



**E.A. TECHNIQUE (M) BERHAD**  
Company No. 256516-W

ARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2015**

	AS AT END OF CURRENT QUARTER 30.09.2015 (UNAUDITED) RM'000	AS AT FINANCIAL YEAR 31.12.2014 (AUDITED) RM'000
<b>ASSETS</b>		
Property, plant and equipment	638,942	536,698
Investment property under construction	103,447	-
Trade receivables	3,207	3,207
<b>Non-current assets</b>	<b>745,596</b>	<b>539,905</b>
Trade and other receivables	53,999	58,172
Cash and cash equivalents	53,199	64,417
<b>Current assets</b>	<b>107,198</b>	<b>122,589</b>
<b>TOTAL ASSETS</b>	<b>852,794</b>	<b>662,494</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	126,000	126,000
Share premium	43,100	43,100
Retained earnings	121,921	100,767
<b>Total equity</b>	<b>291,021</b>	<b>269,867</b>
Loans and borrowings	467,016	287,005
Deferred tax liabilities	20,997	16,672
<b>Non-current liabilities</b>	<b>488,013</b>	<b>303,677</b>
Trade and other payables	20,621	42,983
Tax payable	9,870	1,122
Loans and borrowings	43,269	44,845
<b>Current liabilities</b>	<b>73,760</b>	<b>88,950</b>
<b>TOTAL LIABILITIES</b>	<b>561,773</b>	<b>392,627</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>852,794</b>	<b>662,494</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.58</b>	<b>0.54</b>

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



**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue	118,997	37,825	401,168	113,478
Cost of services	(72,948)	(21,096)	(296,391)	(64,479)
Depreciation and amortisation	(13,160)	(6,210)	(29,040)	(18,573)
Gross profit	32,889	10,519	75,737	30,426
Other operating income / (loss)	275	313	1,241	2,356
Administrative expenses	(3,570)	(2,583)	(10,880)	(9,575)
<b>Results from operating activities</b>	<b>29,594</b>	<b>8,249</b>	<b>66,098</b>	<b>23,207</b>
Finance cost	(5,673)	(3,429)	(12,528)	(10,474)
Foreign currency translation differences	(15,536)	-	(17,419)	-
Interest income	254	67	741	528
Share of profit of associate	-	-	-	-
Profit/(Loss) before taxation	8,639	4,887	36,892	13,261
Income tax expense	(3,134)	(103)	(10,698)	(2,354)
<b>Profit/(Loss) for the period</b>	<b>5,505</b>	<b>4,784</b>	<b>26,194</b>	<b>10,907</b>
Earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
Basic	1.09	1.23	5.20	2.80
Diluted	-	-	-	-

The Condensed Consolidated Income Statement 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

ARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	NO. OF SHARES	NOMINAL VALUE RM'000	NON DISTRIBUTABLE SHARE PREMIUM RM'000	TRANSLATION RESERVE 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	-	-	-	-	10,907	10,907
Balance as at 30 September 2014	390,000,000	97,500	-	-	97,440	194,940
Balance as at 1 January 2015	504,000,000	126,000	43,100	-	100,767	269,867
Total comprehensive income for the period	-	-	-	-	26,194	26,194
Dividend	-	-	-	-	(5,040)	(5,040)
Balance as at 30 September 2015	504,000,000	126,000	43,100	-	121,921	291,021

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

<b>CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015</b>		
	<b>AS AT 30.09.2015</b>	<b>AS AT 30.09.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	36,892	13,261
Adjustments for :		
Amortisation and depreciation of:		
- property, plant and equipment	29,040	18,748
(Gain) / Loss on:		
- disposal of property, plant and equipment	-	(31)
- unrealised foreign exchange	17,419	
Interest expense	12,528	10,474
Interest income	(741)	(528)
Allowance for impairment on trade receivables	-	-
<b>Operating profit before changes in working capital</b>	<b>95,138</b>	<b>41,924</b>
Changes in working capital:		
Receivables	4,173	(2,645)
Payables	(22,362)	(8,820)
Cash generated from operations	76,949	30,459
Interest received	741	528
Finance cost	(12,528)	(10,474)
Tax paid	(3,890)	-
<b>Net cash (used in)/ generated from operating activities</b>	<b>61,272</b>	<b>20,513</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of:		
- property, plant and equipment	(224,655)	(100,968)
Proceeds from:		
- disposal of property, plant and equipment	-	31
Decrease/(Increase) in fixed deposits	29,651	3,517
<b>Net cash (used in)/generated from investing activities</b>	<b>(195,004)</b>	<b>(97,420)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(5,040)	-
Proceeds from shareholders advance	-	38,667
Proceeds from term loans	7,782	52,821
Proceeds from islamic financing facilities	204,633	-
Repayment of term loans	(24,895)	(14,794)
Repayment of islamic term financing facilities	(26,179)	(9,485)
Net repayment of finance lease	(325)	44
<b>Net cash (used in)/generated from financing activities</b>	<b>155,976</b>	<b>67,253</b>
Net (decrease) in cash and cash equivalents	22,244	(9,654)
Cash and cash equivalents at beginning of the financial year	21,586	6,295
<b>Cash and cash equivalents</b>	<b>43,830</b>	<b>(3,359)</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:		
Cash and bank balances	43,830	(810)
Deposits with licensed banks	9,369	8,843
	53,199	8,033
Less:		
Deposits pledged	(9,369)	(8,843)
Bank overdraft	-	(2,549)
	43,830	(3,359)

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**

In respect of the financial year ended 31 December 2014, the Company declared a final tax exempt (single-tier) dividend of 1.0 cent per share on 504,000,000 ordinary share amounting to RM5,040,000. The payment was made on 13 July 2015.

**A9. Segmental Information**

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

	CURRENT QUARTER		CUMULATIVE QUARTER	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
1. Marine transportation and offshore storage operations	39,588	22,515	90,860	67,733
2. Port marine services	15,920	15,310	47,130	45,745
3. Fabrication works	-	-	-	-
4. Engineering, Procurement, Construction, Installation and Commissioning	63,489	-	263,178	-
	118,997	37,825	401,168	113,478

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 30 September 2015 are as follows:

	30.09.2015 RM'000
<b>Vessel under construction</b>	
Approved and contracted for	37,780
<b>Shipyard under construction</b>	
Approved but not contracted	4,925
<b>Total</b>	<b>42,705</b>

**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	
	30.09.2015	30.09.2014
	RM'000	RM'000
<b>Shareholder</b>		
Datin Hamidah binti Omar		
- Rental paid	40	36
<b>Other related parties</b>		
Pro Corporate Management Services Sdn Bhd	-	-
- Secretarial costs and Registrar costs	232	10
Tiram Travel Sdn Bhd		
- Travelling expenses	100	178
Berkat Global Sdn Bhd		
- Survey fees	25	338
Epasa Shipping Agency Sdn Bhd		
- Shipping agency fees	55	187

**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 RM119.0 million for the 3 months period under review as compared to the corresponding period in 2014 with revenue of RM37.8 million, an increase of approximately 215%. The Group also recorded PBT of RM8.6 million for this quarter compared to PBT of RM4.9 million for the corresponding period in 2014, an increase of approximately 76%.

For the cumulative 9 months period, the Group reported revenue of RM401.2 million and PBT of RM36.9 million as compared to revenue of RM113.5 million and PBT of RM13.3 million for same period last year, an increase of 253% and 177% respectively.

This is mainly due to recognition of revenue from Engineering, Procurement, Construction, Installation and Commissioning (“EPCIC”) project which was secured at the end of last year and Floating Storage Offloading (“FSO”) Nautica Tembikai which was delivered to an oil field in July 2015.

The Group had recognised forex exchange translation loss during this quarter amounting to RM15.5 million. However, the Group practices natural hedge where USD loans are taken for contracts which are paid in USD. Therefore, the forex translation loss is unrealized at the time of this report.

**B2. Material Changes in the Quarterly Results**

The Group reported higher revenue and PBT due to the Company been awarded EPCIC of a FSO facility for Full Field Development (“FFD”) project, North Malay Basin and revenue from FSO Nautica Tembikai starting from July 2015.

**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 has been delivered to an oil field in July 2015. The Group has successfully delivered all six (6) new harbour tugs to Northport. Five (5) new harbour tugs are under construction and expected to be delivered by early next year for two (2) other clients in which the contract has been secured. The expansion of the Company’s fleet of marine vessels is expected to enhance the Company’s revenue and profitability.

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

The EPCIC contract is progressing as per schedule.

In view of this, the Company expects to maintain its performance in the current 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**
**B5. Taxation**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Current Taxation	2,875	103	8,966	1,637
Deferred taxation	259	-	1,732	717
Total	3,134	103	10,698	2,354

Group ETR	36%	2%	29%	18%
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The effective tax rate ("ETR") for the period ended 30 September 2015 of 29% slightly higher than the statutory tax rate of 25%. The variances were mainly due to expenses not deductible for tax purposes.

**B6. Other operating income / (expenses)**

	CURRENT QUARTER		CUMULATIVE QUARTER	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Insurance claim	-	37	360	1,001
Lease interest	275	317	1,059	977
Written back/(Written off) doubtful debts	-	145	(178)	347
Disposal of fixed assets	-	(186)	-	31
Total other operating income / (losses)	275	313	1,241	2,356

**B7. Status of Uncompleted Corporate Announcement**

There was no other corporate announcement made.

**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 2015 RM'000	As at 31 December 2014 RM'000
<b>Non-current</b>		
<b>Secured:</b>		
Obligations under finance leases	464	454
Islamic financing facilities	299,464	114,531
Conventional financing facilities	167,088	172,020
<b>Non-current loans and borrowings</b>	467,016	287,005
<b>Current</b>		
<b>Secured:</b>		
Bank overdrafts	-	3,811
Obligations under finance leases	67	151
Islamic financing facilities	12,645	13,682
Conventional financing facilities	30,557	27,201
<b>Current loans and borrowings</b>	43,269	44,845
<b>Total loans and borrowings</b>	<b>510,285</b>	<b>331,850</b>

**B9. Derivative Financial Instruments**

The Group does not have any derivative financial instruments for the quarter ended 30 July 2015.

**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**

In respect of the financial year ending 31 December 2015, the Board of Directors has declared:

- (i) On 23 November 2015, 1<sup>st</sup> interim single tier dividend of 1.25 sen per ordinary share of RM0.25 each (previous corresponding quarter ended 30 September 2014: nil) on 504,000,000 ordinary shares amounting to RM6,300,000, which will be paid on 31 December 2015. The entitlement date is on 17 December 2015.
- (ii) Total dividend declared was 1.25 sen per ordinary share amounting to RM6.3 million, including the above mentioned dividend which are payable subsequent to the current financial year end.

**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 average number of ordinary shares in issue.

	CURRENT QUARTER		CUMULATIVE QUARTER	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	Units ('000) / RM'000		Units ('000) / RM'000	
Net profit for the period	5,505	4,784	26,194	10,907
Weighted average no of share in issue	504,000	390,000	504,000	390,000
Basic earnings per share (sen)	1.09	1.23	5.20	2.80
Diluted earnings per share (sen)	-	-	-	-

**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 2015 RM'000	As at 31 December 2014 RM'000
The retained profits of the Group is made up as follows:		
- realised	139,340	100,767
- unrealised	(17,419)	-
	121,921	100,767
Add: Consolidation adjustments	-	-
Total retained earnings	121,921	100,767

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

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

Dated : November 2015