



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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	AS AT END OF CURRENT QUARTER 31.03.2015 (UNAUDITED) RM'000	AS AT FINANCIAL YEAR 31.12.2014 (AUDITED) RM'000
ASSETS		
Property, plant and equipment	573,732	536,698
Trade receivables	3,207	3,207
Non-current assets	576,939	539,905
Trade and other receivables	49,483	58,172
Cash and cash equivalents	25,971	64,417
Current assets	75,454	122,589
TOTAL ASSETS	652,393	662,494
EQUITY AND LIABILITIES		
Share capital	126,000	126,000
Share premium	43,100	43,100
Retained earnings	108,133	100,767
Total equity	277,233	269,867
Loans and borrowings	270,076	287,005
Deferred tax liabilities	19,266	16,672
Non current liabilities	289,342	303,677
Trade and other payables	38,627	42,983
Tax payable	-	1,122
Loans and borrowings	47,191	44,845
Current liabilities	85,818	88,950
TOTAL LIABILITIES	375,160	392,627
TOTAL EQUITY AND LIABILITIES	652,393	662,494
NET ASSETS PER SHARE (RM)	0.55	0.54

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014.



E.A. TECHNIQUE (M) BERHAD

Company No. 256516-W

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Revenue	72,727	36,184	72,727	36,184
Cost of services	(50,481)	(18,920)	(50,481)	(18,920)
Depreciation and amortisation	(7,282)	(6,553)	(7,282)	(6,553)
Gross profit	14,964	10,711	14,964	10,711
Other operating income / (loss)	354	1,048	354	1,048
Administrative expenses	(4,025)	(3,848)	(4,025)	(3,848)
Results from operating activities	11,293	7,911	11,293	7,911
Finance cost	(2,839)	(3,459)	(2,839)	(3,459)
Interest income	202	135	202	135
Share of profit of associate	-	-	-	-
Profit before taxation	8,656	4,587	8,656	4,587
Income tax expense	(1,290)	(751)	(1,290)	(751)
Profit for the year, representing total comprehensive income for the year	7,366	3,836	7,366	3,836
Earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
Basic	1.46	0.98	1.46	0.98
Diluted	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014.



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	NO. OF SHARES	NOMINAL VALUE RM'000	NON DISTRIBUTABLE SHARE PREMIUM RM'000	DISTRIBUTABLE RETAINED EARNINGS RM'000	TOTAL RM'000
Balance as at 1 January 2014	390,000,000	97,500	-	86,533	184,033
Total comprehensive income for the period	-	-	-	3,836	3,836
Balance as at 31 March 2014	390,000,000	97,500	-	90,369	187,869
Balance as at 1 January 2015	504,000,000	126,000	43,100	100,767	269,867
Total comprehensive income for the period	-	-	-	7,366	7,366
Balance as at 31 March 2015	504,000,000	126,000	43,100	108,133	277,233

The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 31 MARCH 2015		
	AS AT 31.03.2015	AS AT 31.03.2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,656	4,587
Adjustments for :		
Amortisation and depreciation of:		
- property, plant and equipment	7,282	6,553
Interest expense	2,839	3,459
Interest income	(202)	(135)
Reversal of impairment loss on trade receivable	-	-
Operating profit before changes in working capital	18,575	14,464
Changes in working capital:		
Receivables	8,689	3,773
Payables	(6,768)	(12,168)
Cash generated from operations	20,496	6,069
Interest received	202	135
Interest paid	(2,839)	(3,459)
Tax paid	(2,030)	-
Net cash (used in)/ generated from operating activities	15,829	2,745
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(44,316)	(33,282)
Decrease/(Increase) in fixed and security deposits pledged	38,446	3,220
Net cash (used in)/generated from investing activities	(5,870)	(30,062)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans	5,827	33,325
Proceeds from islamic financing facilities	7,174	-
Repayment of term loans	(17,702)	(6,801)
Repayment of islamic term financing facilities	(9,834)	(4,013)
Net repayment of finance lease	(48)	(17)
Net cash (used in)/generated from financing activities	(14,583)	22,494
Net (decrease) in cash and cash equivalents	(4,624)	(4,822)
Cash and cash equivalents at beginning of the financial year	21,586	6,295
Cash and cash equivalents	16,962	1,473
Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:		
Cash and bank balances	16,962	4,971
Deposits with licensed banks	9,009	10,986
	25,971	15,957
Less:		
Deposits pledged	(9,009)	(10,986)
Bank overdraft	-	(3,498)
	16,962	1,473

The Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2014.

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 2014.

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 2014.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2014. 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 2014.

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 December 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 were no dividend paid during the quarter.

A9. Segmental Information

The Group's revenue is derived from four (4) main business segments, namely the following:-

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
1. Marine transportation and offshore storage operations	25,677	21,089	25,677	21,089
2. Port marine services	15,404	15,095	15,404	15,095
3. Fabrication works	-	-	-	-
4. Engineering Procurement Construction Installation and Commissioning	31,646	-	31,646	-
	72,727	36,184	72,727	36,184

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in the marine related 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 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.

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 31 March 2015 are as follows:

	31.03.2015 RM'000
Vessel under construction	
Approved and contracted for	104,630
Shipyard under construction	
Approved but not contracted	5,709
Total	110,339

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:

	3 months ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Shareholders		
Datin Hamidah binti Omar		
- Rental paid	12	12
Other related parties		
Pro Corporate Management Services Sdn Bhd	-	-
- Secretarial costs	171	4
Tiram Travel Sdn Bhd		
- Travelling expenses	50	61
Berkat Global Sdn Bhd		
- Survey fees	18	56
Epasa Shipping Agency Sdn Bhd		
- Shipping agency fees	46	60

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 RM72.7 million for the 3 months period under review compared to the corresponding period 2014 with revenue of RM36.2 million, an increase of approximately 101% due to recognition of revenue from Engineering, Procurement, Construction, Installation and Commissioning (“EPCIC”) project and increase in revenue from marine transportation and offshore storage operations by 21.8% from same quarter last financial year.

The Group recorded PBT of RM8.7 million for the first quarter 2015 compared to PBT of RM4.6million for the corresponding period in 2014, an increase of approximately 89%. Higher PBT in the first quarter 2015 was mainly due to recognition of EPCIC project.

B2. Material Changes in the Quarterly Results

The Company reported higher revenue and PBT of 101% and 89% respectively as compared to the same quarter last year was due to the Company had been awarded EPCIC of a Floating Storage Offloading (“FSO”) facility for Full Field Development (“FFD”) project, North Malay Basin.

B3. Current Year Prospects

This year the Group acquired one (1) unit of fast support vessel for marine transportation services. One (1) unit of oil tanker which has been successfully converted into an FSO is expected to commence operations in June 2015. The Group also expects 9 new vessels which are under construction to be delivered in stages starting by first quarter of 2015 until the fourth quarter of 2015. The expansion of the Company’s fleet of marine vessels is expected to enhance the Company’s revenue and profitability in the near future.

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

The contract value for FFD North Malay Basin is USD191.8 million for 44 months inclusive of warranty period.

In view of this, the Board of Directors is optimistic that the Company would be reporting higher revenue and profitability during this financial year.

B4. Profit Forecast/Profit Guarantee

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

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B8. Utilisation of Proceeds Raised from Corporate Proposal

No.	Purpose	Proposed	Actual	Intended Timeframe for Utilisation	Deviation		Explanations
		RM'million	RM'million		RM'million	%	
1	Repayment of bank borrowing	30.00	16.06	within 1 month	13.94	46.46	Pending Redemption Statement
2	Capital expenditure	29.20	23.17	within 6 months	6.03	20.65	Acquire 1 oil tanker for FSO, 1 oil tanker for EPCIC and 1 fast support vessel.
3	Working capital	9.90	9.90	within 12 months	-	-	
4	Estimated listing expenses	5.00	5.00	within 3 months	-	-	
	TOTAL	74.10	54.13		19.97	26.95%	

B9. Borrowings and Debt Securities

	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Non-current		
Secured:		
Obligations under finance leases	197	454
Islamic financing facilities	111,731	114,531
Conventional financing facilities	158,148	172,020
Non-current loans and borrowings	270,076	287,005
Current		
Secured:		
Bank overdrafts	2,744	3,811
Obligations under finance leases	67	151
Islamic financing facilities	13,823	13,682
Conventional financing facilities	30,557	27,201
Current loans and borrowings	47,191	44,845
Total loans and borrowings	317,267	331,850

B10. Derivative Financial Instruments

The Group does not have any derivative financial instruments for the quarter ended 31 March 2015.

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

B11. 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.

B12. Dividend Proposed

In respect of the financial year ended 31 December 2014:

The Board has proposed a final tax exempt (single-tier) dividend of 1.0 cent per share on 504,000,000 ordinary share amounting to RM5,040,000 for the financial year ended 31 December 2014. The proposed final tax exempt (single-tier) dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. Total dividend for the financial year ended 31 December 2014 is 1.0 cent per share.

In respect of deposited securities, the entitlement date to the final tax exempt (single-tier) dividend shall be determined by the Board at a subsequent stage. The date of payment of the proposed dividend shall be determined by the Directors and announced at a later date.

B13. Earnings Per Share ("EPS")

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

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	Units ('000) / RM'000		Units ('000) / RM'000	
Net profit for the period	7,366	3,836	7,366	3,836
Weighted average no of share in issue	504,000	390,000	504,000	390,000
Basic earnings per share (sen)	1.46	0.98	1.46	0.98
Diluted earnings per share (sen)	-	-	-	-

B14. 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 :-



The retained profits of the Group is made up as follows:

- realised
- unrealised

Add: Consolidation adjustments

Total retained earnings

As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
108,133	100,767
-	-
108,133	100,767
-	-
108,133	100,767

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

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SABARUDIN BIN HARUN, MIA 30423
(Secretaries)

Dated : 21 May 2015