

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

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"the shipping people"

E.A. TECHNIQUE (M) BERHAD
(Registration No. 199301001779 (256516-W))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) **PROPOSED DISPOSAL OF A MARINE VESSEL, NAMELY NAUTICA KOTA TINGGI, TO PETROLEM GULF ENERGY TRADING LLC FOR A TOTAL CASH CONSIDERATION OF USD4.65 MILLION OR APPROXIMATELY RM20.69 MILLION;**
- (II) **PROPOSED DISPOSAL OF A MARINE VESSEL, NAMELY NAUTICA MAHARANI, TO A NON-RELATED THIRD PARTY TO BE IDENTIFIED LATER FOR A TOTAL CASH CONSIDERATION OF AT LEAST USD4.00 MILLION OR APPROXIMATELY RM17.80 MILLION; AND**
- (III) **PROPOSED DISPOSAL OF A MARINE VESSEL, NAMELY NAUTICA MUAR, TO A NON-RELATED THIRD PARTY TO BE IDENTIFIED LATER FOR A TOTAL CASH CONSIDERATION OF AT LEAST USD4.86 MILLION OR APPROXIMATELY RM21.65 MILLION**

(COLLECTIVELY, REFERRED TO AS THE "PROPOSED DISPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

ADVISER

think[®]

THINKAT ADVISORY SDN BHD
(Registration No. 201701005337 (1219502-A))

The Notice of Extraordinary General Meeting ("**EGM**") of E.A. Technique (M) Berhad to be held at Sapphire, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor, Malaysia together with the Form of Proxy are enclosed.

The Form of Proxy must be completed and deposited at the office of Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on or before the date and time indicated below in order for it to be valid. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you wish to do so. The Form of Proxy can also be submitted electronically via TIIH Online at <https://tiih.online> (applicable to individual shareholders only).

Last date and time for lodging the Form of Proxy : Saturday, 10 September 2022 at 12.00 pm
Date and time of the EGM : Monday, 12 September 2022 at 12.00 pm, or at any adjournment thereof

This Circular is dated 26 August 2022

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	Companies Act 2016
“Board”	:	The Board of Directors of EATECH
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Circular”	:	This circular to shareholders of EATECH dated 26 August 2022
“Tugboat Contract”	:	A 5-year contract awarded to EATECH for the provision and operation of 1 unit of 40-tonne bollard pull harbour tug with 3 extension options of 1 year each via a letter of award dated 20 December 2021 for a total contract value of approximately RM29.78 million
“Covid-19”	:	Coronavirus disease 2019
“Director(s)”	:	The director(s) of EATECH and shall have the meaning given in Section 2(1) of the Act, Section 2(1) of the Capital Markets and Services Act, 2007 and Paragraph 10.02(c) of the Listing Requirements
“EATECH” or “Company”	:	E.A. Technique (M) Berhad
“EATECH Group” or “Group”	:	Collectively, EATECH and its subsidiaries
“EATECH Share(s)” or “Share(s)”	:	Ordinary share(s) in EATECH
“EGM”	:	Extraordinary general meeting of EATECH
“EPS”	:	Earnings per Share
“EY”	:	Ernst & Young PLT
“FYE”	:	Financial year ended/ending, as the case may be
“Court”	:	High Court of Malaya
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPS”	:	Loss per Share
“LPD”	:	31 July 2022, being the latest practicable date prior to the printing and despatch of this Circular
“MCO”	:	Movement Control Order
“MMHE”	:	Malaysia Marine and Heavy Engineering Sdn Bhd
“MOA”	:	Memorandum of Agreement
“NA”	:	Net assets
“NKT”	:	Nautica Kota Tinggi, an oil tanker owned by EATECH Group

DEFINITIONS (cont'd)

“NKT MOA”	:	MOA dated 20 June 2022 entered into between PGET and EATECH for the Proposed NKT Disposal
“NKT Disposal Consideration”	:	The cash consideration for the Proposed NKT Disposal of USD4.65 million or approximately RM20.69 million
“NMH”	:	Nautica Maharani, an oil tanker owned by EATECH Group
“NMH Disposal Consideration”	:	The proposed cash consideration for the Proposed NMH Disposal of at least USD4.00 million or approximately RM17.80 million
“NMR”	:	Nautica Muar, a floating storage unit owned by EATECH Group
“NMR Disposal Consideration”	:	The proposed cash consideration for the Proposed NMR Disposal of at least USD4.86 million or approximately RM21.65 million
“PGET” or the “Purchaser”	:	Petroleum Gulf Energy Trading LLC
“PGET Shares”	:	Ordinary share(s) in PGET
“PN17”	:	Practice Note 17 of the Listing Requirements
“POD”	:	An ongoing proof of debt exercise for the purpose of the proposed scheme of arrangement of the Company
“Proposed Disposals”	:	Collectively, Proposed NKT Disposal, Proposed NMH Disposal and Proposed NMR Disposal
“Proposed NKT Disposal”	:	The proposed disposal of a marine vessel, namely NKT, to PGET
“Proposed NMH Disposal”	:	The proposed disposal of a marine vessel, namely NMH, to a non-related third party to be identified later
“Proposed NMR Disposal”	:	The proposed disposal of a marine vessel, namely NMR, to a non-related third party to be identified later
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Thinkat” or “Adviser”	:	Thinkat Advisory Sdn Bhd
“Tricor”	:	Tricor Investor & Issuing House Services Sdn Bhd
“TS Maritime”	:	TS Maritime Sdn Bhd, a professional maritime services and consultancy firm which provides services such as valuation, survey and inspection services, project management consultancy, newbuilding vessel, maritime logistics, ship management as well as operations and maintenance services, underwater engineering construction and maintenance services and decommission of offshore facilities
“UAE”	:	United Arab Emirates
“USD”	:	United States Dollar
“WHO”	:	World Health Organisation

DEFINITIONS (cont'd)

All references to “you” or “your(s)” in this Circular are to the shareholders of EATECH.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable, include the plural and vice versa and words denoting incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Unless otherwise stated, the exchange rate of USD1.00:RM4.4505, being Bank Negara Malaysia’s prevailing middle rate at the end of the LPD, has been applied in this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION CONTAINED IN THE MAIN CONTENT OF THIS CIRCULAR. PLEASE READ THE ENTIRE CIRCULAR CAREFULLY FOR FURTHER DETAILS ON THE PROPOSED DISPOSALS BEFORE VOTING.

PROPOSED DISPOSALS			
Transaction details	EATECH intends to seek shareholders' approval for the Proposed NKT Disposal, Proposed NMH Disposal and Proposed NMR Disposal at an EGM to be convened. Brief details of the vessels are as follows:		
	Brief details of the vessels		
	NKT	NMH	NMR
Type	Oil tanker	Oil tanker	Floating storage unit
Flag	Malaysia	Malaysia	Malaysia
Place of registry	Port Kelang	Port Kelang	Port Kelang
Year built	2010	2011	1992
Age	12	11	30
Builder's name	Ningbo Dongfang Shipyard, China	Johor Shipyard and Engineering Sdn Bhd	Shipyard Galatz, Romania / MMHE
Dead weight tonnage	9,965	9,800	39,768
Gross tonnage	7,591	7,591	24,248
Net tonnage	2,835	2,835	12,317
Length over all / Depth / Breadth (metres)	119.90 / 11.50 / 20.00	119.90 / 11.50 / 20.00	190.0 / 16.8 / 28.0
Current use	Under maintenance	Idle	Idle
Encumbrance	Nil	Nil	Nil
	Please refer to Section 2, 3 and 4 of this Circular for further details on the Proposed NKT Disposal, Proposed NMH Disposal and Proposed NMR Disposal.		
Rationale for the Proposed Disposals	<p>The Proposed Disposals will enable EATECH:</p> <ul style="list-style-type: none"> (i) to streamline its fleet of vessels and realise the value of its non-profit generating assets. Presently, the Group does not have any ongoing contracts which require the deployment of NKT, NMH and NMR nor is the Group actively seeking out contracts which require the deployment of these vessels. The Proposed Disposals are expected to result in a gain on disposal of at least RM1.17 million; and (ii) to fund the acquisition of a new vessel to be identified in order to fulfil the Tugboat Contract as well as for repayment to scheme creditors. <p>Please refer to Section 5 of this Circular for further details on the rationale for the Proposed Disposals.</p>		

EXECUTIVE SUMMARY (cont'd)

Basis of and Justification for the NKT Disposal Consideration, NMH Disposal Consideration and NMR Disposal Consideration :

- The NKT Disposal Consideration is arrived at on a willing-buyer willing seller basis after taking into consideration the following:
- (i) the best offer obtained through open tender via the appointed independent broker, Fearnleys Asia (Singapore) Pte Ltd);
 - (ii) the market value of NKT of USD4.47 million or approximately RM19.89 million as appraised by an independent valuer, TS Maritime, using the market/sales comparison approach vide its Certificate of Valuation dated 15 June 2022;
 - (iii) the audited net book value of NKT of approximately RM18.81 million as at 31 December 2021 (equivalent to approximately USD4.23 million); and
 - (iv) the gain on disposal from the Proposed NKT Disposal of approximately RM0.96 million after taking into consideration the estimated agent's commission approximately RM0.83 million and other expenses for the Proposed NKT Disposal of RM0.09 million.

The NMH Disposal Consideration is arrived at on a willing-buyer willing seller basis after taking into consideration the following:

- (i) the market value of NMH of USD4.00 million or approximately RM17.80 million as appraised by an independent valuer, TS Maritime, using the market/sales comparison approach vide its Certificate of Valuation dated 14 July 2022; and
- (ii) the audited net book value of NMH of approximately RM17.59 million as at 31 December 2021 (equivalent to approximately USD3.95 million); and
- (iii) the estimated loss on disposal from the Proposed NMH Disposal of approximately RM0.59 million after taking into consideration the estimated agent's commission of approximately RM0.71 million and other expenses for the Proposed NMH Disposal of RM0.09 million.

The NMR Disposal Consideration is arrived at on a willing-buyer willing seller basis after taking into consideration the following:

- (i) the market value of NMR (including the topside facilities) of USD4.86 million or approximately RM21.65 million as appraised by an independent valuer, TS Maritime, on scrap value basis, vide its Certificate of Valuation dated 14 July 2022;
- (ii) the audited net book value of NMR of approximately RM19.89 million as at 31 December 2021 (equivalent to approximately USD4.47 million); and
- (iii) the estimated gain on disposal from the Proposed NMR Disposal of approximately RM0.80 million after taking into consideration the estimated agent's commission of approximately RM0.87 million and other expenses for the Proposed NMR Disposal of RM0.09 million.

Please refer to **Sections 2.3, 3.2 and 4.2** of this Circular for further details on the basis and justification for NKT Disposal Consideration, NMH Disposal Consideration and NMR Disposal Consideration.

EXECUTIVE SUMMARY (cont'd)

Original cost and date of investment in NKT, NMH and NMR		NKT	NMH	NMR																		
	Original cost (RM million)	34.00	36.00	53.86																		
	Date of Investment	6 December 2009	28 December 2005	17 May 2007																		
Please refer to Section 2.1, 3.1 and 4.1 of this Circular for further details on the original cost and date of investment in NKT, NMH and NMR.																						
Estimated gain/(loss) arising from the Proposed Disposals		NKT	NMH	NMR																		
	Estimated gain/(loss) (RM'000)	963	(587)	798																		
Please refer to Section 8.2 of this Circular for further details on the estimated gains/loss arising from the Proposed Disposals.																						
Utilisation of proceeds	: The Group intends to use the proceeds from the Proposed Disposals as follows:																					
	<table border="1"> <thead> <tr> <th></th> <th>Timeframe for utilisation of proceeds from completion of the Proposed Disposals</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td>Utilisation</td> <td></td> <td></td> </tr> <tr> <td>Acquisition of a new vessel</td> <td>Within 12 months</td> <td>18,000</td> </tr> <tr> <td>Repayment to scheme creditors</td> <td>Within 12 months</td> <td>39,463</td> </tr> <tr> <td>Estimated expenses relating to the Proposed Disposals</td> <td>Immediately</td> <td>2,681</td> </tr> <tr> <td>Total</td> <td></td> <td>60,144</td> </tr> </tbody> </table>				Timeframe for utilisation of proceeds from completion of the Proposed Disposals	RM'000	Utilisation			Acquisition of a new vessel	Within 12 months	18,000	Repayment to scheme creditors	Within 12 months	39,463	Estimated expenses relating to the Proposed Disposals	Immediately	2,681	Total		60,144	
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Estimated expenses relating to the Proposed Disposals	Immediately	2,681																				
Total		60,144																				
Please refer to Section 6 of this Circular for further details on the utilisation of proceeds.																						
Risk factors	: (i) Non-completion of the Proposed Disposals																					
	The completion of the Proposed Disposals is subject to the satisfaction of the payment of the NKT Disposal Consideration, NMH Disposal Consideration and NMR Disposal Consideration as well as the timely legal delivery of the respective vessels within the stipulated timeframe under the respective agreements.																					
	(ii) Contractual risk																					
	EATECH may be subject to certain legal risks pursuant to the respective agreements for the Proposed Disposals. Additionally, the Group may also be subject to certain contractual risks such as specific performance or payment of liquidated amount as a result of non-fulfilment of its obligations under the respective agreements.																					
	(iii) Default/delay in payment by the purchasers of NKT, NMH and NMR																					
	In the event the purchasers of NKT, NMH and NMR default on their payment obligations or delay in payment for the balance of the disposal considerations, the Proposed Disposals may be terminated.																					

EXECUTIVE SUMMARY (cont'd)

**Risk factors
(Cont'd)****: (iv) Foreign exchange risk**

As the disposal considerations will be settled in USD, which is to be received by the Company based on the exchange rate upon completion of the Proposed Disposals, the exchange rate of the RM versus the USD may fluctuate. Pursuant thereto, upon receiving the considerations, the RM value of cash that the Company receives may be higher or lower depending on the exchange rate at the time.

Notwithstanding the above, the management is not aware of any restriction on the remittance of the disposal proceeds to Malaysia.

Please refer to **Section 7** of this Circular for further details on the risk factors of the Proposed Disposals.

Effects**: The Proposed Disposals will:**

- (i) will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as the Proposed Disposals do not involve any issuance of Shares;
- (ii) enhance the Company earnings due to the expected gains on the Proposed Disposals amounting to RM1.17 million; and
- (iii) increase the NA of the Company due to the expected gains from the Proposed Disposals amounting to RM1.17 million upon completion of the Proposed Disposals.

Please refer to **Section 8** of this Circular for further details on the effects of the Proposed Disposals.

Approvals**: The Proposed Disposals are subject to the following approvals being obtained**

- (i) shareholders of EATECH at an EGM to be convened;
- (ii) Court; and
- (iii) any other relevant authorities, where applicable.

The Company had on 17 June 2022 obtained an order from the Court for the acquisition of an additional vessel to be deployed in the ordinary course of business of the Group as well as the approvals of the Court for the Proposed Disposals.

Please refer to **Section 9** of this Circular for further details on the approvals required.



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E.A. TECHNIQUE (M) BERHAD
Registration No. 199301001779 (256516-W)
(Incorporated in Malaysia)

Registered Office

Level 11, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor Darul Takzim

26 August 2022

Board of Directors

Dato' Mohd Redza Shah Abdul Wahid (*Independent Non-Executive Chairman*)
Datuk Mohd Nasir Ali (*Independent Non-Executive Director*)
Rozan Mohd Sa'at (*Independent Non-Executive Director*)
Abdul Azmin Abdul Halim (*Independent Non-Executive Director*)
Ir. Dr Mohd Shahreen Zainooreen Madros (*Independent Non-Executive Director*)
Aziah Ahmad (*Non-Independent Non-Executive Director*)

To: The shareholders of E.A. Technique (M) Berhad

Dear Sir/Madam,

- (I) **PROPOSED NKT DISPOSAL;**
- (II) **PROPOSED NMH DISPOSAL; AND**
- (III) **PROPOSED NMR DISPOSAL**

1. INTRODUCTION

On 5 August 2022, Thinkat had, on behalf of the Board, announced that EATECH intends to seek shareholders' approval for the Proposed Disposals at an EGM of the Company to be convened.

Further details on the Proposed Disposals are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED DISPOSALS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED DISPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED NKT DISPOSAL

As announced on 20 June 2022, the Company had entered into the NKT MOA for the Proposed NKT Disposal which entails the disposal of NKT to PGET for USD4.65 million or approximately RM20.69 million.

2.1 The details of NKT

Name of vessel	:	Nautica Kota Tinggi
Type	:	Oil Tanker
Flag	:	Malaysia
Place of registry	:	Port Kelang
Year built	:	2010
Age	:	12
Builder's name	:	Ningbo Dongfang Shipyard, China
Dead weight tonnage	:	9,965
Gross tonnage	:	7,591
Net tonnage	:	2,835
Length over all / Depth / Breadth (metres)	:	119.90 / 11.50 / 20.00
Registered owner	:	E.A. Technique (M) Bhd
Current use	:	Under maintenance ⁽¹⁾
Encumbrance	:	Nil
Date of purchase	:	6 December 2009
Cost of investment	:	RM34.00 million
Audited net book value as at 31 December 2021	:	RM18.81 million

Note:

(1) NKT is presently undergoing gearbox maintenance which is expected to be completed by the end of August 2022. The cost of the said maintenance is estimated to be approximately RM0.4 million which will be borne by the Company.

2.2 Information on the Purchaser

PGET was incorporated in Dubai, UAE on 28 July 2021 as a limited liability company.

PGET is principally involved in trading of lubricants, grease and crude oil abroad as well as offshore refined oil products.

As at LPD, PGET has an issued share capital of 300,000 UAE Dirhams comprising 300 PGET Shares.

Set out below are the details of the directors and shareholders together with their respective direct and indirect effective interest in PGET as at the LPD:

Name	Designation / Nationality	<-----Direct----->		<-----Indirect----->	
		No. of PGET Shares	%	No. of PGET Shares	%
Fidan Akman	Director and shareholder / Turkish	150	50.0	-	-
Erkan Akman	Director and shareholder / Turkish	150	50.0	-	-

As at the LPD, PGET does not have any subsidiary or associate companies.

2.3 Basis and justification of determining the NKT Disposal Consideration

The NKT Disposal Consideration of USD4.65 million or approximately RM20.69 million was derived on a willing-buyer willing-seller basis, after taking into consideration, amongst others, the following:

- (i) the best offer obtained through open tender via the appointed independent broker, Fearnleys Asia (Singapore) Pte Ltd, an international shipbroker involved in vessel chartering, vessel transaction management as well as new vessel building contracting services. The company is a part of the Astrup Fearnley group of companies which is engaged in financial services, offshore rig and supply vessel services as well as energy broking;
- (ii) the market value of NKT of USD4.47 million or approximately RM19.89 million as appraised by an independent valuer, TS Maritime, using the market/sales comparison approach vide its Certificate of Valuation dated 15 June 2022. This approach took into consideration 2 transactions in 2021 and 1 transaction in 2022 of similar type of vessels with appropriate adjustments made for factors such as size, ship type, age, engine power, deadweight, lifting gear, tank capacity or class society;
- (iii) the audited net book value of NKT of approximately RM18.81 million as at 31 December 2021 (equivalent to approximately USD4.23 million); and
- (iv) the gain on disposal from the Proposed NKT Disposal of approximately RM0.96 million after taking into consideration the estimated agent's commission of approximately RM0.83 million and other estimated expenses for the Proposed NKT Disposal of RM0.09 million.

2.4 Salient Terms of the NKT MOA

The salient terms of the NKT MOA are summarised below:

(i) Deposit

PGET lodged a deposit of 10% of the NKT Disposal Consideration as security for the completion of the NKT MOA in an interest-bearing account with Haridass Ho & Partners, Singapore, being the deposit holder.

(ii) Payment

On delivery of NKT, but not later than three (3) banking days after the date of the notice issued by the Company to PGET to inform PGET that NKT is ready for delivery, the payment of the NKT Disposal Consideration shall be as follows:

- (a) The deposit of 10% shall be released to EATECH ("**NKT Deposit**"); and
- (b) the balance of the NKT Disposal Consideration and all other sums payable on delivery by PGET to EATECH under the NKT MOA shall be paid in full free of bank charges to EATECH. PGET shall remit the balance of the NKT Disposal Consideration to the deposit holder not later than 1 banking day prior to the expected date of delivery of NKT, to be held by the deposit holder in a separate account for PGET and to the order and instructions of PGET.

(iii) Conditions

The NKT MOA is conditional on the approvals being obtained from the Court, which was obtained on 17 June 2022, and EATECH shareholders.

It is EATECH's obligation to obtain such approvals within three (3) months from the date of the NKT MOA. In the event EATECH unable to get an approval from the Court and its shareholders' approval, the NKT Deposit with interest shall be remitted back to PGET.

(iv) Inspection

PGET has waived its right to inspect NKT and had accepted NKT, subject only to the terms and conditions of the NKT MOA.

(v) Time and place of delivery and notices

NKT shall be delivered and taken over on an as-is basis safely afloat in Malacca, Malaysia.

2.5 Liabilities to remain with the Group

There are no liabilities, including contingent liabilities, in relation to NKT which will remain with the Group.

3. DETAILS OF THE NMH DISPOSAL

The Proposed NMH Disposal involves the proposed disposal of NMH to a non-related third party for at least USD4.00 million or approximately RM17.80 million. It is envisaged that the MOA for the Proposed NMH Disposal will be entered into within six (6) months from the date the approval of the Company's shareholders is obtained. Failing which, the shareholders' approval will lapse and reobtained at an EGM of the Company to be convened.

As at the LPD, the Company is in discussions with brokers for the Proposed NMH Disposal to source for potential purchasers for NMH. The Board will release announcement(s) as and when there are developments relating to the Proposed NMH Disposal.

In the event EATECH is not able to secure an offer at or above the NMH Disposal Consideration, it shall not proceed with the Proposed NMH Disposal.

3.1 The details of NMH

Name of vessel	:	Nautica Maharani
Type	:	Oil tanker
Flag	:	Malaysia
Place of registry	:	Port Kelang
Year of built	:	2011
Age	:	11
Builder's name	:	Johor Shipyard and Engineering Sdn Bhd
Dead weight tonnage	:	9,800
Gross tonnage	:	7,591
Net tonnage	:	2,835
Length over all / Depth / Breadth (metres)	:	119.90 / 11.50 / 20.00
Registered owner	:	E.A. Technique (M) Bhd
Current use	:	Idle ⁽¹⁾
Encumbrance	:	Nil
Date of purchase	:	28 December 2005
Cost of investment	:	RM36.00 million
Audited net book value as at 31 December 2021	:	RM17.59 million

Note:

(1) NMH is currently idle as it is not deployed for the fulfilment of any ongoing contracts.

3.2 Basis and justification of determining the NMH Disposal Consideration

The NMH Disposal Consideration of at least USD4.00 million or approximately RM17.80 million was derived after taking into consideration, amongst others, the following:

- (i) the market value of NMH of USD4.00 million or approximately RM17.80 million as appraised by an independent valuer, TS Maritime, using the market/sales comparison approach vide its Certificate of Valuation dated 14 July 2022. This approach took into consideration 2 transactions in 2021 and 1 transaction in 2022 of similar type of vessels with appropriate adjustments made for factors such as size, ship type, age, engine power, deadweight, lifting gear, tank capacity or class society;
- (ii) the audited net book value of NMH of approximately RM17.59 million as at 31 December 2021 (equivalent to approximately USD3.95 million); and
- (iii) the estimated loss on disposal from the Proposed NMH Disposal of approximately RM0.59 million after taking into consideration the estimated agent's commission of approximately RM0.71 million and other estimated expenses for the Proposed NMH Disposal of RM0.09 million.

Notwithstanding the estimated loss on disposal based on the NMH Disposal Consideration, the Group takes cognisance of the market value ascribed by the independent valuer as the potential fair price a purchaser is willing to purchase NMH at. In addition, it should be noted that ships are depreciating assets which reduce in price with the passage of time.

3.3 Liabilities to remain with the Group

It is envisaged that upon completion of the NMH Disposal, there will be no liabilities, including contingent liabilities, in relation to NMH which will remain with the Group.

4. DETAILS OF THE NMR DISPOSAL

The Proposed NMR Disposal involves the proposed disposal of NMR to a non-related third party for at least USD4.86 million or approximately RM21.65 million. It is envisaged that the MOA for the Proposed NMR Disposal will be entered into within six (6) months from the date the approval of the Company's shareholders is obtained. Failing which, the shareholders' approval will lapse and be required to be reobtained at an EGM of the Company to be convened.

As at the LPD, the Company is in discussions with brokers for the Proposed NMR Disposal to source for potential purchasers for NMR. The Board will release announcement(s) as and when there are developments relating to the Proposed NMR Disposal.

In the event EATECH is not able to secure an offer at or above the NMR Disposal Consideration, EATECH shall not proceed with the Proposed NMR Disposal.

4.1 The details of NMR

Name of vessel	:	Nautica Muar
Type	:	Floating Storage Unit
Flag	:	Malaysia
Place of registry	:	Port Kelang
Year of built	:	1992
Age	:	30
Builder's name	:	Shipyard Galatz, Romania / MMHE
Dead weight tonnage	:	39,768
Gross tonnage	:	24,248
Net tonnage	:	12,317
Length over all / Depth / Breadth (metres)	:	190.0 / 16.8 / 28.0

Registered owner	:	E.A. Technique (M) Bhd
Current use	:	Idle ⁽¹⁾
Encumbrance	:	Nil
Date of purchase	:	17 May 2007
Cost of investment	:	RM53.86 million
Audited net book value as at 31 December 2021	:	RM19.89 million

Note:

- (1) NMR is currently idle as it is not deployed for the fulfilment of any ongoing contracts.

4.2 Basis and justification of determining the NMR Disposal Consideration

The NMR Disposal Consideration of at least USD4.86 million or approximately RM21.65 million was derived after taking into consideration, amongst others, the following:

- (i) the market value of NMR (including the topside facilities) of USD4.86 million or approximately RM21.65 million as appraised by an independent valuer, TS Maritime, on an estimated scrap value basis, vide its Certificate of Valuation dated 14 July 2022. Other valuation methods were not adopted in determining the market value of NMR as a result of its physical obsolescence, deterioration and not being operational since January 2021. The estimated scrap value is arrived at by taking into consideration the light weight tonnage of NMR (including the topside facilities) and the estimated scrap steel price.
- (ii) the audited net book value of NMR of approximately RM19.89 million as at 31 December 2021 (equivalent to approximately USD4.47 million); and
- (iii) the estimated gain on disposal from the Proposed NMR Disposal of approximately RM0.80 million after taking into consideration the estimated agent's commission of approximately RM0.87 million and other expenses for the Proposed NMR Disposal of RM0.09 million.

4.3 Liabilities to remain with the Group

It is envisaged that upon completion of the NMR Disposal, there will be no liabilities, including contingent liabilities, in relation to NMR which will remain with the Group.

5. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSALS

The Company was classified as a PN17 company on 25 February 2022 as the Company triggered the prescribed criteria pursuant to Paragraph 2.1(e) of PN17 of the Listing Requirements, whereby the Company's shareholders' equity as at the unaudited FYE 31 December 2021 of RM5.96 million was less than 50% of its share capital of RM179.76 million and the auditors highlighted a material uncertainty related to going concern for the financial period ended 31 December 2020. On 28 February 2022, the Company further announced that it also triggered Paragraph 2.1(a) of PN17 of the Listing Requirements. Based on the Company's quarterly report for the financial period ended 31 December 2021, the shareholders' equity of the Company on a consolidated basis is less than 25% of its share capital, of which is less than RM40 million.

On 28 February 2022, the Company obtained the Restraining Order for an initial period of three (3) months from the Court, which was subsequently extended by a further six (6) months on 24 May 2022. The Company appointed EY as its financial advisors to assist in its proposed scheme of arrangement. On 12 August 2022, EATECH commenced the POD which has a deadline for submission of 12 September 2022. As part of the proposed scheme of arrangement, the Company has earmarked 5 vessels to be disposed, namely Nautica Batu Pahat, Nautica Renggam, NKT, NMH and NMR.

Depending on the total proceeds to be raised from the Proposed Disposals, the total proceeds targeted to be raised from the disposal of Nautica Batu Pahat, Nautica Renggam and the Proposed Disposals are approximately RM95.1 million of which approximately RM53.3 million will be set aside for capital expenditure and working capital purposes while approximately RM41.8 million will be set aside for repayment to scheme creditors. The disposals of Nautica Batu Pahat and Nautica Renggam have been completed on 11 May 2022 and 21 June 2022 respectively, raising a total of approximately RM35.9 million which were earmarked for working capital purposes.

On 1 June 2022, the Company appointed Malacca Securities Sdn Bhd as the Principal Adviser for its regularisation plan to regularise its status as a PN17 Company. As at the LPD, the Company is still in the midst of formulating its proposed regularisation plan. For the avoidance of doubt, the Proposed Disposals are not part of the proposed regularisation plan to be undertaken by the Company.

As at the LPD, the fleet of vessels owned by EATECH is as follows:

No	Vessel's Name	Type of Vessel	Current Usage
1	Nautica Pontian 2	Oil Tanker/ Clean Product Tanker	On spot charter
2	Nautica Kluang 2	Oil Tanker/ Clean Product Tanker	On spot charter
3	NKT	Oil Tanker/ Clean Product Tanker	Under maintenance
4	NMH	Oil Tanker/ Clean Product Tanker	Idle
5	Nautica Gambir	Fast Support Vessel	On time charter
6	Nautica Langsat	Fast Support Vessel	Available for charter
7	Nautica Tg. Puteri I	Harbour Tug	On time charter
8	Nautica Tg. Puteri XI	Harbour Tug	On time charter
9	Nautica Tg. Puteri XII	Harbour Tug/ Utility Tug	On time charter
10	Nautica Tg. Puteri XV	Utility Tug	On time charter
11	Nautica Tg. Puteri XVI	Utility Tug	On time charter
12	Nautica Tg. Puteri XVII	Harbour Tug/ Utility Tug	On time charter
13	Nautica Tg. Puteri XVIII	Mooring Boat	On time charter
14	Nautica Tg. Puteri XIX	Harbour Tug/ Utility Tug	On time charter
15	Nautica Tg. Puteri XX	Harbour Tug/ Utility Tug	On time charter
16	Nautica Tg. Puteri XXI	Harbour Tug	On time charter
17	Nautica Tg. Puteri XXII	Harbour Tug/ Utility Tug	On time charter
18	Nautica Tg. Puteri XXIII	Harbour Tug	On time charter
19	Nautica Tg. Puteri XXIV	Harbour Tug	On time charter
20	Nautica Tg. Puteri XXV	Harbour Tug	On time charter
21	Nautica Tg. Puteri XXVI	Harbour Tug	On time charter
22	Nautica Tg. Puteri XXVII	Harbour Tug	On time charter
23	Nautica Tg. Puteri XXVIII	Harbour Tug	On time charter
24	Nautica Tg. Puteri XXIX	Harbour Tug	On time charter
25	Nautica Tg. Puteri XXX	Fast Support Vessel	On time charter
26	Nautica Tg. Puteri XXXVII	Harbour Tug	On time charter
27	FOIS NAUTICA TEMBIKAI	Floating Storage Unit	On time charter
28	NMR	Floating Storage Unit	Idle
29	Nautica Air Hitam	Crane Barge	Idle
30	Amal II	Steel Pontoon	Idle

The Proposed Disposals provide an opportunity for EATECH to streamline its fleet of vessels and realise value from its non-profit generating assets. Presently, the Group does not have any ongoing contracts which require the deployment of NKT, NMH and NMR nor is the Group actively seeking out contracts which require the deployment of these vessels. In addition, given the current condition of NMR as scrap and the Company's financial position, it would be costly and uneconomical to restore NMR back to an operable state. The Proposed Disposals will enable the Company to save on future maintenance costs and administrative expenses.

The Proposed Disposals are expected to result in a gain on disposal of approximately RM1.17 million. The proceeds raised from the Proposed Disposals will allow the Group to fund the acquisition of a new vessel in order to fulfil the Tugboat Contract as well as for repayment to scheme creditors. The gain on disposal together with the potential earnings from this Tugboat Contract is expected to bode well for EATECH in its efforts to regularise its condition as a PN17 Company.

The Company's independent auditors, EY, expressed a disclaimer of opinion in the Auditors' Report for the FYE 31 December 2021 on the basis that the Group and the Company reported a net loss of RM150.6 million and RM161.2 million respectively. As at 31 December 2021, the Group's and the Company's current liabilities exceeded their current assets by RM405.3 million and RM416.9 million respectively, with minimal cash and bank balances of RM6.4 million and RM5.5 million respectively. These events and conditions indicate the existence of material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concern. Whilst the Proposed Disposals are expected to result in a gain on disposal, it will be insufficient to address the Group's financial issues which resulted in the Auditors' Disclaimer of Opinion.

5.1 Financial position of our Group

A summary of the financial information of our Group for the last three FYEs 31 December 2019 to 31 December 2021, and latest quarterly results for the three-month financial period ended 31 March 2022 are as follows:

	<----- Audited ----->			Unaudited three-month	
	FYE 31 December 2019 (RM'000)	FYE 31 December 2020 (RM'000)	FYE 31 December 2021 (RM'000)	period ended 31 March 2021 (RM'000)	31 March 2022 (RM'000)
Revenue	271,871	303,193	160,556	30,870	30,703
Gross profit/(Loss)	76,938	4,077	26,464	(5,629)	849
Profit/(Loss) before tax	32,680	(118,616)	(149,533)	(25,881)	(4,597)
Profit/(Loss) after tax and minority interest	36,396	(105,536)	(150,645)	(25,881)	(4,597)
Gross EPS / (Loss) per Share (sen) ⁽¹⁾	15.27	0.77	4.99	(1.06)	0.16
Net EPS / (Loss) per Share (sen) ⁽²⁾	7.22	(19.89)	(28.40)	(4.88)	(0.87)
Share capital (RM'000)	169,100	179,755	179,755	179,755	179,755
Shareholders' fund/NA	262,990	168,109	17,464	131,784	12,867
Number of Shares in issue ('000)	504,000	530,500	530,500	530,500	530,500
NA per Share (RM) ⁽³⁾	0.52	0.32	0.03	0.25	0.02
Current assets (RM'000)	79,165	47,318	30,333	34,959	29,007
Current liabilities (RM'000)	430,435	531,038	539,988	470,223	532,679
Current ratio (times) ⁽⁴⁾	0.18	0.09	0.06	0.07	0.05
Total interest-bearing borrowings (RM'000)	388,770	246,339	292,273	228,061	283,088
Gearing ratio (times) ⁽⁵⁾	1.48	1.47	16.74	1.73	22.00

Notes:

- (1) Gross EPS/(loss) per Share is computed as Gross profit/(loss) before tax divided by the weighted average number of Shares in issue
- (2) Net EPS/(loss) per Share is computed as profit/(loss) after tax and minority interest divided by the weighted average number of Shares in issue.
- (3) NA per Share is computed as NA divided by the number of Shares in issue.
- (4) Current ratio is computed as current assets divided by current liabilities.

- (5) Gearing is computed as total interest-bearing borrowings divided by shareholders' fund.

Commentary of the financial performance of our Group is set out below:

- (i) FYE 31 December 2019 compared to FYE 31 December 2020

The Group's revenue increased by RM31.32 million or 11.5%, from RM271.87 million in FYE 31 December 2019 to RM303.19 million in FYE 31 December 2020. The increase was mainly due to the contribution from the Group's contract to provide a temporary storage tanker.

The Group recorded a loss before tax of RM118.62 million in FYE 31 December 2020, as compared to a profit before tax of RM32.68 million in FYE 31 December 2019. The loss was mainly attributed to impairment of assets and additional provisions made for ongoing litigation.

The Group's NA decreased by RM94.88 million, or 36.1%, from RM262.99 million in FYE 31 December 2019 to RM168.11 million in FYE 31 December 2020, as a result of the Group's losses recorded in FYE 31 December 2020.

The gearing ratio decreased marginally from 1.48 times in FYE 31 December 2019 to 1.47 times in FYE 31 December 2020. Total interest-bearing borrowings reduced by RM142.43 million or 36.6% from RM388.77 million as at 31 December 2019 to RM246.34 million as at 31 December 2020 whilst the Group's shareholder's funds reduced by 36.1% as mentioned above.

- (ii) FYE 31 December 2020 compared to FYE 31 December 2021

The Group's revenue decreased significantly by RM142.64 million, or 47.0% from RM303.19 million in FYE 31 December 2020 to RM160.56 million in FYE 31 December 2021. This was mainly due to fewer vessels being chartered during the period as the contract for several vessels ended in the financial year prior and/or during the financial year.

The Group recorded a further loss before tax of RM149.53 million in FYE 31 December 2021, as compared to RM118.61 million in FYE 31 December 2020. The loss was mainly attributed to impairment loss on vessels of RM125.6 million due to the pandemic that reduced the fair value of the Company's assets.

The Group's NA decreased by RM105.65 million, or 89.6%, from RM168.11 million in FYE 31 December 2020 to RM17.46 million in FYE 31 December 2021, mainly as a result of our Group's losses recorded in FYE 31 December 2021.

The Group's gearing ratio increased from 1.47 times in FYE 31 December 2020 to 16.74 times in FYE 31 December 2021. This was due to the Group's total interest-bearing borrowings increasing from RM246.34 million as at 31 December 2020 to RM292.27 million as at 31 December 2021 and shareholder's funds which has decreased by 89.6% from RM168.11 million in FYE 31 December 2020 to RM17.46 million in FYE 31 December 2021.

- (iii) Three-month financial period ended 31 March 2021 compared to the three-month financial period ended 31 March 2022

The Group's revenue decreased by RM0.17 million or 0.5%, from RM30.87 million in the three-month financial period ended 31 March 2021 to RM30.70 million in the three-month financial period ended 31 March 2022. This was mainly due to fewer vessels being chartered during the financial period as a result of the ending of several contracts. This was partly mitigated by new contracts secured.

The Group's loss before tax decreased by RM21.28 million or 82.2% from RM25.88 million in the three-month financial period ended 31 March 2021 to RM4.60 million in three-month financial period ended 31 March 2022. The decrease was mainly due to lower depreciation as a result of reclassification of assets to assets held for sale in 31 December 2021. In addition, there were lower foreign exchange losses and no impairments in the first quarter of 2022.

The Group's NA decreased by RM118.92 million, or 90.2% from RM131.78 million as at 31 March 2021 to RM12.87 million as at 31 March 2022, mainly as a result of the impairment loss on vessels of RM125.6 million as mentioned above. The Group's gearing ratio further increased from 1.73 times as at 31 March 2021 to 22.00 times as at 31 March 2022, mainly due to the said decrease in shareholders' fund as well as the increase in total interest-bearing borrowings from RM228.06 million to RM283.09 million as a result of additional draw down of term loans and additional loans from a shareholder.

5.2 Implications of Covid-19 on EATECH's business activities

In March 2020, the WHO declared the Covid-19 viral disease a global pandemic, raising the health emergency to its highest level. The Malaysian Government had since then introduced various versions of the MCO to limit the spread of Covid-19. It has also issued various fiscal stimulus packages to combat the economic impact of the Covid-19 pandemic. The shipping industry was not spared during the pandemic and was impacted by the various versions of MCOs, in particular the initial MCOs impacting the shipping industry severely due to the disruptions in economic activity.

The Group's management has since adopted various measures across the Group to mitigate potential disruptions due to the Covid-19 pandemic. EATECH's Covid-19 Preventive and Contingency Plan was issued on 20 March 2020 and implemented immediately. This included a mitigation plan to ensure minimal disruptions to fleet operation and covered both on-board and on-land management. Standard operating procedures have been drawn up to help facilitate the optimisation of operational efficiencies and enhance productivity, while minimising workplace infection risks. The Group's operations had gradually improved over the course of 2021 and 2022 in line with the improvement in the overall economic activities in Malaysia.

From a financial perspective, and in light of Malaysia being in the Covid-19 endemic phase, the Board does not envisage any further unforeseen material adverse effects on its budget and financial projections in the long term. Despite the increased operation costs associated with adhering to the established standard operating procedures by the Group, the Group has been making efforts to mitigate this temporary impact.

5.3 Expected value to be created from the Proposed Disposals and impact of the Proposed Disposals to the Company and its shareholders

As stated in Section 8.2 and 8.3 of this Circular, the Proposed Disposals are expected to enhance the Company earnings due to the expected one-off gain on disposals amounting to RM1.17 million and the corresponding increase to the Group's NA.

The monetisation of the idle vessels, namely NKT, NMH and NMR through the Proposed Disposals enables the Company to unlock capital resources from being tied up in non-productive assets and at the same time provides liquidity to repay scheme creditors. The Company has earmarked these vessels for the Proposed Disposals as they are presently not deployed for the fulfilment of the Group's contracts nor is the management actively sourcing for new contracts for these vessels.

Approximately RM18.0 million of the proceeds raised from the Proposed Disposals earmarked for the acquisition of a new vessel to be identified for the purpose of fulfilling the Tugboat Contract will help to generate additional revenue for the Company. This should give rise to an improvement in the Group's financial performance, which in turn is expected to create value for the shareholders. Should the funds required for the said acquisition be raised through issuance of new securities in the Company, this may have a dilutive impact to the Company's shareholders, unless via a rights issue in which case the shareholders may be required to make additional investments in the Company.

6. UTILISATION OF PROCEEDS FROM THE PROPOSED DISPOSALS

For illustrative purposes only, assuming NKT, NMH and NMR are disposed of at the NKT Disposal Consideration, NMH Disposal Consideration and NMR Disposal Consideration respectively, the Company is expected to raise gross proceeds of at least USD13.51 million or approximately RM60.14 million. The estimated proceeds of RM60.14 million will be utilised as follows:

Utilisation	Note	Timeframe for utilisation of proceeds from completion of the Proposed Disposals	RM'000
Acquisition of a new vessel	(i)	Within 12 months	18,000
Repayment to scheme creditors	(ii)	Within 12 months	39,463
Estimated expenses relating to the Proposed Disposals	(iii)	Immediately	2,681
Total			60,144

Notes:

- (i) As at the LPD, the Board is still assessing and evaluating plans for the acquisition of a suitable ready-made vessel in order to fulfil the requirements of the Tugboat Contract. The Company will make the appropriate announcement on any material developments in respect to the acquisition of a new vessel to Bursa Securities and obtain its shareholders' approval at an EGM to be convened, if required. The proceeds set aside for the acquisition of a new vessel is expected to be funded via the Proposed NKT Disposal. Any unutilised proceeds from the amount earmarked for the acquisition of a new vessel will be reallocated for working capital purposes. Any shortfall will be funded via the Group's internally generated funds.
- (ii) Based on the Company's proposed scheme of arrangement, the total payment to scheme creditors is estimated to be approximately RM41.8 million, dependent on the final amount to be raised from the Proposed Disposals. As per the Company's filings to the Court for its proposed scheme of arrangement, the proceeds earmarked for the payment to scheme creditors is expected to be partially funded via the Proposed NMH Disposal and Proposed NMR Disposal. Any remaining amounts, if any, required for the payment to scheme creditors will be funded via the Group's internally generated funds.
- (iii) The breakdown of the estimated expenses relating to the Proposed Disposals is illustrated below:

Expenses	RM'000
Professional fees ^(a)	225
Agent commission ^(b)	2,406
Printing, despatch, EGM expenses and miscellaneous expenses	50
	<u>2,681</u>

Notes:

- (a) Comprising of estimated professional fees payable to the adviser, solicitors, independent valuer, reporting accountant and company secretary.
- (b) Representing an aggregate of 4% of the NKT Disposal Consideration, 4% of the NMH Disposal Consideration and 4% of the NMR Disposal Consideration.

7. RISK FACTORS

7.1 Non-completion of the Proposed Disposals

The completion of the Proposed Disposals is subject to the satisfaction of the payment of the NKT Disposal Consideration, NMH Disposal Consideration and NMR Disposal Consideration as well as the timely legal delivery of the respective vessels within the stipulated timeframe under the respective agreements. In the event any of the terms of the agreements are not satisfied or waived, the affected Proposed Disposals will not be completed.

Nonetheless, EATECH shall endeavour to fulfil those conditions in a timely manner and mitigate the occurrence of any of the termination events insofar as the circumstances are within its control to ensure the completion of the Proposed Disposals.

7.2 Contractual risk

EATECH may be subject to certain legal risks pursuant to the respective agreements for the Proposed Disposals. Additionally, the Group may also be subject to certain contractual risks such as specific performance or payment of liquidated damages as a result of non-fulfilment of its obligations under the respective agreements. In this respect, the Group will endeavour to fulfil its obligations under the respective agreements for the Proposed Disposals.

7.3 Default/delay in payment by the purchasers of NKT, NMH and NMR

In the event the purchasers of NKT, NMH and NMR default on their payment obligations or delay in payment for the balance of the disposal considerations, the Proposed Disposals may be terminated and the Company will lose the opportunity to dispose of the vessels. Consequently, the Company will not be able to realise the value of those vessels and utilise the funds in the manner as disclosed in Section 6 of this Circular.

Nevertheless, there are legal remedies provided in the MOA in the event of a default/delay in payment by the purchasers. In the case of Proposed NKT Disposal, the NKT MOA provides that in the event the NKT Deposit is not paid, the Company has the right to cancel the MOA and shall be entitled to claim for compensation for its losses and for all expenses incurred together with interest. The NKT MOA also provides for the forfeiture of NKT Deposit in the event PGET is unable to pay the balance of the NKT Disposal Consideration. The management will endeavour to include such remedies in the MOAs to be entered into for the Proposed NMH Disposal and Proposed NMR Disposal.

7.4 Foreign exchange risk

NKT Disposal Consideration, NMH Disposal Consideration and NMR Disposal Consideration will be settled in USD and remitted to the Company. As such, the Company is exposed to fluctuations in the exchange rate of the RM versus the USD. Pursuant thereto, the final considerations received may be higher or lower depending on the exchange rate at the time.

As the payments are being remitted from other jurisdictions, the payments may be subject to delays or other unforeseen issues due to foreign exchange controls or other regulations. Notwithstanding the above, the management is not aware of any restriction on the remittance of the disposal proceeds to Malaysia.

8. EFFECTS OF THE PROPOSED DISPOSALS

The financial effects of the Proposed Disposals are set out below:

8.1 Share capital and substantial shareholders' shareholding

The Proposed Disposals will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as the Proposed Disposals do not involve any issuance of new EATECH Shares.

8.2 Earnings and EPS

The effects of the Proposed Disposals on the earnings and EPS of the Group are as follows:

	RM'000
Loss after tax	(150,645)
Add: Net gain from the Proposed NKT Disposal	⁽ⁱ⁾ 963
Less: Net loss from the Proposed NMH Disposal	(ii)(587)
Add: Net gain from the Proposed NMR Disposal	(iii)798
Proforma loss after tax	(149,471)
Number of issued Shares ('000)	530,500
Proforma LPS (sen)	(28.18)

Notes:

(i) Net gain from the Proposed NKT Disposal is computed as below:

	RM'000
NKT Disposal Consideration	20,695
Less: Net book value of NKT as at 31 December 2021	(18,812)
Less: Estimated agent's commission pursuant to the Proposed NKT Disposal	(828)
Less: Estimated expenses for the Proposed NKT Disposal	(92)
Net gain	963

(ii) Net loss from the Proposed NMH Disposal is computed as below:

	RM'000
NMH Disposal Consideration	17,802
Less: Net book value of NMH as at 31 December 2021	(17,585)
Less: Estimated agent's commission pursuant to the Proposed NMH Disposal	(712)
Less: Estimated expenses for the Proposed NMH Disposal	(92)
Net loss	(587)

(iii) Net gain from the Proposed NMR Disposal is computed as below:

	RM'000
NMR Disposal Consideration	21,647
Less: Net book value of NMR as at 31 December 2021	(19,892)
Less: Estimated agent's commission pursuant to the Proposed NMR Disposal	(866)
Less: Estimated expenses for the Proposed NMR Disposal	(91)
Net gain	798

8.3 NA and gearing

Based on the audited consolidated statements of financial position of the Group as at 31 December 2021, the proforma effects of the Proposed Disposals on the NA, NA per Share and gearing of the Group are set out below:

	Audited 31 December 2021 RM'000	Proforma I After Proposed NKT Disposal RM'000	Proforma II After Proforma I and the Proposed NMH Disposal RM'000	Proforma III After Proforma II and the Proposed NMR Disposal RM'000
Share capital	179,755	179,755	179,755	179,755
Accumulated losses	(162,291)	(161,328) ⁽ⁱ⁾	(161,916) ⁽ⁱⁱ⁾	(161,118) ⁽ⁱⁱⁱ⁾
Total equity	17,464	18,427	17,839	18,637
Total number of Shares ('000)	530,500	530,500	530,500	530,500
NA per Share (sen)	3.29	3.47	3.36	3.51
Borrowings (including lease liabilities) (RM'000)	292,272	292,272	292,272	292,272
Gearing (times)	16.74	15.86	16.38	15.68

Notes:

- (i) After taking into consideration the estimated RM0.96 million net gain from the Proposed NKT Disposal as illustrated in Section 8.2 above.
- (ii) After taking into consideration the estimated RM0.59 million net loss from the Proposed NMH Disposal as illustrated in Section 8.2 above.
- (iii) After taking into consideration the estimated RM0.80 million net gain from the Proposed NMR Disposal as illustrated in Section 8.2 above.

9. APPROVALS / CONSENT REQUIRED AND INTER-CONDITIONALITY

The Proposed Disposals are subject to the following approvals being obtained:

- (i) shareholders of EATECH at an EGM to be convened;
- (ii) Court; and
- (iii) any other relevant authorities, where applicable.

The Company had on, 17 June 2022, obtained an order from the Court for the acquisition of an additional vessel to be deployed in the ordinary course of business of the Group as well as the approvals of the Court for the Proposed Disposals.

The highest percentage ratio applicable for each of the Proposed Disposals pursuant to Paragraph 10.02(g) of the Listing Requirements exceeds 100%.

For the avoidance of doubt, the Proposed Disposals are not conditional and/ or inter-conditional upon one another. The Proposed Disposals are also not conditional upon any other corporate exercises/schemes undertaken or to be undertaken by EATECH.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Disposals.

11. DIRECTOR'S STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Disposals, including but not limited to the rationale and prospects, salient terms of the NKT MOA, risk factors, and the financial effects of the Proposed Disposals, is of the opinion that the Proposed Disposals are in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolutions in relation to the Proposed Disposals to be tabled at the forthcoming EGM of EATECH.

12. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Disposals which are the subject matter of this Circular, our Board confirms that there is no other corporate proposal that has been announced but pending completion as at the LPD.

13. TENTATIVE TIMETABLE FOR IMPLEMENTATION OF THE PROPOSED DISPOSALS

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, our Board expects the Proposed Disposals to be completed by the 2nd quarter of 2023. The tentative timetable for the implementation of the Proposed Disposals is as follows:

Events	Tentative Dates
EGM	12 September 2022
Completion of the Proposed NKT Disposal	End September 2022
Signing of MOAs for the Proposed NMH Disposal and Proposed NMR Disposal	1 st quarter of 2023
Completion of the Proposed NMH Disposal and Proposed NMR Disposal	2 nd quarter of 2023

14. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Sapphire, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor, Malaysia on Monday, 12 September 2022 at 12.00 pm, for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposed Disposals. If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Form of Proxy in accordance with the instructions contained, to be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the EGM or any adjourned thereof. The lodging of the Form of Proxy will not preclude you from attending the EGM and voting in person should you subsequently wish to do so.

15. FURTHER INFORMATION

You are advised to refer to the attached Appendices for further information.

Yours faithfully,
For and on behalf of the Board of
E.A. TECHNIQUE (M) BERHAD

DATO' MOHD REDZA SHAH BIN ABDUL WAHID
Independent Non-Executive Chairman



TS MARITIME SDN BHD (387737-K)

ISO 9001 : 2008 QUALITY MANAGEMENT SYSTEM (Certificate No. MYQ2161761)

Our ref: EAT-CV688-06/22

Date: 15TH JUNE 2022

CERTIFICATE OF VALUATION

NAME OF VESSEL : M.T. "NAUTICA KOTA TINGGI"
 TYPE OF VESSEL : OIL TANKER (CLEAN PRODUCT)
 GT/NT/DWT : 7,591 / 2,835 / 9,965
 OFFICIAL NO. : 334167
 PORT OF REGISTRY : PORT KELANG
 YEAR / PLACE BUILT : 2010 / CHINA
 BUILDER : NINGBO DONGFANG SHIPYARD, CHINA
 REGISTERED OWNER : E.A. TECHNIQUE (M) BERHAD
 CLASSIFICATION : BUREAU VERITAS (BV)

TS Maritime has performed an updated Fair Market Value (FMV) analysis of the subject Vessel as of 15th June 2022. In order to determine the FMV of the Vessel, we had taken into consideration of the recent transacted price noted for similar type of vessel i.e.:

YEAR BUILT / COUNTRY / CLASS	DIMENSION	TYPE	PRICE (USD)	YEAR TRANSACTION
2007 / CHINA / DNVGL	110.0 M x 19.0 M x 8.0 M	9,045 DWT Oil/Product Tanker	3.90 mill	2022
2007 / TURKEY / BV	125.4 M x 18.6 M x 10.0 M	8,615 DWT Oil/ Chemical Tanker	4.25 mill	2021
2011 / CHINA / CCS	110.0 M x 19.0 M x 8.0 M	9,039 DWT Oil/ Chemical Tanker	3.90 mill	2021

Henceforth, based on the Sales Comparison Approach, assuming the Vessel to be in sound seagoing condition, in hull and machinery to be expected of a vessel of her age, size and type, vessel's Classification and trading certificates fully maintained, undamaged, fully equipped and freely transferable and charter free as between willing Seller and willing Buyer, we are of the considered opinion that the FMV of the Vessel 'is in the region of':

USD 4,470,000.00

(United States Dollar Four Million Four Hundred Seventy Thousand)

This Certificate of Valuation should be read in conjunction with the full report (ref no: TSM GCS 444-12/21) prepared by TS Maritime Sdn Bhd dated 31st December 2021 which detailed the basis under which the valuations have been prepared. All other sections of the full report remain unchanged. This Certificate of Valuation is prepared for inclusion in the circular to shareholders of E.A. Technique (M) Berhad.



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 Website : www.tsmaritime.com.my



MS ISO/IEC 17021: 2011



TS MARITIME SDN BHD (387737-K)

ISO 9001 : 2008 QUALITY MANAGEMENT SYSTEM (Certificate No. MYQ2161761)

This valuation is conscientiously believed to be true and accurate, and is issued strictly without prejudice to any defense and subject to all singular terms and conditions of any contract of affreightments and or sale is made under reserve as to hidden, concealed or undiscovered damage or defects. They apply only to the date below mentioned and no assurance can be given that such value will be sustained or realizable in actual transactions. All statement contained in this valuation and particulars are statements of opinion and not to be taken as implying statements or representation of fact. No responsibility can be accepted for the accuracy of information given to us by other parties. This valuation has been provided solely for the use of the person who commissioned it and no responsibility can be accepted to any other person.

For and on behalf of

TS MARITIME SDN BHD (387737-K)

CAPT. AHMAD KAMAL KAMARUDIN
MARINE SURVEYOR / APPRAISER





TS MARITIME SDN BHD (387737-K)

ISO 9001 : 2008 QUALITY MANAGEMENT SYSTEM (Certificate No. MYQ2161761)

Our ref: EAT-CV690-07/22

Date: 14TH JULY 2022

CERTIFICATE OF VALUATION

NAME OF VESSEL : M.T. "NAUTICA MAHARANI"
 TYPE OF VESSEL : OIL TANKER (CLEAN PRODUCT)
 GT/NT/DWT : 7,591 / 2,835 / 9,800
 OFFICIAL NO. : 334272
 PORT OF REGISTRY : PORT KELANG
 YEAR / PLACE BUILT : 2011 / MALAYSIA
 BUILDER : JOHOR SHIPYARD & ENGINEERING SDN BHD,
 MALAYSIA
 REGISTERED OWNER : E.A. TECHNIQUE (M) BERHAD
 CLASSIFICATION : BUREAU VERITAS (BV)

TS Maritime has performed an updated Fair Market Value (FMV) analysis of the subject Vessel as of 14th July 2022. In order to determine the FMV of the Vessel, we had taken into consideration of the recent transacted price noted for similar type of vessel i.e.:

YEAR BUILT / COUNTRY / CLASS	DIMENSION	TYPE	PRICE (USD)	YEAR TRANSACTION
2007 / CHINA / DNVGL	110.0 M x 19.0 M x 8.0 M	9,045 DWT Oil/Product Tanker	3.90 mill	2022
2007 / TURKEY / BV	125.4 M x 18.6 M x 10.0 M	8,615 DWT Oil/ Chemical Tanker	4.25 mill	2021
2011 / CHINA / CCS	110.0 M x 19.0 M x 8.0 M	9,039 DWT Oil/ Chemical Tanker	3.90 mill	2021

Henceforth, based on the Sales Comparison Approach, assuming the Vessel to be in sound seagoing condition, in hull and machinery to be expected of a vessel of her age, size and type, vessel's Classification valid, considering vessel in laidup mode, due for drydocking, fully equipped and freely transferable and charter free as between willing Seller and willing Buyer, we are of the considered opinion that the FMV of the Vessel 'is in the region of':

USD 4,000,000.00
(United States Dollar Four Million Only)

This Certificate of Valuation should be read in conjunction with the full report (ref no: TSM GCS 446-12/21) prepared by TS Maritime Sdn Bhd dated 31st December 2021 which detailed the basis under which the valuations have been prepared. All other sections of the full report remain unchanged. This Certificate of Valuation is prepared for inclusion in the circular to shareholders of E.A. Technique (M) Berhad.



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 Website : www.tsmaritime.com.my



MS ISO/IEC 17021:2011



TS MARITIME SDN BHD (387737-K)

ISO 9001 : 2008 QUALITY MANAGEMENT SYSTEM (Certificate No. MYQ2161761)

This valuation is conscientiously believed to be true and accurate, and is issued strictly without prejudice to any defense and subject to all singular terms and conditions of any contract of affreightments and or sale is made under reserve as to hidden, concealed or undiscovered damage or defects. They apply only to the date below mentioned and no assurance can be given that such value will be sustained or realizable in actual transactions. All statement contained in this valuation and particulars are statements of opinion and not to be taken as implying statements or representation of fact. No responsibility can be accepted for the accuracy of information given to us by other parties. This valuation has been provided solely for the use of the person who commissioned it and no responsibility can be accepted to any other person.

For and on behalf of

TS MARITIME SDN BHD (387737-K)

CAPT. AHMAD KAMAL KAMARUDIN
MARINE SURVEYOR / APPRAISER





TS MARITIME SDN BHD (387737-K)

ISO 9001 : 2008 QUALITY MANAGEMENT SYSTEM (Certificate No. MYQ2161761)

Our ref: EAT-CV689-07/22

Date: 14TH JULY 2022

CERTIFICATE OF VALUATION

NAME OF ASSET : FSU “NAUTICA MUAR”
 TYPE OF ASSET : FLOATING STORAGE UNIT (FSU)
 GT/NT/DWT : 24,248 / 12,317 / 39,768
 OFFICIAL NO. : 332347
 PORT OF REGISTRY : PORT KELANG
 YEAR / PLACE BUILT : 1992 / ROMANIA (CONVERTED 2013/ MMHE,
 MALAYSIA)
 BUILDER : SHIPYARD GALATZ, ROMANIA
 REGISTERED OWNER : E.A. TECHNIQUE (M) BERHAD
 CLASSIFICATION : BUREAU VERITAS (BV)

TS Maritime has performed an updated Fair Market Value (FMV) analysis of the subject FSU as of 14th July 2022. In order to determine the Fair Market Value of the FSU, we have estimated based on the Estimated Scrap Value (ESV) of the Vessel and the Topside Facilities with reference to the physical condition of the Vessel (based on physical inspection carried out on 30th December 2021) with considerations on the Asset is currently in cold laidup and the view of the field specific requirements for the Topside Facilities in general.

For the purpose of the valuation, the Vessel estimated lightship is 11,604.38 MT and Topside Facilities estimated lightweight 560.0 MT, and the estimated scrap steel price was USD 400 per MT. Henceforth, based on the statement presented above in resulting from the workings, analysis and necessary considerations taken, we are of the considered opinion that the FMV for the FSU (Vessel inclusive of Topside Facilities), on scrap basis, should be “in the region of”:

USD 4,864,000.00

(United States Dollar Four Million Eight Hundred Sixty Four Thousand Only)

This Certificate of Valuation should be read in conjunction with the full report (ref no: TSM GCS 442-12/21) prepared by TS Maritime Sdn Bhd dated 30th December 2021 which detailed the basis under which the valuations have been prepared. All other sections of the full report remain unchanged. This Certificate of Valuation is prepared for inclusion in the circular to shareholders of E.A. Technique (M) Berhad.





TS MARITIME SDN BHD (387737-K)

ISO 9001 : 2008 QUALITY MANAGEMENT SYSTEM (Certificate No. MYQ2161761)

This valuation is conscientiously believed to be true and accurate, and is issued strictly without prejudice to any defense and subject to all singular terms and conditions of any contract of affreightments and or sale is made under reserve as to hidden, concealed or undiscovered damage or defects. They apply only to the date below mentioned and no assurance can be given that such value will be sustained or realizable in actual transactions. All statement contained in this valuation and particulars are statements of opinion and not to be taken as implying statements or representation of fact. No responsibility can be accepted for the accuracy of information given to us by other parties. This valuation has been provided solely for the use of the person who commissioned it and no responsibility can be accepted to any other person.

For and on behalf of

TS MARITIME SDN BHD (387737-K)

CAPT. AHMAD KAMAL KAMARUDIN
MARINE SURVEYOR / APPRAISER



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF EATECH AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THERETO



Moore Stephens Associates PLT
(201504000927 (L190627965) (CA))
Chartered Accountants (AF002096)
Unit 3.3A, 3rd Floor, Surian Tower
No. 1 Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya, Selangor, Malaysia
T +603 7728 1800 (General); 7724 1033 (Assurance)
F +603 7728 9800 (General); 7733 1033 (Assurance)
www.moore.com.my

Date: 26 August 2022

The Board of Directors
E.A. Technique (M) Berhad
Setiawangsa Business Suites,
Unit C-3A-3A, No.2, Jalan Setiawangsa 11,
54200 Kuala Lumpur.

Dear Sirs,

E.A. Technique (M) Berhad (“EATECH” or the “Company”) and its subsidiaries (“EATECH Group”)

Report on the Compilation of the Pro Forma Consolidated Statement of Financial Position for inclusion in the Circular to the Shareholders of EATECH (“Circular”) in connection with the:

- (i) **Proposed disposal of a marine vessel, namely Nautica Kota Tinggi (“NKT”) to Petroleum Gulf Energy Trading LLC (“PGET”) for a total cash consideration of USD4.65 million or approximately RM20.69 million (“Proposed NKT Disposal”);**
- (ii) **Proposed disposal of a marine vessel, namely Nautica Maharani (“NMH”) to a non-related third party to be identified later for a total cash consideration of at least USD4.0 million or approximately RM17.80 million (“Proposed NMH Disposal”); and**
- (iii) **Proposed disposal of a marine vessel, namely Nautica Muar (“NMR”) to a non-related third party to be identified later for a total cash consideration of at least USD4.864 million or approximately RM21.64 million (“Proposed NMR Disposal”).**

(The Proposed NKT Disposal, Proposed NMH Disposal and Proposed NMR Disposal are collectively referred to as the “Proposed Disposals”)

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of EATECH Group as at 31 December 2021 (“Pro Forma Consolidated Statements of Financial Position”) and the related notes as attached to this report in Appendix A, which have been stamped by us for identification purposes. The applicable criteria on the basis of which the Board of Directors of the Company (“the Directors”) has compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes of Appendix A.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors for inclusion in the Circular solely to illustrate the impact of the Proposed Disposals on EATECH Group’s consolidated statements of financial position as at 31 December 2021 as if the transactions had taken place at 31 December 2021. As part of this process, information about EATECH Group’s consolidated statements of financial position has been extracted by the Directors from the Company’s audited consolidated financial statements for the financial year ended 31 December 2021, on which an audit report has been issued.



E.A. Technique (M) Berhad
*Reporting Accountants’ Letter on the
Pro Forma Consolidated Statements of Financial Position
in connection with the Proposed Disposals*

The Directors’ Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis described in the notes of Appendix A.

Reporting Accountants’ Independence and Quality Control

We are independent in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Our firm applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* issued by the International Auditing and Assurance Standards Board and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position have been properly compiled, in all material respects, by the Directors on the basis described in the notes of Appendix A.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*”, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis described in the notes of Appendix A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Circular is solely to illustrate the impact of significant events or transactions on unadjusted financial information of EATECH Group as if the events has occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF EATECH AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THERETO (cont'd)



E.A. Technique (M) Berhad
*Reporting Accountants' Letter on the
Pro Forma Consolidated Statements of Financial Position
in connection with the Proposed Disposals*

Reporting Accountants' Responsibilities (cont'd)

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of EATECH Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis stated in the notes of Appendix A.

Other Matter

This report has been prepared solely for inclusion in the Circular in connection with the Proposed Disposals and should not be used or relied upon for any other purposes. Neither the firm nor any member of employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

A handwritten signature in black ink, appearing to read 'Moore Stephens'.

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

A handwritten signature in black ink, appearing to read 'Lo Kuan Che'.

LO KUAN CHE
03016/11/2022J
Chartered Accountant

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF EATECH AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THERETO (cont'd)

E.A. Technique (M) BERHAD

Appendix A

Pro Forma Consolidated Statements of Financial Position and the notes thereon

The pro forma consolidated statements of financial position of E.A. Technique (M) Berhad ("EATECH" or "the Company") and its subsidiaries ("EATECH Group") as at 31 December 2021 ("Pro Forma Consolidated Statements of Financial Position") as set out below has been prepared for illustrative purposes only and to show the effects of the events or transactions referred to in the notes on the basis these transactions been effected on 31 December 2021, and should be read in conjunction with the notes accompanying the Pro Forma Consolidated Statements of Financial Position.

	Note	Audited 31 December 2021 RM	Pro Forma I Proposed NKT Disposal RM	Pro Forma II After Pro Forma I and Proposed NMH Disposal RM	Pro Forma III After Pro Forma II and Proposed NMR Disposal RM
ASSETS					
Non-current assets					
Property, plant and equipment		424,093,287	424,093,287	424,093,287	424,093,287
Right-of-use assets		1,789,129	1,789,129	1,789,129	1,789,129
		<u>425,882,416</u>	<u>425,882,416</u>	<u>425,882,416</u>	<u>425,882,416</u>
Current assets					
Inventories		106,259	106,259	106,259	106,259
Trade and other receivables		19,171,875	19,171,875	19,171,875	19,171,875
Tax recoverable		447,063	447,063	447,063	447,063
Cash and bank balances	4.1	10,607,382	30,382,747	47,381,001	68,070,677
		<u>30,332,579</u>	<u>50,107,944</u>	<u>67,106,198</u>	<u>87,795,874</u>
Non-current assets held for sale	4.2	104,334,194	85,521,860	67,936,416	48,044,417
TOTAL ASSETS		<u>560,549,189</u>	<u>561,512,220</u>	<u>560,925,030</u>	<u>561,722,707</u>
EQUITY AND LIABILITIES					
Equity					
Share capital		179,755,000	179,755,000	179,755,000	179,755,000
Accumulated losses	4.3	(162,291,403)	(161,328,372)	(161,915,562)	(161,117,885)
Total equity		<u>17,463,597</u>	<u>18,426,628</u>	<u>17,839,438</u>	<u>18,637,115</u>
Non-current liabilities					
Lease liabilities		2,217,727	2,217,727	2,217,727	2,217,727
Deferred tax liabilities		879,710	879,710	879,710	879,710
		<u>3,097,437</u>	<u>3,097,437</u>	<u>3,097,437</u>	<u>3,097,437</u>
Current liabilities					
Trade payables and other payables		249,362,104	249,362,104	249,362,104	249,362,104
Lease liabilities		109,835	109,835	109,835	109,835
Loans and borrowings		289,944,773	289,944,773	289,944,773	289,944,773
Current liabilities		571,443	571,443	571,443	571,443
		<u>539,988,155</u>	<u>539,988,155</u>	<u>539,988,155</u>	<u>539,988,155</u>
Total liabilities		<u>543,085,592</u>	<u>543,085,592</u>	<u>543,085,592</u>	<u>543,085,592</u>
TOTAL EQUITY AND LIABILITIES		<u>560,549,189</u>	<u>561,512,220</u>	<u>560,925,030</u>	<u>561,722,707</u>
Number of shares in issue		530,500,000	530,500,000	530,500,000	530,500,000
Net assets per share attributable to Owners of the Company(RM)		<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.04</u>
Total borrowings (including lease liabilities)		292,272,335	292,272,335	292,272,335	292,272,335
Gearing ratio:(times)		<u>16.74</u>	<u>15.86</u>	<u>16.38</u>	<u>15.68</u>

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF EATECH AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THERETO (cont'd)

E.A. Technique (M) BERHAD

Appendix A

Pro Forma Consolidated Statements of Financial Position and the notes thereon

1. Introduction

The pro forma consolidated statements of financial position of E.A. Technique (M) Berhad ("EATECH" or the "Company") and its subsidiaries ("EATECH Group") as at 31 December 2021 ("EATECH Group Pro Forma Consolidated Statements of Financial Position") have been prepared for inclusion in the Company's circular to shareholders to be dated 26 August 2022 ("Circular") in connection with the following:

- (i) Proposed disposal of a marine vessel, namely Nautica Kota Tinggi ("NKT") to Petroleum Gulf Energy Trading LLC ("PGET") for a total cash consideration of USD4.65 million or approximately RM20.69 million ("Proposed NKT Disposal");
- (ii) Proposed disposal of a marine vessel, namely Nautica Maharani ("NMH") to a non-related third party to be identified later for a total cash consideration of at least USD4.0 million or approximately RM17.80 million ("Proposed NMH Disposal"); and
- (iii) Proposed disposal of a marine vessel, namely Nautica Muar ("NMR") to a non-related third party to be identified later for a total cash consideration of at least USD4.864 million or approximately RM21.64 million ("Proposed NMR Disposal").

(The Proposed NKT Disposal, Proposed NMH Disposal and Proposed NMR Disposal are collectively referred to as the "Proposed Disposals")

2. Basis of Preparation

The EATECH Group Pro Forma Consolidated Statements of Financial Position have been compiled based on the audited financial statements of EATECH Group for the financial year ended 31 December 2021 which had been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"). The EATECH Group Pro Forma Consolidated Statement of Financial Position do not include effects of the adoption of MFRS issued by the Malaysian Accounting Standards Board which are effective for the annual period beginning on or after 1 January 2022.

The accounting policies, basis and assumptions used in the preparation of the EATECH Group Pro Forma Consolidated Statement of Financial Position are consistent with those adopted by EATECH Group in the preparation of their audited financial statements for the financial year ended 31 December 2021.

The EATECH Group Pro Forma Consolidated Statement of Financial Position of which the Board of Directors of EATECH is solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of EATECH Group as at 31 December 2021 had the events/transactions as described in Note 3 been effected on that date, and should be read in conjunction with the accompanying notes thereto.

Unless otherwise stated, the exchange rate of USD1.00:RM[4.4505], being Bank Negara Malaysia's prevailing middle rate at the end of day 31 July 2022, has been applied in this Pro Forma Consolidated Statements of Financial Position.

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF EATECH AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THERETO (cont'd)

E.A. Technique (M) BERHAD

Appendix A

Pro Forma Consolidated Statements of Financial Position and the notes thereon

3. Pro Forma Adjustments to the Pro Forma Consolidated Statements of Financial Position

3.1 Pro Forma I – Proposed NKT Disposal

Pro Forma I incorporate the effects of the Proposed NKT Disposal for a total cash consideration of USD4.65 million or approximately RM20.69 million. The agent commission is estimated to be 4% of the NKT Disposal Consideration and estimated expenses of RM0.09 million to derive at the net gain on Proposed NKT Disposal.

The summary of the effect of the Proposed NKT Disposal was as follows:

	Note	RM
NKT Disposal Consideration	4.1	20,694,825
Less:		
- Net carrying amount of NKT as at 31 December 2021	4.2	(18,812,334)
- Estimated agent commission payable pursuant to the Proposed NKT Disposal	4.1	(827,793)
- Estimated expenses pursuant to the Proposed NKT Disposal	4.1	(91,667)
Net gain on Proposed NKT Disposal	4.3	<u>963,031</u>

3.2 Pro Forma II – Proposed NMH Disposal

Pro Forma II incorporates the effects of Pro Forma I and the effects of the Proposed NMH Disposal for a total cash consideration of at least USD4.0 million or approximately RM17.80 million. The agent commission is estimated to be 4% of the NMH Disposal Consideration and estimated expenses of RM0.09 million to derive at the net loss on Proposed NMH Disposal.

The summary of the effect of the Proposed NMH Disposal was as follows:

	Note	RM
NMH Disposal Consideration	4.1	17,802,000
Less:		
- Net carrying amount of NMH as at 31 December 2021	4.2	(17,585,444)
- Estimated agent commission payable pursuant to the Proposed NMH Disposal	4.1	(712,080)
- Estimated expenses pursuant to the Proposed NMH Disposal	4.1	(91,666)
Net loss on Proposed NMH Disposal	4.3	<u>(587,190)</u>

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF EATECH AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THERETO (cont'd)

E.A. Technique (M) BERHAD

Appendix A

Pro Forma Consolidated Statements of Financial Position and the notes thereon

3. Pro Forma Adjustments to the Pro Forma Consolidated Statements of Financial Position (cont'd)

3.3 Pro Forma III – Proposed NMR Disposal

Pro Forma III incorporates the effects of Pro Forma I, Pro Forma II and the effects of the Proposed NMR Disposal for a total cash consideration of at least USD4.864 million or approximately RM21.65 million. The agent commission is estimated to be 4% of the NMR Disposal Consideration and estimated expenses of RM0.09 million to derive at the net gain on Proposed NMR Disposal.

The summary of the effect of the Proposed NMR Disposal was as follows:

	Note	RM
NMR Disposal Consideration	4.1	21,647,232
Less:		
- Net carrying amount of NMR as at 31 December 2021	4.2	(19,891,999)
- Estimated agent commission payable pursuant to the Proposed NMR Disposal	4.1	(865,889)
- Estimated expenses pursuant to the Proposed NMR Disposal	4.1	(91,667)
Net gain on Proposed NMR Disposal	4.3	<u>797,677</u>

4. Effect on the Pro Forma Consolidated Statements of Financial Position

4.1 Cash and bank balances

	RM
As at 31 December 2021	10,607,382
<i>Effects of Pro Forma I</i>	
- Proposed NKT Disposal	
Cash consideration received	20,694,825
- Estimated agent commission pursuant to the Proposed NKT Disposal	(827,793)
- Estimated expenses pursuant to the Proposed NKT Disposal	<u>(91,667)</u>
Pro Forma I	30,382,747
<i>Effects of Pro Forma II</i>	
- Proposed NMH Disposal	
Cash consideration received	17,802,000
- Estimated agent commission pursuant to the Proposed NMH Disposal	(712,080)
- Estimated expenses pursuant to the Proposed NMH Disposal	<u>(91,666)</u>
Pro Forma II	47,381,001
<i>Effects of Pro Forma III</i>	
- Proposed NMR Disposal	
Cash consideration received	21,647,232
- Estimated agent commission pursuant to the Proposed NMR Disposal	(865,889)
- Estimated expenses pursuant to the Proposed NMR Disposal	<u>(91,667)</u>
Pro Forma III	<u>68,070,677</u>

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF EATECH AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THERETO (cont'd)

E.A. Technique (M) BERHAD

Appendix A

Pro Forma Consolidated Statements of Financial Position and the notes thereon

4. Effect on the Pro Forma Consolidated Statements of Financial Position (cont'd)

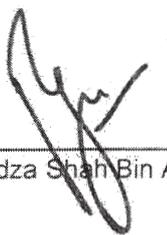
4.2 Non-current assets held for sale

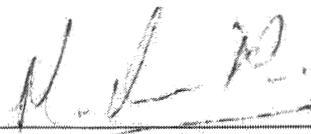
	RM
As at 31 December 2021	104,334,194
<i>Effects of Pro Forma I</i>	
- Proposed NKT Disposal	<u>(18,812,334)</u>
Pro Forma I	85,521,860
<i>Effects of Pro Forma II</i>	
- Proposed NMH Disposal	<u>(17,585,444)</u>
Pro Forma II	67,936,416
<i>Effects of Pro Forma III</i>	
- Proposed NMR Disposal	<u>(19,891,999)</u>
Pro Forma III	<u>48,044,417</u>

4.3 Accumulated losses

	RM
As at 31 December 2021	(162,291,403)
<i>Effects of Pro Forma I</i>	
- Proposed NKT Disposal	<u>963,031</u>
Pro Forma I	(161,328,372)
<i>Effects on Pro Forma II</i>	
- Proposed NMH Disposal	<u>(587,190)</u>
Pro Forma II	(161,915,562)
<i>Effects on Pro Forma III</i>	
- Proposed NMR Disposal	<u>797,677</u>
Pro Forma III	<u>(161,117,885)</u>

Approved and adopted on behalf of the Board of Directors of E.A. Technique (M) Berhad in accordance with a resolution dated 5 August 2022.


 Dato' Mohd Redza Shah Bin Abdul Wahid
 Director


 Datuk Mohd Nasir Bin Ali
 Director

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. The Board has also confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement in this Circular false or misleading.

2. CONSENT

Thinkat, being the adviser for the Proposed Disposals, has given and has not subsequently withdrawn its written consent for the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

TS Maritime, being the independent valuer for the Proposed Disposals, has given and has not subsequently withdrawn its written consent for the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Moore Stephens Associates PLT, being the Reporting Accountants for the Proposed Disposals, has given and has not subsequently withdrawn its written consent for the inclusion of its name and all reference thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

As at the LPD, Thinkat is not aware of any existing conflict of interest or any circumstances which would or is likely to give rise to a possible conflict of interest in relation to its role as the Adviser for the Proposed Disposals.

TS Maritime is not aware of any existing conflict of interest or any circumstances which would or is likely to give rise to a possible conflict of interest in relation to its role as the independent valuer for the Proposed Disposals.

Moore Stephens Associates PLT is not aware of any existing conflict of interest or any circumstances which would or is likely to give rise to a possible conflict of interest in relation to its role as the Reporting Accountants for the Proposed Disposals.

4. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the two (2) years immediately preceding the date of this Circular:

- (i) MOA dated 8 March 2021 between EATECH and PT. Dutabahari Menara Line JL (“**Dutabahari**”) for the sale of a vessel namely Nautica Pagoh by EATECH to Dutabahari for a purchase price of USD4,220,000. Dutabahari has inspected the vessel on 8 February 2021 and has accepted the said vessel upon inspection. The purchase price has been fully satisfied by Dutabahari on 5 April 2021 marking the completion of this MOA;
- (ii) Settlement Agreement dated 8 March 2021 between EATECH and MMHE.

EATECH and MMHE are parties to a letter of award dated 9 June 2015, contract for ‘provision of demolition, refurbishment and conversion of M.T. Nautica Bergading (Ex-Sark) into a floating, storage and offloading (FSO) facility for full field development (FFD) project, North Malay Basin (NMB) and a letter of undertaking dated 22 June 2018 (“**LOU**”). Pursuant to the LOU, Sindora Berhad which is EATECH’s immediate holding company, issued a corporate guarantee to MMHE on 28 June 2018 (“**Guarantee**”) in which Johor

APPENDIX V – FURTHER INFORMATION (cont'd)

Corporation, EATECH's ultimate holding corporation issued a letter of awareness to MMHE on 4 July 2018. Dispute arose which led to an adjudication decision on 27 May 2019 ("**1st Adjudication Decision**"), 4 December 2019 ("**2nd Adjudication Decision**") and an arbitration award dated 10 November 2020 ("**Arbitration Award**"). Several proceedings were commenced between the parties. In full and final settlement of the disputes between the Parties including MMHE's rights under the 1st Adjudication Decision, the 2nd Adjudication Decision and EATECH's rights to challenge the same save for MMHE's enforcement or execution rights under the judgment obtained, EATECH agrees to pay and MMHE agrees to accept the sum of USD25,500,000.00 inclusive of interest and costs ("**Settlement Sum**"). The Settlement Sum shall be paid as follows by way of bank transfer and/or cheque:

- (a) USD6,000,000.00 shall be paid on or before 31 July 2021;
- (b) USD9,000,000.00 shall be paid before 31 January 2022;
- (c) USD8,500,000.00 shall be paid before 31 July 2022;
- (d) The balance sum of USD2,000,000.00 shall be paid in 16 monthly instalments of USD125,000.00 from October 2021 to January 2023 in which each monthly instalment shall be due and payable on 15th of each month.

As at the LPD, MMHE was included as one of the creditors under the proposed scheme of arrangement.

- (iii) Deed of Settlement dated 8 April 2021 between Vin Marine Corporation Sdn Bhd ("**VMC**") and EATECH

EATECH unconditionally acknowledged and agreed that EATECH is indebted to VMC for the sum of RM419,957.60 being the final and agreed outstanding sum for services rendered by VMC to EATECH ("**Debt**"). EATECH shall pay RM419,957.60 as full and final settlement made payable to VMC 's account ("**Settlement Sum**") in the following manner:

- (a) The transfer of RM80,000.00 on 15 April 2021;
- (b) The transfer of RM80,000.00 on 15 May 2021;
- (c) The transfer of RM80,000.00 on 15 June 2021;
- (d) The transfer of RM80,000.00 on 15 July 2021;
- (e) The transfer of RM80,000.00 on 15 August 2021; and
- (f) The transfer of RM19,957.60 on 15 September 2021.

Pending clearance of the Settlement Sum, VMC agree to withhold all legal proceedings against EATECH and upon receipt and clearance, the parties agree that there shall be a full and final settlement of all disputes and accounts in respect of and/or arising from the Debt between them and thereafter neither party shall have any claims pertaining to the Debt against the other party. The Settlement Sum has been settled in November 2021.

- (iv) MOA dated 27 May 2021 between EATECH and Bumi Jaya Shipcare Sdn Bhd ("**Bumi Jaya**") for the sale of a vessel namely MV Nautica Tg. Puteri XXXIV by EATECH to Bumi Jaya for a purchase price of RM1,600,000.00. The purchase price has been fully satisfied by Bumi Jaya and protocol of delivery and acceptance has been completed on 17 June 2021;
- (v) MOA dated 2 July 2021 between EATECH and Diesel Power Technologies (M) Sdn Bhd ("**Power Technologies**") for the sale of a vessel namely MV Nautica Tg. Puteri IV by EATECH to Power Technologies for a purchase consideration of RM1,000,000.00. The purchase price has been fully satisfied by Power Technologies and protocol of delivery and acceptance has been completed on 24 August 2021;

APPENDIX V – FURTHER INFORMATION (cont'd)

- (vi) MOA dated 20 August 2021 between EATECH and PG Timur Sdn Bhd (“**PG Timur**”) for the sale of a vessel namely Nautica Tg. Puteri XXXIII by EATECH to PG Timur for a purchase price of RM4,000,000.00. The purchase price has been fully satisfied by PG Timur and protocol of delivery and acceptance has been completed on 11 February 2022;
- (vii) MOA dated 22 February 2022 between EATECH and PG Timur Sdn Bhd (“**PG Timur**”) for the sale of a vessel namely Nautica Tg. Puteri II by EATECH to PG Timur for a purchase price of RM5,000,000. As at the LPD, EATECH have confirmed that there is still a balance payment of RM500,000 owed by PG Timur which shall be paid on the delivery of the vessel;
- (viii) MOA dated 2 April 2022 between EATECH and AICL Overseas FZ LLC (“**AICL**”) for the sale of a vessel namely Nautica Batu Pahat by EATECH to AICL for a purchase price of USD3,100,000.00. The purchase price has been fully satisfied by AICL and protocol of delivery and acceptance has been completed on 11 May 2022;
- (ix) MOA dated 15 April 2022 between EATECH and C&M Co. Ltd (“**C&M**”) for the sale of a vessel namely Nautica Renggam by EATECH to C&M for a purchase price of USD5,050,000.00. The purchase price has been fully satisfied by C&M and protocol of delivery and acceptance has been completed on 21 June 2022;and
- (x) MOA dated 20 June 2022 in respect of the sale of Nautica Kota Tinggi to Petroleum Gulf Energy Trading LLC (“**PGET**”) for a purchase price of USD4.65 million. As at the LPD, EATECH have confirmed that there is still a balance payment of USD4,185,000 owed by PGET which shall be paid on delivery of the vessel.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect our Group's financial position or business

**(i) EATECH (“Applicant”)
(Kuala Lumpur High Court Suite No.: WA-27NCC-97-02/2022)**

EATECH filed an application for restraining order with a certificate of urgency on 18 February 2022 and successfully obtained it on 28 February 2022 with leave to convene creditors' meetings before the High Court. On 19 May 2022, EATECH filed for a notice of application for extension of the restraining order.

On 24 May 2022, EATECH successfully obtained a six months extension of time for the restraining order on 24 May 2022 (which shall lapse on 28 November 2022) and also an additional order for EATECH to file an affidavit to update any developments in the scheme, including any further sale of vessels.

**(ii) Karina Shipping Ltd (St. Vincent and the Grenadines Company No.: C-21711)
 (“Plaintiff”) vs EATECH (“Defendant”)
(Kuala Lumpur High Court Suit No.: WA-27NCC-12-02/2021)**

The Plaintiff has filed a writ-in-rem on 18 February 2021, alleging that via a MOA dated 30 August 2011 and addendums dated 1 September 2011 and 4 October 2011 for the sale and purchase of the vessel, NMR (International Maritime Organisation. No. 8601848), owned by EATECH. The Plaintiff is claiming, amongst others, for the sum of USD1,080,000.00 and interest of 12% per annum from 27.10.2011 until full settlement. EATECH have filed in a memorandum of appearance and initiated a striking out application against the writ-in-rem.

The writ-in-rem has not been served on the NMR neither a warrant of arrest has been filed. EATECH as the owner of NMR have filed in a memorandum of appearance and an application to, inter alia, set aside the writ-in-rem on, inter alia, the basis that the renewal of Writ-In-Rem is defective, the transaction is denied and the suit is time barred.

The parties were thereafter directed to inter alia exchange the affidavits, file the pleadings and submissions thereto however due to the Restraining order dated 28 February 2022 and further renewed via court order dated 24 May 2022, Court has adjourned further proceedings and has fixed 29 November 2022 as the next case management date.

EATECH's solicitors preliminary and qualified opinion in respect of the above suit is that each the Plaintiff and Defendant stands an equal chance in winning the said suit. Further, the nature of the writ-in-rem would involve a possibility of an arrest and subsequent sale of the aforesaid vessel and the costs associated to the arrest and subsequent sale.

(iii) Malaysia Marine and Heavy Engineering Sdn Bhd and EATECH (“Plaintiffs”) vs Collector of Stamp Duty (“Defendant”) (Kuala Lumpur High Court Suit No.: WA-24-34-06/2021)

The Plaintiffs filed an originating summons on 8 June 2021 against the Defendant pursuant to Section 39 of the Stamp Act 1949 to challenge the stamp duty assessment by the Defendant in the sum of RM521,485.00 for the stamping of the Settlement Agreement in which the Plaintiffs have taken the position that the actual stamp duty should only be RM10.00 only, or, alternatively RM50.00 or, in the further alternative, RM104,495.00.

The parties are currently at the submissions stage and the hearing date has been set to 9 November 2022

The Plaintiff's solicitors are of the view that the parties have an arguable case. However, the probable outcome is not ascertainable as the matter is contentious in that the Defendant is opposing all grounds raised in the action.

(iv) Global Marine & Offshore Sdn Bhd (“Plaintiff”) vs EATECH (“Defendant”) (Kuala Lumpur High Court Suit No.: WA-22NCVC-13-01/2022)

The Plaintiff filed a writ of summons and statement of claim on 7 January 2022 and 6 January 2022 respectively against the Defendant to claim for the outstanding sum of RM5,553,036.74 which is due and owing to the Plaintiff.

Next case management has been fixed on 26 August 2022 for update on whether the Plaintiff wish to proceed to obtain leave in order to proceed with the suit given that a restraining order is in force.

In respect of the above, this matter is still outgoing even though EATECH had obtained Restraining Order on 28 February 2022 thereafter Extension Order for Restraining Order on 24 May 2022 (which shall be lapsed on 28 November 2022), thus, this creditor was put into the list of Scheme of Arrangement under Section 368 of the Companies Act 2016

(v) Letters of Demand dated 17 July 2021 and 19 August 2021 from Dato Ir Abdul Hak Bin Md Amin and Datin Hamidah Binti Omar (“Alleged Creditors”)

The Alleged Creditors via the aforesaid letters of demand, is claiming against EATECH for RM14,603,907.00 which is allegedly due to the Alleged Creditors under several shareholder advances. EATECH have replied against the said letters on 29 July 2021, 6 August 2021 and 21 September 2021 respectively. As at the LPD, no legal proceedings have been officially commenced against EATECH.

The Company's solicitors are not aware of any suits filed by the Alleged Creditors against EATECH and there were no instructions from EATECH on this matter.

(vi) Letter of Demand dated 7 August 2019 issued by Messrs Seira & Sharizad on behalf of Cakara Maritime Sdn Bhd (“Alleged Creditor”)

The Alleged Creditor via the aforesaid letter of demand is claiming against EATECH for USD786,952.31 which is allegedly due to the Alleged Creditor arising from a charter hire of SEALINK 179. EATECH had via its solicitors in writing, rejected the Alleged Creditor's claim requesting for the justification to the Alleged Creditor's claim and have further sent a counter demand on 4 March 2020 to claim for RM186,415.69 being an outstanding sum due by the Alleged Creditor for a charter hire of Nautica Tg Puteri VII and Nautica Tg Puteri VIII and rental for EATECH's cabin on 28 August 2019. As at the LPD, no legal proceedings have been officially commenced against EATECH.

6. MATERIAL COMMITMENTS

As at the LPD, our Board, is not aware of any material commitments incurred or known to be incurred which upon becoming enforceable, may have a material impact on our Group's financial results/position.

7. CONTINGENT LIABILITIES

As at the LPD, our Board, is not aware of any contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on our Group's financial results/position.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours from Sundays to Thursdays (except public holidays) at the registered office of EATECH at Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor, from the date of this Circular up to the date of EGM of EATECH:

- (i) the constitution of EATECH;
- (ii) the audited consolidated financial statements of EATECH for the past two (2) financial years up to the FYE 31 December 2021 and the latest unaudited quarterly report for the 3-month FPE 31 March 2022;
- (iii) the certificates of valuation and valuation reports for the NKT, NMH and NMR prepared by TS Maritime.
- (iv) the letters of consent and declaration of conflict of interests referred to in Section 2 and 3 above;
- (v) the material contracts referred to in Section 4 above; and
- (vi) the relevant cause papers relating to the material litigation referred to in Section 5 above.



"the shipping people"

E.A. TECHNIQUE (M) BERHAD
Registration No. 199301001779 (256516-W)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of E.A Technique (M) Berhad ("**EATECH**" or the "**Company**") will be held at Sapphire, Level 9 , Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor, Malaysia on Monday, 12 September 2022 at 12.00 pm, or at any adjournment thereof, together with the Form of Proxy are enclosed herein for the purpose of considering and if thought fit, passing the resolutions as set out in this notice:

ORDINARY RESOLUTION 1

PROPOSED DISPOSAL OF A MARINE VESSEL, NAMELY NAUTICA KOTA TINGGI ("NKT**"), TO PETROLEM GULF ENERGY TRADING LLC ("**PGET**") FOR A TOTAL CASH CONSIDERATION OF USD4.65 MILLION ("**PROPOSED NKT DISPOSAL**")**

"THAT subject to the approvals of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given to EATECH to dispose of a marine vessel, namely NKT to PGET for a total cash consideration of USD4.65 million, subject to and upon such terms and conditions as set out in the memorandum of agreement dated 20 June 2022 entered into between PGET and EATECH for the Proposed NKT Disposal;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all documents as they deem fit, necessary or expedient in order to carry out, finalise and give effect to the Proposed NKT Disposal with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant parties and/or authorities, and to take all such steps and actions as the Directors consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed NKT Disposal."

ORDINARY RESOLUTION 2

PROPOSED DISPOSAL OF A MARINE VESSEL, NAMELY NAUTICA MAHARANI ("NMH**"), TO A NON-RELATED THIRD PARTY TO BE IDENTIFIED LATER FOR A TOTAL CASH CONSIDERATION OF AT LEAST USD4.00 MILLION ("**PROPOSED NMH DISPOSAL**")**

"THAT subject to the approvals of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given to EATECH to dispose of a marine vessel, namely NMH to a non-related third party to be identified later for a total cash consideration of at least USD4.00 million;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all documents as they deem fit, necessary or expedient in order to carry out, finalise and give effect to the Proposed NMH Disposal with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant parties and/or authorities, and to take all such steps and actions as the Directors consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed NMH Disposal.”

ORDINARY RESOLUTION 3

PROPOSED DISPOSAL OF A MARINE VESSEL, NAMELY NAUTICA MUAR(“NMR”), TO A NON-RELATED THIRD PARTY TO BE IDENTIFIED LATER FOR A TOTAL CASH CONSIDERATION OF AT LEAST USD4.86 MILLION (“PROPOSED NMR DISPOSAL”)

”**THAT** subject to the approvals of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given to EATECH to dispose of a marine vessel, namely NMR to a non-related third party to be identified later for a total cash consideration of at least USD4.86 million;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all documents as they deem fit, necessary or expedient in order to carry out, finalise and give effect to the Proposed NMR Disposal with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant parties and/or authorities, and to take all such steps and actions as the Directors consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed NMR Disposal.”

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

NURALIZA A. RAHMAN SSM PC No. 202008003364 (MAICSA 7067934)
SABARUDIN HARUN SSM PC No. 202008000981 (MIA 30423)
Company Secretaries

Johor Bahru, Johor
26 August 2022

Notes:

Details on the procedures for electronic lodgement of proxy form via TIIH Online.

1. For the purpose of determining who shall be entitled to participate in this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 5 September 2022. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this EGM.
2. A member who is entitled to participate in this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the EGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A (1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meetings at which the person named in the appointment proposes to vote:
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic form

The proxy form can be electronically lodged with the Poll Administrator of the Company via TIIH Online at <https://tiih.online> (applicable to individual shareholders only). Kindly refer to the Administrative
9. Please ensure ALL the particulars as required in the proxy form are completed, signed, and dated accordingly.
10. Last date and time for lodging the proxy form is Saturday, 10 September 2022 at 12.00 pm.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by: (a) at least two (2) authorised officers, of whom one shall be a director; or (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.



"the shipping people"

E.A. TECHNIQUE (M) BERHAD

Registration No. 199301001779 (256516-W)
(Incorporated in Malaysia)

CDS ACCOUNT NO.	
NO. OF SHARES HELD	

FORM OF PROXY

I/ We
(Full Name as per NRIC/Certificate of Incorporation in block letters)

Company No. / NRIC No.....

of Tel no.....

being a member of E.A. TECHNIQUE (M) BERHAD (Registration No. 199301001779 (256516-W)) hereby appoint the following person(s):

Full Name (in Block Letters)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

*And/or failing him/her (delete as appropriate)

Full Name (in Block Letters)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing him/her/them, THE CHAIRMAN OF THE MEETING, as my/our proxy/proxies, to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Sapphire, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor, Malaysia on Monday, 12 September 2022 at 12.00 pm and at any adjournment thereof in the manner as indicated below in respect of the following Resolutions:

Resolutions	For	Against
Ordinary Resolution 1 – Proposed NKT Disposal		
Ordinary Resolution 2 – Proposed NMH Disposal		
Ordinary Resolution 3 – Proposed NMR Disposal		

Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy will vote or abstain from voting at his/her/their discretion.

Date: _____

Signature /Common Seal of Shareholder

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him save for a member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.



2. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
5. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
6. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.
7. For the purpose of determining who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as of 5 September 2022. Only a member whose name appears on this Record of Depositors shall be entitled to attend this EGM or appoint proxy(ies) to attend, speak, and vote on his/her behalf.
8. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account
9. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A (1) of the Central Depositories Act.
10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meetings at which the person named in the appointment proposes to vote:
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic form

The proxy form can be electronically lodged with the Poll Administrator of the Company via TIH Online at <https://tiah.online> (applicable to individual shareholders only). Kindly refer to the Administrative Details on the procedures for electronic lodgement of proxy form via TIH Online.
11. Please ensure ALL the particulars as required in the proxy form are completed, signed, and dated accordingly.
12. Last date and time for lodging the proxy form is Saturday, 10 September 2022 at 12.00 pm.
13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

E.A. TECHNIQUE (M) BERHAD
Registration No. 199301001779 (256516-W)
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32,
Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,

1st fold here

