



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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2014**



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER TO 31 DECEMBER 2014**

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue	42,178	33,415	155,657	121,118
Cost of services	(20,181)	(20,807)	(84,660)	(59,542)
Depreciation and amortisation	(6,440)	(3,561)	(25,013)	(21,007)
Gross profit	15,557	9,047	45,984	40,569
Other operating income / (loss)	831	1,926	3,187	41,155
Administrative expenses	(7,636)	(7,420)	(17,211)	(12,849)
Results from operating activities	8,752	3,553	31,960	68,875
Finance cost	(3,849)	(3,670)	(14,323)	(14,541)
Interest income	1,635	1,042	2,163	2,087
Share of profit of associate	-	2,947	-	2,947
Profit before taxation	6,538	3,872	19,800	59,368
Income tax expense	(2,814)	(599)	(5,168)	(2,465)
Profit for the year, representing total comprehensive income for the year	3,724	3,273	14,632	56,903
Earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
Basic	0.90	3.25	3.69	19.79
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 31 DECEMBER 2014**

	AS AT END OF CURRENT QUARTER 31.12.2014 (UNAUDITED) RM'000	AS AT FINANCIAL YEAR 31.12.2013 (AUDITED) RM'000
ASSETS		
Property, plant and equipment	538,569	435,908
Trade receivables	3,207	3,820
Non-current assets	541,776	439,728
Trade and other receivables	56,414	35,298
Cash and cash equivalents	64,417	21,206
Current assets	120,831	56,504
TOTAL ASSETS	662,607	496,232
EQUITY AND LIABILITIES		
Share capital	126,000	97,500
Share premium	43,100	-
Retained earnings	101,165	86,533
Total equity	270,265	184,033
Loans and borrowings	287,005	218,160
Deferred tax liabilities	16,387	12,771
Non current liabilities	303,392	230,931
Trade and other payables	42,983	36,289
Tax payable	1,122	360
Loans and borrowings	44,845	44,619
Current liabilities	88,950	81,268
TOTAL LIABILITIES	392,342	312,199
TOTAL EQUITY AND LIABILITIES	662,607	496,232
NET ASSETS PER SHARE (RM)	0.54	0.47

The Condensed Consolidated Statement of Financial Position 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



E.A. TECHNIQUE (M) BERHAD

Company No. 256516-W

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

	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 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)
Conversion of RCCPS	12,897,412	12,897	-	-	12,897
Issuance of ordinary shares	12,525,703	12,526	-	-	12,526
Issuance of bonus shares	28,036,069	28,036	-	(28,036)	-
Subdivision of shares	292,500,000	-	-	-	-
Balance as at 31 December 2013	390,000,000	97,500	-	86,533	184,033
Balance as at 1 January 2014	390,000,000	97,500	-	86,533	184,033
Total comprehensive income for the period	-	-	-	14,632	14,632
Issuance of ordinary shares	114,000,000	28,500	43,100	-	71,600
Balance as at 31 December 2014	504,000,000	126,000	43,100	101,165	270,265



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014		
	AS AT 31.12.2014	AS AT 31.12.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,800	59,368
Adjustments for :		
Allowance for impairment losses of:		
- receivables	2,994	1,254
- property, plant and equipment	25,013	21,008
Bad debt recovered	(700)	-
(Gain) / Loss on:		
- disposal of associates	-	(37,455)
- disposal of property, plant and equipment	13	1,262
Interest expense	14,323	14,541
Interest income	(2,162)	(2,087)
Share profit of equity-accounted associate	-	(2,947)
Operating profit before changes in working capital	59,281	54,944
Changes in working capital:		
Receivables	(22,796)	(17,589)
Payables	6,753	1,773
Cash generated from operations	43,238	39,128
Interest received	2,163	2,087
Interest paid	(14,323)	(14,541)
Tax paid	(849)	(1,013)
Net cash (used in)/ generated from operating activities	30,229	25,661
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(128,958)	(101,822)
Proceeds from:		
- disposal of property, plant and equipment	1,723	211
- disposal of associates	-	66,863
Decrease/(Increase) in fixed and security deposits pledged	(27,564)	(4,620)
Net cash (used in)/generated from investing activities	(154,799)	(39,368)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to:		
- shareholders of the Company	-	(27,000)
Proceeds from term loans	110,428	132,739
Repayment of term loans	(26,980)	(101,924)
Repayment of islamic term financing facilities	(15,188)	(7,634)
Proceeds from the issue of shares:		
- RCCPS	-	3,899
- ordinary shares	74,100	12,526
Share issue expenses	(2,500)	-
Net cash (used in)/generated from financing activities	139,860	12,606
Net (decrease) in cash and cash equivalents	15,290	(1,101)
Cash and cash equivalents at 1 January	6,296	7,397
Cash and cash equivalents	21,586	6,296
Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:		
Cash and bank balances	25,396	9,749
Deposits with licensed banks	39,021	11,457
	64,417	21,206
Less:		
Deposits pledged	(7,147)	(11,457)
Deposits available for use	(31,873)	-
Bank overdraft	(3,811)	(3,453)
	21,586	6,296

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 were 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		12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
1. Marine transportation and offshore storage operations	24,823	24,699	92,556	71,815
2. Port marine services	17,355	8,716	63,101	45,074
3. Fabrication works	-	-	-	4,229
	42,178	33,415	155,657	121,118

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in 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 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 December 2014 are as follows:

	31.12.2014 RM'000
Vessel under construction	
Approved and contracted for	152,893
Shipyard under construction	
Approved but not contracted	10,751
Total	163,644

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:

	12 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
Holding company		
Sindora Berhad		
- Interest on advances	4	635
- Interest on RCCPS	-	239
Shareholders		
Dato' Ir Abdul Hak bin Md Amin		
- Interest on RCCPS	-	181
Datin Hamidah binti Omar		
- Rental paid	48	60
- Interest on RCCPS	-	79
Other related parties		
Pro Corporate Management Services Sdn Bhd		
- Secretarial costs	34	18
Tiram Travel Sdn Bhd		
- Travelling expenses	291	133
Berkat Global Sdn Bhd		
- Survey fees	338	260
Epasa Shipping Agency Sdn Bhd		
- Shipping agency fees	213	498

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 RM155.7 million for the 12 months period under review compared to the corresponding period 2013 with revenue of RM121.1 million, an increase of approximately 28.6% due to the full year operations for contracts secured in 2013 i.e. 1 unit of LPG tanker, 1 unit of FSU and 6 units harbour tugboat which was delivered in June 2013, August 2013 and September 2013 respectively.

The Group recorded PBT of RM19.8 million for the FYE 31 December 2014 compared to PBT of RM59.4 million for the corresponding year in 2013, a decrease of approximately 67%. Higher PBT in the corresponding FYE 2013 was mainly due to gain in disposal of an associate company amounting to RM37.5 million and share of profit from associate amounting to RM2.9 million. The Company also incurred approximately RM5.0 million for its listing expenses during the year of which RM2.5 million has been recognized in statement of comprehensive income.

B2. Material Changes in the Quarterly Results

The Company reported higher revenue and PBT of 26% and 69% respectively as compared to the same quarter last year. This partly was due to the Company had to make provision of RM1.25 million in 2013. Both revenue and PBT also increased by 11.5% and 33.8% respectively compared to preceding quarter this year. During the 3rd quarter this year, the Company redeployed of MT Nautica Muar a FSU from Kayu Manis South East oil field to Anjung Kecil oil field which cost RM2.4 million.

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 is in the midst of being converted into an FSO is expected to commence operations in April 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 focused 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 Company had also secured a new contract for the Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") of a Floating Storage Offloading ("FSO") facility for Full Field Development ("FFD") project, North Malay Basin. The contract value is USD191.8 million for 20 months 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

B5. Taxation

	3 months ended		12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Current Taxation	(515)	-	1,122	360
Deferred taxation	3,329	599	4,046	2,105
Total	2,814	599	5,168	2,465

Group ETR%	43%	15%	26%	4%
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The effective tax rate for the year ended 31 December 2014 of 26% was slightly higher than the statutory tax rate of 25% primarily due to increase in certain expenses being not deductibles.

B6. Other operating income / (expenses)

	3 months ended		12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Insurance claim	188	1,926	1,189	2,623
Lease interest	308	-	1,285	1,056
Doubtful debts written back	353	-	700	-
Disposal of investment	-	-	-	37,445
Disposal of fixed assets	(18)	-	13	31
Total other operating income / (losses)	831	1,926	3,187	41,155

B7. Status of Uncompleted Corporate Announcement

Except for the issuance of Prospectus on 24 November 2014 for the proposed Initial Public Offering of shares in the company, 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. 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	-	within 1 month	30.00	100.00	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	-	-	Funding of our new projects
4	Estimated listing expenses	5.00	5.00	within 3 months	-	-	
	TOTAL	74.10	38.07		36.03	48.62%	

B9. Borrowings and Debt Securities

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Non-current		
Secured:		
Obligations under finance leases	186	207
Islamic financing facilities	112,216	92,321
Conventional financing facilities	174,603	125,632
Non-current loans and borrowings	287,005	218,160
Current		
Secured:		
Bank overdrafts	3,811	3,453
Obligations under finance leases	67	67
Islamic financing facilities	15,997	15,187
Conventional financing facilities	24,970	25,912
Current loans and borrowings	44,845	44,619
Total loans and borrowings	331,850	262,779

B10. Derivative Financial Instruments

The Group does not have any derivative financial instruments for the quarter ended 31 December 2014.

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.

	3 months ended		12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Net profit for the period	3,724	3,273	14,632	56,903
Weighted average no of share in issue	416,022	100,679	396,559	98,301
Basic earnings per share (sen)	0.90	3.25	3.69	# 19.79
Diluted earnings per share (sen)	-	-	-	-

Notes:

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

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 December 2014 RM'000	As at 31 December 2013 RM'000
101,165	86,533
-	-
101,165	86,533
-	-
101,165	86,533

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

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

Dated : 27 February 2015