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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

PROPOSED ACQUISITION OF A TUGBOAT FOR A CASH CONSIDERATION OF USD3.75 MILLION OR APPROXIMATELY RM17.01 MILLION

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 Rex Hall, Level 6, Amari Johor Bahru, 82C Jalan Trus, 80000 Johor Bahru, Johor 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 TIH Online at <https://tiih.online> (applicable to individual shareholders only).

Last date and time for lodging the Form of Proxy : Sunday, 23 October 2022 at 11.00 a.m.
Date and time of the EGM : Tuesday, 25 October 2022 at 11.00 a.m., or at any adjournment thereof

This Circular is dated 7 October 2022

DEFINITIONS

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

“ABS Trials”	:	An official sea trial and bollard pull test in accordance with the Classification Society’s requirements
“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 7 October 2022
“Classification Society” or “ABS”	:	The American Bureau of Shipping which was established in 1862 to provide global classification services to the marine, offshore and gas industries. It is also involved in the development and verification of standards for the design, construction and operational maintenance of marine and offshore assets.
“Court”	:	High Court of Malaya
“Covid-19”	:	Coronavirus disease 2019
“Deposit”	:	A deposit of 10% of the Purchase Consideration
“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
“Disposals”	:	Collectively, NKT Disposal, NMH Disposal and NMR Disposal
“Disposals Circular”	:	The Company’s circular to its shareholders dated 26 August 2022 in relation to the Disposals
“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
“FPE”	:	Financial period ended
“FYE”	:	Financial year ended/ending, as the case may be
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	15 September 2022, being the latest practicable date prior to the printing and despatch of this Circular

DEFINITIONS (CONT'D)

“LPS”	:	Loss per Share
“MCO”	:	Movement Control Order
“MOA”	:	Memorandum of Agreement dated 8 September 2022 entered into between Poet and EATECH for the Proposed Acquisition
“NA”	:	Net assets
“NKT Disposal”	:	Disposal of a marine vessel, namely Nautica Kota Tinggi, to Petroleum Gulf Energy Trading LLC for a total cash consideration of USD4.65 million or approximately RM21.09 million which was completed on 3 October 2022
“NMH Disposal”	:	Proposed disposal of a marine vessel, namely Nautica Maharani, to Glory International FZ-LLC for a cash consideration of USD4.20 million or approximately RM19.05 million as announced on 19 September 2022
“NMR Disposal”	:	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 RM22.04 million
“Notice of Readiness”	:	Notice to be issued by Poet to EATECH to inform EATECH that the Vessel is ready for delivery
“OECD”	:	The Organisation for Economic Cooperation and Development
“OPEC”	:	Organisation of the Petroleum Exporting Countries
“PN17”	:	Practice Note 17 of the Listing Requirements
“Poet”	:	Poet Shipbuilding & Engineering Pte Ltd
“Poet Share(s)”	:	Ordinary share(s) in Poet
“Proposed Acquisition”	:	Proposed acquisition of the Vessel from Poet, for a cash consideration of USD3.75 million or approximately RM17.01 million
“Purchase Consideration”	:	The cash consideration for the Proposed Acquisition of USD3.75 million or approximately RM17.01 million
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Thinkat” or “Adviser”	:	Thinkat Advisory Sdn Bhd
“Tugboat Contract”	:	A contract awarded to EATECH for the provision and operation of a harbour tug for five (5) years with 3 extension options of 1 year each via a letter of award dated 20 December 2021 with a total contract value of approximately RM29.78 million. The Tugboat Contract commenced on 1 April 2022 with the initial 5-year term expiring on 31 March 2027 before the extension options
“USD”	:	United States Dollar
“Vessel”	:	A new harbour/utility tugboat, namely ASD Ramsey (Poet 1581), being the subject matter of the Proposed Acquisition

DEFINITIONS (CONT'D)

All information has been updated to the LPD, unless otherwise stated or as required.

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:RM4.535, 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 SALIENT INFORMATION ON THE PROPOSED ACQUISITION SET OUT IN THE MAIN BODY OF THIS CIRCULAR. PLEASE READ THE ENTIRE CIRCULAR CAREFULLY BEFORE VOTING.

PROPOSED ACQUISITION

Transaction details : EATECH intends to seek shareholders' approval for the Proposed Acquisition at an EGM to be convened. Brief details of the Vessel is as follows:

Type	Harbour/utility tugboat
Flag	Singapore. Upon completion of the Proposed Acquisition, the Vessel will be flagged in Malaysia
Place of registry	Singapore. Upon completion of the Proposed Acquisition, the Vessel will be registered in Malaysia
Year of build	2022
Builder's name	Jiangsu Suyang Marine Co. Ltd, China
Dead weight tonnage	250
Gross tonnage	469
Net tonnage	140
Length over all / Depth / Breadth (metres)	32.5 / 10.5 / 4.9
Registered owner	Poet
Expected use	Fulfilment of the Tugboat Contract
Encumbrance	Nil
Location	Jiangsu Shipyard, Shanghai, China
Name of vessel	ASD Ramsey (Poet 1581). Upon completion of the Proposed Acquisition, the Vessel will be renamed

Please refer to **Section 2** of this Circular for further details on the Proposed Acquisition.

Rationale and benefits for the Proposed Acquisition

- The Proposed Acquisition will enable EATECH:
- (i) to own the Vessel for the purpose of fulfilling the Tugboat Contract. The addition of the Vessel will strengthen the asset base of the Group and expand the Group's fleet; and
 - (ii) to fulfil the requirements as specified in the Tugboat Contract.

Please refer to **Section 3** of this Circular for further details on the rationale for the Proposed Acquisition.

EXECUTIVE SUMMARY (CONT'D)

Selection process and determination of the Purchase Consideration : The Purchase Consideration is arrived at on a willing-buyer willing-seller basis, after taking into consideration the following:

- (i) quotations received via the Company's appointed independent broker, Pentalink International Pte. Ltd., which included the Vessel as well as 11 other vessels as comparative quotations;
- (ii) the Company's technical specification requirements and that of the port where the Vessel will be deployed; and
- (iii) duration for the delivery of the Vessel as well as the delivery costs to be incurred.

Please refer to **Section 2.3** of this Circular for further details on the selection process and determination of the Purchase Consideration.

Risk factors : (i) **Non-completion of the Proposed Acquisition**

The completion of the Proposed Acquisition is subject to the satisfaction of the payment of the Purchase Consideration, the terms of the MOA including satisfactory inspection within the stipulated timeframe. In the event any of the terms of the agreements are not satisfied or waived, the Proposed Acquisition may not be completed.

(ii) **Contractual risk**

EATECH may be subject to certain legal risks pursuant to the MOA. Additionally, the Group may also be subject to certain contractual risks such as forfeiture of the Deposit as a result of non-fulfilment of its obligations under the MOA.

(iii) **Acquisition risk**

Although the Proposed Acquisition is expected to contribute positively to the future earnings of the Group, there is no assurance that such anticipated benefits will be realised. In addition, any decline in economic conditions may affect the potential benefits to be derived from the Proposed Acquisition. As such, the duration required for the Group to recoup its investment could be longer than anticipated.

(iv) **Foreign exchange risk**

The Purchase Consideration will be settled in USD based on the prevailing exchange rate at the time of completion of the Proposed Acquisition. As the exchange rate of the RM versus the USD may fluctuate, the RM value of cash that the Company is required to pay may be higher or lower depending on the exchange rate at the time.

Please refer to **Section 5** of this Circular for further details on the risk factors of the Proposed Acquisition.

EXECUTIVE SUMMARY (CONT'D)

Effects : The Proposed Acquisition:

- (i) will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as the Proposed Acquisition does not involve any issuance of new EATECH Shares;
- (ii) is not expected to have any material impact on the earnings and EPS for the FYE 31 December 2022 as it is only expected to be completed by the 4th quarter of 2022; and
- (iii) is not expected to have any material impact on the NA and gearing level of the Company.

Please refer to **Section 6** of this Circular for further details on the effects of the Proposed Acquisition.

Approvals : The Proposed Acquisition is 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.

Please refer to **Section 7** of this Circular for further details on the approvals required.

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"the shipping people"

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

7 October 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,

PROPOSED ACQUISITION

1. INTRODUCTION

On 8 September 2022, Thinkat had, on behalf of the Board, announced that EATECH had on even date entered into the MOA with Poet in relation to the Proposed Acquisition.

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

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION 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 APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition of the Vessel from Poet, for a cash consideration of USD3.75 million or approximately RM17.01 million. The Vessel is a harbour/utility tugboat to be acquired by the Company for the purpose of undertaking activities associated with marine terminal operations. EATECH was awarded with the Tugboat Contract in December 2021. The Tugboat Contract commenced on 1 April 2022 and for the time being is being fulfilled by a third-party vessel chartered by the Company. Upon completion of the Proposed Acquisition and obtaining the necessary documentation and approvals as set out below, the Vessel will be deployed for the Tugboat Contract in place of the chartered vessel.

Before the Vessel can be deployed, the Company is required to secure the following from the Marine Department under the Ministry of Transport Malaysia:

- (i) The requisite licences for the Vessel to operate within Malaysian waters;
- (ii) The requisite registrations for the Vessel to be flagged and registered in Malaysia; and
- (iii) The requisite certifications for the Vessel to be recognised as seaworthy.

The above are expected to be obtained by the end of December 2022 and subsequently, the Vessel is expected to be deployed in January 2023.

In addition to the Purchase Consideration, the Company is expected to incur logistic costs of approximately RM0.87 million for the Vessel to be delivered to Malaysia.

2.1 The details of the Vessel

Type	: Harbour/utility tugboat
Flag	: Singapore. Upon completion of the Proposed Acquisition, the Vessel will be flagged in Malaysia
Place of registry	: Singapore. Upon completion of the Proposed Acquisition, the Vessel will be registered in Malaysia
Year of build	: 2022
Builder's name	: Jiangsu Suyang Marine Co. Ltd, China
Dead weight tonnage	: 250
Gross tonnage	: 469
Net tonnage	: 140
Length over all / Depth / Breadth (metres)	: 32.5 / 10.5 / 4.9
Registered owner	: Poet
Expected use	: Fulfilment of the Tugboat Contract
Encumbrance	: Nil
Location	: Jiangsu Shipyard, Shanghai, China
Name of vessel	: ASD Ramsey (Poet 1581). Upon completion of the Proposed Acquisition, the Vessel will be renamed.

2.2 Information on Poet

Poet was incorporated in Singapore on 19 June 2007 as a private company limited by shares. The company's principal activity is building and repairing of ships, tankers and other ocean-going vessels as well as the renting of water transport equipment.

As at the LPD, Poet has an issued share capital of SGD5,000,000 and USD 110,000,000 comprising of 115,000,000 Poet Shares.

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

Name	Designation / Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Poet Shares	% ⁽¹⁾	No. of Poet Shares	% ⁽¹⁾
Quah Peng Wah	Director / Singaporean	-	-	115,000,000	100.00 ⁽²⁾
Quah Kian Beng	Director / Singaporean	-	-	-	-
Quah Kian Wah	Alternate Director / Singaporean	-	-	-	-
Pacific Ocean Engineering & Trading Pte Ltd	Shareholder	100,000,000	86.96	-	-
Poet Investment Holdings Pte Ltd	Shareholder	15,000,000	13.04	100,000,000	86.96 ⁽³⁾

Notes:

- (1) Based on the issued share capital of 115,000,000 Poet Shares as at the LPD.
- (2) Deemed interested by virtue of his interests in Poet Investment Holdings Pte Ltd.
- (3) Deemed interested by virtue of its interests in Pacific Ocean Engineering & Trading Pte Ltd.

As at the LPD, the subsidiaries of Poet are as follows:

Name of subsidiaries	Country of incorporation	Effective equity interest	Principal activities
Pac-Orient Maritime Pte Ltd	Singapore	94.83%	Ship owners, managers, charters and related activities
PJS Offshore Pte Ltd	Singapore	66.67%	Vessel owning and chartering of vessels

2.3 Selection process and determination of the Purchase Consideration

The Company engaged the services of Pentalink International Pte Ltd, an independent ship broker, to provide quotations of available vessels which fulfilled the Company's required technical specifications and that of the port where the Vessel will be deployed including engine output, towing weight capacity and size of vessel. The Company was then provided 12 options from which the Vessel was selected based on factors such as condition, age, pricing, payment terms, delivery period and delivery costs.

2.4 Source of funding for the Proposed Acquisition

In an EGM convened on 12 September 2022, the Company obtained its shareholders approval for the Disposals. From the proceeds arising from the Disposals, RM18.00 million or approximately USD3.97 million was earmarked to fund the Purchase Consideration including expenses to be incurred in conjunction with the Proposed Acquisition. As at 3 October 2022, USD4.65 million or approximately RM21.61 million (based on the exchange rate of USD1.00:RM4.6478, being the exchange rate adopted by the financial institution as at 30 September 2022) in proceeds has been received from the NKT Disposal and will be utilised to fully fund the Proposed Acquisition.

2.5 Salient terms of the MOA

The salient terms of the MOA are summarised below:

(i) Deposit

EATECH lodged the Deposit as security for the completion of the MOA in an interest-bearing escrow account with the deposit holder on 14 September 2022.

(ii) Payment

Upon delivery of the Vessel, but not later than 3 banking days after the date of the Notice of Readiness, the payment of the Purchase Consideration shall be as follows:

(a) The Deposit shall be released to Poet; and

(b) The balance of the Purchase Consideration and all other sums, such as payments for spares on board, payable on delivery by EATECH to Poet under the MOA shall be paid in full to an escrow account and shall be released to Poet upon delivery of the Vessel and the execution of the protocol of delivery and acceptance by both Poet and EATECH.

(iii) Sea trial and bollard pull test

Prior to taking delivery of the Vessel, ABS Trials shall be conducted to determine if the Vessel meets the agreed specifications. All equipment on the Vessel shall be tested in the presence of an official surveyor and the Company may have its representative on board the Vessel to witness the ABS Trials. Poet will bear all expenses and risk in relation to the ABS Trials.

Upon completion of the ABS Trials, EATECH shall, within 3 banking days, notify Poet in writing of its acceptance or rejection of the Vessel's conformity to the MOA and the agreed specifications. In the event of any disputes concerning the rejection or acceptance in respect of which the Vessel does not conform to the agreed specifications, the Classification Society should be referred to, and their judgement shall be final. Should the result of the ABS Trials show that the Vessel, or any part or equipment thereof, does not meet the agreed specifications, Poet shall promptly take necessary steps to repair, rectify, remedy or correct such non-conformity at its own expense.

(iv) Time and place of delivery and notices

The Vessel shall be delivered and taken over safely afloat at Jiangsu Shipyard, Shanghai, China at Poet's option. The estimated timeframe for delivery of the Vessel is 3 months from receipt of the Deposit, provided that the first notice of intention to tender Notice of Readiness for delivery shall not be given earlier than 7 November 2022.

(v) Warranty

Poet warrants that the Vessel shall be delivered in accordance with the agreed specifications and all the equipment/machinery shall be in good working conditions. Upon delivery of the Vessel, Poet shall assign to EATECH any and all valid and remaining warranties applicable to the Vessel and/or its equipment/machinery from the Vessel's builders and/or its equipment/machinery manufacturers (including paint manufacturers), vendors, suppliers, installers, and/or repairers.

Apart from assigning to EATECH all of the warranties, Poet shall have no other obligations regarding warranty or guarantee to EATECH, express or implied, by custom or statute, save for a warranty period of 6 months for the safety equipment and combined anchor windlass/mooring winch which shall commence from the delivery date of the Vessel.

(vi) Buyers' default

Should the balance Purchase Consideration not be paid in accordance with the MOA, Poet has the right to terminate the MOA, and forfeit the Deposit together with interest earned if any, after which the MOA shall be null and void, and neither party shall have right to claim against the other.

(vii) Sellers' default

EATECH shall have the option to terminate the MOA should Poet:

- (a) fail to issue the Notice of Readiness and in the manner in accordance with the MOA which requires Poet to keep EATECH informed of the Vessel's delivery itinerary and provide EATECH with 2 weeks, 1 week and 3 days prior notice to the issuance of the Notice of Readiness including the intended place of delivery; or
- (b) fail to issue the Notice of Readiness by 30 days after the intended delivery date or an extended date to be mutually agreed between the parties ("**Cancelling Date**"); or
- (c) fail to complete the transfer of ownership of the Vessel by the Cancelling Date.

In the event the Notice of Readiness is issued but the Vessel is not ready for delivery by the Cancelling Date, the Company will retain the option of termination, subject to a new Notice of Readiness tendered by Poet to EATECH. In the event EATECH elects to terminate the MOA, the Deposit together with any interest earned and all other monies paid towards the Purchase Consideration, if any, shall be refunded and released to the Company immediately. Thereafter, the MOA shall be null and void, and neither party shall have right to claim against the other.

2.6 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by EATECH pursuant to the Proposed Acquisition.

2.7 Additional financial commitment required

The Company is required to bear the logistics cost (including fuel, crew, and lodging) estimated at RM0.87 million for the delivery of the Vessel.

Save as mentioned above, EATECH does not foresee any other material financial commitment required to put the Vessel on-stream following the completion of the Proposed Acquisition in view that the Vessel is a new fully operational vessel which can be immediately deployed to fulfil the Tugboat Contract.

3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

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 of RM5.96 million as at FYE 31 December 2021 is less than 50% of its share capital and the auditors have highlighted a material uncertainty related to going concern in its latest audited financial statements. On 28 February 2022, the Company further announced that it had also triggered Paragraph 2.1(a) of PN17 of the Listing Requirements. The Company is still in the midst of formulating its proposed regularisation plan which is to be submitted to the relevant authorities by 24 February 2023. For the avoidance of doubt, the Proposed Acquisition is not part of the proposed regularisation plan to be undertaken by the Company.

The Proposed Acquisition will enable EATECH to acquire the requisite vessel for the purpose of fulfilling the Tugboat Contract. It will also grow the Group's existing fleet of 27 vessels and strengthen its asset base.

A listing of EATECH's existing fleet, excluding the vessels which are the subject of the Disposals, is tabulated below:

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	Nautica Gambir	Fast Support Vessel	On spot charter
4	Nautica Langsat	Fast Support Vessel	On spot charter
5	Nautica Tg. Puteri I	Harbour Tug	On time charter
6	Nautica Tg. Puteri XI	Harbour Tug	On time charter
7	Nautica Tg. Puteri XII	Harbour Tug/ Utility Tug	On time charter
8	Nautica Tg. Puteri XV	Utility Tug	On time charter
9	Nautica Tg. Puteri XVI	Utility Tug	On time charter
10	Nautica Tg. Puteri XVII	Harbour Tug/ Utility Tug	On time charter
11	Nautica Tg. Puteri XVIII	Mooring Boat	On time charter
12	Nautica Tg. Puteri XIX	Harbour Tug/ Utility Tug	On time charter
13	Nautica Tg. Puteri XX	Harbour Tug/ Utility Tug	On time charter
14	Nautica Tg. Puteri XXI	Harbour Tug	On time charter
15	Nautica Tg. Puteri XXII	Harbour Tug/ Utility Tug	On time charter
16	Nautica Tg. Puteri XXIII	Harbour Tug	On time charter
17	Nautica Tg. Puteri XXIV	Harbour Tug	On time charter
18	Nautica Tg. Puteri XXV	Harbour Tug	On time charter
19	Nautica Tg. Puteri XXVI	Harbour Tug	On time charter
20	Nautica Tg. Puteri XXVII	Harbour Tug	On time charter
21	Nautica Tg. Puteri XXVIII	Harbour Tug	On time charter
22	Nautica Tg. Puteri XXIX	Harbour Tug	On time charter
23	Nautica Tg. Puteri XXX	Fast Support Vessel	On time charter
24	Nautica Tg. Puteri XXXVII	Harbour Tug	On time charter
25	FOIS NAUTICA TEMBIKAI	Floating Storage Unit	On time charter
26	Nautica Air Hitam	Crane Barge	Idle
27	Amal II	Steel Pontoon	Idle

Table 1: Listing of EATECH's existing fleet of vessels

All of the Company's tugboats have been deployed for the fulfilment of other contracts or charters. As such, for the time being the Tugboat Contract is being fulfilled by a third-party vessel chartered by the Company. Upon completion of the Proposed Acquisition and obtaining the necessary approvals, the Company will be able to fulfil the Tugboat Contract with its own Vessel without having to incur recurring charter fees. This is expected to improve the Group's profit margins for the Tugboat Contract.

The Proposed Acquisition will allow EATECH to fulfil the requirements as specified in the Tugboat Contract. Whilst the Proposed Acquisition is not expected to have any material impact to the earnings of the Group for the FYE 31 December 2022, it is expected to contribute positively to the earnings of the Group from the FYE 31 December 2023 onwards.

3.1 Financial position of the Group

A summary of the financial information of the Group for the last three FYEs 31 December 2019 to 31 December 2021, and latest quarterly results for the six-month FPE 30 June 2022 are as follows:

	←----- Audited ----->			Unaudited six-month	
	FYE 31	FYE 31	FYE 31	period ended	period ended
	December	December	December	30 June	30 June
	2019	2020	2021	2021	2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	271,871	303,193	160,556	85,022	68,672
Gross profit	76,938	4,077	26,464	13,093	7,020
Profit/(Loss) before tax	32,680	(118,616)	(149,533)	(28,155)	(8,614)
Profit/(Loss) after tax and minority interest	36,396	(105,536)	(150,645)	(28,155)	(8,614)
Gross EPS (sen) ⁽¹⁾	15.27	0.77	4.99	2.47	1.32
Net EPS / (LPS) (sen) ⁽²⁾	7.22	(19.89)	(28.40)	(5.31)	(1.62)
Share capital	169,100	179,755	179,755	179,755	179,755
Shareholders' fund/NA	262,990	168,109	17,464	129,510	8,850
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	0.24	0.02
Current assets	79,165	47,318	30,333	66,902	56,902
Current liabilities	430,435	531,038	539,988	431,050	526,183
Current ratio (times) ⁽⁴⁾	0.18	0.09	0.06	0.16	0.11
Total interest-bearing borrowings	388,770	246,339	292,272	266,541	271,550
Gearing ratio (times) ⁽⁵⁾	1.48	1.47	16.74	2.06	30.68

Notes:

- (1) Gross EPS is computed as gross profit divided by the weighted average number of Shares in issue
- (2) Net EPS/LPS 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 the 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 the 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) Six-month FPE 30 June 2021 compared to the six-month FPE 30 June 2022

The Group's revenue decreased by RM16.35 million or 19.2%, from RM85.02 million in the six-month FPE 30 June 2021 to RM68.67 million in the six-month FPE 30 June 2022. During the previous FPE 30 June 2021, the Group received a one-off settlement claim in respect of Nautica Muar amounting to USD5.38 million or approximately RM24.41 million.

The Group's loss before tax decreased by RM19.54 million or 69.41% from RM28.16 million in the six-month FPE 30 June 2021 to RM8.61 million in six-month FPE 30 June 2022. This was mainly due to lower depreciation for certain assets reclassified to assets held for sale and lower forex losses. In addition, a vessel under construction was written off in the previous corresponding period.

The Group's NA decreased by RM120.66 million, or 93.17% from RM129.51 million as at 30 June 2021 to RM8.85 million as at 30 June 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 2.06 times as at 30 June 2021 to 30.68 times as at 30 June 2022, mainly due to the said decrease in shareholders' funds as well as the increase in total interest-bearing borrowings from RM266.54 million to RM271.55 million as a result of additional draw down of term loans and additional loans from a shareholder.

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

In March 2020, the World Health Organisation 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.

3.3 Expected value to be created from the Proposed Acquisition and impact of the Proposed Acquisition to the Company and its shareholders

The Proposed Acquisition will enable the Group to fulfil the Tugboat Contract for which the Vessel will be deployed for. Upon completion of the Proposed Acquisition by the 4th quarter of 2022, the Vessel is expected to generate additional revenue for the Company. As such, the Proposed Acquisition is expected to contribute positively to the future earnings of the Group and improve the Group's financial performance moving forward.

4. INDUSTRY OVERVIEW, OUTLOOK, AND PROSPECTS

4.1 Overview and outlook of the global and Malaysian economy

Global growth continued to moderate in the second quarter of 2022 as a result of a slowdown in growth in major economies. However, in several regional economies, the year-on-year growth for the quarter was lifted by base effects from Covid-19 lockdowns during the corresponding period last year. The ongoing military conflict in Ukraine contributed to elevated commodity prices, which led to higher inflation globally. This has weighed on household incomes and consumption. In addition, lockdowns were re-imposed in China, which caused a brief re-escalation in global supply chain disruptions, and moderation in China's economic activity. Beyond China, manufacturing and services activity held up better but continued to moderate further, as high inflation and cost pressures weighed on economic activity. An ongoing shift of demand from goods to services also affected manufacturing activity, while services activity moderated as the effects from pent-up demand following the reopening of the economy begun to fade.

Growth of the US economy moderated to 1.6% (1Q 2022: 3.5%) during the quarter, as consumption activity continued to slow amid high inflation, which suppressed real wage growth and sentiments. Private investment activity also recorded a moderation during the quarter. The labour market, however, remained tight. Low unemployment and high number of job openings continued to prevail. There were signs though that the tightness may have peaked, amid some recovery in labour supply.

In the euro area, the economy grew at a slower pace of 4.0% (1Q 2022: 5.4%). Services activity partly supported growth, amid a continued rebound stemming from the reopening of the economy. Overall, economic activity continued to slow across the quarter, as high inflation weighed on demand and sentiments.

In China, the economy grew by 0.4% (1Q 2022: 4.8%). The re-imposition of lockdowns amidst Covid-19 outbreaks led to a contraction in economic activity and an increase in unemployment rate early in the quarter. The reopening of the economy later in the quarter and policy support from the government, however, led to a pickup in growth.

With global demand slowing, regional exports moderated during the quarter. Nevertheless, in most economies, export growth remained strong, owing to the region's focus on electrical and electronics (E&E) products, which continue to experience resilient global demand. Commodity exporters, such as Indonesia and Malaysia, also benefitted from rising commodity prices. On the other hand, lockdowns in China and Hong Kong SAR have weighed on export growth in these economies.

The Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While growth was lifted to some extent by the low base from the Full Movement Control Order (FMCO) in June 2021, growth in April and May 2022 was particularly robust, underpinned by the continued recovery in labour market conditions and policy support. The improvement also reflected normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for E&E products. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%).

In 2022, global growth is projected to continue on its recovery path, supported by the sustained reopening of the economy and stronger labour markets. Nevertheless, the military conflict in Ukraine is expected to dampen the pace of the global recovery. Commodity prices have risen higher, reflecting the disruption in commodity production and trade due to the war and associated sanctions by Western countries on Russia. This has led to higher global inflation, which would exacerbate cost pressures on firms while negatively impacting consumer sentiments and spending.

The Malaysian economy is projected to expand further for the remainder of the year. Economic growth will be underpinned by firm domestic demand as external demand is expected to moderate, weighed by headwinds to global growth. Going forward, growth would continue to benefit from improving labour market conditions and recovery in tourism-related sectors, following the reopening of international borders.

Furthermore, investment activities are also projected to improve, supported by the realisation of multi-year projects. However, the balance of risks to Malaysia's growth remains tilted to the downside. This stems mainly from weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions.

(Source: BNM Quarterly Bulletin Vol. 37 No.2 for the Second Quarter of 2022, Bank Negara Malaysia)

4.2 Outlook of the mining and oil and gas sectors

The mining sector recorded a smaller contraction of 0.5% (1Q 2022: -1.1%) amid closures of several oil and gas facilities for maintenance during the quarter. Nevertheless, higher production from oil and gas fields such as the Pegaga gas field in Block SK320 located in offshore East Malaysia provided some support to growth.

Brent crude oil prices rose sharply to an average of USD112 per barrel during the quarter (1Q 2022 average: USD98 per barrel). Global oil demand continued to recover. Oil prices were also supported by tight global oil supply conditions amid the ongoing military conflict in Ukraine and continued underproduction by some OPEC+ members in meeting their oil output quotas.

(Source: BNM Quarterly Bulletin Vol. 37 No.2 for the Second Quarter of 2022, Bank Negara Malaysia)

Better-than-expected containment of Covid-19 and expected firm global economic growth are projected to support global oil demand in 2023, which is forecast to grow by 2.7 mb/d y-o-y. Within the regions, OECD oil demand is forecast to rise by 0.6 mb/d and non-OECD oil demand is projected to show an increase of 2.1 mb/d, mostly in China and India. This is supported by a recovery in transportation fuels and firm industrial fuels demand, including petrochemical feedstock. In terms of fuels, gasoline and diesel are expected to lead oil demand growth in 2023, on increasing mobility in major consuming countries, such as the US, China and India.

Non-OPEC oil supply is forecast to grow by 1.7 mb/d y-o-y in 2023, supported by stronger demand. Upstream investment in non-OPEC countries is expected at around \$415 billion (bn), broadly the same level as in 2022 and 18% more than in 2021. However, this level is still only half of the \$755 bn seen in back 2014.

Looking ahead to 2023, strong world oil demand growth, along with the increase in non-OPEC supply, are forecast to lead to demand for OPEC crude to increase by 0.9 mb/d y-o-y to average 30.1 mb/d. Nevertheless, uncertainty to the forecast remain to the downside, with much depending on the course of the pandemic and related measures, global financial tightening in the light of growing inflation, and the resolution of the ongoing geo-political issues in Eastern Europe.

(Source: OPEC Monthly Oil Market Report – July 2022)

4.3 Prospects of the Vessel

As stated in Section 2 of this Circular, the Vessel is intended for the fulfilment of the Tugboat Contract. Based on the Tugboat Contract, it is anticipated the Vessel will improve the financial performance of the Group once it is deployed. Furthermore, the Tugboat Contract was secured from a long-standing customer which has multiple on-going contracts with the Group.

Following the Proposed Acquisition, the Group envisages that it will be able to satisfactorily fulfil the Tugboat Contract and maintain its good business relationship with its customer. Nevertheless, as shown in Table 1 almost the entire of the Group's fleet has been contracted out and as such the Company is confident of securing another contract in the event of non-renewal of the Tugboat Contract. As such, the Proposed Acquisition is expected to bode well for the Group.

5. RISK FACTORS

5.1 Non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is subject to terms of the MOA including satisfactory inspection within the stipulated timeframe. In the event any of the terms of the agreements are not satisfied or waived, the Proposed Acquisition may 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 Acquisition.

5.2 Contractual risk

EATECH may be subject to certain legal risks pursuant to the respective agreements for the Proposed Acquisition. Additionally, the Group may also be subject to certain contractual risks such as forfeiture of the Deposit as a result of non-fulfilment of its obligations under the MOA as set out in Section 2.5 of this Circular. In this respect, the Group will endeavour to fulfil its obligations under the MOA.

5.3 Acquisition risk

Although the Proposed Acquisition is expected to contribute positively to the future earnings of the Group, there is no assurance that such anticipated benefits will be realised. In addition, any decline in economic conditions may affect the potential benefits to be derived from the Proposed Acquisition. As such, the duration required for the Group to recoup its investment could be longer than anticipated.

Nevertheless, the Group will monitor closely and continually assess any decline in economic conditions on the Proposed Acquisition. The Board, after having considered the Tugboat Contract against the potential risks and benefits associated with the Proposed Acquisition, is optimistic.

5.4 Foreign exchange risk

The Purchase Consideration will be settled in USD based on the prevailing exchange rate at the time of completion of the Proposed Acquisition. As the exchange rate of the RM versus the USD may fluctuate, the RM value of cash that the Company is required to pay may be higher or lower depending on the exchange rate at the time.

6. EFFECTS OF THE PROPOSED ACQUISITION

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

6.1 Share capital and substantial shareholders' shareholding

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

6.2 Earnings and EPS

The Proposed Acquisition is not expected to have any material impact on the earnings and EPS for the FYE 31 December 2022 as it is only expected to be completed by the 4th quarter of 2022. Notwithstanding the above, the Proposed Acquisition is expected to contribute positively to the future earnings of the Group via the fulfilment of the Tugboat Contract and potentially other contracts for which the Vessel will be deployed for.

6.3 NA and gearing

The Proposed Acquisition is not expected to have any material impact on the NA and gearing level of the Company. Notwithstanding the above, the Vessel is expected to enlarge the asset base of the Company.

7. APPROVALS / CONSENT REQUIRED AND INTER-CONDITIONALITY

The Proposed Acquisition is 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.

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 97.38%, calculated based on the Purchase Consideration of USD3.75 million or approximately RM17.01 million over the audited consolidated net assets of the Group based on its latest financial year ended 31 December 2021 of RM17.46 million.

For the avoidance of doubt, the Proposed Acquisition is not conditional and/or inter-conditional upon any other corporate exercises/schemes undertaken or to be undertaken by EATECH.

8. 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 Acquisition.

9. DIRECTOR'S STATEMENT AND RECOMMENDATION

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

10. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no other corporate exercises that has been announced but pending completion as at the date of this Circular:

- (i) NMR Disposal; and
- (ii) NMH Disposal.

11. TENTATIVE TIMETABLE FOR IMPLEMENTATION OF THE PROPOSED ACQUISITION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Board expects the Proposed Acquisition to be completed by the 4th quarter of 2022. The tentative timetable for the implementation of the Proposed Acquisition is as follows:

<u>Events</u>	<u>Tentative Dates</u>
EGM	25 October 2022
Completion of the Proposed Acquisition	End December 2022

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Rex Hall, Level 6, Amari Johor Bahru, 82C Jalan Trus, 80000 Johor Bahru, Johor on Tuesday, 25 October 2022 at 11.00 a.m., for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Acquisition. 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 the Company's Share Registrar, 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.

13. FURTHER INFORMATION

You are advised to refer to the attached Appendix 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

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 Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

Thinkat has given its written confirmation that there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser for the Proposed Acquisition.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Group is not aware of any material litigation, claims or arbitration involving the Vessel either as plaintiff or defendant or otherwise, nor are the Directors of EATECH aware of any proceedings pending or threatened against the Vessel, or of any facts likely to give rise to any proceedings which involve the Vessel.

5. MATERIAL COMMITMENTS

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

6. CONTINGENT LIABILITIES

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

7. 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 MOA;
- (ii) the constitution of EATECH;
- (iii) 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 6-month FPE 30 June 2022; and
- (iv) the letter of consent and declaration of conflict of interests referred to in Section 2 and 3 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 Rex Hall, Level 6, Amari Johor Bahru, 82C Jalan Trus, 80000 Johor Bahru, Johor on Tuesday, 25 October 2022 at 11.00 a.m., 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 resolution as set out in this notice:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF A TUGBOAT FOR A CASH CONSIDERATION OF USD3.75 MILLION OR APPROXIMATELY RM17.01 MILLION ("PROPOSED ACQUISITION**")**

"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 acquire a new tugboat from Poet Shipbuilding & Engineering Pte Ltd ("**Poet**") for a cash consideration of USD3.75 million or approximately RM17.01 million, subject to and upon such terms and conditions as set out in the memorandum of agreement dated 8 September 2022 entered into between Poet and EATECH for the Proposed Acquisition;

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 Acquisition 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 Acquisition."

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
7 October 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 18 October 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 Sunday, 23 October 2022 at 11.00 a.m.
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 Rex Hall, Level 6, Amari Johor Bahru, 82C Jalan Trus, 80000 Johor Bahru, Johor, on Tuesday, 25 October 2022 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below in respect of the following Resolution:

Resolution	For	Against
Ordinary Resolution 1 – Proposed Acquisition		

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 18 October 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 TIIH Online at <https://tiih.online> (applicable to individual shareholders only). Kindly refer to the Administrative Details on the procedures for electronic lodgement of proxy form via TIIH 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 Sunday, 23 October 2022 at 11.00 a.m.
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

