



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

*QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016*

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2016**

	AS AT END OF CURRENT QUARTER 31.03.2016 (UNAUDITED) RM'000	AS AT FINANCIAL YEAR 31.12.2015 (AUDITED) RM'000
<b>ASSETS</b>		
Property, plant and equipment	643,007	643,966
Investment in a subsidiary	-	-
Trade receivables	2,161	2,370
<b>Non-current assets</b>	<b>645,168</b>	<b>646,336</b>
Trade and other receivables	75,977	83,140
Amount due from contract customer	182,465	168,801
Short term deposits	76,505	52,405
Cash and cash equivalents	31,835	33,029
<b>Current assets</b>	<b>366,782</b>	<b>337,375</b>
<b>TOTAL ASSETS</b>	<b>1,011,950</b>	<b>983,711</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	126,000	126,000
Share premium	43,100	43,100
Retained earnings	153,045	127,167
<b>Total equity</b>	<b>322,145</b>	<b>296,267</b>
Loans and borrowings	435,634	403,449
Deferred tax liabilities	11,649	9,398
<b>Non-current liabilities</b>	<b>447,283</b>	<b>412,847</b>
Trade and other payables	57,144	81,613
Tax payable	14,922	14,922
Loans and borrowings	170,456	178,062
<b>Current liabilities</b>	<b>242,522</b>	<b>274,597</b>
<b>TOTAL LIABILITIES</b>	<b>689,805</b>	<b>687,444</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,011,950</b>	<b>983,711</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.64</b>	<b>0.59</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2015.



**E.A. TECHNIQUE (M) BERHAD**

Company No. 256516-W

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Revenue	123,563	72,727	123,563	72,727
Cost of services	(90,363)	(50,481)	(90,363)	(50,481)
Depreciation and amortisation	(13,988)	(7,282)	(13,988)	(7,282)
Gross profit	19,212	14,964	19,212	14,964
Other operating income / (loss)	254	354	254	354
Administrative expenses	(3,386)	(4,025)	(3,386)	(4,025)
<b>Results from operating activities</b>	<b>16,080</b>	<b>11,293</b>	<b>16,080</b>	<b>11,293</b>
Finance cost	(5,784)	(2,839)	(5,784)	(2,839)
Foreign currency translation differences	17,187	-	17,187	-
Interest income	236	202	236	202
Share of profit of associate	-	-	-	-
Profit/(Loss) before taxation	27,719	8,656	27,719	8,656
Income tax expense	(2,528)	(1,290)	(2,528)	(1,290)
<b>Profit/(Loss) for the period</b>	<b>25,191</b>	<b>7,366</b>	<b>25,191</b>	<b>7,366</b>
Earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
Basic	5.00	1.46	5.00	1.46
Diluted	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2015.



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

	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 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
Balance as at 1 January 2016	504,000,000	126,000	43,100	127,854	296,954
Total comprehensive income for the period	-	-	-	25,191	25,191
Balance as at 31 March 2016	504,000,000	126,000	43,100	153,045	322,145

The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2015.



<b>CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 31 MARCH 2016</b>		
	<b>AS AT 31.03.2016</b>	<b>AS AT 31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	27,719	8,656
Adjustments for :		
Amortisation and depreciation of:		
- property, plant and equipment	13,988	7,282
Unrealised foreign exchange gain	(17,170)	-
Finance cost	5,784	2,839
Interest income	(236)	(202)
<b>Operating profit before changes in working capital</b>	<b>30,085</b>	<b>18,575</b>
Changes in working capital:		
Inventories	-	
Receivables	7,372	8,689
Amount due from contract customer	(13,664)	-
Payables	(24,052)	(6,768)
Cash generated from operations	(259)	20,496
Interest received	236	202
Finance cost	(5,784)	(2,839)
Tax paid	951	(2,030)
<b>Net cash (used in)/ generated from operating activities</b>	<b>(4,856)</b>	<b>15,829</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of:		
- property, plant and equipment	(11,296)	(44,316)
Decrease/(Increase) in fixed deposits	(24,100)	38,446
<b>Net cash (used in)/generated from investing activities</b>	<b>(35,396)</b>	<b>(5,870)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from term loans	9,900	5,827
Proceeds from islamic financing facilities	46,512	7,174
Repayment of term loans	(4,564)	(17,702)
Repayment of islamic term financing facilities	(9,519)	(9,834)
Repayment of finance lease	(55)	(48)
<b>Net cash (used in)/generated from financing activities</b>	<b>42,274</b>	<b>(14,583)</b>
Net (decrease) in cash and cash equivalents	2,023	(4,624)
Cash and cash equivalents at beginning of the financial year	20,127	21,586
<b>Cash and cash equivalents</b>	<b>22,150</b>	<b>16,962</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	22,150	16,962
Short term deposits	76,505	-
Deposits with licensed banks	9,685	9,009
	108,340	25,971
Less:		
Short term deposits	(76,505)	-
Deposits pledged	(9,685)	(9,009)
	22,150	16,962

The Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31.12.2015.

**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 2015.

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 2015.

**A2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the year ended 31 December 2015.

On 1 January 2016, the Group adopted the following MFRSs, Amendments to MFRSs and IC Interpretations: -

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendments to MFRS 119: Defined Benefit Plans:	
Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of	
Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer	
Plants	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests	
in Joints Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial	
Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment	
Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016

The adoption of the above standards 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:

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 15 Revenue from Contract from Customers	1 January 2018
MFRS 9 Financial instruments	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

**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 2015 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 dividends paid during the quarter.

**A9. Segmental Information**

The Group's revenue is derived from three (3) main business segments, namely the following:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
1. Marine transportation and offshore storage operations	37,128	25,677	37,128	25,677
2. Port marine services	15,005	15,404	15,005	15,404
3. Engineering, Procurement, Construction, Installation and Commissioning	71,430	31,646	71,430	31,646
	123,563	72,727	123,563	72,727

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 2016 are as follows:

	<b>31.03.2016</b> <b>RM'000</b>
<b>Vessel under construction</b>	
Approved and contracted for	35,658
<b>Shipyard under construction</b>	
Approved but not contracted	4,368
<b>Total</b>	<b>40,026</b>

**A15. Impairment of Assets**

In accordance to MFRS136, the Group made its assessments of the assets and recognized all 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	
	31.03.2016	31.03.2015
	RM'000	RM'000
Datin Hamidah binti Omar		
- Rental paid	12	12
<b>Other related parties</b>		
Kulim (M) Berhad		
- Internal audit fees	25	-
Epasa Shipping Agency Sdn Bhd		
- Shipping agency fees	61	46

**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 RM123.6 million for the 3 months period under review as compared to RM72.7 million for the corresponding period in 2015, an increase of approximately 70%. The Group also recorded PBT of RM27.7 million for this quarter compared to PBT of RM8.7 million for the corresponding period in 2015, an increase of approximately 218%.

This increase was mainly due to recognition of revenue from Engineering, Procurement, Construction, Installation and Commissioning (“EPCIC”) project which was secured at the end of 2014 and delivery of Floating Storage Offloading (“FSO”) Nautica Tembikai to an oil field in June 2015.

The Group had recorded unrealized forex exchange (“forex”) translation gain for the period under review amounting to RM17.2 million.

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

There were no material changes in the quarterly results.

**B3. Current Year Prospects**

The Group is expected to acquire two (2) units’ oil tankers in 2<sup>nd</sup> quarter 2016. Two (2) units harbor tugs will be delivered in the 2<sup>nd</sup> quarter 2016 and another two (2) units of harbor tugboats expected to be delivered in 3<sup>rd</sup> quarter 2016 for a client 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.

As at 31<sup>st</sup> March 2016, the Group’s orderbook was approximately RM1.2 billion with additional RM350 million potential for extension period.

The Company’s relatively has long term contracts for its marine vessels to provide a stable and recurring revenue stream 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 view of this, the Company expects to maintain its good performance in the current financial year.

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

**B4. Profit Forecast/Profit Guarantee**

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

**B5. Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Current Taxation	1,770		1,770	-
Deferred taxation	758	1,290	758	1,290
Total	2,528	1,290	2,528	1,290
Group ETR	9%	15%	9%	15%

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Insurance claim	6	-	6	-
Lease interest	248	354	248	354
Total other operating income / (losses)	254	354	254	354

**B7. Status of Uncompleted Corporate Announcement**

On 14 December 2015, the Company announced that it entered into a conditional Joint Venture & Shareholders' Agreement with MTC Engineering Sdn. Bhd. ("MTCE") to, inter-alia, subscribe in the equity of EAT MTC Floating Services Sdn. Bhd. ("EMF") for the purpose of joint venture on a 73% (EAT) : 27% (MTCE) basis ("Proposed JV"). Under the Proposed JV, EMF will undertake the floating services operation and its related ancillary activities.

As at to-date, the Proposed JV is still pending for approval from financial institution for the financing of the acquisition of the vessel and topside equipment by EMF.

**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 31 March 2016 RM'000	As at 31 December 2015 RM'000
<b>Non-current</b>		
<b>Secured:</b>		
Obligations under finance leases	461	515
Islamic financing facilities	256,962	231,112
Conventional financing facilities	178,211	171,822
<b>Non-current loans and borrowings</b>	435,634	403,449
<b>Current</b>		
<b>Secured:</b>		
Bank overdrafts	-	3,218
Obligations under finance leases	208	208
Islamic financing facilities	139,691	149,527
Conventional financing facilities	30,557	25,109
<b>Current loans and borrowings</b>	170,456	178,062
<b>Total loans and borrowings</b>	<b>606,090</b>	<b>581,511</b>

**B9. Derivative Financial Instruments**

The Group does not have any derivative financial instruments for the quarter ended 31 March 2016.

**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 ended 31 December 2015:

- (i) The Board has proposed a final tax exempt (single-tier) dividend of 1.0 sen per ordinary share of RM0.25 each (previous corresponding quarter ended 31 December 2014: 1.0 sen) on 504,000,000 ordinary share amounting to RM5,040,000.00 for the financial year ended 31 December 2015. The proposed final tax exempt (single-tier) dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

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.

**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.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Units ('000) / RM'000		Units ('000) / RM'000	
Net profit for the period	25,191	7,366	25,191	7,366
Weighted average no of share in issue	504,000	504,000	504,000	504,000
Basic earnings per share (sen)	5.00	1.46	5.00	1.46
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 31 March 2016 RM'000	As at 31 December 2015 RM'000
The retained profits of the Group is made up as follows:		
- realised	174,914	166,206
- unrealised	(21,869)	(39,039)
	153,045	127,167
Add: Consolidation adjustments	-	-
Total retained earnings	153,045	127,167

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

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

Dated : 20 May 2016