



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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**



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

	AS AT END OF CURRENT QUARTER 30.06.2015 (UNAUDITED) RM'000	AS AT FINANCIAL YEAR 31.12.2014 (AUDITED) RM'000
ASSETS		
Property, plant and equipment	620,956	536,698
Investment property under construction	119,153	-
Trade receivables	1,667	3,207
Non-current assets	741,776	539,905
Trade and other receivables	67,182	58,172
Cash and cash equivalents	23,679	64,417
Current assets	90,861	122,589
TOTAL ASSETS	832,637	662,494
EQUITY AND LIABILITIES		
Share capital	126,000	126,000
Share premium	43,100	43,100
Reserve	(1,883)	-
Retained earnings	121,456	100,767
Total equity	288,673	269,867
Loans and borrowings	438,976	287,005
Deferred tax liabilities	20,738	16,672
Non current liabilities	459,714	303,677
Trade and other payables	35,014	42,983
Tax payable	6,386	1,122
Loans and borrowings	42,850	44,845
Current liabilities	84,250	88,950
TOTAL LIABILITIES	543,964	392,627
TOTAL EQUITY AND LIABILITIES	832,637	662,494
NET ASSETS PER SHARE (RM)	0.57	0.54

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 SECOND QUARTER ENDED 30 JUNE 2015**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Revenue	209,444	40,515	282,171	76,699
Cost of services	(172,962)	(24,758)	(223,443)	(43,678)
Depreciation and amortisation	(8,598)	(6,092)	(15,880)	(12,645)
Gross profit	27,884	9,665	42,848	20,376
Other operating income / (loss)	612	781	966	1,829
Administrative expenses	(3,285)	(2,918)	(7,310)	(6,766)
Results from operating activities	25,211	7,528	36,504	15,439
Finance cost	(4,016)	(3,732)	(6,855)	(7,191)
Interest income	285	973	487	1,108
Share of profit of associate	-	-	-	-
Profit before taxation	21,480	4,769	30,136	9,356
Income tax expense	(6,274)	(1,951)	(7,564)	(2,702)
Profit for the period	15,206	2,818	22,572	6,654
Earnings per ordinary share (sen):	Sen	Sen	Sen	Sen
Basic	3.02	0.72	4.48	1.71
Diluted	-	-	-	-

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Profit for the period	15,206	2,818	22,572	6,654
<i>Items that may be reclassified to profit and loss in subsequent periods:</i>				
Gain/(loss) on currency translation *	(1,883)	-	(1,883)	-
Total other comprehensive income/(loss)	(1,883)	-	(1,883)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	13,323	2,818	20,689	6,654

* The following USD:RM exchange rate were used in the calculation of gain/(loss) on currency translation:

	2015	2014
As at 30 June	3.7855	-

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 SECOND QUARTER ENDED 30 JUNE 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
Exchange difference	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	6,654	6,654
Balance as at 30 June 2014	390,000,000	97,500	-	-	93,187	190,687
Balance as at 1 January 2015	504,000,000	126,000	43,100	-	100,767	269,867
Exchange difference	-	-	-	(1,883)	-	(1,883)
Total comprehensive income for the period	-	-	-	-	20,689	20,689
Balance as at 30 June 2015	504,000,000	126,000	43,100	(1,883)	121,456	288,673

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 SECOND QUARTER ENDED 30 JUNE 2015		
	AS AT 30.06.2015	AS AT 30.06.2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	30,136	9,356
Adjustments for :		
Allowance for impairment losses of:		
- receivables	-	-
Amortisation and depreciation of:		
- property, plant and equipment	15,880	12,645
(Gain) / Loss on:		
- disposal of property, plant and equipment	-	(4)
- unrealised foreign exchange	1,883	
Interest expense	6,855	7,191
Interest income	(487)	(1,108)
Allowance for impairment on trade receivables	-	947
Operating profit before changes in working capital	54,267	29,027
Changes in working capital:		
Receivables	(9,010)	(1,035)
Payables	(7,969)	(8,412)
Cash generated from operations	37,288	19,580
Interest received	487	1,108
Interest paid	(6,855)	(7,191)
Tax paid	(2,474)	-
Net cash (used in)/ generated from operating activities	28,446	13,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(217,751)	(43,186)
Proceeds from:		
- disposal of property, plant and equipment	-	4
Decrease/(Increase) in fixed and security deposits pledged	40,738	(429)
Net cash (used in)/generated from investing activities	(177,013)	(43,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans	7,782	46,615
Proceeds from islamic financing facilities	176,931	-
Repayment of term loans	(19,194)	(13,602)
Repayment of islamic term financing facilities	(23,853)	(8,026)
Net repayment of finance lease	(325)	(34)
Net cash (used in)/generated from financing activities	141,341	24,953
Net (decrease) in cash and cash equivalents	(7,226)	(5,161)
Cash and cash equivalents at beginning of the financial year	21,586	6,295
Cash and cash equivalents	14,360	1,134
Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:		
Cash and bank balances	14,360	3,040
Deposits with licensed banks	9,319	10,343
	23,679	13,383
Less:		
Deposits pledged	(9,319)	(10,343)
Bank overdraft	-	(1,906)
	14,360	1,134

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	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
1. Marine transportation and offshore storage operations	25,595	24,128	51,272	45,217
2. Port marine services	15,806	16,387	31,210	31,482
3. Fabrication works	-	-	-	-
4. Engineering Procurement Construction Installation and Commissioning	168,043	-	199,689	-
	209,444	40,515	282,171	76,699

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 June 2015 are as follows:

	30.06.2015 RM'000
Vessel under construction	
Approved and contracted for	58,749
Shipyard under construction	
Approved but not contracted	5,398
Total	64,147

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	
	30.06.2015	30.06.2014
	RM'000	RM'000
Shareholders		
Datin Hamidah binti Omar		
- Rental paid	28	28
Other related parties		
Pro Corporate Management Services Sdn Bhd	-	-
- Secretarial costs and Registrar costs	213	8
Tiram Travel Sdn Bhd		
- Travelling expenses	83	115
Berkat Global Sdn Bhd		
- Survey fees	18	188
Epasa Shipping Agency Sdn Bhd		
- Shipping agency fees	52	136

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 RM209.4 million for the 3 months period under review as compared to the corresponding period in 2014 with revenue of RM40.5 million, an increase of approximately 417%. The Group also recorded PBT of RM21.5 million for this quarter compared to PBT of RM4.8 million for the corresponding period in 2014, an increase of approximately 348%.

For the cumulative 6 months period, the Group reported revenue of RM282.2 million and PBT of RM30.1 million as compared to revenue of RM76.7 million and PBT of RM9.4 million for same period last year, an increase of 268% and 220% 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.

B2. Material Changes in the Quarterly Results

The Company reported higher revenue and PBT due to the Company 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 has been delivered to the oil field in June 2015. The Group has successfully delivered all six (6) new harbour tugs to Northport. Four (4) new harbour tugs are under construction and expected to be delivered by early next year for 2 other clients 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	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Current Taxation	4,801	1,951	6,091	2,702
Deferred taxation	1,473	-	1,473	-
Total	6,274	1,951	7,564	2,702

Group ETR	29%	41%	25%	29%
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The effective tax rate (“ETR”) for the period ended 30 June 2015 of 25% same as the statutory tax rate of 25% primarily due to income derived from product tankers and FSU was tax exempted.

B6. Other operating income / (expenses)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Insurance claim	360	250	360	964
Lease interest	430	325	784	659
Written back/(Written off) doubtful debts	(178)	202	(178)	202
Disposal of fixed assets	-	4	-	4
Total other operating income / (losses)	612	781	966	1,829

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. 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	27.68	within 1 month	2.32	8.00	rebate for early settlement
2	Capital expenditure	29.20	29.20	within 6 months	-	-	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	71.78		2.32	3.13%	

B9. Borrowings and Debt Securities

	As at 30 June 2015 RM'000	As at 31 December 2014 RM'000
Non-current		
Secured:		
Obligations under finance leases	464	454
Islamic financing facilities	277,496	114,531
Conventional financing facilities	157,250	172,020
Non-current loans and borrowings	435,210	287,005
Current		
Secured:		
Bank overdrafts	-	3,811
Obligations under finance leases	67	151
Islamic financing facilities	12,226	13,682
Conventional financing facilities	30,557	27,201
Current loans and borrowings	42,850	44,845
Total loans and borrowings	478,060	331,850

B10. Derivative Financial Instruments

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

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	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	Units ('000) / RM'000		Units ('000) / RM'000	
Net profit for the period	15,206	2,818	22,572	6,654
Weighted average no of share in issue	504,000	390,000	504,000	390,000
Basic earnings per share (sen)	3.02	0.72	4.48	1.71
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 :-

	As at 30 June 2015 RM'000	As at 31 December 2014 RM'000
The retained profits of the Group is made up as follows:		
- realised	123,339	100,767
- unrealised	(1,883)	-
	121,456	100,767
Add: Consolidation adjustments	-	-
Total retained earnings	121,456	100,767



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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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

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

Dated : 14 August 2015