earnings	97,439	86,533

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

HANA BINTI AB. RAHIM, MAICSA 7064336
(Secretary)

Dated : 9 December 2014