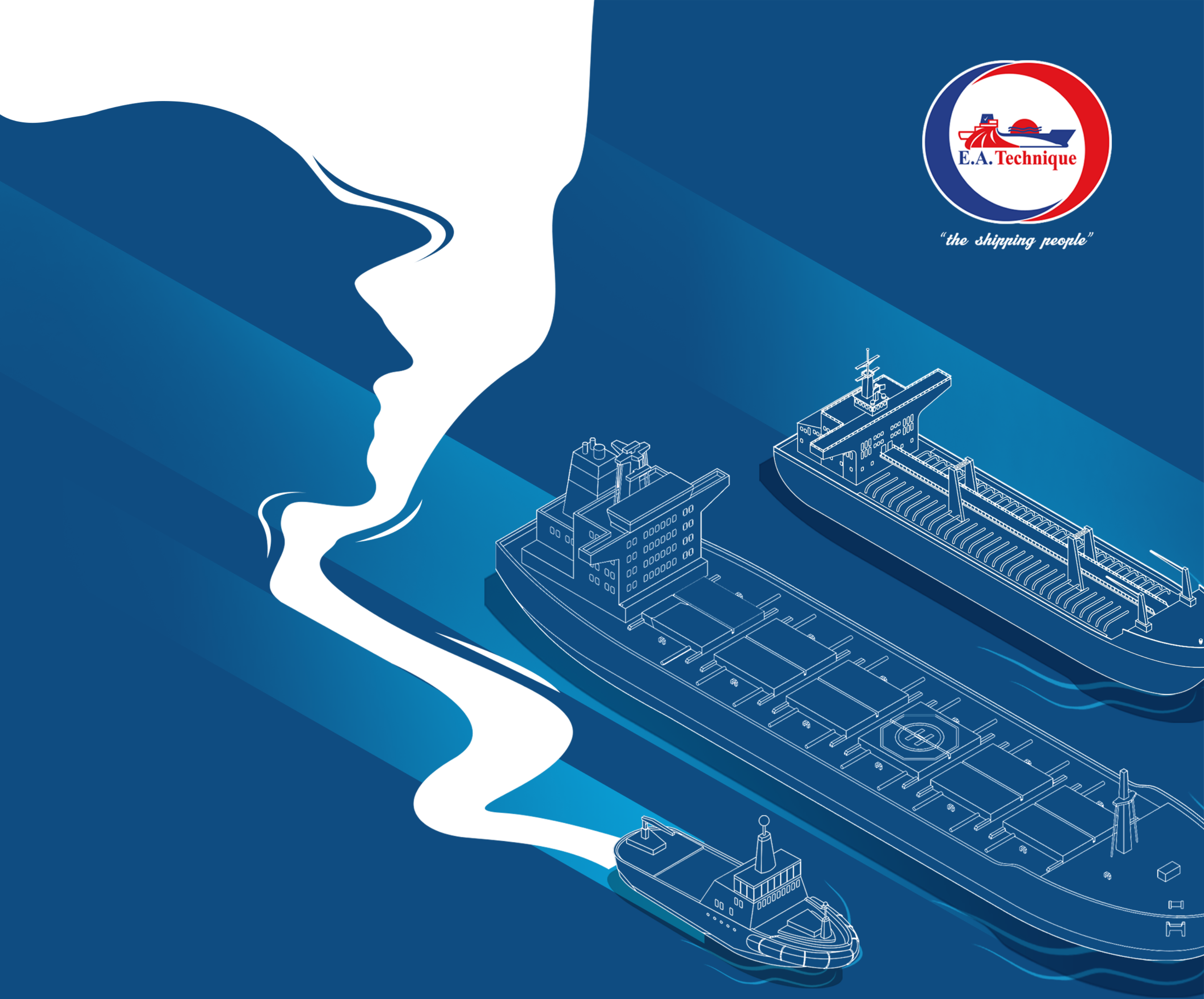


INTEGRATED
ANNUAL REPORT 2021

TOGETHER WE MOVE FORWARD

E.A. TECHNIQUE (M) BERHAD
199301001779 (256516-W)

RATIONALE

We are surging ahead with renewed spirit and great optimism that the tough times are now behind us. Remaining resilient on course and steadfast on steering towards the horizon of opportunities, E.A. Technique together with our committed and determined workforce and strategic assets will realise all potentials. Together, we are moving forward into a future of sustainable growth with strength, dexterity and professionalism.

INSIDE *This*

For more information visit our website at:
www.eatechnique.com.my

Report

28th ANNUAL GENERAL MEETING

live streaming from the broadcast venue at:

WHERE

Tricor Business Centre,
Manuka 2 & 3, Unit 29.01 Level 29,
Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
8 Jalan Kerinchi,
59200 Kuala Lumpur
Malaysia

TIME

Monday, 13 June 2022
at 12.00pm

CORPORATE OVERVIEW

PERFORMANCE REVIEW

GOVERNANCE

OVERVIEW

LEADERSHIP

CORPORATE DISCLOSURE

CORPORATE PROFILE

E.A. Technique (M) Berhad (E.A. Technique) was incorporated in Malaysia on 18 January 1993 under the Companies Act 1965 as a private limited company as E.A. Technique (M) Sdn. Bhd. It was listed on the main market of Bursa Malaysia on 11 December 2014.

Our VISION

To be the locally preferred service provider of **Marine Services** with a Global Vision

Our MISSION

A local shipping company focuses and exemplifies attributes of:

- **Safety**
- **Quality**
- **Security Culture**
- **Environment**

E.A. Technique (M) Berhad is a local marine company that owns and operates marine vessels where our business is focused on marine transportation and offshore storage of oil & gas ("O&G"), and provision of port marine services.

The Company is involved in the charter of various types of tankers for the transportation and offshore storage of oil & gas, charter of marine tug vessels for the provision of port marine services and charter of Offshore Support Vessels ("OSV") in the form of fast crew boats to transport personnel/light cargoes between shore and platform, platform and platform and other offshore facilities.

As at 31 March 2022, the Company owns and operates a total fleet of thirty three (33) marine vessels in our portfolio, which comprises six (6) oil & gas tankers, two (2) Floating Storage & Offloading Unit ("FSU/FSO"), nine (9) OSVs and sixteen (16) marine vessels.

To strengthen our position in shipping and maritime industry, we also ventured into shipbuilding, ship repair and minor fabrication in 2007 through our subsidiary, Johor Shipyard and Engineering Sdn Bhd ("JSE"), which operating on a 20 acres land in Hutan Melintang, Perak. JSE has been awarded as "Outstanding Ship Builder 2017" by Ministry of Transport in 2018. Recently, in 2021, JSE has been shortlisted among ten (10) other top shipyards in Malaysia for the Petronas Offshore Safina Project.

Libra Perfex Precision Sdn Bhd as our wholly owned subsidiary is providing tugboats for the operations of Petronas Floating LNG (L) Ltd ("PFLNG").

CORE BUSINESS

MARINE TRANSPORTATION AND OFFSHORE STORAGE OF OIL & GAS

Our product tankers are used to transport refined petroleum products from oil refineries to end-users or to another refinery for further processing known as Clean Petroleum Products ("CPP") e.g., kerosene (jet fuel), diesel and petrol (RON95 & RON97) and also Dirty Petroleum Products ('DPP") such as fuel oil and crude oil.

FSU/FSO are typically used to support production platforms as an offshore Oil & Gas storage facility at brown fields.

We also operate Offshore Supply Vessels ("OSV"), namely fast crew boats, which are primarily used to transport personnel/light cargoes between shore and platform, platform and platform and other offshore facilities.

PROVISION OF PORT MARINE SERVICES

We are also engaged in the provision of port marine services for petrochemical and bulk & containerized ports in Malaysia.

The types of port marine services that we provide at the ports include, among others:

- Towage services comprising towing, pushing or maneuvering vessels; and
- Mooring services which involve securing a marine vessel to specially constructed fixtures such as piers, quays, wharfs, jetties, anchor buoys and mooring buoys.

We also provide dockside mooring services where we have mooring personnel to secure vessels to floating structures and fixtures at the wharf.

MARINE ENGINEERING SERVICES

Our marine engineering services are more focused to the shipbuilding and ship repair activities.

Our shipbuilding and ship repair activities serve as an internal supporting arm to our marine vessels.

- Shipbuilding: Some of the shipbuilding activities that we carry out include construction of hull and structure, installation of machinery, equipment and instruments, and various embedded systems on the deck of the vessel, painting, and coating, as well as testing and commissioning.
- Ship repair: Our ship repair utilizes the same facilities, equipment and skill set as shipbuilding. Our repair works involves inspection, replacement, modification, removal, installation, and cleaning.

We also undertake the minor fabrication of steel structures in our shipyard. The steel structures that we fabricate are mainly for marine vessels for example skids and piping systems.

AS AT TODAY, 31 MARCH 2022

OIL TANKER

M.T. NAUTICA MAHARANI
M.T. NAUTICA BATU PAHAT
M.T. NAUTICA KOTA TINGGI
M.T. NAUTICA RENGGAM
M.T. NAUTICA KLUANG 2
M.T. NAUTICA PONTIAN 2

FLOATING STORAGE UNIT / OFFLOADING (FSU/FSO)

FSU NAUTICA MUAR
M.T. FOIS NAUTICA TEMBIKAI

PORT OPERATIONS

M.V. NAUTICA TG. PUTERI I
M.V. NAUTICA TG. PUTERI II
M.V. NAUTICA TG. PUTERI XI
M.V. NAUTICA TG. PUTERI XII
M.V. NAUTICA TG. PUTERI XV
M.V. NAUTICA TG. PUTERI XVI
M.V. NAUTICA TG. PUTERI XVII
M.V. NAUTICA TG. PUTERI XVIII
M.V. NAUTICA TG. PUTERI XIX
M.V. NAUTICA TG. PUTERI XX
M.V. NAUTICA TG. PUTERI XXI
M.V. NAUTICA TG. PUTERI XXII
M.V. NAUTICA TG. PUTERI XXIV
M.V. NAUTICA TG. PUTERI XXV
M.V. NAUTICA TG. PUTERI XXVI
AMAL II

OFFSHORE SUPPORT VESSEL (OSV)

M.V. NAUTICA TG. PUTERI XXX
M.V. NAUTICA GAMBIR
M.V. NAUTICA LANGSAT
M.V. NAUTICA AIR HITAM
M.V. NAUTICA TG. PUTERI XXIII
M.V. NAUTICA TG. PUTERI XXVII
M.V. NAUTICA TG. PUTERI XXVIII
M.V. NAUTICA TG. PUTERI XXIX
M.V. NAUTICA TG. PUTERI XXXVII

KEY ACHIEVEMENTS & MILESTONE 2021

1993

Incorporation of E.A. Technique (M) Sdn Bhd, which was, involved in the provision of marine consultancy services.

1995

Expanded business to include marine vessel operations. Acquired our first product tanker, Kaikura (disposed of in 2000)

Successfully registered us with Petroliam Nasional Berhad ("PETRONAS") and Ministry of Finance ("MOF").

1997

Secured our first contract with PETRONAS Dagangan Berhad ("PETRONAS Dagangan") for time chartering of our product tanker namely M.T. Nautica Kluang (also known as Princess Sofea , disposed in 2018) for a period of five (5) year with the option to extend for one (1) additional year, which we have continually extended until end 2013.

2002

Acquired an additional 4.421 deadweight tonnage ("DWT") product tanker, namely M.T. Nautica Mersing (disposed in 2011).

2003

Ventured into the operation of Liquefied Petroleum Gas ("LPG") tankers with the acquisition of a LPG tanker, namely M.T. Nautica Segamat.

2004

Secured a five (5) year time charter contract for the time charter of our first LPG tanker. M.T. Nautica Segamat, which was disposed off upon completion of the contract duration.

Obtained a contract for the time charter of two (2) harbour tugboats, namely M.V. Nautica Tg. Puteri I and M.V. Nautica Tg. Puteri II, thus marking our foray into the provision of port marine services

2006

Contracted out the design and construction of our first 5,500 DWT double hull product tanker, namely M.T. Nautica Johor Bahru, which was completed in 2008.

2007

Sindora Berhad ("Sindora") acquired a 51% equity stake of our Company. Incorporated Johor Shipyard and Engineering Sdn Bhd ("JSE"), which is involved in shipbuilding, ship repair, and minor fabrication at a rented shipyard in Teluk Intan, Perak.

Acquired a product tanker named M.T. Nautica Muar to service a time charter contract for a period of three (3) year with the option to extend for one (1) additional year. The vessel was subsequently converted into a FSU in 2013.

Ventured into chartering of OSV to operators in the O&G industry in Malaysia.

2008

Secured three (3) time charter contracts for three (3) units of 10,000 DWT double hull product tankers for a period of ten (10) year with the option to extend for three (3) additional years. Involved in the design and construction of our first 10,000 DWT double hull product tanker, namely M.T. Nautica Maharani through JSE. The vessel was completed and delivered in 2011.

2009

We entered into the Subscription and Share Purchase Agreement ("SSPA") to acquire and subscribe an aggregate of approximately 29.9% equity stake in Orkim Sdn Bhd ("Orkim") and subsequently exercised our option to acquire an additional 1.1% in Orkim in 2011.

Secured contract for the provision of port marine services incorporating mooring services, crew and time charter of two (2) mooring boats, namely M.V. Nautica Tg. Puteri VII and M.V. Nautica Tg. Puteri VIII for an O&G terminal in Malacca.

2010

Secured a time charter contract for four (4) tugboats comprising two (2) utility boats and two (2) harbour tugboats, which were subsequently completed in 2011 and 2012 respectively.

2012

JSE rented a 10-acre site at Hutan Melintang, Perak as the new location for our shipyard operations. Construction on the new shipyard, which is able to accommodate vessels up to, 10,000 DWT commenced in June 2013 and was completed in October 2013.

Secured a time charter contract for our FSU. The contract commenced in 2013.

Obtained a three (3) year contract for four (4) marine vessels for the provision at port marine services for the Sungai Udang LEKAS Regasification Project. Three (3) out of four (4) of the vessels are chartered in from third parties.

Secured a three (3) year time charter contract for one (1) of our harbour tugboats.

2013

Secured a one (1) year contract for the time charter of a pressurized LPG tanker. For the contract, we chartered a 3.728 DWT LPG tanker from an external party.

Obtained a ten (10) year contract with an option for a two (2) year extension to construct and operate six (6) new harbour tugboats for Northport. During the interim two (2) years construction period, three (3) of our vessels with three (3) chartered in vessels from third parties are currently servicing the contract.

We disposed our entire equity stake in Orkim in April 2013.

2014

Secured a three (3) year contract for time charter of two (2) pressurized LPG tankers.

Awarded a four (4) year contract with option to extend for an additional two (2) years from Vestigo Petroleum Sdn Bhd for the operations of an FSO to service the Tembikai marginal oilfields.

Acquired an oil tanker to be converted to a Floating Storage and Offloading ("FSO") unit to service the Tembikai marginal oilfields, namely M.T. FOIS Nautica Tembikai.

Awarded an eighteen (18) month contract with the option to extend for an additional sixty (60) month via a back-to-back time charter party agreement with Libra Perfex Precision Sdn Bhd for the provision of tugboat services for the operation of a new floating gas liquefaction facility located offshore Sarawak.

Received Letter of Award for the Provision of Engineering Procurement Construction, Installation and Commissioning ("EPCIC") of a Floating Storage and Offloading ("FSO") Facility Full Field Development ("FFD") Project, North Malay Basin valued at USD 191.8 million.

2015

Secured a five (5) year bareboat charter contract with Classic Marine Sdn Bhd for the provision of one (1) unit fast support vessel. Signing of contract for the provision of Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") of a Floating Storage and Offloading ("FSO") facility for Full Field Development ("FFD") project, North Malay Basin. Delivery of M.T. FOIS Nautica Tembikai to Tembikai marginal oilfield for four (4) year contract with option to extend for an additional two (2) years.

Secured contract for provision and operation of two (2) units of 40 tonnes bollard pull harbour tugboats for Kertih Port Sdn Bhd and provision of harbour tugboat cum support vessel for Petronas Penapisan (Terengganu) Sdn Bhd.

Awarded contract for the provision and operation of two (2) units 60 tonnes bollard pull harbour tugboats, one (1) unit 40 tonnes bollard pull harbour tugboats and one (1) unit multipurpose mooring boat by Sungai Udang Port Sdn Bhd.

2016

Awarded a contract in December 2016 for a Fast Crew Boat with ExxonMobil Exploration and Production Malaysia Inc. ("EMEPMI") for the provision of one (1) 25 knots FCB to support EMEPMI crew change operations. The vessel "Nautica Tg. Puteri XXX" was delivered in January 2017 and hired for a primary period of seven (7) months with two (2) extension options of one (1) month each exercisable by EMEPMI.

2017

- Awarded with three (3) contract agreements in 2017, which these contracts were signed with Bintulu Port Sdn Bhd and ExxonMobil Exploration & Production Malaysia Inc. ("EMEPMI")
- Hire of one (1) unit 60 tonnes bollard pull tugboat complete with crew for Bintulu Port Sdn Bhd on a call out basis – MSD/MOB/002/2017
- Hire of one (1) unit 60 tonnes bollard pull tugboat complete with crew for Bintulu Port Sdn Bhd on a call out basis – BHB-5/2/2017
- Provision of one (1) 25 knots FCB to support EMEPMI crew change operations.

2018

- Awarded contract for the provision of one (1) unit 60 tonnes bollard pull harbour tug by Berkat Petroleum Sdn Bhd.
- Secured a short-term contract with EnQuest Petroleum Production Malaysia Ltd for the provision of replacement of one (1) unit fast crew boat (FCB).
- Awarded contract by ExxonMobil Exploration and Production Malaysia Inc. and EnQuest Petroleum Production Malaysia Ltd for provision and operation of two (2) units fast crew boat (FCB) 25 knots 60 pax.
- Awarded contract by Petronas Carigali Sdn Bhd ("PCSB") and EnQuest Petroleum Production Malaysia Ltd for provision and operation of one (1) unit fast crew boat (FCB) 25 knots 70 pax.
- Delivery of M.V. Nautica Gambir and M.V. Nautica Langsat to serve contract with ExxonMobil Exploration & Production Malaysia (EMEPMI), PETRONAS Carigali and EnQuest Petroleum.
- Awarded a short-term contract by KMZ Energy Sdn Bhd for the provision of replacement of FCB to service PCSB.
- Awarded contract by PETRONAS for the supply and operation of two (2) units of harbour tugs for Kertih Port Sdn Bhd and one (1) unit of harbour tug for PETRONAS Penapisan (Terengganu) Sdn Bhd.
- Secured contract for the provision and operation of one (1) unit of 40 tonne harbour tug, one (1) unit of mooring boat and one (1) unit of 60 tonne harbour tug for Sg. Udang Port Sdn Bhd.
- Secured contract for the provision and operation of one (1) unit of 60 tonne harbour tug No. 2 for Sg. Udang Port Sdn Bhd, RGT.
- Secured a short-term contract with KMZ Energy Sdn Bhd for the provision of replacement of FCB to service PCSB.

2019

- Awarded contract by PETRONAS for the supply and operation of two (2) units of 40 tonnes bollard pull harbor tugs for Kertih Port Sdn Bhd and one (1) unit of harbour tug cum support vessel for PETRONAS Penapisan (Trengganu) Sdn Bhd. The Contract duration will be for a primary period of Five (5) years with Two (2) years extension options on annual basis (5+1+1) upon expiry thereof.
- Awarded contract for the provision and operation of one (1) unit of 40 tonnes bollard pull harbour tug, one (1) unit of multipurpose mooring boat and two (2) units of 60 tonnes bollard pull harbour tug for Sungai Udang Port Sdn Bhd ("SUPSB") regasification terminal ("RGT"). The Contract duration will be as follows :

For a primary period of two (2) years, effective 1 January 2019 until 31 December 2020 :

i. One (1) unit of 40 Tonnes Bollard Pull Harbour Tug -
ii. One (1) unit of Multipurpose Mooring Boat
iii. One (1) unit of 60 Tonnes Bollard Pull Harbour Tug No.1

For a primary period of six (6) months, effective 1 January 2019 until 30 June 2019 :

iv. One (1) unit of 60 Tonnes Bollard Pull Harbour Tug No.2

- Awarded contract with Petco Trading Labuan Company Limited ("PTLCL") for the provision of long-term time charter coastal vessel services of three (3) units of 9,000 DWT size vessel. The contract duration will be for a primary period of five (5) years with five (5) extension options of one (1) year each upon expiry.
- Awarded contract for Provision of Temporary Storage Tanker ("TST") including Station Keeping and Flexible Riser Tie in for Sepat Derisk and Early Production System ("DEPS") Project. The Contract duration will be for a primary period of twelve (12) months with extension options of six (6) months from expiry date and a further six (6) months.
- Awarded contract by Sungai Udang Port Sdn Bhd vide Letter of Award dated 20 June 2019 for the Provision and Operation of One (1) unit 60 Tonnes Bollard Pull Harbour Tug No.2 for Sungai Udang Port Sdn Bhd ("SUPSB") Regasification Terminal ("RGT"). E.A. Technique is using third party vessel Kejora 57 to serve the contract. The Contract duration will be for a primary period of 1 year and 6 months with an extension option of 1 year.
- Awarded contract by Naka Bayu Sdn Bhd vide Letter of Award dated 1 August 2019 for the Provision for One (1) unit of Harbour Tug. The Contract duration will be for a primary period of 1 year with an extension option of 1 year + 1 year based on vessel performance.
- VESTIGO Petroleum Sdn Bhd ("VPSB") has appointed E.A. Technique as the Ship Manager to operate FSU Nautica Muar at Bentara Field, Sarawak which will be effective from 15 November 2019 until January 2021.
- VPSB has exercised firm two (2) years extension for FOIS Nautica Tembikai starting from 15 June 2019 to 14 June 2021.
- PETRONAS Floating LNG 1 (L) Ltd. has revised the Charter Period Term for vessel M.V. Nautica Tg. Puteri XXVII, M.V. Nautica Tg. Puteri XXVIII and M.V. Nautica Tg. Puteri XXIX. All three (3) vessels has commenced 3 years full term daily charter starting 28 Nov 2019 until 28 Nov 2022 instead of two (2) years daily charter.
- Awarded one (1) year contract of affreightment ("COA") by PT. AKR CORPORINDO, TBK for Nautica Renggam effective from January 2019.

2020

- Awarded Contract by Kertih Port Sdn Bhd vide Letter of Award dated 9 March 2020 for the Term Contract of Mooring Boat and Mooring Crew. The Contract duration will be for a primary period of nine months.
- Awarded Contract by Kertih Port Sdn Bhd vide Letter of Award dated 4 December 2020 for the Term Contract for Mooring Boat and Mooring Crew Services. The Contract duration will be for a primary period of four months.
- Awarded a short-term standby vessel contract by Petra Marine Sdn Bhd for provision of harbour tug 60BP for Banang crude lifting operation.
- Nautica Renggam has served one shipment for Felix Petroleum and the passage route covered from Singapore to Cambodia.
- Secured spot charter with MIDAS, Clearlake, Petro Ocean and Petron for Nautica Pagoh.
- PT. AKR CORPORINDO, TBK has exercised six (6) months extension for Nautica Renggam starting from 24 April 2020 until 17 October 2020.
- Naka Bayu Sdn Bhd has exercised firm one (1) year extension for Nautica Tg. Puteri XXXIII starting from 7 August 2020 to 6 August 2021.
- Sungai Udang Port Sdn Bhd has exercised firm three (3) years extension for Nautica Tg. Puteri XI, Nautica Tg. Puteri XII, Nautica Tg. Puteri XV and Nautica Tg. Puteri XVI starting from 1 August 2020 to 31 July 2023.
- Sungai Udang Port Sdn Bhd has exercised firm one (1) year extension for Nautica Tg. Puteri II, Nautica Tg. Puteri XVIII, Kejora 57 and Kejora 59 starting from 1 January 2021 to 31 December 2021.

2021

- Secured two (2) new contracts valued at RM22.26 million from Sg. Udang Port Sdn Bhd to provide and operate 40 tonne bollard pull harbour tugboat and a multipurpose mooring boat for the Regasification Terminal Operation. Both contracts are for primary period of five (5) years with three (3) extension options of one (1) year each.
- Awarded a short-term contract by PETCO Trading Labuan Company Limited (PTLCL) for provision of Clean Product Tanker for Nautica Renggam for PETCO operation. The contract duration will be for a primary period of 6 months + 6 months extensions.
- VESTIGO Petroleum Sdn Bhd has exercised two (2) years + two (2) years extension for FSU Nautica Tembikai vide Letter of Extension and Continuation of Contract dated 6 December 2020 and 13 September 2021.
- Nautica Tg. Puteri XXX has served Surya Nautica Sdn Bhd for 1 year contract as a Bareboat Charter starting 1 November 2021 until 31 October 2022.

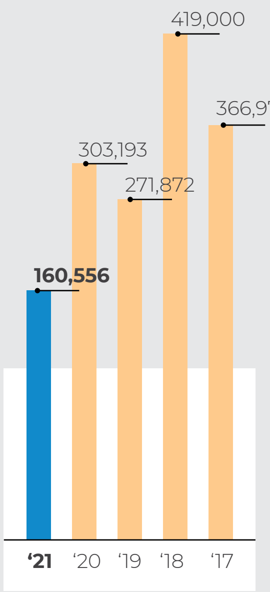
5-YEARS FINANCIAL HIGHLIGHTS

FOR YEAR ENDED 31 DECEMBER 2021

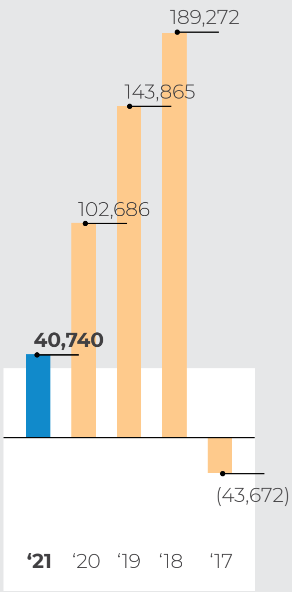
	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000
Revenue	**160,556**	303,193	271,872	419,000	366,970
Gross Profit/(Loss)	**26,464**	4,077	76,938	135,829	(125,332)
Gross Profit/(Loss) Margin (%)	**16.48**	1.34	28.30	32.42	(34.15)
EBITDA/ (LBITDA)	**40,740**	102,686	143,865	189,272	(43,672)
EBITDA/(LBITDA) Margin (%)	**25.37**	33.87	52.91	45.17	(11.90)
(Loss)/Profit Before Taxation	**(149,533)**	(118,616)	32,680	90,361	(131,903)
(LBT)/PBT Margin (%)	**(93.13)**	(39.12)	12.02	21.57	(35.94)
(Loss)/Profit After Taxation	**(150,645)**	(105,536)	36,936	74,233	(121,149)
Net Earnings Per Share (RM)	**(28.40)**	(19.89)	7.22	14.73	(24.04)
Current Ratio (Times)	**0.06**	0.09	0.18	0.18	0.20
Gearing Ratio (Times)[1]	**16.00**	1.31	1.18	1.71	2.58

Notes:
(1) *Calculated based on the total borrowings minus the corresponding cash and bank balances and short term deposits divided by the total shreholders' equity.*

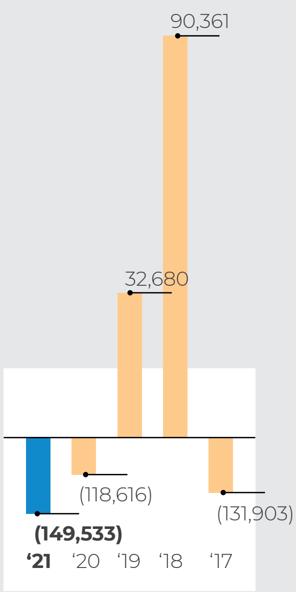
REVENUE
(RM' 000)



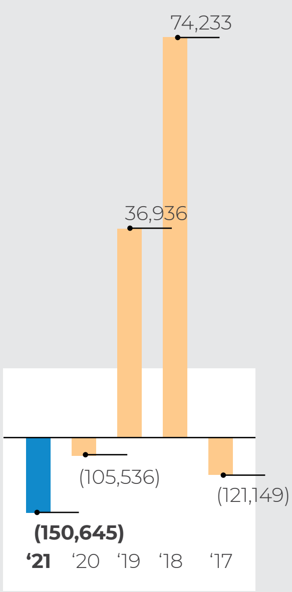
EBITDA/(LBITDA)
(RM' 000)



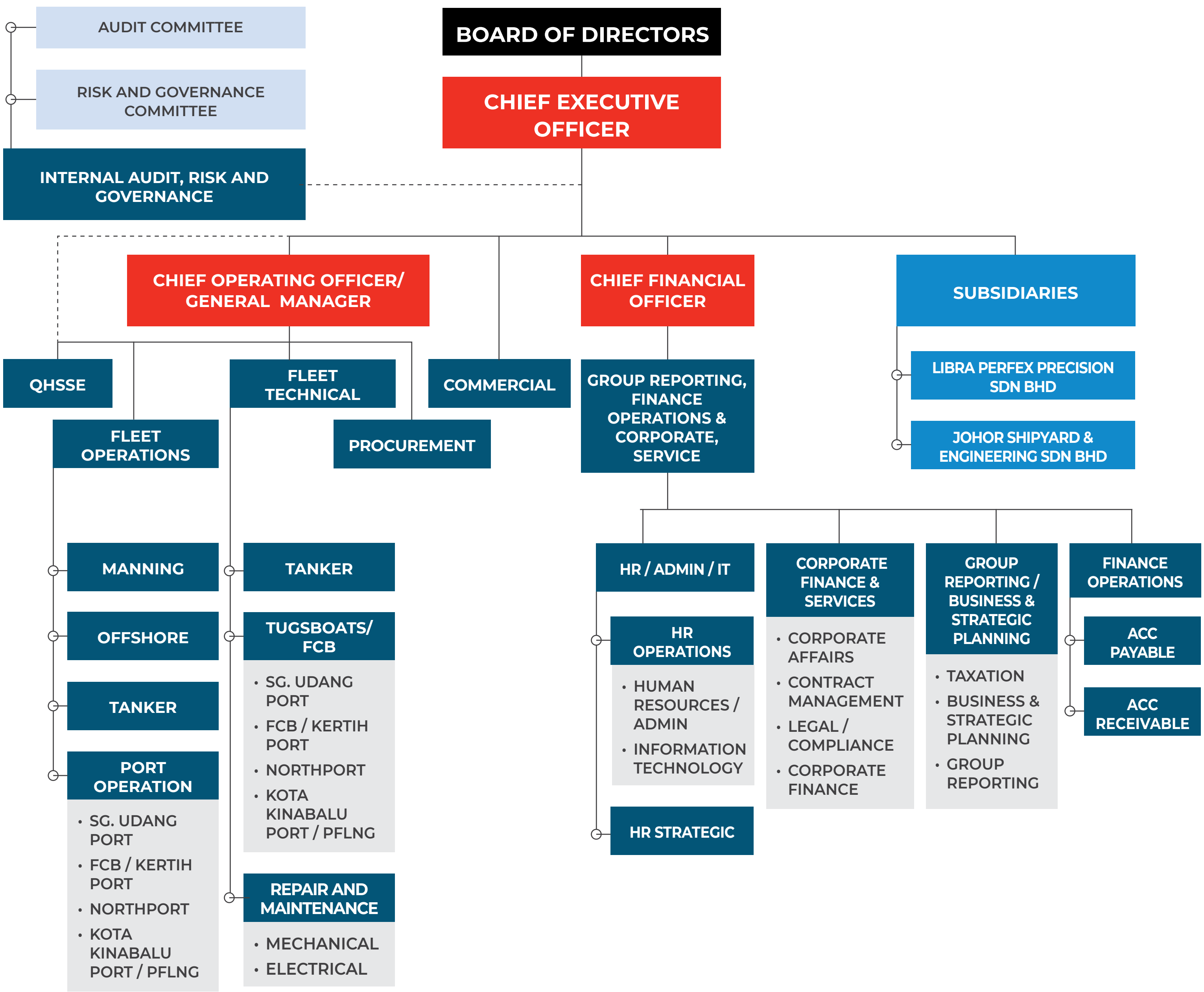
(LOSS)/PROFIT BEFORE TAXATION
(RM' 000)



(LOSS)/PROFIT AFTER TAXATION
(RM' 000)



ORGANISATIONAL STRUCTURE



CORPORATE INFORMATION

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
- **Aziah Ahmad**
  Non-Independent
  Non-Executive Director
- **Ir. Dr Mohd Shahreen Zainooreen Madros**
  Independent
  Non-Executive Director

SECRETARIES

Nuraliza A. Rahman (MAICSA 7067934)
Sabarudin Harun (MIA 30423)

Telephone : 607-219 2692
Facsimile : 607-223 3175
Email : nuraliza@jcorp.com.my
sabarudin@kulim.com.my

REGISTERED OFFICE

Level 11, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor Darul Takzim
Telephone : 607-8611611
Facsimile : 607-8611701

CORPORATE OFFICE

Setiawangsa Business Suites
Unit C-3A-3A
No. 2 Jalan Setiawangsa 11
Taman Setiawangsa
54200 Kuala Lumpur, Malaysia
Telephone : 603-4252 5422
Facsimile : 603-4252 2163

PELABUHAN KLANG, NORTHPORT OFFICE

Bangunan Marine
Jalan Pelabuhan Utara
Pelabuhan Utara
42000 Pelabuhan Klang
Selangor Darul Ehsan
Telephone : 016-923 7515
Email : rais.hakim@eatechnique.com.my

SG. UDANG, MELAKA PORT OFFICE

Oasis Marine Enterprise
Lot 1255, Batu 9 1/4, Pantai Kundor
76400 Tanjong Keling
Melaka Bandar Bersejarah
Telephone : 012-730 5224
Email : khairulnizam@eatechnique.com.my

KERTIH, TRENGGANU PORT OFFICE

Bangunan Pentadbiran Kertih Port
Sdn Bhd
Lot 3633 Kawasan Bukit Tengah, KM105
Jalan Kuantan – Kuala Trengganu
24300 Kertih, Kemaman
Trengganu Darul Iman
Telephone : 012-502 9224
Email : nurhayat@eatechnique.com.my

KOTA KINABALU PORT OFFICE

Lot 16.2, Lorong Lintas Plaza 2
Lintas Plaza
88300 Kota Kinabalu
Sabah. Negeri Dibawah Bayu
Telephone : 012-390 7224
Email : azaman@eatechnique.com.my

SUBSIDIARY OFFICE

Johor Shipyard And Engineering
Sdn Bhd
Lot PT8436-A, Mukim Hutan Melintang
36400 Daerah Hilir Perak
Perak Darul Ridzuan
Telephone : 605-641 2514
Facsimile : 605-641 3679

SHARE REGISTRAR

Johor Corporation
Level 16, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor Darul Takzim
Telephone : 607-219 5075
Facsimile : 607-221 0026

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Listed since: 11 December 2014
Sector: Trading/Services
Stock name : EATECH
Stock code : 5259

PRINCIPAL BANKERS

RHB Bank Berhad
Malayan Banking Berhad
Bank Pembangunan Malaysia Berhad
AmBank (M) Berhad
Affin Bank Berhad
Malaysian Industrial Development
Finance Berhad

AUDITORS

Ernst & Young AF: 0039
Chartered Accountants
Level 23A, Menara Millennium
Jalan Damanlela
Pusat Bandar Damansara
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For more information visit our website at:
www.eatechnique.com.my

AUDIT COMMITTEE
Chairman
Datuk Mohd Nasir Ali
Independent
Non-Executive Director

Members

Abdul Azmin Abdul Halim
Independent
Non-Executive Director

Aziah Ahmad
Non-Independent
Non-Executive Director

NOMINATION COMMITTEE
Chairman
Dato' Mohd Redza Shah Abdul Wahid
Independent
Non-Executive Director

Members

Abdul Azmin Abdul Halim
Independent
Non-Executive Director

Rozan Mohd Sa'at
Independent
Non-Executive Director

RISK & GOVERNANCE COMMITTEE
Chairman
Ir. Dr Mohd Shahreen Zainooreen Madros
Independent
Non-Executive Director

Members

Rozan Mohd Sa'at
Independent
Non-Executive Director

Datuk Mohd Nasir Ali
Independent
Non-Executive Director

REMUNERATION COMMITTEE
Chairman
Dato' Mohd Redza Shah Abdul Wahid
Independent
Non-Executive Director

Members

Datuk Mohd Nasir Ali
Independent
Non-Executive Director

Rozan Mohd Sa'at
Independent
Non-Executive Director

TENDER BOARD COMMITTEE
Chairman
Abdul Azmin Abdul Halim
Independent
Non-Executive Director

Members

Aziah Ahmad
Non-Independent
Non-Executive Director

Ir. Dr Mohd Shahreen Zainooreen Madros
Independent
Non-Executive Director

WEBSITE
www.eatechnique.com.my

BOARD OF DIRECTORS

from left:

AZIAH AHMAD (Non-Independent Non-Executive Director), **DATUK MOHD NASIR ALI** (Independent Non-Executive Director), **DATO' MOHD REDZA SHAH ABDUL WAHID** (Independent Non-Executive, Chairman), **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)

BOARD OF DIRECTORS PROFILE

Nationality
Malaysian

Gender
Male

Age
59 years old

Date Appointed To Board
14 February 2020

No. Of Meetings Attended In The Financial Year
14/15

Redza Shah

Dato' Mohd Redza Shah Abdul Wahid
Independent,
Non-Executive Chairman

Qualification:
- Bachelor of Science in Economic (Industry and Trade), London School of Economics, University of London
- Master of Science of Economics (International Banking and Finance), University of Wales, Cardiff
- Associate Chartered Accountant (ACA), Institute of Chartered Accountant in England and Wales (ICAEW)
- Member of Institute of Chartered Accountant in England And Wales
- Chartered Bankers, Asian Institute of Chartered Bankers
- Sustainability Leadership in Business Sustainability Management, University of Cambridge (Online Course)

Working Experience And Occupation:
- Chief Financial Officer, Silterra Malaysia Berhad (2000 - 2002)
- Group Chief Executive Officer, Tradewinds Corporation Berhad (2002 - 2005)
- Acting Chief Executive Officer, Tradewinds (M) Berhad (2004 - 2005)
- Chief Operating Officer, Drb-Hicom Berhad (2005 - 2008)
- Chief Executive Officer, Bank Muamalat Malaysia Berhad (2008 - 2019)

Details Of Any Board Committee Involved:
- Board Nomination Committee
- Board Remuneration Committee

Other Directorship In Public Companies And Listed Issuers. If Yes, List And Details:
Listed Issuer
- Al-Aqar Healthcare REIT
- Al-Salam REIT
- KPJ Healthcare Berhad

Non-Listed Public Companies
- Waqaf An-Nur Corporation Berhad

Any Family Relationship With Any Director And Or Major Shareholder Of The Listed Issuer:
No

Any Conflicts Of Interest With The Listed Issuer:
No

List Of Convictions For Offences Within The Past 5 Years And Particulars Of Any Public Sanction Or Penalty Imposed Buy The Relevant Regulatory Bodies During The Financial Year, If Any:
No

Nationality
Malaysian

Gender
Male

Age
64 years old

Date Appointed To Board
17 October 2014

No. Of Meetings Attended In The Financial Year
15/15

Nasir Ali

Datuk Mohd Nasir Ali

Independent
Non-Executive Director

Qualification:
- Bachelor of Economics (Honours) Degree, University of Malaya (1980)
- Master of Science (Finance), University of Strathclyde, United Kingdom (1988)

Working Experience And Occupation:
- Senior Financial and Marketing Analyst (1982)
- Investment Manager, BBMB Unit Trust Management Berhad (1988)
- General Manager of Dealing & Research Department, Mayban Securities Sdn Bhd (1991 - 1995)
- Chief Executive Officer, Kuala Lumpur City Securities Sdn Bhd (1996 - 2000)
- Group Executive Director, Utusan Melayu (Malaysia) Berhad (2000 – 2014)

Details Of Any Board Committee Involved:
- Board Audit Committee
- Board Remuneration Committee
- Board Risk & Governance Committee

Other Directorship In Public Companies And Listed Issuers. If Yes, List And Details:

Listed Issuer
- Damansara Holding Berhad
- ICapital Biz Berhad

Non-Listed Public Companies
- MIDF Amanah Investment Bank Berhad

Any Family Relationship With Any Director And Or Major Shareholder Of The Listed Issuer:
No

Any Conflicts Of Interest With The Listed Issuer:
No

List Of Convictions For Offences Within The Past 5 Years And Particulars Of Any Public Sanction Or Penalty Imposed Buy The Relevant Regulatory Bodies During The Financial Year, If Any:
No

Nationality
Malaysian

Gender
Male

Age
67 years old

Date Appointed To Board
15 April 2014

No. Of Meetings Attended In The Financial Year
15/15

Abdul Azmin

Abdul Azmin Abdul Halim

Independent,
Non-Executive Director

Qualification:

- Diploma in Banking Studies, Mara Institute of Technology (1974)
- Bachelor of Science Degree, Syracuse University, United States (1976)
- Master of Business Administration, Central Michigan University (1978)

Working Experience And Occupation:

- Management Executive, Accounts Department, Esso Production Malaysia Inc. (1978 - 1981)
- Cost Accountant, Motorola Malaysia (1981)
- Management Executive, Petronas (1981 - 1989)
- Manager, Commercial Department, Petronas Gas Sdn Bhd (1989 - 1994)
- Senior Manager, Contracts and Procurement Department, Petronas Carigali (1994 - 2002)
- Senior Manager, Tenders and Contracts Division, Petronas (2002 - 2008)

Details Of Any Board Committee Involved:

- Board Audit Committee
- Board Nomination Committee
- Tender Board Committee

Other Directorship In Public Companies And Listed Issuers. If Yes, List And Details:
No

Any Family Relationship With Any Director And Or Major Shareholder Of The Listed Issuer:
No

Any Conflicts Of Interest With The Listed Issuer:
No

List Of Convictions For Offences Within The Past 5 Years And Particulars Of Any Public Sanction Or Penalty Imposed Buy The Relevant Regulatory Bodies During The Financial Year, If Any:
No

Nationality
Malaysian

Gender
Female

Age
54 years old

Date Appointed To Board
2 October 2017

No. Of Meetings Attended In The Financial Year
15/15

Aziah Ahmad

Aziah Ahmad
Non-Independent,
Non-Executive Director

Qualification:
- Bachelor of Commerce, Majoring in Accountancy, University of Wollongong, New South Wales, Australia (1989)

Working Experience And Occupation:
- Audit Assistant, Coopers & Lybrand (1989)
- Senior Manager, Pelangi Berhad (2006)
- Deputy General Manager, PNB Commercial Sdn Bhd (2009)
- Acting Chief Financial Officer, PNB Commercial Sdn Bhd (2011)
- General Manager, Johor Corporation (2014)
- Chief Financial Officer, Damansara Assets Sdn Bhd (2015)
- General Manager, Johor Corporation (2016)
- Head Of Group Financing Monitoring And Advisory, Johor Corporation (2016 – 2019)
- Chief Financial Officer, Kulim (Malaysia) Berhad (2020 – Present)

Details Of Any Board Committee Involved:
- Board Audit Committee
- Tender Board Committee

Other Directorship In Public Companies And Listed Issuers. If Yes, List And Details:
<u>Non-Listed Public Companies</u>
- Sindora Berhad

Any Family Relationship With Any Director And Or Major Shareholder Of The Listed Issuer:
No

Any Conflicts Of Interest With The Listed Issuer:
No

List Of Convictions For Offences Within The Past 5 Years And Particulars Of Any Public Sanction Or Penalty Imposed Buy The Relevant Regulatory Bodies During The Financial Year, If Any:
No

Nationality
Malaysian

Gender
Male

Age
61 years old

Date Appointed To Board
1 January 2007

No. Of Meetings Attended In The Financial Year
15/15

Rozan Sa'at

Rozan Mohd Sa'at
Independent,
Non-Executive Director

Qualification:
- Bachelor of Economics (Honours) Majoring in Statistics, University Kebangsaan Malaysia (1982)

Working Experience And Occupation:
- Administrative Officer, Corporate Planning & Research Department, Johor Corporation (1983)
- Operations Manager, SERGAM (1986)
- Administrative Officer, Corporate Communications Department, Johor Corporation (1987 - 1988)
- Executive Director, Several Subsidiaries in Johor Corporation Group (1988 - 1993)
- General Manager, Tourism Division, Johor Corporation (1994)
- Chief Executive, Tourism Division, Johor Corporation (1996)
- General Manager, Business Development, Johor Corporation (1999)
- Senior General Manager, Business Development, Johor Corporation (2000 - 2002)
- Managing Director, Sindora Berhad (2002)
- Managing Director, PIJ Holdings Sdn Bhd (2014)

Details Of Any Board Committee Involved:
- Board Nomination Committee
- Board Remuneration Committee
- Board Risk & Governance Committee

Other Directorship In Public Companies And Listed Issuers. If Yes, List And Details:
No

Any Family Relationship With Any Director And Or Major Shareholder Of The Listed Issuer:
No

Any Conflicts Of Interest With The Listed Issuer:
No

List Of Convictions For Offences Within The Past 5 Years And Particulars Of Any Public Sanction Or Penalty Imposed Buy The Relevant Regulatory Bodies During The Financial Year, If Any:
No

Nationality
Malaysian

Gender
Male

Age
58 years old

Date Appointed To Board
1 October 2019

No. Of Meetings Attended In The Financial Year
15/15

Shahreen Madros

Ir. Dr
Mohd Shahreen
Zainooreen Madros
Independent
Non-Executive Director

Qualifications
- 1st Class Honours Degree in Civil Engineering, University of London (1986)
- Doctorate in Structural Engineering, University of Cambridge (1989)
- Registered Professional Engineer Member, The Board of Engineers, Malaysia

Working Experience and Occupation:
- Serving in Various Capacity in The Oil and Gas Industry (20 years)
- Lecturer in Engineering Faculty, Universiti Kebangsaan Malaysia
- Serving in Various Capacity in The Government Agencies (10 years)
- Represented Malaysia in Many International Trade Missions
- Involved in Various Industry Dialogue Working with The Ministry of International Trade and Industry
- Involved as An Exco Member of The Malaysian Oil & Gas Services Council (MOGSC)
- Chief Executive Officer, MATRADE (2017 - February 2019)
- Certified Coach, Malaysian Institute of Management (MIM)
- Pro- Temp Committee, IAC Malaysia
- Adjunct Professor With A Local University

Details of Any Board Committee Involved
- Board Risk & Governance Committee
- Tender Board Committee

Other Directorship In Public Companies and Listed Issuers
Listed Issuer
- Velesto Energy Berhad

Family relationship with any director and/ or major shareholder of the Company
No

Conflict of interests with the Company
No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year
No

COMPANY SECRETARIES

Nuraliza A. Rahman
Company Secretary

Nationality
Malaysian

Gender
Female

Age
50 years old

Date Of Appointment
15 January 2015

Sabarudin Harun
Company Secretary

Nationality
Malaysian

Gender
Male

Age
43 years old

Date Of Appointment
15 January 2015

MANAGEMENT TEAM

from top left:

MARIAM BINTI PUAN (Chief Financial Officer), **NASRUL ASNI MUHAMMAD DAIN** (Chief Executive Officer), **NEW KOK HO** (General Manager), **CHE ZAL AZILAH CHE OMAR** (Senior Manager, Finance Operations) **NORWAHIDA JAAFAR** (Senior Manager, Group Reporting, Finance Operations & Corporate Services), **FARRAH RADZIAH ABDUL HAK** (Commercial Manager), **ABU HUSSEIN MOHAMED** (Senior Manager, Fleet Operations), **AHMAD FAREZ SUHAIMI** (Port Operations Manager), **ROSLAN NORDIN** (Fleet Technical Manager), **ILYANA BUSTAN** (Internal Audit Manager), **ZAIREEN AZWAN RAZALI** (QHSSE Manager)

KEY MANAGEMENT PROFILE

NASRUL ASNI MUHAMMAD DAIN

Chief Executive Officer
Malaysian/ 51 yo/ Male

Date of Appointment
21 March 2022

Qualification:
- BSc. (Hons) in Accounting & Finance, University of Wales, Cardiff, UK
- Certified Credit Professional, Institut Bank Bank Malaysia

Working Experience And Occupation:
- 1996 to 1998: Corporate Loan Officer, Kewangan Industri Berhad
- 1999 to 2000: Senior Executive, Bank Industri (M) Berhad
- 2001 to 2004: Assistant Manager, Group Special Assets Division, Bank Industri (M) Berhad
- 2005 to 2006: Manager, Rehabilitation Department & Acting Head of Department, Bank Industri (M) Berhad
- 2007 to 2009: Head, Shipping Department, OCBC Bank Malaysia
- 2009 to 2022: Head / Senior Vice President, RHB Bank Berhad
- 2022 to Present: Chief Executive Officer, E.A. Technique (M) Berhad

Other Directorship In Public Companies And Listed Issuers. If Yes, List And Details:
No

Any Family Relationship With Any Director And Or Major Shareholder Of The Listed Issuer:
No

Any Conflicts Of Interest With The Listed Issuer:
No

List Of Convictions For Offences Within The Past 5 Years And Particulars Of Any Public Sanction Or Penalty Imposed Buy The Relevant Regulatory Bodies During The Financial Year If Any:
No

MARIAM PUAN

Chief Financial Officer
Malaysian/ 56 yo/ Female

Date of Appointment
1 January 2022

Qualification:
- Fellow of the Association of Chartered Certified Accountants
- Members of the Malaysian Institute of Accountants

Working Experience And Occupation:
- 1989 to 1990: Trainee Accountant, Bashir Bhatti Accounting Services (Birmingham, UK)
- 1990 to 1995: Serving in various capacity in Sime Engineering Sdn Bhd
- 1995 to 2018: Serving in various capacity in subsidiary companies within DRB HICOM Group
- 2018 to 2021: Deputy Chief Financial Officer, Prasarana Malaysia Berhad
- 2022 to Present: Chief Financial Officer, E.A. Technique (M) Berhad

Other Directorship In Public Companies And Listed Issuers. If Yes, List And Details:
No

Any Family Relationship With Any Director And Or Major Shareholder Of The Listed Issuer:
No

Any Conflicts Of Interest With The Listed Issuer:
No

List Of Convictions For Offences Within The Past 5 Years And Particulars Of Any Public Sanction Or Penalty Imposed Buy The Relevant Regulatory Bodies During The Financial Year If Any:
No

NEW KOK HO

General Manager
Malaysian/ 52 yo/ Male

Date of Appointment
1 June 2017

Qualification:
- Bachelor of Engineering, Marine Technology, Universiti Teknologi Malaysia
- Board of Engineers, Malaysia
- Members of The Institute Engineers, Malaysia
- Members of institute of Management, Malaysia

Working Experience And Occupation:
- 1994 to 2000: Senior Services Engineer (Project), Syarikat Ong Yik Lin Sdn Bhd
- 2000 to 2003: Property Manager, Metrojaya Berhad
- 2003 to 2008: Project Manager, Sumber Samudra Sdn Bhd
- 2008 to 2014: Project Manager, Johor Shipyard and Engineering Sdn Bhd
- 2014 to 2017: General Manager, Johor Shipyard and Engineering Sdn Bhd
- 2017 to Present: Executive Director, Johor Shipyard and Engineering Sdn Bhd
- 2022 to Present: Seconded as General Manager, E.A. Technique (M) Berhad

Other Directorship In Public Companies And Listed Issuers. If Yes, List And Details:
No

Any Family Relationship With Any Director And Or Major Shareholder Of The Listed Issuer:
No

Any Conflicts Of Interest With The Listed Issuer:
No

List Of Convictions For Offences Within The Past 5 Years And Particulars Of Any Public Sanction Or Penalty Imposed Buy The Relevant Regulatory Bodies During The Financial Year If Any:
No

CHAIRMAN STATEMENTS

Remaining Steadfast in Tough Times

Dato'
Mohd Redza Shah Abdul Wahid
Independent,
Non-Executive Chairman

Dear Shareholders,

It is a privilege for me to present our Annual Report for the Financial Year 2021, in conjunction with our 28th Annual General Meeting to be held on 13 June 2022.

TOGETHER, WE MOVE *Forward*

In the past two years, the maritime industry as a whole has been dealt with its fair share of challenges, mainly arising from the Covid-19 pandemic, officially announced by the World Health Organisation in March 2020. The health crisis continued into 2021, and while the vaccination roll-out from July 2021 marked the beginning of economic recovery, new variants such as the Delta and the Omicron slowed the process.

We have thus made the theme of this year's report as Together, We Move Forward. It is a call for collective support from and action by all stakeholders - shareholders, holding company, Board of Directors, management, staff, customers, creditors, bankers, and vendors - to work together to overcome challenges and reinstate E.A. Technique (M) Berhad ("E.A. Technique, the Company or Group") on the path of recovery, as a robust public listed company.

E.A. Technique is one of the leading maritime transportation and storage companies in Malaysia, with a reputation for shipbuilding as well. Since our incorporation in 1993, we have built up a strong track record, and established our credentials as a reliable, safe and competitive ship-owner, shipbuilder for the oil & gas and port sectors. We have also made inroads in minor.

During the year under review, the Covid-19 crisis continued to destabilise the business environment, weakening the performance of our customers and triggering a chain reaction on service providers such as ourselves. As an essential service, we continued to fulfill our obligations albeit within restrictive Standard Operating Procedures.

However, it was a soft market, and the Company did not secure any spot charters, our margins deflate with lower charter prices, and we experienced non-renewal of contracts upon expiry and impairment losses from vessels. The mutual termination of a RM79.84 million contract with Petco Trading Labuan Company Limited ("PTLCL") for Vessel 3 reflected difficulties faced by E.A. Technique during the year. Amidst the weak business environment, the Company struggled with cash flow constraints.

Notwithstanding these challenges, we remained resolute with realising our vision to be the locally preferred service provider for marine services. Our operational strengths and corporate resilience came to the fore and helped E.A. Technique deliver a sustainable revenue.

In financial year ended 31 December 2021, E. A. Technique reported revenue of RM160.56 million, primarily from the charter hire business. The total average of vessel utilisation for year 2021 is 74.08%. This is a testament to the strength of the Company's inner core, namely, its leadership, manpower capabilities, fleet mix and continuous efforts to make safety, quality, security culture and environmental care its priorities. Acting in concert, they enabled us to deliver customer expectations.

During the year, we secured four new contracts valued at RM79.64 million. Among our achievements were contracts to build and operate a 40-tonne bollard pull harbour tugboat and a multipurpose mooring boat for the Regasification Terminal at Sungai Udang Port, Melaka. Both are 5-year contracts, with three extension options of a year each.

Operational gains made during the year, however, were further diluted by an unprecedented event on the corporate front: the arbitration award made to Malaysia Marine and Heavy Engineering ("MMHE") that required E.A. Technique to pay RM129.6 million plus costs.

We suffered a double blow from the impact of Covid-19 crisis and vessels impairment loss, and they underscored the Company recording a Loss Before Tax ("LBT") of RM149.53 million in financial year 2021.

Group Revenue (RM)

160.56 Mil

For year ended 31 December 2021

Group (Loss) before Tax (RM)

(149.53) Mil

For year ended 31 December 2021

CORPORATE DEVELOPMENTS

MMHE Arbitration Award Settlement Agreement

The MMHE Arbitration award is the culmination of litigation proceedings filed by E.A. Technique and MMHE over a dispute involving the conversion of a floating storage and offloading ("FSO") vessel belonging to E.A. Technique. MMHE, which was appointed to undertake conversion works, claimed that E.A. Technique had failed to pay for some of the works done. The case was referred for Asian International Arbitration Centre ("AIAC").

In November 2020, the Arbitration Tribunal ruled against E.A. Technique, and awarded MMHE RM129.93 million and costs amounting to RM4.69 million with interest to be paid by E.A. Technique.

On 8 March 2021, E.A. Technique executed a settlement agreement with MMHE to reduce payment to RM104.74 million as the full and final settlement for the dispute and differences that have arisen.

Share-Buy Back Renewal Authority

On 30 June 2021, the Board announced that the shareholders have approved for the Proposed Share Buy Back Renewal at the 27th Annual General Meeting. The proposal will enable E.A. Technique to utilise surplus financial resources that are not immediately required for other uses, to purchase its own shares from the market. This exercise aims to improve earnings per share so that long term investors can enjoy a corresponding increase in the value of their investments in the company.

Practice Note 17

Due to lower charter hire, coupled with vessels impairment loss, the shareholder's equity fell below the Bursa Malaysia's mandatory 50% of share capital of RM179,755 million. As at 31 December 2021, it stood at 9.7%.

The Board announced that the Company is classified as an affected listed issuer under Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia. Pursuant to this matter, the Company is required to submit a Regularisation Plan within 12 months from 25 February 2022 {"First Announcement").

Our Board is taking the necessary steps to formulate a regularisation plan to address the Company's PN17 status and will make the necessary announcements on the regularisation plan in due course.

In the meantime, the Company's Restructuring Plan and Scheme of Arrangement with creditors is being aligned as part of the PN17 solution.

Net Earnings Per Share

(28.40)

As of 31 December 2021

Share Price (Sen)

0.08 Sen

(RM42.44 million market capitalization)

As of 31 December 2021

Gearing Ratio

16.00 Times

Restructuring Plan

E.A. Technique is in the midst of developing a debt restructuring plan that is focused on improving the Company's financial framework as well as charting our future business direction. In the meantime, the Company will continue operations as usual and uphold its business obligations.

As a first step to resolving the Company's cash flow challenges, E.A. Technique applied to the High Court of Malaya for a Restraining Order ("RO") against creditors, excluding financial institutions, to stop legal actions against E.A. Technique. The RO was granted on 28 February 2022, and it is not envisaged to have any material financial and operational impact on the Company.

STRENGTHENING THE INNER CORE

Anti-Bribery Management System

E.A. Technique upholds corporate governance, and to this end, we embarked on our journey to obtain ISO 37000: 37001 Anti Bribery Management System ("ABMS") certification to elevate business practices and procedures to counter bribery and corruption within the company and supply chain.

On 6 May 2021, the Company obtained the ISO 37000: 37001 ABMS certification and proceeded to strengthen the anti-bribery and anti-corruption culture within the Company. ABMS training sessions were conducted and by the end FY2021, all staff across the Group had completed their training.

HSSE Recognition Award 2021

The Company's mission is to uphold Health, Safety, Security and Environment standards in all that it does, and its outstanding performance and exceptional commitment to HSSE standards saw it winning the HSSE Recognition Award from MISC Maritime Services Sdn Bhd ("MMS")

OUTLOOK

The fundamentals of E.A. Technique are solid. The Company has built a good reputation in the transportation and offshore storage for the oil and gas sector and provision of maritime services for ports. Over the years we have developed the technical expertise and leadership skills to meet regulatory requirements and customer expectations. We are also fortunate to have the confidence and support of our parent company, Sindora Berhad, a subsidiary of Johor Corporation.

With the recovery of the economy, and in particular the oil & gas sector, the prospects are good, and we anticipate a rise in demand for maritime transportation and storage services next year, and for this growth trajectory in the years ahead. To reduce the Company's over-dependence on the oil & gas sector, we have started to explore opportunities in other maritime-related sectors, both in Malaysia and Indonesia.

IN APPRECIATION

Financial year 2021 has tested the resilience and resourcefulness of E.A. Technique. It has pushed to the brink and made us stronger in navigating challenges. One outcome is the Restructuring Plan that is underway, to take us to the next phase of our growth.

I am confident the future of E.A. Technique is in good hands. Since coming on board on 17 February 2020, a month before Covid-19 was declared a pandemic, I have seen first-hand our diverse stakeholders working against all odds to deliver good results. It has been an uphill battle, and the perseverance and can-do attitude of the management and staff has been admirable. Like the year before, financial year 2021 has been a demanding one. The silver lining has been it has brought us together as a cohesive unit, committed to making E.A. Technique a stronger, sustainable Company. Thank you.

I also wish to record my appreciation to the members of our Board of Directors, for steering the Company through a year of trials and tribulations. We are fortunate to have on Board a diversity of talents, with the knowledge and foresight to deliberate on difficult issues and make good decisions.

During the year, one (1) director resigned from Board effective 1 August 2021. The Board and I wish to thank Encik Abdul Rahim Omar for his dedicated service, insights and contributions to the Company. We wish him every success in his future endeavors.

The Board also welcomes the appointment of Encik Nasrul Asni Mohammad Dain as the new Chief Executive Officer ("CEO"), effective 21 March 2022. I am confident that with his breadth of experience, Company will grow from strength to strength.

Our appreciation also goes out to all shareholders, for their confidence in the future of E.A. Technique, and also to our customers for choosing E.A. Technique for their maritime service provider. We look forward to their continued support as we continue with our journey ahead.

E.A. Technique has always had a good working relationship with Government authorities such as the Ministry of International Trade and Industry ("MITI"), Ministry of Health ("MOH"), Marine Department, especially in ensuring that our operations continued unimpeded during the Movement Control Order ("MCO") imposed during the Covid-19 pandemic. Their support and cooperation have gone a long way in steering the Company through many challenges.

With the commitment and support of the above-mentioned stakeholders, I am confident the Company will rise above current challenges and forge a brighter future ahead.

Thank you

Dato' Mohd Redza Shah Abdul Wahid
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

"A combination of a strong integrated operating platform and an experienced management **Team and Workforce**"

NASRUL ASNI MUHAMMAD DAIN
Chief Executive Officer

SURGING AHEAD WITH *Renewed Optimism*

With the Covid-19 pandemic into its second consecutive year, businesses in all over the world struggled to keep afloat with border closures, lockdowns and supply chain disruptions. In the Review of Maritime Transport 2021, United Nations Conference On Trade And Development ("UNCTAD") reported that although the crisis disrupted maritime transportation, the outcome was less damaging than initially feared. It also noted that tanker shipping was hit hardest due to manufacturing production cuts that compressed the demand for fuel.

OPERATING LANDSCAPE

Overall, maritime trade performed better than expected partly because the pandemic unfolded in phases and at different speeds, with diverging paths across regions and markets. The rebound in trade flows was also the result of large stimulus packages, and increased consumer spending on goods with a growth in e-commerce.

By 2021, there was general optimism with the rollout of vaccines. However, recovery remained inherently fragile with many countries and regions lagging behind with their vaccination programmes. UNCTAD reports that the pandemic's impacts and legacies are likely to linger and the future shape of the next normal for the world economy remains uncertain.

Nascent recovery was also hindered by supply-chain bottlenecks. The rebound in trade, combined with pandemic-induced restrictions in logistics operations led shortages in equipment and containers, along with less reliable services, congested ports and longer delays and dwell times. Soaring freight rates, surcharges and fees affected profit margins. The March 2021 closure of the Suez Canal due the grounding of a container vessel Ever Given saw freight rates increase further.

Whether the recovery lasts will depend critically on the path of the pandemic. A broad-based recovery hinges to a large extent on a worldwide vaccine rollout. The International Monetary Fund estimates that US$50 billion is required to end the pandemic and roll out vaccines across developing countries. This would bring not just health but also economic benefits since it would be tantamount to a large-scale economic stimulus package that could accelerate economic recovery and by 2025 generate some $9 trillion in additional global output.

Recognition for seafarers, the industry's frontliners

Seafarers are increasingly being recognized as "key workers" who are keeping shipping and trade moving, while also being at the front line of the health crisis. Since seafarers come predominantly from developing regions, industry and government should move quickly to implement vaccine procurement and distribution plans.

The pandemic placed extraordinary demands on seafarers, with hundreds of thousands of men and women stranded on ships for months beyond their original contracts, unable to be repatriated due to national travel restrictions. A similar number of seafarers were unable to join ships and earn a living. This crew change crisis, which has been ongoing for almost two years, is a humanitarian emergency that threatens the safety of shipping.

In recognition of unprecedented hardships faced by seafarers during the pandemic, the International Maritime Organization declared the World Maritime Theme for 2021 as "Seafarers: at the core of shipping's future" to increase their visibility and draw attention to their vital role as key workers in global supply chains.

Throughout 2021, the spotlight also shone on other issues related to the human element of shipping, including the safety and security of life on board ships, seafarers' well-being, and the importance of ensuring an appropriately trained and qualified workforce, ready to meet the challenges and opportunities of digitalization and automation.

Revenue (RM)

160.56 Mil

For year ended 31 December 2021

Order Book (RM)

630.78 Mil

As of 31 December 2021 (including Optional Period)

Business Challenges

The key challenges faced by the maritime transportation business during the pandemic years (FY2020 and FY2022) were:

Rising Costs

During the pandemic, the rising costs of essential materials undermined the industry's competitiveness. Moreover, they translated to higher operational costs, which were further compounded by additional costs for quarantine of seafarers and crew changes.

Maintenance and repair delays

With supply chain disruptions, the industry faced delays in maintenance and repairs required to keep vessels seaworthy. Ship owners had to sometimes resort to procuring materials of lower quality to meet their contractual obligations, thus increasing the risk of machinery breakdowns. This triggered a vicious cycle of repair-sail-breakdown-repair, adding more costs to operations.

Crew change crisis

Seafarers are the industry's frontliners, and during the pandemic there was a crew change crisis due to border closures and travel restrictions. Businesses had limited options for repatriation, and in many instances, crew could not alight the vessel to return home after completing their tour of duty. Prolonged stays on board, lasting months, was a cause of concern because it tends induce physical and mental fatigue. It is estimated that 75% to 96% of marine incidents involves human error, and fatigue is one of the major underlying causes.

Disputes due to force majeure

The pandemic saw an increasing number of disputes following delays in the completion and delivery of new tankers to the charterer. Most affected were charterers with short term contracts for vessels. The terms and conditions of their contract was negated by the force majeure clause, which meant their loss of revenue could not be underwritten by insurance.

Idling vessels

With the slowdown in maritime transportation, many vessels were left idling and incurring the mooring and maintenance costs that could not be offset by earnings.

Delays in surveys, inspections and servicing of emergency equipment

Classification societies faced difficulties in arranging attendance for scheduled surveys, which affected the validity of vessel classification and mandatory certification. Besides, critical equipment could not be serviced at scheduled intervals because engineers were unable to attend due to travel restrictions or delayed by quarantine conditions. Social distancing, meanwhile, caused a shortage of manpower in shipyards, causing delays in building and delivery.

On shore emergency support

As a rule, onshore support for vessel emergencies occurs remotely. During the pandemic, there was manpower shortages at onshore offices, causing delays and quality support from shore to ship.

STRATEGIC GOALS

E.A. Technique's strategic direction is to bounce back from recent setbacks and seize opportunities in the horizon. Accordingly, four strategic goals were identified to recalibrate the strategic direction of Company, to position it on a firmer financial footing and develop an organisational culture that is aligned to the Company's next growth cycle.

Strategic Goal #1: Business Revenue Enhancement

- To improve vessel utilization so as to achieve higher returns on the Company's investments
- To provide quality customer service for contracts for repeat business as well as build brand equity
- To improve Daily Charter Rate ("DCR") with better terms and conditions for existing contracts
- To diversify the Company's contract portfolio through right balancing of vessels – tankers, FSUs, OSVs and tugboats – and between oil & gas and non-oil and gas customers

Strategic Goal #2: Cost Reduction Programme

- To adhere to a strict regimen of scheduled and preventive maintenance to contain costs arising from controllable expenditure
- To minimize the practice of outsourcing off hire and substitution vessels from third parties
- To strengthen technical and operational foundation through improved communication, planning, reporting and monitoring, financial management and inventory & data digitalisation

Strategic Goal #3: Liquidity Preservation

- To ensure the timely disposal of aging vessels that are no longer cost-efficient and seek buyers quickly; the falling age profile of the fleet can be used to retain existing customers and entice new ones.
- To maintain a strong and productive relationship with existing financial institutions and trade creditors and enjoy their goodwill at all times
- To initiate a corporate placement exercise to raise funds
- To initiate refinancing programmes as part of debt settlement
- To initiate the regularisation plan to restore E.A. Technique to its former listing status on Bursa Malaysia

Strategic Goal #4: Reinvigorating the Organisation Culture

- To embark on an organizational culture journey defined by positive values, continuous innovation and an ecosystem of equal opportunities in all aspects of professional development and remuneration.

FINANCIAL PERFORMANCE

The Covid-19 pandemic has ravaged the global economy over two years, and while there are signs of recovery, it remained fragile for most of 2021.

The Company's revenue drops by 47% to RM160.56 million. The reduction was due to lesser charter hire received during the period as the contract for few vessels were ended.

Profitability, however, was affected mainly due to the vessels' impairment loss of RM125.6 million due to the pandemic that reduced the fair value of the Company's assets.

During the year under review, E.A. Technique reported a loss before tax of RM149.53 (2020: RM118.6 million). Without the impairment, loss before tax was only RM23.93 million.

As at end 2021, the Company's Order Book stood at RM354.95 million (2020: RM475.51 million), with an additional RM275.83 million from extension of contracts (2020: RM307.11 million). With recovery from the pandemic in sight and the rise in demand for oil, the Company expects the Order Book to show a marked improvement in 2022.

During the year, the Company's cash flow problem posed difficulties in fulfilment of the existing and new contracts secured by E.A. Technique as faced by many shipowners who are recovering from pandemic solution. Meanwhile, in February 2022, it successfully obtained a Restraining Order from the High Court of Malaya to avert lawsuits by creditors.

Due to lower charter hire, coupled with vessels impairment loss, the shareholder's equity fell below the Bursa Malaysia's mandatory 50% of share capital of RM179.76 million. As at 31 December 2021, it stood at 9.7%.

The Board announced that the Company is classified as an affected listed issuer under Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia. Pursuant to this matter, the Company is required to submit a Regularisation Plan within 12 months from 25 February 2022 {"First Announcement").

The Company has since embarked on a Restructuring Plan to re-evaluate its strategic future direction and improve its financial framework for long-term profitability and sustainability. The Restructuring Plan will be developed in tandem with the Regularisation Plan to be submitted to Bursa Malaysia for the Company to be restored to its former listed company status.

There was also a progressive decline in share prices to 0.08 sen on 31 December 2021 (2020: 29.5 sen), while market capitalization shrank to RM42 million (2020: RM156 million). Due to the LBT and weak liquidity, the Board believes cash preservation is a priority, and does not recommend any dividend payout for FY2021.

OPERATIONAL PERFORMANCE

Marine Transportation Services

As at 31 March 2022, E.A. Technique owns and operates a total fleet of 33 vessels, consisting on 6 tankers, 2 FSU/FSO, 9 offshore support vessels and 16 marine vessels. The age profile of the fleet ranges from between 2 and 30 years.

The tankers are used for oil & gas transportation and previously were the biggest contributors to the Company's revenue. However, the demand for spot charters, which have high yields has decreased during the year.

The Company's key customers are PETCO Trading Labuan Company Limited ("PTLCL"), VESTIGO Petroleum Sdn Bhd and Sungai Udang Port Sdn Bhd, who have contracts of between 2 and 5 years. During the year under review, the Company welcomed a new customer, that is, Surya Nautica Sdn Bhd, for a 1-year bareboat charter of Nautica Tg. Puteri XXX for the period 1 November 2021 to 31 October 2022.

FY2021: KEY CONTRACTS

Client	Contract	Vessel	Contract Value
1. Sungai Udang Port Sdn Bhd	a) Provision and operation of one 40-tonne bollard pull harbour tugboat for Regasification Terminal Operation b) Provision and operation of one multipurpose mooring boat for Regasification Terminal Operation. Award dated 20 December 2021 for a primary period of five years with three extension options of one year each, upon expiry of the primary term.	· one 40-tonne bollard pull tugboat · Nautica Tg. Puteri XVIII	RM22.26 million
2. PETCO Trading Labuan Company Limited (PTLCL)	Awarded a short-term contract by for provision of clean product tanker The contract is for a primary period of six months with six month extensions.	Nautica Renggam	RM5.22 million
3. VESTIGO Petroleum Sdn Bhd	2-year contract with 2-year extension to provide and lease offshore service tanker for Tembikai (OIL) Development	FOIS Nautica	RM49.64 million
4. Surya Nautica Sdn Bhd	1-year contract for bareboat charter	Nautica Tg Puteri XXX	RM2.52 million
		Total Contract Value (RM)	**RM79.64 million**

Fleet Modernisation

Fleet modernization is part of the Company's strategy to remain competitive in the marketplace. Vessels that are technically and technologically superior are attractive propositions with high value charterers. In addition, they are aligned with the Company's mission to provide high standards of safety, security, quality while addressing digitalization needs and global decarbonization and climate change priorities.

New Vessels

- MT Nautica Kluang 2 & MT Nautica Pontian 2 were delivered in Q4, 2021.

Ship Repair & Minor Fabrication

The Company's Ship Repair & Minor Fabrication business led by the wholly owned subsidiary, Johor Shipyard Engineering Sdn Bhd ("JSE"). In financial year 2021, its performance was sluggish because of uncertainty arising from the Covid-19 crisis.

JSE suffered a setback when E.A. Technique and Petco Trading Labuan Company Limited ("PTLCL") have agreed to mutually terminated a new tanker construction contract for Provision Of Long Term Time Charter Coastal Vessel Services For PTLCL. JSE is trying to wean off its dependence on E.A. Technique and ramped up efforts to secure repair and fabrication works from external shipowners.

The outlook for 2022 is promising, with JSE shortlisted by MISC Maritime Services Sdn Bhd ("MMS") for the Safina Project that is scheduled to begin mid-2022. Also, in the pipeline are up to two General Purpose Vessel ("GPV") / Landing Craft ("LCT") from external customers.

MT Nautica Kluang 2

MT Nautica Pontian 2

MANAGING COVID-19

COVID-19 Preventive & Contingency Plan and Adapting to the New Normal

The Covid-19 pandemic, which began in March 2020, continued to disrupt businesses and livelihoods through much of FY2021.

As an essential service, the Company continued to operate despite Movement Control Orders, that impeded other sectors of the economy, particularly pillars of the Malaysian economy and their supply chains. E.A. Technique remained vigilant "conducting business as usual" under the "new normal of Covid-19 Standard Operating Procedures".

On 20 March 2020, the Company rolled out the Covid-19 Preventive & Contingency Plan on 20 March 2020 to take effect immediately.

This was a steep learning experience for the Company, where only the support departments such as Human Resources, Administration, Commercial and Corporate Services implemented work-for-home arrangements in accordance with the Government's Standard Operating Practices. The biggest challenge was complying with quarantine requirements for crew each time they went on board the vessels. It affected productivity in terms of cost, time, revenue generation and profit margins.

Incident Emergency Response Plan

To ensure minimal disruptions to fleet operations, a Mitigation Plan was drawn up. It outlined steps to be taken to minimize workplace infection risks and help facilitate the optimization of operational efficiencies in the interest of higher productivity. The highlight of the Mitigation Plan was the Incident Emergency Response Plan.

Shore-based Management

The Incident Emergency Response Plan covered Shore-based Management for Covid-10 cases detected in the office workplace, which required an affected employee to self-isolate at home pending test results. The workplace and public areas were sanitized according to the Ministry of Health requirements.

Shipboard Management

More critical was the Shipboard Management for Covid-19 cases occurring onboard vessels. In such instances, the Ship Master was entrusted to notify E.A. Technique's Duty Manager. A Company-designated Person Ashore will be liaising with the customer's representative, ship agent and local health department in the event of a possible evacuation ("MEDEVAC") for serious cases. In milder cases, the affected person is to be quarantined in his cabin, and the Ship Master to monitor and report on his progress.

As a preventative measure, all crew members are not permitted to leave the vessel when there are Covid-19 cases on board. They must also observe social distancing, wear face masks and be monitored for Covid-19, while all public areas and accommodation on board are cleaned and disinfected.

Materials Supply Management

One of the challenges of the pandemic is materials supply management. To resolve issues relating to the procurement and delivery of supplies, especially from overseas suppliers, the Company began to source materials from reliable local suppliers and contractors.

Refinements in FY2021

In 2021, the Plan was refined further to reflect new client specifications and Ministry of Health's regulatory requirements. Among the actions introduced were amendments for better control ship crew signing and signing off procedures. Despite these preventative action, any Covid-19 cases reported onboard, Company took the necessary actions as prescribed by the Ministry of Health and Covid-19 related agencies.

National Immunisation Programme

Under the National Immunisation Program rolled out in July 2021, the Malaysian Government targets to have 80% of the population vaccinated by November 2021. On its part, the Company made arrangements for all employees to be vaccinated. By end 2021, 100% of all of employees were vaccinated, and the Company has maintained a record of all vaccinated employees.

In February 2022, Malaysia's Health Minister acknowledged that the country was facing a full-blown spread of the Omicron Covid-19 variant, which replaced Delta as the dominant variant. The infectivity rate of 1.20 is at the highest level since May 2021. Daily cases are expected to rise to 15,000 soon.

E.A. Technique's management is confident that its Covid-19 Preventative and Contingency Plan is comprehensive enough to manage all variants of the Covid-19 virus.

On 8 March 2022, the Prime Minister announced that Malaysia will enter the "Transition to Endemic" phase of Covid-19 on April 1, with all restrictions on business operating hours removed. The transition to the endemic stage was originally planned for last year but it was delayed following the increase in Covid-19 cases with the spread of the Omicron variant due to floods in eight states in December 2022.

The transition to the endemic phase is an exit strategy that would allow the Malaysian population to return to near-normal life after nearly two years of battling the pandemic. This is also a temporary phase before the country moves to the endemic phase, which will be announced by the World Health Organisation.

The Covid-19 pandemic has been devasting for business and weakened E.A. Technique financial performance in FY2020 and FY2021. With endemicity in sight, the Management expects the Company to recover and post improved results in the following years.

Moving Forward

SWOT ANALYSIS

Every year, the Management conducts a SWOT analysis to gather beneficial information to guide the Company in its strategic planning process. This exercise involves examining external factors that influence how the Company functions. At the same time, all departments across the Company become involved brainstorming the internal environment comprising human, financial and physical resources at hand. The information gathered forms the basis of the SWOT analysis, to guide E.A. Technique set future business goals, strategies and action plans.

Strengths

- E.A. Technique is a strong, well-known brand in Malaysia, with more than 20 years of experience in the shipping and maritime business. It has established its pre-eminence for offering a range of solutions that are tailored to meet a client's specific requirements.
- The Company is ranked among the top four operators of product tankers and a major player providing towing services to port operators.
- E.A. Technique has a strong relationship with customers in Malaysia and Indonesia that has been nurtured over the years. They include oil and gas companies, national oil companies and industrial ports.
- The majority of the Company's vessels are long term charters, averaging between 1 and 10 years, that is, up to 2027. In FY2021, the vessel utilization rate stood at 74%. The Company also has a commanding presence in the tanker and tugboat market segment.
- The Company's wholly owned subsidiary JSE Sdn Bhd has the facilities and capabilities to undertake inhouse maintenance to ensure vessels meet high standards of seaworthiness. It also undertakes prompt repairs to minimize vessel downtime and loss of revenue during this period.
- E.A. Technique is a cohesive organisation with low staff attrition rates. The positive attitude of employees helped the Company meet the challenges and constraints Covid-19 pandemic while operating as an essential service under lockdown conditions.

Weaknesses

- The Company has a fleet of ageing vessels of between 13 and 14 years of age that will incur high maintenance costs to keep them seaworthy. The Company need to invest in new vessels to retain its edge in the marketplace.
- In the increasingly competitive maritime business, the implementation of the E.A. Technique's strategic goals is hindered by the shortage of talents to keep up with industry developments, especially in corporate and fleet management. As a result of demographic and economic changes, attracting the right talent will remain an ongoing challenge in the foreseeable future.

Opportunities

- The outlook of the marine transportation and support services business is promising with economic recovery due to Covid-19 becoming endemic.
- The strengthening of oil demand and rise in crude oil prices is expected to accelerate the momentum for oil exploration, development and production activities, triggering a demand for marine transportation and support services from 2022.
- The Company's good track record in the FSU segment has the potential to generate more business opportunities in this market.
- The development of the massive oil and gas hub at Pengerang, Johor that is dominated by the Pengerang Integrated Petroleum Complex, which specialises in petrochemical products, represents opportunities for the Company to secure contracts for the transportation of downstream refined products and chemicals to different destinations.
- The Company has two purpose-built new tankers, which are equipped with the latest technology and fully compliant with PETRONAS new build programme, ready for operations. They have the potential to boost revenue and profit from 2022 onwards.
- The Company can capitalize on its track record and customer relationships to counter competition. In the meantime, aspiring players who are disadvantaged by high entry costs for play in the maritime transportation and storage business.

Threats

- The outbreak of new Covid-19 variants that require stringent procedures to be followed will impose undue pressure on the Company's financial and non-financial resources.
- The Company faces inherent business risks such as pollution and oil spills, equipment defects, fire and explosions. The Management together with the Occupational Health, Safety, Security, Environment and Quality HSSE ensure that the Company is in full compliance with the relevant laws, regulations and policies to manage and mitigate them, if and when they occur.
- With technology embedded into fleet and corporate management, cybersecurity is a risk that can cripple the Company's operations and endanger data and assets.
- Piracy is a threat to world shipping, and Straits of Malacca and South China Sea is a popular hunting ground. Since the Company's tankers carry high value petroleum products are potential targets, it prioritises security, and this includes alert buttons installed on all tankers that are linked to its response units. In the event of unforeseen emergencies, the Company has taken the precaution to ensure that all tankers and cargoes are adequately insured.
- Competition among key players has intensified, and the Company must be aggressive marketing of its strengths, such as brand recognition, good track record, fleet mix and modern vessels, expertise, experiences and manpower diversity.

Despite the above strategies by Company, the success of it, is depending on the on-going debt restructuring plan to come up with the comprehensive scheme to address the legacy liabilities position for the company to move forward successfully.

CORPORATE DEVELOPMENTS

E.A. Technique's performance in FY2021 was affected by the Covid-19 pandemic that had a ripple effect on the industry as a whole and resulted in weak demand for vessel charter and declining charter prices in the marketplace.

Restructuring Plan, Restraining Order

On 18 February 2022, the Company had filed an Originating Summons at the High Court pursuant to Section 366 and Section 368 of the Act in applying for a scheme of arrangement for the Company's debt restructuring exercise.

On 28 February 2022, the High Court had granted the following orders to the Company:

I. a restraining order pursuant to Section 368 of the Act ("Restraining Order") for a period of three months which is valid until 28 May 2022. A Restraining Order is an order granted by the court which suspends all legal proceeding against the Company to preserve the status quo of any pending legal proceeding and for legal proceeding not to be commenced during this interim period. It will also preserve the assets of the Company as an opportunity should the provided to restructure and rehabilitate the Company; and

II. an order pursuant to Section 366(1) of the Act to summon meetings of the creditors of the Company or any class of them ("Scheme Creditors") for the purpose of considering and, if thought fit, approving the scheme of arrangement and compromise between the Company and the creditors ("Court Convened Meeting" or "CCM"). Permission is given to the Company to hold the CCM within three months from the date of this order.

Currently, management is in the midst of finalizing the proposed debt restructuring scheme for the approval of Scheme Creditors during the CCM.

Practice Note 17, Regularisation Plan

On 25 February 2022, the Company announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that the Company is classified as a PN17 issuer as it has triggered the prescribed criteria pursuant to Paragraph 8.04 of Chapter 8 and Paragraph 2.1 (e) of PN17 of the Listing Requirement. On 28 February 2022, the Company made further announcement to Bursa Securities that the Company had also triggered Paragraph 2.1 (a) of PN17 of the Listing Requirements.

Pursuant to PN17, the Company is required to submit a regularization plan to either Bursa Securities or Securities Commission Malaysia ("SC") for approval (depending on whether the plan will result in a significant change in the business direction or policy of the Company) within twelve months from the announcement date and to complete the implementation of the plan within the timeframe set by Bursa Securities or SC. Should the Company fail to comply with the obligations to regularize its condition. Bursa Securities may take necessary actions against the Company. Currently, management is in the midst of finalizing the regularization plan which include amongst others the proposed debt restructuring exercise.

OUTLOOK

FY2022 is set to be a watershed year, according to the Bank Negara Malaysia Annual Report 2021, with most countries transitioning towards the endemic management of Covid-19. However, the Report cautions that even as the global economy is expected to continue its recovery path, policymakers are adjusting their policy settings against rapidly evolving uncertainties, including the military conflict in Ukraine which began in February 2022.

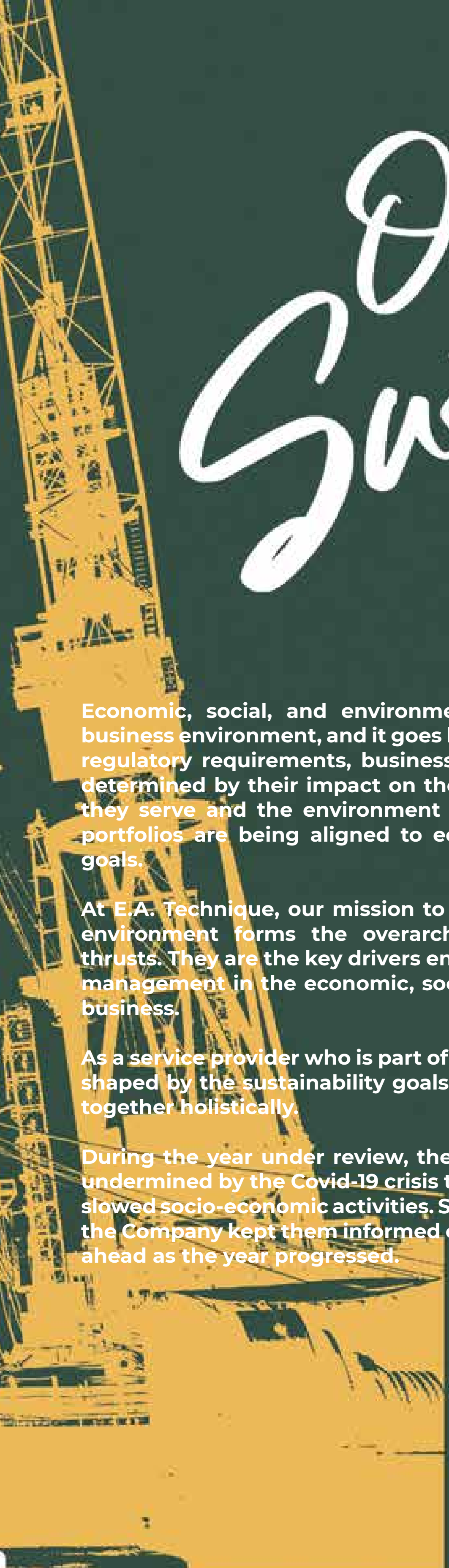
In Malaysia, economic recovery is projected to gather further momentum with the reopening of the economy and international borders. With better COVID-19 management and higher vaccination rates, there is likely to be less disruption to domestic economic activity and spending in the event of resurgences. Malaysia will also continue to benefit from the expansion in global demand. For 2022 as a whole, the economy is expected to grow between 5.3% and 6.3%.

The tanker business was hardest hit among maritime transportation during the Covid-19 pandemic, says the UNCTAD Report 2021. The business can expect to be see increased activities with the growth oil & gas demand in 2022. Port services, while remaining essential services during the pandemic, are likely to be boosted by border openings and the restoration of supply chain procurement and delivery patterns.

The outlook is encouraging but the prospects in the operating landscape need to be approached with cautious optimism. E.A. Technique plans sharpen its edge in the year ahead, by focusing on talent development, digitalisation, fleet modernisation and the exploration of opportunities in sectors other than oil and gas, and in countries beyond Malaysia.

According to UNCTAD, the medium-term outlook also remains positive, though subject to mounting risks and uncertainties, and moderated in line with projected lower growth in the world economy. Over the past two decades, compound annual growth in maritime trade has been 2.9 per cent, but over the period 2022–2026, UNCTAD expects that rate to slow to 2.4 per cent.


MALAYSIA MARINE AND HEAVY ENGINEERING



Our Sustainability Statement

Economic, social, and environmental sustainability underscore today's business environment, and it goes beyond altruistic considerations. Besides regulatory requirements, businesses recognise that their performance is determined by their impact on the people they employ, the communities they serve and the environment where they operate. As such, business portfolios are being aligned to economic, environment and social (EES) goals.

At E.A. Technique, our mission to uphold safety, security, quality and the environment forms the overarching framework for our sustainability thrusts. They are the key drivers ensuring resilience, value creation and risk management in the economic, social and environment dimensions of our business.

As a service provider who is part of the customer's supply chain, we are also shaped by the sustainability goals of customers, to create value and grow together holistically.

During the year under review, the Company's value creation efforts were undermined by the Covid-19 crisis that posed health and safety risks, which slowed socio-economic activities. Stakeholder engagement became critical, the Company kept them informed of trends, risks and opportunities that lay ahead as the year progressed.

INSIDE THIS SUSTAINABILITY STATEMENT

KEY SUSTAINABILITY HIGHLIGHTS

(For more information on our Covid-19 Preventive and Contingency Plan, please refer to page XX)

Zero

OIL SPILL CASES ACROSS ALL FLEETS

ZERO

Lost Time Injuries (LTI)

1,305,299

Total Safe Manhours Without LTI for FY2021

17,523.0

(gCO2/tonne-mile) Total Carbon Emission

Throughout this Sustainability Statement, we will be making reference to our sustainability performance and efforts for our Marine and Non-Marine Operations. Our business operations have been categorised as per the diagram below:

Overview of BUSINESS OPERATIONS

NON-MARINE OPERATIONS

Marine Engineering Services

- Shipbuilding and ship repair

Marine Transportation and Offshore Storage of Oil and Gas Charter Hire of:

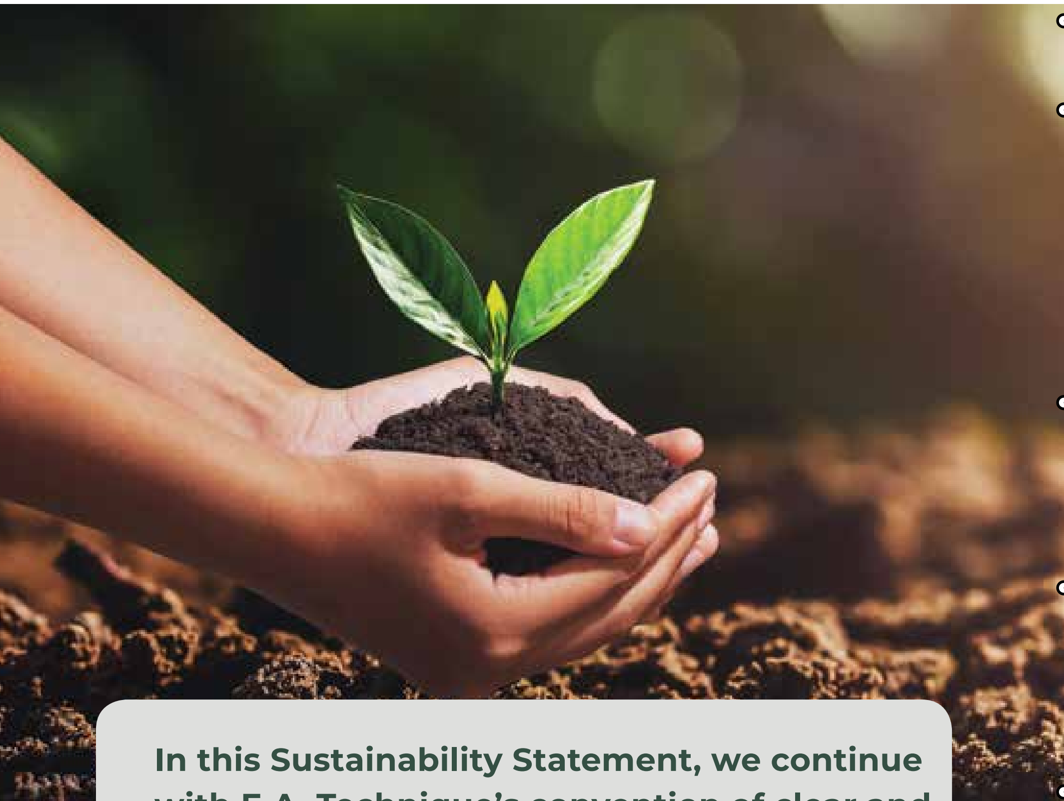
- Product tankers
- Floating Storage Unit ("FSU")/ Floating Storage Operation ("FSO")
- Offshore Supply Vessels

Port Marine services

- Towage Services
- Mooring Service
- Dockside Mooring Service

MARINE OPERATIONS

ABOUT THIS STATEMENT



In this Sustainability Statement, we continue with E.A. Technique's convention of clear and transparent disclosures of the Company's approach, initiatives and performance across the three sustainability pillars – Economic, Environment and Social – for the year ended 31 December 2021.

Economic

Refers to the impact we have on the economic condition of our business and our stakeholders.
pgs. 50 - 51

Environment

Refers to the impact we have on living and non-living natural systems, including water, land, air and ecosystem.
pgs. 52 - 55

Social

Refers to the impact we have on our people and our community.
pgs. 56 - 63

Reporting Period
1 January 2021 to 31 December 2021

Reporting Boundary
This Statement covers all business operations in Malaysia, including our subsidiaries, unless stated otherwise.

Where possible, we have included both comparative and quantitative data to support the disclosure of each material sustainability matter.

Reporting Framework
- Bursa Securities' Main Market Listing Requirements
- Bursa Malaysia's Sustainability Reporting Guide (2nd Edition)

Assurance
This Statement has not undergone external assurance. Moving forward, we will work towards obtaining third-party verification as we progressively mature in our sustainability journey.

Feedback
We value our stakeholders' feedback on this Statement and on our sustainability practices. Should you have any queries or feedback, you are welcome to contact:
Norwahida binti Jaafar
(Senior Manager, Group Reporting, Finance Operations & Corporate Services)
Email: norwahida@eatechnique.com.my or ir@eatechinque.com.my

SUSTAINABILITY GOVERNANCE

E.A. Technique's Board hold the highest responsibility in managing sustainability across the Group. Our sustainability governance represents how we drive sustainability across the Group and assimilate it with our operations. The effective management of our sustainability matters are cascaded and communicated between the Board, Executive Board Committee, Senior Management and Core Business Functions through a cross-functional approach.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is one of the pillars of sustainability.

The impact of the Covid-19 pandemic and the loss of the MMHE arbitration case saw stakeholder engagement being intensified, especially to inform those vested interests of developments that affected the financial and operational performance of the company during FY2021. The engagement also saw reassurances from the Company, based on trends, risks and opportunities as the world progresses into the endemic stage of Covid-19 from 2022 onwards.

Stakeholder engagement guided the E.A. Technique Board with policy-making and the Management with strategy development and execution. In addition, it forged transparency, trust while striving to retain the confidence of stakeholders.

During the year, all stakeholder communication and engagements were conducted virtually because of the Covid-19 pandemic. At these online meetings, the Company raised matters of concern to relevant stakeholders, and notified them of actions taken to manage of sustainability materiality matters. The table below refers.

Stakeholder Groups	Frequency Of Engagement	Areas Of Interest Or Concern	Link To Material Matters
CUSTOMERS · Direct meetings · Customer satisfaction surveys	· Weekly and monthly · Bi-annually or upon product delivery	· Occupational Health and Safety ("OHS") matters · Vessels' vetting, audit and survey · Commercial matters	
SHAREHOLDERS · Annual General Meeting · Extraordinary General Meeting · Quarterly and Annual Report · Bursa Announcement · Corporate Website	· Annually · As required · Quarterly and annually · As required · On going	· Financials and performance · Dividend	
BOARD OF DIRECTORS · Board of Directors' meeting	· Quarterly	· Financials and performance · Operations · Strategic planning · Corporate governance	
REGULATORS · Direct meetings · Onsite inspection · Written communication	· On-going	· Corporate governance · Compliance and regulations	
INVESTOR/ MEDIA · Investor briefing · Corporate Website · Quarterly and Annual Report · Annual General Meeting · Virtual meetings and conference calls	· Annually · As required · Quarterly and annually · As required · On-going	· Financials and performance · Dividend	
EMPLOYEES · Human Resource briefings	· As required	· OHS matters · Company's policies & procedures · Financials and performance	
SUPPLIERS · Direct meetings and discussion	· On-going	· Product information · Vendors' performance	
LOCAL COMMUNITY · Corporate Social Responsibility ("CSR") events · Internship programme	· On-going	· Community initiatives · Career opportunities	
INDUSTRY PEERS · Vessel Owner Meeting · Maritime Shipowners Association (MASA) conference	· As required · Annually	· Business opportunities · Career opportunities · Networking	

Economic Performance

OSH

Strong Governance

Customer Satisfaction

Compliance

Pollution and Resource Management

Capability Building

Employee Management

Contribution and Volunteering

MATERIAL SUSTAINABILITY MATTERS

E.A. Technique's material matters relate to risks and opportunities that exist in the Company's key economic, environmental and social aspects of the business. The Company believes that by allocating proper resources to manage material matters, it can formulate a targeted and strategic sustainability agenda to promote growth.

Every year, the Company conducts a review of material sustainability matters to ensure that we are on track to achieve our goals and aspirations. The review examines internal issues and external challenges during the year to recalibrate future direction, as and when needed.

In FY2021, we conducted a materiality assessment to strengthen E.A. Technique's financial framework so as to address cash flow challenges faced by the Company due to the Covid-19 pandemic, impairment losses and monies to be paid for the MMHE arbitration case that we lost.

Materiality Assessment Process –

Identification

Since FY2020, we have been reviewing the Company's material matters, which are based on inputs from key internal and external stakeholders, Bursa's Sustainability Reporting Guide (2nd Edition), GRI Standards, market trends, peer disclosures and media coverage.

Prioritisation

During the year, key internal stakeholders, namely, Management and employees were asked to fill survey forms to gauge, to reprioritize material matters that affected or likely to affect performance in the future.

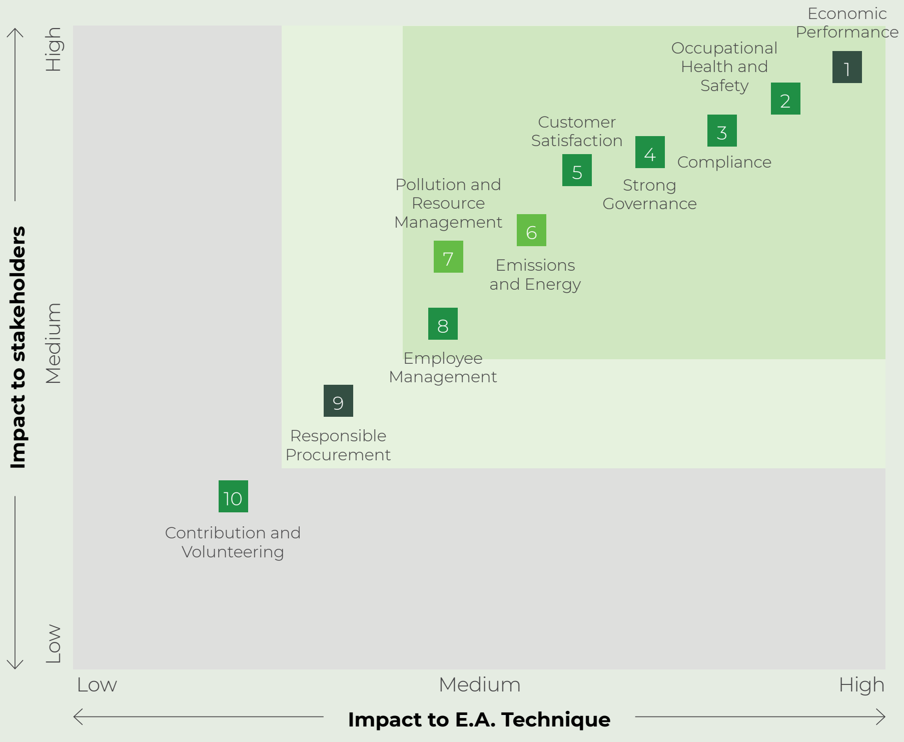
The prioritisation of material matters was carried out based on the Company's EES impacts and their influence on decision-making by our nine key stake holders.

Validation

The Materiality Matrix, which is based on internal and external findings, is refreshed and validated every year.

FY2021: MATERIALITY MATRIX

Our refreshed material matters in FY2021, are reflected in the matrix below:



We have attempted to explain all key changes to our matrix as follows:

- "Responsible Procurement" has been added as a new material matter to reflect our current efforts in managing the sustainability of our supply chain.
- We have split "Good Governance" into "Compliance", "Strong Governance" and "Customer Satisfaction" for a more targeted approach in managing these material matters. Likewise, we have separated "Environmental Management" into "Emissions and Energy" and "Pollution and Resource Management" to dedicate focus towards managing the two (2) environmental matters.
- We renamed "Capability Building" to "Employee Management" to reflect our holistic approach in managing and upskilling our workforce.

This year, we have enhanced our sustainability reporting scope to include disclosure of all material matters in the matrix, as follows:

No.	Material Matters	Our Approach
1	**ECONOMIC PERFORMANCE** Economic value generated from our operations and distributed to our key stakeholders.	Improving our economic performance through enhancing efficiency of our business operations to ensure long term value creation for our key stakeholders.
2	**RESPONSIBLE PROCUREMENT** Assessing our suppliers to meet our procurement policy requirements while channeling support towards local suppliers at significant location of operations.	Establishing meaningful relationships with our suppliers throughout our value chain while promoting EES practices in our suppliers' assessment
3	**EMISSIONS AND ENERGY** Emission of greenhouse gases (GHG) and environmentally hazardous substances into the atmosphere and the consumption of energy within E.A. Technique.	Implementing measures in place to help reduce GHG and other harmful emissions into the atmosphere as a way of contributing towards climate change mitigation.
4	**POLLUTION AND RESOURCE MANAGEMENT** Effective management of our environmental impact, which covers waste and effluent management, spills prevention, water management and biodiversity.	Implementing environmental management practices that are in compliance with relevant standards to showcase our environmental stewardship.
5	**OCCUPATIONAL HEALTH & SAFETY (OHS)** The importance we place on ensuring the wellbeing and safe working environment for our employees, customers and contractors.	Implementing health and safety guidelines in day-to-day operations to establish an injury-free and healthy work environment.
6	**COMPLIANCE** Degree of observance to laws and guidelines, as well as efforts undertaken in assessing the anticipated environmental and social impact of our activities.	Ensuring compliance to environmental and social legislation and standards.
7	**STRONG GOVERNANCE** Operate our business in an ethical manner while upholding the highest standards of integrity.	Managing the risk and opportunities of the business to build trust and drive performance.
8	**CUSTOMER SATISFACTION** Active engagement with customers or clients to deliver products and services that meets their expectations.	Providing services that meet and exceed the needs of our customers across the oil and gas value chain and actively engaging with them and seeking feedback.
9	**EMPLOYEE MANAGEMENT** Attract, develop and retain high-performing employees and crews, creating an inclusive and diverse culture	Conducting meaningful engagements with our employees and crews and equipping them with the relevant skills and technical capabilities to boost workplace culture and productivity.
10	**CONTRIBUTION AND VOLUNTEERING** Organisational efforts to give back to the community in which we operate.	Increasing social investments and contributions towards community development to enhance livelihood and create positive social impacts.

Supporting United Nations Sustainability Goals (UN SDGs)

The United Nations Sustainable Development Goals ("UN SDGs") serve as a global call for action to safeguard and enhance sustainability for current and future generations and covers all aspects of sustainable development. Malaysia has ratified the UN SDGs and aspires to achieve these goals through partnerships and collaborations from various stakeholders. The International Maritime Organisation (IMO), as an agency of the United Nations, has committed to contributing towards UN SDGs that are relevant to the industry to help achieve this 2030 Agenda for sustainable development.

This year, we have identified UN SDGs that are most relevant to our business operations and sustainability agenda and mapped these UN SDGs to our material matters. Moving forward, we aim to further assess how our business activities and sustainability efforts enhance our commitment and contribution to this global agenda.

UN SDG	Our Approach	Related Material Matters
SDG3: GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	This goal encompasses both safeguarding the health and well-being of our employees and crew by ensuring high standards of occupational health and safety, as well as public health through adequate measures for pollution control.	• OHS, page 59 • Pollution and Resource Management, page 53
SDG8: DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We aspire to create an environment where our people feel valued, appreciated, safe and able to realise their own potential. We believe that a motivated workforce will boost workplace productivity and contribute positively to our business performance.	• Economic Performance, page 50 • Responsible Procurement, page 51 • OHS, page 59 • Compliance, page 56 • Strong Governance, page 66 • Customer Satisfaction, page 58 • Employee Management, page 61 • Contribution & Volunteering, page 61
SDG13: CLIMATE ACTION Take urgent action to combat climate change and its impacts	In line with commitments made by the IMO on reducing GHG emissions, we strive to manage our carbon footprint resulting from our operations.	• Energy and Emissions, page 53 • Pollution and Resource Management, page 53 • Compliance, page 56

ECONOMIC

ECONOMIC PERFORMANCE

In FY2021, the Company's economic performance showed a reduction of turnover of 47% with a turnover of RM160.6million. Port Marine Services are the biggest contributor to revenue, accounting for 50.2% of revenue that is derived mainly from port operations that grossed RM80.6million. Time charters continued to be the anchorof business, while spot charters was feeble due to weak oil and gas demand in global and regional markets.

For more information, please refer to the audited financial statements on pages 84 to 180.

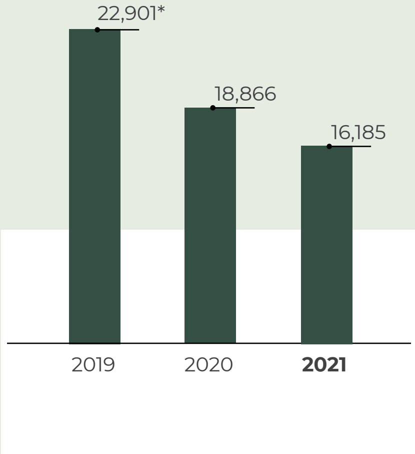
Economic Value Distributed

Sustained value creation goes beyond financial returns, and this is central to E.A. Technique's business proposition to ensure immediate and long-term sustainability. For stakeholders, we created the following values during the year:

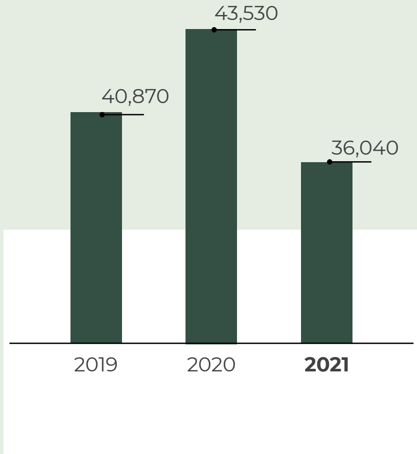
- Employees – employment, talent development and professional training
- Government – payment of taxes; helping strengthen national maritime goals
- Investors – dividends and finance costs
- Communities – CSR activities to improve lives and livelihood of at-risk communities

For more information, please refer to the following sections of the FY2021 Annual Report that provides further insights into our financials and analysis of our key operating risks and mitigation controls:

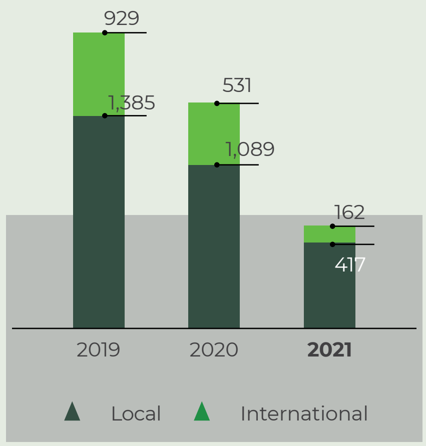
PROVIDERS OF CAPITAL
(RM' 000)



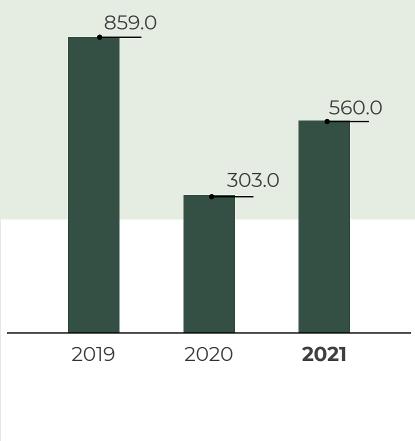
EMPLOYEE
(RM' 000)



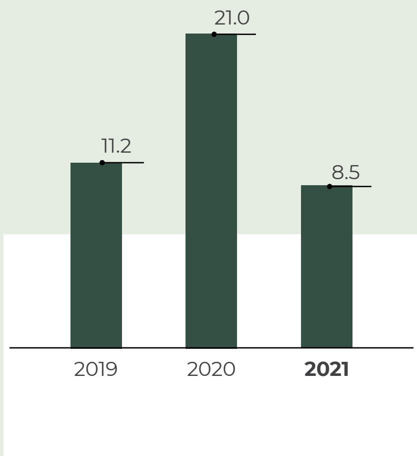
TOTAL NUMBER OF SUPPLIER
(RM' 000)



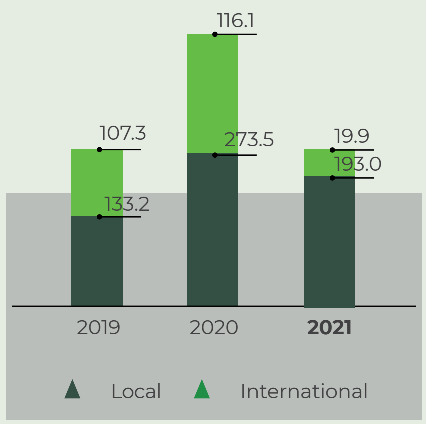
GOVERNMENT
(RM' 000)



COMMUNITY
(RM' 000)



TOTAL SPENT ON PROCUREMENT
(RM Million)



RESPONSIBLE PROCUREMENT

Sustainability is measured not only of actions taken by the Company but also by what happens across the supply chain. At E.A. Technique, the majority of companies in the Company's supply chain are Malaysian companies (72%), from whom we procured RM193.0 million worth of goods and services in FY2021. They accounted for 71% of our procurement spend for the year.

Typically, they are medium companies and large companies that provide spare parts for vessel maintenance. With local procurement, E.A. Technique aims to play its part in raising the standards of the potentially dynamic ship maintenance, repair and overhaul business in Malaysia.

The Company requires all suppliers to comply with its procurement practices that are based on the Company's Integrated Management System Manual consisting of the ISO 9001: 2015 (Quality Management System); ISO 14001 2015 (Environmental Management System); and ISO 45001: 2018 (Occupational Health and Safety Management System).

Every year, we review and assess our suppliers against the Company's Key Performance Indicators such the quality of service, technical expertise, and Health, Safety, Security and Environment performance. Moving forward, we plan to be more stringent in monitoring them, particularly with regard to the impact of supplier's operations on the environment.

ENVIRONMENT

As a signatory to the 2015 Paris Agreement, Malaysia has committed to reduce greenhouse gases by 45% by 2030. This consists of 35% of an unconditional basis and an additional 10% provided there is assistance in the form of climate finance, technology transfer and capacity building from developed countries.

With the oil and gas industry recognised as one of the biggest contributors to carbon emissions, in 2020, PETRONAS announced its aspiration to achieve net zero carbon emissions by 2050. The International Maritime Organization is also intent of developing an ecosystem that demands accountability for Greenhouse Gases (GHG) emissions, and targets to half carbon emissions by 2050.

To play its part in achieving the above-mentioned targets, E.A. Technique is guided by its ISO 14001: 2018 Environmental Management I System (EMS) certification that outlines the framework and processes to manage, monitor and improve its environmental practices. The EMS is supported by the Company's Quality, Health, Safet and Environment (QHSE) and Protection Policy and Environmental Management Manual (EMM) that govern our marine and non-marine operations.

Regulatory Environment

Sustained value creation goes beyond financial returns, and this is central to E.A. Technique's business proposition to ensure immediate and long-term sustainability. For stakeholders, we created the following values during the year:

Marine Operations are regulated by the International Convention for the Prevention of Pollution from Ships 1973/1978 (MARPOL) as stipulated by the International Maritime Organization, and covers the prevention of pollution and spillage of harmful substances from vessels.

Non-Marine Operations are regulated by the Malaysian Department of Environment.

In FY2021, E.A. Technique did not contravene any environmental law of regulation.

CLIMATE CHANGE AND NATURAL RESOURCE MANAGEMENT

To address climate change issues, the Company's focus is to reduce emissions, improve fuel efficiency, switch to more sustainable carbon fuels, and lend support for new technologies to achieve emissions reductions. At the same time, it has resource management initiatives to reduce pollution and managing waste in its many permutations.

For best results, the Company has adopted a two-pronged approach to address these environmental risks by implementing sustainable practices for a) emissions and energy management and b) environmental resource management.

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CLIMATE CHANGE

Reducing Emissions and Energy Efficiency Management

The International Maritime Organization (IMO) reports that the international shipping industry is responsible for 3% of greenhouse gas emissions (GHG) emissions, and has called to half emission levels by 2050, from the 2008 baseline. To achieve this target, IMO has drawn up a list of regulations for shippers to follow.

In compliance with IMO requirements, E.A. Technique formulated the Ship Energy Efficiency Management Plan Manual (SEEMP) to improve energy efficiency of vessels. In FY2021, Statement of Compliance based on the SEEMP was issued to all Product Tankers including chartered or non chartered vessel.

Beginning January 2020, the Company started reducing the sulphur limit of fuel oil in all vessels from 3.5% to 0.5%, in compliance with the amended MARPOL Annex V1 adopted by IMO. Company's Fuel Oil Management Plan was thus revised accordingly, and all our tankers transitioned from Heavy Fuel Oil (HFO) to Low Sulphur Fuel Oil (LSFO) by end 2020.

Energy Efficiency Initiatives

We continued our momentum to improve fuel efficiency and reduce consumption of our vessels with the following initiatives:

Installation of Propeller Boss Cap Fins
- To reduce fuel consumption
- To reduce maintenance
- To increase vessel speed

Cleaning of Hull and Appurtenances
- To minimize resistance to movements through water
- To increase fuel efficiency

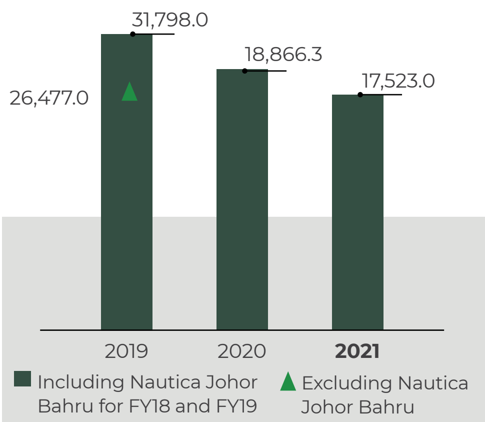
Reducing Tanker Speed
- To reduce fuel consumption
- To increase fuel efficiency
- To comply with IMO's Nominal Continuous Rating

Following on-schedule engine maintenance
- To increase fuel efficiency

Using Low Sulphur Fuel Oil
- To reduce emissions

Emissions Management

CO2 EMISSION
(gCO2/tonne-mile)



PETRONAS announcement for net zero carbon emissions by 2050 had a ripple effect on its supply chain. Since PETRONAS is the E.A. Technique's anchor customer, we will be aligning our sustainability initiatives to deliver PETRONAS' net zero carbon emissions goals. As required by PETRONAS, in FY2020 all our time-charter vessels switched to LSFO with a low sulphur content of 0.5%.

Moving forward, the Company plans to use clean fuels such as Liquified Natural Gas for our existing and new vessels to further reduce its carbon footprint.

At offices, we closely monitor energy usage from air-conditioning and lighting systems, and electrical devices, appliances and equipment. At the head office, employees have to switch off the lights during lunch breaks and at the close of business to reduce energy wastage. In FY2021, these actions delivered a reduction of 31% in energy consumption and RM27,546.73 savings in electricity bills.

NATURAL RESOURCE MANAGEMENT

To reduce the impact of our business operations on the maritime and terrestrial environments where we operate, the Company introduced a series of management systems for more efficient natural resource management.

The Systems identify practices to adhere to, with the goal of reducing waste and water consumption, and air and water pollution. Besides the obvious environment and social health benefits, these environmental protection efforts have economic and reputational benefits – they will help raise E.A. Technique profile as a responsible progressive 21st century company.

	Marine Operations	Non-Marine Operations
WASTE	**Garbage Management Plan ("GMP")** • Information on handling, storing and disposal of garbage that is applicable for vessels above 100 gross tonnage and carrying more than 15 persons • If a vessel is above 400 gross tonnage, it is required to have a Garbage Record Book to record every discharge into sea, waste incinerated, and disposal to licensed facilities	Chemical and Waste Management Manual • Methods to control purchase, handling, storing and disposal of general waste and hazardous waste
EFFLUENTS	**1. Bilge Management Plan** • Procedures on handling bilge water, which are processed through an oil filtering equipment • All bilge discharge is recorded in the Oil Record Book **2. Sewage Management Plan** • Procedures on handling sewage, which needs to be treated before being released at a distance of at least 12 nautical miles from land **3. Ballast Water Management Plan** • Developed in accordance with Regulation D1 of the International Convention for the Control and Management of Ship's Ballast Water and Sediments ("BWM") • All ballast water discharged from our vessels is recorded in the Ballast Water Handling Log	Effluent is managed according to the approved treatment process
SPILLS	**Shipboard Oil Pollution Emergency Plan** • Provides the necessary course of action when pollution incident has or will likely occur	Chemical and Waste Management Manual • Provides procedures to control any liquid spillage and leakage in a safe and controlled manner

Waste Management

The Company strictly adheres to MARPOL guidelines for the segregation and disposal of waste generated by our Marine Operations.

The table below identifies the types of waste generated by the Company, and how they are disposed.

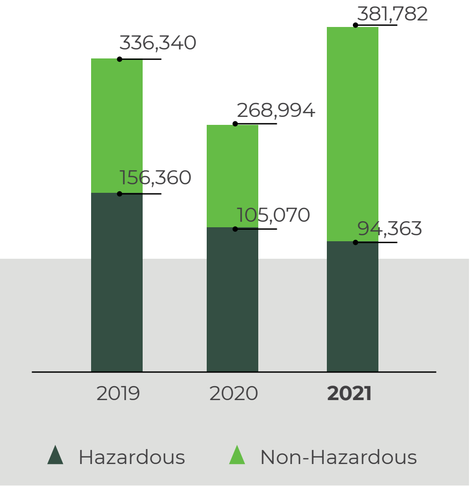
Waste Category	Non-Hazardous			Hazardous
TYPES OF WASTE	• Food waste	• Paper • Sludge oil	• Plastic • Incinerator ash • Other non-hazardous solid waste	• Cleaning solutions • Expired chemical products • Large amount of sludge oil
POINT OF DISPOSAL	Grinded to a size smaller or equal to 25mm and disposed at sea from a distance of at least 12 nautical miles from the nearest land.	Disposed of through an onboard incinerator	Disposed at a disposal facility onshore and approved by local municipal	Disposed at a licensed facility approved by the DOE

With the Company's Zero Plastic goal for all vessels, crew members avoid using plastic whenever possible. In addition, they are trained on waste management practices and procedures regarding hazardous and non-hazardous wastes. To prompt the right action, information signages are placed at strategic location on board vessels.

In FY2021, we generated 476,145 kg of waste from marine and non marine operations, an increase of 21% over the previous year. This is mainly due to additional two (2) tankers in FY2021

In non-Marine Operations, hazardous waste consisted of used lubricants and hydraulic oil while non-hazardous waste was mainly in the form of scrap metal and discarded paint from shipbuilding activities. Since 2004, we have introduced material optimization initiatives for more efficient metal usage in our shipbuilding business.

TOTAL WASTE GENERATED
(Kg)



Paper consumption is carefully monitored, especially at our head office. For meetings and reports, the circulation of soft copies instead of printed hard of documents is becoming the norm. Generally, staff are encouraged to use recycled paper for non-confidential matters.

In FY2021, the Company generated 94,363 kg of non-hazardous waste (FY2020: 105,070) and 381,782 kg of hazardous waste (FY2020: 268,994

Effluent Management

Effluent produced by the Company is mainly bilge, sewage and ballast water generated by Marine Operations, and the Company has developed plans and facilities to discharge them in accordance with MARPOL guidelines.

To ensure safe disposal of effluent, crew and safety personnel are provided training to ensure safe handling, treatment and disposal so as to prevent the pollution of waterways and the atmosphere.

Spill Management

This is the bane of the shipping industry, especially oil spills that can cause irreversible damage to wide-ranging of marine life and eco-systems. We are governed by international laws and conventions, and adhere to a strict regimen of preventive actions to avoid spills at all costs.

E.A. Technique's Spill Management manuals and plans guide us uphold this. In addition, we have monthly oil spill drills to ensure our vessels are in a state of readiness with robust emergency response units that can be activated in the event of an oil spill.

In FY2021, we continued our zero-spills record for the fifth consecutive year.

Water Management

The Company uses freshwater for domestic consumption and seawater to operate machinery on vessels that come under the jurisdiction of our Marine Operations. For Non-Marine Operations, piped water is used for equipment as per manufacturing specifications.

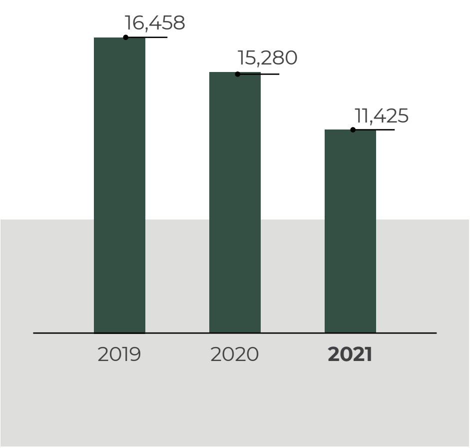
As required by Maritime Labor Conventions, the Company conducts scheduled testing of potable water to ensure there is safe drinking water on board our vessels. To prevent water wastage in the light of growing depletion of this vital life-giving resource, the Company organizes awareness campaigns for crew and employees.

In FY2021, the Company's water consumption stood at 11,425 MT (FY2020: 15,280), a 25% reduction

Biodiversity Management

Marine biodiversity has become a cause of concern and Malaysia is a signatory to various international conventions to address the loss of biodiversity. As a Company, E.A. Technique strives to minimise its impact on marine life by taking precautions to prevent pollution.

TOTAL WATER CONSUMPTION
(MT)



More specifically, all tankers are designed to comply with the D1 regulation of the Ballast Water Management that governs ballast water exchanges. In FY2021, we moved to the D2 stage and will continue to ramp up our initiatives in the interest of biodiversity management in the seas where we operate.

SOCIAL

CORPORATE GOVERNANCE

Corporate governance is fundamental to the successful running of a business. As a Malaysian public listed company, E.A. Technique's governance practices are governed by the Principles and Recommendations in the Malaysian Code of Corporate Governance. Given our client profile and international exposure, the Company also upholds governance practices of accountability, integrity and transparency that are a premium with established companies the world over.

In FY2021, E.A. Technique continued its track record of good corporate governance by upholding the laws and industry regulations in jurisdictions where it operates. As a responsible business, the company has in place various internal policies to promote ethical business practices and transparency. The overarching framework is provided by our Code of Ethics, Conflict of Interest Policy, Whistleblowing Policy, Cybersecurity Policy and ISO 37001 ABMS Certification.

The Company uses various communication channels to reinforce and update staff of the above-mentioned following policies and actions required on their part. Among the channels used are training sessions, website posts, email blasts and meetings, both face-to-face and virtual – to introduce or update employees and crew of the latest developments.

ISO 37001 ABMS Certification

In 2021, E.A. Technique received the ISO 37001 Anti Bribery Certification that covers all operations. With this, the Company has embedded anti-bribery business practices and procedures across the organisation, in accordance with the Malaysian Anti-Corruption Commission (MACC) Act.

The certification is the culmination of the ABMS journey that began in FY2019 with the guidance of BSI Services Malaysia Sdn Bhd, and monitored by Board's Risk Management Committee. As an ABMS-certified organisation, E.A. Technique conducts internal and external surveillance audits that are now an integral part of the Company's Audit Management Programme, to ensure the effectiveness of the Company's anti-corruption practices.

As a result of our surveillance audits, revisions have been made to the Whistleblowing/Complaints Form and "ABMS Gifts, Hospitality, Donation and Benefits" Register" to deter unsolicited gift-bearing external parties. Our "Third Party Competency Due Diligence Checklist" format has also been refined to comply with the ISO 37001 standards.

To put ABMS standards into practice, staff were trained on the goals, expectations and deliverables.

The Company will be scheduling yearly refresher courses to inculcate the anti-corruption culture in E.A. Technique.

Code of Ethics

E.A. Technique's Code of Ethics was framed to ensure that there are no compromises in the Company's business practices. Based on the principles of honesty, integrity, accountability and professional conduct, the Code of Ethics is applicable from top down, from the Board of Directors at the top to junior level staff.

Our Code following behavioral dimensions:

- Employee Responsibility
- Business Practices and Professionalism
- Conflict of Interest
- External Directorships
- Rewards and Gifts
- Entertainment of Customers
- Insider Trading
- Confidentiality
- Working Environment
- Sexual Harassment
- Activities relating to political, social, professional or external entities that contravene the Code of Ethics.

The Code of Ethics is a vital component of the New Joiner Induction Programme, where new employees are briefed on ethical behavior expectations in the Company. At the end of induction programme, employees become signatories to upholding the Code of Ethics. They also kept abreast of updates via web posts, email and face-to-face/virtual briefings.

Conflict of Interest Policy

E.A. Technique's Conflict of Interest Policy is another component to ensure robust ethical conduct and transparency in the Company. The policy outlines actions to be taken to resolve conflicts as and when they occur in the workplace, and covers the following dimensions:

- personal workplace relationships
- personal financial relationships with business partners and competitors
- outside engagements, including Board directorship, employment and other outside activities
- Gifts, meals, travel and entertainment

Whistleblowing Policy

To curb any form of wrongdoing, the Company has in place the Whistleblowing Policy that empowers employees to report on suspected misconduct. To encourage employees to voice their grievances without fear of reprisals and at the same time ensure there is no malfeasance on their part, the Company has established clear guidelines and channels to follow when making a whistleblower's report. All reports are treated with the strictest of confidence and subject to thorough investigation before action is taken.

Whistleblowing Issues

- Financial Reporting
- Corruption, Bribery, Blackmail
- Fraud
- Criminal Offences
- Non-Compliance with Legal or Regulatory Obligation
- Endangerment of an Individual's Health or Safety
- Miscarriage of Justice
- Concealment of any or an combination of the above

Whistleblowing Channels

- Line Manager
- Appointed Persons: topmanagement@eatechnique.com.my
- Audit Committee Chairman: acchairman@eatechnique.com.my

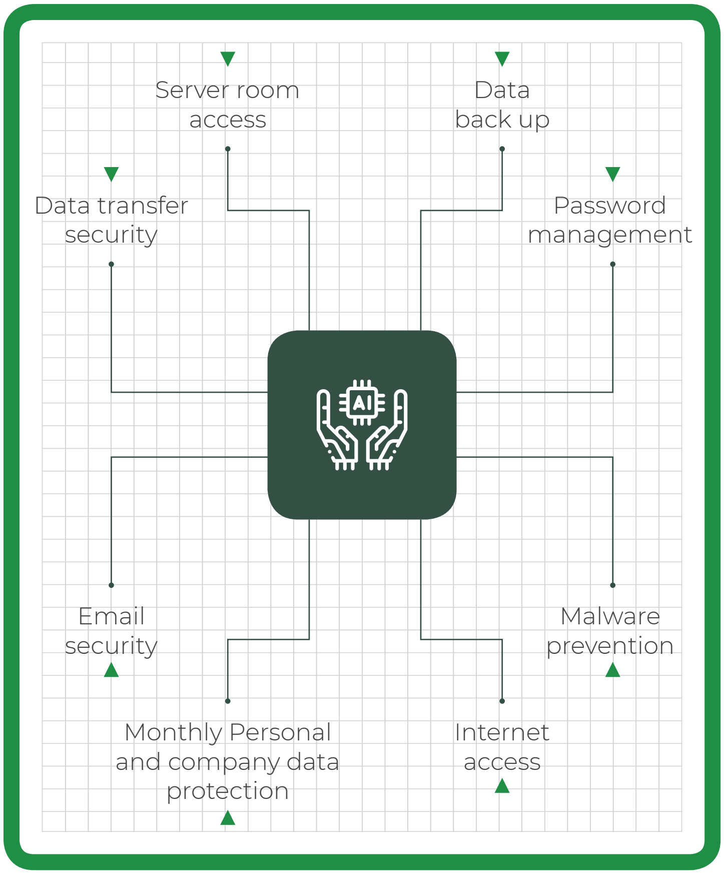
In FY2021, there were zero whistleblowing case reported.

Cybersecurity Policy

With the pervasive use of technology for management and operations, cybersecurity is paramount to ensure that the security and integrity of all systems and applications are not compromised. Cyber-attacks are nefarious for crippling businesses, even national security.

In FY2019, the Company launched the Cyber Security Policy, and it was followed by the implementation of the Cybersecurity Policy and Procedures in February 2021. The Policy and Procedures are designed to protect all information and assets generated at E.A. Technique, and to prevent disruptions, minimise damage and maximise returns on the Company's investments and opportunities.

The Company has comprehensive cyber security procedures that cover the following:



Since the implementation of the Cyber Security Policy, the Company has not recorded any cyber security breaches.

CUSTOMER SATISFACTION

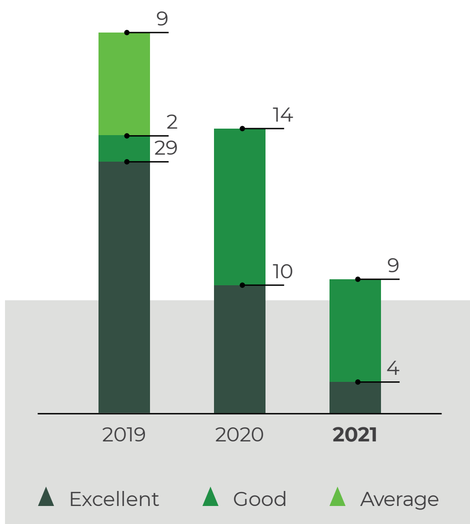
At E.A. Technique, customer relationships are guided by the ISO 9001: 2015 (Quality Management System) standards that stress on building trust to forge meaningful customer relationships.

As a standard practice, the Company seeks customer feedback to improve the quality of service rendered by employees and crew. Survey forms are regularly circulated to customers to gauge their views with regard to the Company's service quality, charter rates, communication effectiveness, responsiveness, vessel reliability and schedules.

Customer communication intensified during the Covid-19 health crisis in FY2020 and FY2021, in view of the Movement Control Restrictions and border closures. Through virtual meetings and email notifications, we kept customers informed of the health and safety of all crew, employees and the status of seagoing vessels.

In FY2021, the responses to our Customer Satisfaction Form were encouraging, with scores ranging between "Good" and "Excellent" for about 72% of feedback. Prime issues raised during the year related to vessel performance, technical and operational matters.

NUMBER OF CUSTOMER FEEDBACK RECEIVED



FY2021 OHS in *Numbers*

0

Accidents with fatality

Accidents with lost workdays

Total workdays lost

19

Accidents without lost workdays

Incident rate
2.91

Frequency rate
2.91

0.00
Severity rate

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is a priority at E.A. Technique, and we strive to inculcate the "Safety First" culture among employees and crew, to prevent health risks such as accidents and fatalities. During the year, the Company's Covid-19 Preventative and Contingency Plan played a vital role in managing health and safety risks arising from the contagious virus.

The Company is guided by Malaysian Occupational Health and Safety regulations and also abides by international standards. In addition, we have developed policies and manuals to guide us in our health and safety practices.

Occupational Health and Safety Governance

The Company's Occupational Health and Safety (OHS) falls under the purview of the Corporate Health, Safety, Security, Environment and Quality (HSSEQ) Department, which reviews our OHS performance every quarter and develops action plans based on the findings.

In addition, each vessel has a Health and Safety Committee that reports directly to the HSSEQ Department. The Committee, which is made up of representatives from the management and Marine Operations, promotes, reviews and evaluates health and safety measures that exist onboard. Their findings are used to continuously improve the OHS standard in the Company.

By industry standards, the Company's incident rate of 2.91 (FY2020: 1.23) is higher than that of competitors. Initial investigations have indicated that human error was the primary cause of incidents on board our vessels, and a mitigation plan has been developed to address this shortfall.

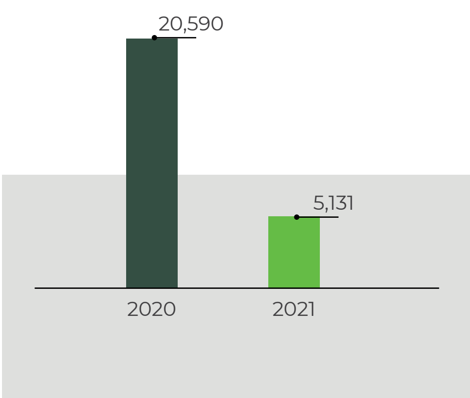
Risk Management

Risk Management encompasses health and safety risks, and involves hazard identification and mitigation plans as pre-emptive measures.

At E.A. Technique, we have a robust risk management system that seamlessly people, processes and tools to ensure prompt risk identification and resolution. Since FY2020, we have incorporated Covid-19 as a workplace risk, and established mitigation plans accordingly.

Our risk management plan is continuously reviewed and refined to be effective and relevant.

UCUA REPORT



WORKING ARRANGEMENTS DURING COVID-19 PANDEMIC

Unsafe Condition Unsafe Act (UCUA)

The Company established the UCUA platform to encourage employees and crew to take ownership and participate proactively in preventing work-related health and safety hazards. The platform has three reporting categories: "Unsafe Condition"; "Unsafe Act"; and "Safe Act". The first two categories relate to situations and behaviour that can endanger health and safety. The last category is a recognition of good safety behaviour.

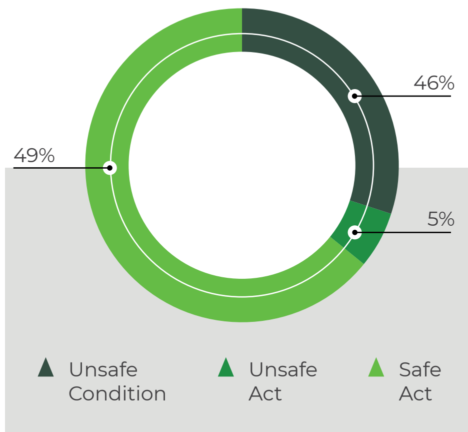
The HSSEQ Department reviews all UCUA reports and conducts investigations prior to taking appropriate actions, the results of which are discussed at quarterly committee meetings.

Emergency Preparedness

In the interest of business continuity, the Company has in place various tools to deal with unforeseen events. They include:

- Emergency Response Manual (ERM) that outlines the procedures, roles and responsibilities for designated individuals during emergencies such as vessel collisions, fire and explosions, ship abandonment and hull damage.

UCUA REPORTS BY CATEGORY FY2020



- Emergency Response Team (ERT) made up of individuals with the right capabilities to deal with emergencies. Each vessel has an ERT consisting of specialised Control, Rescue, Support and Technical personnel.
- Emergency Response Centre (ERC) that regularly conducts emergency drills to ensure the Company is in a state of preparedness to deal with any untoward incident. The Centre, which is managed by the Emergency Duty Manager, is the hub to coordinate responses to incidents. The ERC hub is well-equipped with communication technologies to ensure timely responses between onshore-offshore-third parties engaged in managing an emergency. Third parties usually include the client, Marine Department and regulatory bodies who work in tandem with the Company's ERM and ERT.

The Company also conducts preventative drills to ensure the effectiveness of existing emergency responses, and the ERM is then refined accordingly.

Occupational Health and Safety Programmes

To strengthen our health and safety standards, the HSSEQ Department regularly conducts OHS campaigns, audits and inspections that are communicated to vessels via memos, newsletters and training materials. Onboard vessels, the Department appoints selected representatives and the captain to conduct OSH-related training.

In FY2020, there was a special campaign on Covid-19 preventative measures to mitigate this health risk. In FY2021, the campaign continued apace, to highlight the importance of self-care, good hygiene and social distancing.

Besides Covid-19 risk management, the Company also conducted various OSH programmes during the year to ensure an accident-free business environment. As at FY2021, we continued our track record of zero fatalities for the ninth consecutive year.

EMPLOYEE MANAGEMENT

An organisation is as good as the quality and resourcefulness of its employees. At E.A. Technique, we allocate substantial resources to nurture a workforce that is productive, talented and adequately empowered to drive us towards achieving organizational goals.

Our Human Resources Department is entrusted to implement the Company's human resources policies outlined in the Employee Handbook, which covers workplace policies, guidelines and regulations pertaining to the employee management including employee benefits.

We also nurtures diversity in the workplace because we believe this adds value to the organisation. As at end FY2021, E.A. Technique had 68 office staff and 362 crew employed by the organisation.

Training and Development

Professional development is integral to the growth of E.A. Technique, and we conduct various internal and external training programmes to boost the human capital of our Company. In FY2021, the number of training programmes declined due to ongoing Covid-19 contagion, and the majority was carried out virtually.

During the year, the Company's training and development expenditure stood at RM30,735 (FY2020: RM115,963), of which 72.5% was allocated to office employees and the rest for crew. Training hours decreased by 85.5% to 2,965.50 manhours due to Movement Control Order (MCO) by Government which affected training provider and company; as well as internal financial constraint.

With increased digitalisation, we anticipate more training and development programmes will be conducted virtually in the future.

Performance Review of Employees

As part of E.A. Technique's commitment to quality, we conduct employee performance reviews to ensure we have the personal and professional competencies to deliver quality customer service. The Company has a structured performance review process, which takes account of an employee past performance, presence capabilities and future potential. The process is used to recognise and reward them, as well as identify competency gaps for training and chart future career paths.

Management Trainee Programme

To realise our sustainability aspiration, the Company is on the look-out for young talent to take us to the next stage of its growth. With this in mind, we have designed a Management Trainee Programme to shape bright minds for future leadership positions. Trainees for the programme are selected on the basis of their academic credentials, aptitude and attitude, and are required to undergo a one-year programme to acquire pertinent knowledge and skills sets in key management and operational functions of the Company.

COMMUNITY OUTREACH

The community is an important stakeholder, and the Company is committed to ensure equity by creating opportunity and assisting in poverty alleviation. Our Community Outreach initiatives centre around boosting employment opportunities among youths from low-income homes, and improving the livelihoods of underserved groups.

In FY2021, we allocated RM8,500 (FY2020: RM21,000) for these initiatives, with the bulk spent on helping families suffering hardships a result of the Covid-19 pandemic.

Creating opportunity with internships

The Company offers internship opportunities to deserving candidates from needy families who are keen to pursue a career in the maritime industry. We have in place a buddy system, where an intern work with a mentor (buddy), who will guide and familiarize the youth on specific aspects of operations and deliverables.

Upon the completion of the internship, which ranges from three to six months, interns are evaluated on their performance. Those who meet the Company's evaluation criteria stand a chance of being absorbed in the permanent workforce.

SUSTAINABILITY PERFORMANCE

MATERIAL MATTERS	INDICATORS		FY 2019	FY 2020	FY 2021
Economic Performance	Revenue (RM million)		271.9	303.2	**160.6**
Environmental Management	Carbon emissions (gCO2/tonne-mile)		31,798.0	18,866.3	**17,523.0**
	Hazardous waste disposed (kg)		336,340	268,994	**381,782**
	Non-hazardous waste disposed (kg)		156,360	105,070	**94,363**
	Total water consumption (MT)		16,458	15,280	**11,425**
Occupational Health And Safety	Number of fatalities		0	0	**0**
	Fatality accident rate		0	0	**0**
	Total safe manhours		1,920,730	1,921,528	**1,305,299**
	Lost time injury rate ("LTIF")		0	0	**0**
Customer Satisfaction	Total number of feedbacks received on customer satisfaction		40	29	**18**
Employee Management	Total number of employees		694	642	**466**
	Office-based employees	Male	73	65	**59**
		Female	43	40	**29**
		Total	116	105	**88**
	Percentage of office-based employees (%)	Male	63	62	**67**
		Female	37	38	**33**
	Number of onboard employees	Male	575	532	**376**
		Female	3	5	**2**
		Total	578	537	**378**
	Percentage of onboard employees (%)	Male	99	99	**99**
		Female	1	1	**1**
	Percentage of female employees (%)	Total	7	7	**6**
		Board composition	12.5	12.5	**17**
	Percentage of employees by employment type (%)	Permanent	2	2	**2**
		Part time	4	6	**4**
		Contract	94	92	**94**
	Percentage of employees by age group (%)	Below 30	37	36	**37**
		30 – 50	51	52	**49**
		Above 50	12	12	**14**
	Number of Employee turnover by category	Office-based	27	25	**30**
		Onboard	285	282	**306**

MATERIAL MATTERS	INDICATORS		FY 2019	FY 2020	FY 2021
Employee Management (continue)	Employee turnover rate by category (%)	Office-based	23.3	24	**34**
		Onboard	49.3	52.5	**81**
	Number of Employee turnover by gender	Male	303	299	**319**
		Female	9	8	**17**
	Employee turnover rate by gender (%)	Male	97	97	**95**
		Female	3	3	**5**
	Number of Employee turnover by age group	Below 30	120	107	**134**
		30 – 50	161	103	**160**
		Above 50	31	97	**42**
	Employee turnover rate by age group (%)	Below 30	47	17	**40**
		30 – 50	45	52	**48**
		Above 50	37	12	**12**
	Amount invested for training (RM)		340,984	115,963	**30,735**
	Total number of training hours		3,632	1,460	**500**
	Average training hours per employee		5.2	2.0	**1.0**
	Total number of training hours by category	Office-based	1,304	796	**356**
		Onboard	2,328	664	**144**
	Average training hour per employee by category	Office-based	11.3	10.1	**4.0**
		Onboard	4	1.2	**0.4**
Contribution And Volunteering	Total amount of contribution (RM)		11,200	21,000	**8,500**
	Number of interns		9	11	**10**

CALENDAR OF EVENT 2021

January

Farewell dinner for our ex managing director, Dato' Ir. Abdul Hak Md Amin at De'wan 1958 Restaurant, The Linc, Kuala Lumpur

February

Our chairman, Dato' Mohd Redza Shah Abdul Wahid who is also the Chairman of YAPIEM donated "foodbank" to our E.A. Technique's B40 staffs in order to ease their hardship during this Covid-19 pandemic

June

Sale of Nautica Tg. Puteri XXXIV Exchange Documents Formality of E.A Technique (M) Berhad, Setiawangsa

Launching Ceremony of new 9000DWT tanker, MT Nautica Kluang2 at Ningbo Zhenhe Shipyard, China

27th fully virtual Annual General Meeting of E.A. Technique (M) Berhad

April

Sale of Nautica Pagoh Exchange Documents Formality at E.A. Technique (M) Berhad, Setiawangsa

E.A. Technique (M) Berhad's Tugboats, NTP XIX, NTP XXI And NTP XXV rescued a container ship, Interasia Catalyst in a fire incident at Northport

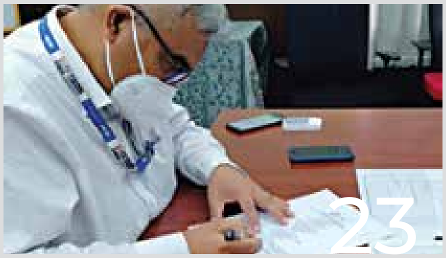
May

CSR Program – Donation of RM5000 to Masjid Sultan Iskandar (Sumbangan Dana Covid-19) to fight the current Covid-19 pandemic

CSR Program – Contribution of RM1500 to ikhtisas Kelautan Malaysia (IKMAL) as our initiative to donate *kuih raya* to our seafarers

August

Virtual Delivery & Acceptance Ceremony for Nautica Tg. Puteri X at E.A. Technique (M) Berhad, Setiawangsa



Virtual Delivery & Acceptance Ceremony for Nautica Tg. Puteri IV at E.A. Technique (M) Berhad, Setiawangsa

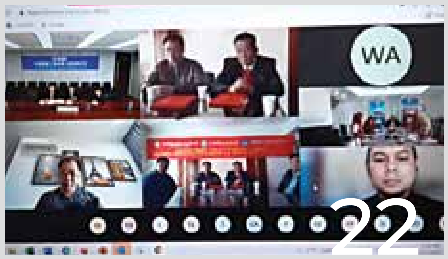
September

Launching Ceremony of new 9000DWT tanker, MT Nautica Pontian2 at Ningbo Zhenhe Shipyard, China

Protocol Delivery & Acceptance Ceremony of new 9000DWT tanker, Mt Nautica Kluang2 at E.A. Technique (M)Berhad, Setiawangsa

December

CSR Beach Cleaning Program at Pantai Remis, Kuala Selangor



Protocol Delivery & Acceptance Ceremony of new 9000DWT tanker, Mt Nautica Pontian2 at E.A. Technique (M)Berhad, Setiawangsa

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance Overview Statement ("Statement") is prepared in compliance with Bursa Malaysia Securities Berhad Listing Requirements ("Listing Requirement") on the application of the corporate governance practices by the Group during the FYE 2021. This Statement complements the Corporate Governance Report ("CG Report"), which explains further the application, departure or non-adoption of each practice and is available online on our website at www.eatechnique.com.my.

DATUK MOHD NASIR ALI

Independent Non-Executive Director

"The Board of Directors ("Board") of E.A. Technique (M) Berhad ("E.A. Technique or Company") strongly believes the importance of effective corporate governance in conducting the business and affairs throughout the Group. This is to ensure business prosperity and foster a culture with ethical values whilst continuously delivering and sustaining E.A. Technique's value with sound policies, business practices and internal controls in place. The Company is guided by the principles of the Malaysian Code on Corporate Governance ("MCCG") and remains steadfast towards achieving a high standard of corporate governance."

The Board is pleased to present this Statement setting the summary of the corporate governance practices adopted by the Company during the financial year ended 31 December 2021 ("FYE 2021") in line with the application of the three (3) principles of the MCCG ("3 Principles") as follows:

Core Principles

Principal A

Board leadership and effectiveness

Principal B

Effective audit and risk management

Principal C

Integrity in corporate reporting and meaningful relationship with stakeholders

Our COVID-19 Response

During the COVID-19 pandemic, the Group has been agile in adapting to the 'new norm' and ensuring effective oversight of the Group's operations is maintained. Throughout this challenging period, the Board continues to provide strategic directives to top management with clear focus on stakeholder interests. The Board remains connected through periodic remote engagements via telephone calls, WhatsApp messages and online video conferences throughout this period, including extended monthly meetings during the peak of the pandemic in Malaysia i.e., the Movement Control Order ("MCO") phase. The Board has remained conscious of the importance of continuing to support our clients, vendors and colleagues during the challenges presented by COVID-19.

Sustainability

The Board acknowledges the importance of maintaining focus on sustainability and the Group's responsibilities to the community where it operates, especially during the pandemic. To ensure that the Group remains a sustainable investment for our stakeholders, the Board is involved in strategic discussions on the material areas that are important to our business and maintain ongoing oversight of the Group's activities in the areas of Environmental, Social and Governance ("ESG"). The strategic outcomes are detailed in the Sustainability Statement on pages 40 to 63 of this annual report.

Principal A

Board Leadership And Effectiveness

The Responsibilities of the Board

The Board led by the Group Chairman, Dato' Mohd Redza Shah Abdul Wahid an Independent Non-Executive Director is responsible to the shareholders and various stakeholders for creating and delivering sustainable value and long-term success through its leadership and management of the Group's business and operations, in line with the Group's vision and mission.

The Board has the primary responsibility for setting the strategic goals of the Company and in fulfilling the said responsibility. The Board had approved the Group's 5-Year Strategic Business Plan (2022-2026) on 26 August 2021, which is driven by sustainable growth, reflects the strategic focus and intensified efforts of the Group's core divisions to strengthen profitability amid the current domestic/global economic challenges and industry outlook.

The Corporate Governance is supported by the Company's Limits of Authority ("LOA") which set out the relevant matters and applicable limits reserved for the Board and matters that could be delegated to the Committees and the Management.

On 21 March 2022, Nasrul Asni Mohammad Dain has been appointed as the new Chief Executive Officer of E.A. Technique (M) Berhad. He is accountable to the Board for the overall organisation, management, and staffing of the Group and for its procedures in financial and operational matters, including conduct, discipline, and leadership.

There is a distinct and clear division of responsibility between the Group Chairman and the Chief Executive Officer ("CEO"), to ensure a strict balance of power and separation of authority. The Group Chairman is responsible for leading and guiding the Board whilst maintaining the highest standard of governance. The Group Chairman also serves as the main link between the Board and Management and particularly between the Board and the CEO.

BOARD Roles & Responsibilities

- Reviewing and adopting a strategic plan for Company
- Overseeing the conduct of the Company's business
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures
- Succession planning
- Overseeing the development and implementation of shareholder communication policy for the Company
- Reviewing the adequacy and integrity of the Company's management information and internal control system

Chairman

Dato' Mohd Redza Shah Abdul Wahid

- Providing leadership to the Board
- Chairing meetings of the Board in such a manner that will stimulate debate on issues before the Board and encourage the most effective contribution from each member
- Chairing meetings of shareholders
- Ensuring the Board's full discharge of its duties
- Identifying guidelines for the conduct of directors, and ensuring that each director is making a significant contribution
- Acting as liaison between the Board and management
- Ensuring that the Board's strategic direction and planning process is established
- Working with the Nomination Committee and Remuneration Committee

Chief Executive Officer

Nasrul Asni Mohammad Dain

- Foster a corporate culture that promotes ethical practice, encourages individual integrity and fulfil social responsibility
- Develops and recommends to the Board a long-term strategy and vision for the Group that led to the creation of shareholders' value
- Develops and recommends to the Board the Groups' operational plans and budget that support the Group's short to long term strategy
- Ensure achievement of objectives and goals, as contained in the strategic plan
- Manage the overall business and oversee the day-to-day operation of the Group
- Formulate and oversee the implementation of major corporate policies

The roles of Chairman and CEO are held by two (2) separate individuals

The Board Charter, a source reference document for the Directors, outline matters relating to the Board and its processes. It also sets out the duties and responsibilities of the Group Chairman, the CEO, and the Board as a whole.

Additionally, the Company had also made available its Code of Ethics ("COE") and Whistle Blowing Policy on the Company's website, www.eatechnique.com.my. The objective of the implementation of the COE and Whistle Blowing Policy is to enable the exposure of any violations or improper conduct or wrongdoing in the Company. The COE sets out the principles, practices, and standards of personal and corporate behaviour whereby all Directors and employees of E.A. Technique Group are required to comply with. Failure to comply with COE is a serious breach, and appropriate action will be taken for its non-compliance.

The Company has also been officially recognized with the Anti-Bribery Management System ("ABMS") certificate on 6 May 2021 and has been implementing it since 2020. This Anti-Bribery policy is to further enforce the E.A. Technique's Code of Conduct & Business Ethics to ensure that employees understand their responsibilities to compliance with the Company zero tolerance for bribery and corruption within the organization.

Whilst the Whistle Blowing Policy of E.A. Technique Group provides an avenue for employees to make good-faith disclosure and report instances of unethical, unlawful, or undesirable conduct without fear of reprisal. The identity of whistle-blower and the concerns raised are treated with the utmost confidently.

All Directors have full access to the advice and services of the Company Secretaries, who are legally trained and are qualified to act as company secretary under the Companies Act 2016. The Company Secretaries advise the Board and Management on statutory, regulatory, and corporate development, the implementation of corporate governance measures and compliance as applicable to the Group.

The Composition of the Board

The Board comprises five (5) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as at 31 December 2021, who were selected based on their expertise, experience, integrity, and character. The Boards consists of more than half of Independent Directors with expertise and skills from various fields and backgrounds. Thus, there is optimum Board balance and in compliance with the Listing Requirements in respect of the composition of the Board of Directors.

The Board recognizes the importance of diversity in designing its composition while considering the pertinent skills, knowledge, and experience necessary to further enhance the composition of the Board. Diversity has been considered from several aspects, including but not limited to gender, age, educational background, professional experience, skills, and knowledge. The Board, through the Nomination Committee, will continue to consider candidates of different gender, age and ethnic with the appropriate skills, experience and characteristics are sought, as part of its selection exercise.

The Board encourages and supports more women participation in the Company's decision-making positions whilst it continues to strive towards 30% women participation in the Board composition. Out of the six (6) Directors, one (1) or 17% is woman. Although the Board has not set a target for appointment of additional woman directors, the Board embraces gender diversity, mindful that it should always be in the best interest of the Company.

Board Meetings and Supply of Information

All Directors are provided with an agenda and a set of Board papers prior to Board meetings. Sufficient notice is given to the Directors to review the said documents. The material pack of Board papers will include minutes of the previous meeting, quarterly and annual financial statements, corporate developments, minutes of Board Committee meetings, acquisition and disposal proposals, updates from Bursa Malaysia, list of directors' circular resolutions passed and report on the Directors dealings in securities, if any.

The Board holds regular meetings of no less than four (4) times a year. In addition, the Board also meets as soon as the Company's annual results and upcoming quarterly results are finalised in order to review and approve the results for submission to Bursa Malaysia. Special Board meetings may be convened as and when necessary, to consider urgent proposals or matters that require the Board's expeditious review or consideration. During the financial year ended 31 December 2021, the Board met fifteen (15) times and the record of attendance is set below: -

No.	Director	Directorship	No. of Meetings Attended
1.	Dato' Mohd Redza Shah Abdul Wahid	Independent Non-Executive Chairman	14/15
2.	Datuk Mohd Nasir Ali	Independent Non-Executive Director	15/15
3.	Abdul Azmin Abdul Halim	Independent Non-Executive Director	15/15
4.	Rozan Mohd Sa'at	Independent Non-Executive Director	15/15
5.	Aziah Ahmad	Non-Independent Non-Executive Director	15/15
6.	Ir. Dr. Mohd Shahreen Zainooreen Madros	Independent Non-Executive Director	15/15
7.	Abdul Rahim Omar*	Non-Independent Non-Executive Director	9/10

* *Abdul Rahim Omar resigned as Director of the Company on 1 August 2021.*

The Chairman of the Audit Committee ("AC") and Chairman of the Risk & Governance Committee ("RGC") would inform the Directors at Board meetings, of any salient audit findings and any risk management issues raised at the AC and RGC meetings which require the Board's discussion on actions to be taken by the Management.

The External Auditors also briefed Board members on the Financial Reporting Standards that would affect the Group's financial statements during the year.

The Board has direct access to the Key Management, unrestricted and immediate access to any information relating to E.A. Technique's business and affairs in the discharge of their duties. The Directors may request to be furnished with additional information or clarification, particularly in respect of complex and technical issues tabled to the Board.

Training and Development of Directors

In respect of Director's training programme, the Directors are encouraged to develop and refresh their knowledge and skills on an ongoing basis with developmental needs in Board has identified the areas such as new laws and regulations, financial reporting, risk management and investor relations to further enhance and assist the Directors in discharging their duties and responsibilities.

Due to the Covid-19 pandemic and the movement control orders, the Directors are encouraged to attend the trainings online.

During the financial year under review Board members attended individually or collectively seminar(s), conference(s) and/or training(s) sessions are as follows:

No.	Name Of Director	Conference/Seminar/Training Attended
1	Dato' Mohd Redza Shah Abdul Wahid	1) Kuala Lumpur Islamic Finance Forum 2021 – Global Islamic Capital Market Outlook 2) Shariah Audit Best Practice Guide: Islamic Cooperatives & Ar-Rahnu Roundtable Discussion 3) MIA Conference 2021 4) Wacana Al Quran – Membangun Sinergi Waqaf 5) Deloitte Audit Seminar
2	Datuk Mohd Nasir Ali	1) MIDF: Cybersecurity Landscape And Awareness 2) MIDF: Shariah Dialogue 2021 3) ISRA: Islamic Finance For Board Of Directors Programme 4) ICLIF: Talk On "Implementing Amendments In The Malaysian Code On Corporate Governance" 5) FIDE FORUM: The Board's Role And Responsibilities In Crisis Communication 6) BNM-FIDE FORUM: Dialogue On RMIT Implementation 7) MIDF/SIDC: Identifying The Red Flags In Anti-Money Laundering & Counter Financing Of Terrorism (AML/CFT) 8) MIDF/Shook Lin & Bok: Shariah Programme On "Legal Islamic Finance – Sharing Cases" With Mr. Jal Othman 9) MIDF: Integrity Programme On Anti-Bribery And Corruption For Board Of Directors And Senior Management
3	Abdul Azmin Abdul Halim	None
4	Rozan Mohd Sa'at	None
5	Aziah Ahmad	1) CTIM: Preparation Of Transfer Pricing Documentation 2) KPMG: Demystifying Malaysian Withholding Tax 3) MIA Webinar Series: Pre & Post IPO Rules And Key Updates To Listing Requirements 4) KPMG: Board And Audit Committee Priorities 2021 5) KPMG: Doubling down on Corporate Governance Watch 2020 and Malaysia Code On Corporate Governance (Updated 2021) 6) MIA International Accountants Conference 2021 7) Understanding & Implementing BCMS ISO 22301: 2019 8) Delloite: Digital Finance -Seeing is Believing 9) Code of Business Ethics 10) KEXXEL: Finance As A Strategi Business Partner 11) MIA Johor: ESG In Finance Reporting Impact To Johor Corporates
6	Ir. Dr. Mohd Shahreen Zainooreen Madros	1) SIRIM: Rising Above The Thundering Storm 2) PEMANDU ASSOCIATES: Catalysing Transformation Through Innovation And Talent Confirmation 3) MESSE And Constellar: IoT Asia+Malaysia Roadshow 4) University Malaya: Regional Order And Global Transformation-Asia And China In The Changing Geopolitical Economy 5) IASS-ISIS-ASB Workshop For The Malaysian Energy Transition 6) Malaysia Productivity Corporation: Resetting Business With Digital Transformation 7) York Center For Asian Research: The Evolving Economic And Geopolitical Landscape In The Indo Pacific, CPTPP,RCEP and Beyond

Nomination Committee

The Nomination Committee ("NC") comprises of three (3) Directors below is responsible for identifying and recommending candidates to fill vacancies in the Board based on their qualifications, abilities, and potential contribution to Company:

Director	Directorship	Designation
Dato' Mohd Redza Shah Abdul Wahid	Independent Non-Executive Director	Chairman
Abdul Azmin Abdul Halim	Independent Non-Executive Director	Member
Rozan Mohd Sa'at	Independent Non-Executive Director	Member

The NC also performed evaluation on the effectiveness of the Board and Board Committees and ensure an appropriate framework and plan for Board succession is in place for the Company.

There were three (3) meeting held by NC during financial year 2021.

Remuneration Committee

The Board has established a formal and transparent process in determining the appropriate remuneration package for the Board.

The Board, through the Remuneration Committee ("RC"), periodically reviews the general remuneration policy for Directors to ensure that the remuneration is attractive to retain and attract the best talents. The level of remuneration reflects the experience and level of responsibilities undertaken by the Directors. The Board also ensures that the remuneration received by the Directors remain competitive, appropriate, and align with the market practice.

The RC comprises the following Directors:

Director	Directorship	Designation
Dato' Mohd Redza Shah Abdul Wahid	Independent Non-Executive Director	Chairman
Datuk Mohd Nasir Ali	Independent Non-Executive Director	Member
Rozan Mohd Sa'at	Independent Non-Executive Director	Member

The details of the remuneration receivable by the Non-Executive Directors ("NEDs") for the Financial Year 2021 is set out in the table below:

COMPANY LEVEL					
No.	Name	Board Fees (RM)	Salary, Bonus and Defined Contribution (RM)	Benefits	Total (RM)
Non-Executive Directors					
1.	Dato' Mohd Redza Shah Abdul Wahid	80,000.00	40,000.00	-	120,000.00
2.	Datuk Mohd Nasir Ali	90,167.00	30,000.00	-	120,167.00
3.	Rozan Mohd Sa'at	76,000.00	26,000.00	-	102,000.00
4.	Abdul Azmin Abdul Halim	96,000.00	31,000.00	-	127,000.00
5.	Ir. Dr. Mohd Shahreen Zainooreen Madros	90,167.00	28,000.00	-	118,167.00
6.	Aziah Ahmad*	-	24,000.00	-	24,000.00
7.	Abdul Rahim Omar* (Resigned as Director w.e.f 1 August 2021)	-	14,000.00	-	14,000.00
Total Non-Executive Directors		432,334.00	193,000.00	-	625,334.00
Grand Total		**432,334.00**	**193,000.00**	**-**	**625,334.00**

GROUP LEVEL

No.	Name	Board Fees (RM)	Salary, Bonus and Defined Contribution (RM)	Benefits (RM)	Total (RM)
Non-Executive Directors					
1.	Dato' Mohd Redza Shah Abdul Wahid	80,000.00	40,000.00	-	120,000.00
2.	Datuk Mohd Nasir Ali	90,167.00	30,000.00	-	120,167.00
3.	Rozan Mohd Sa'at	76,000.00	26,000.00	-	102,000.00
4.	Abdul Azmin Abdul Halim	96,000.00	31,000.00	-	127,000.00
5.	Ir. Dr. Mohd Shahreen Zainooreen Madros	90,167.00	28,000.00	-	118,167.00
6.	Aziah Ahmad*	-	24,000.00	-	24,000.00
7.	Abdul Rahim Omar* (Resigned as Director w.e.f. 1 August 2021)	-	14,000.00	-	14,000.00
Total Non-Executive Directors		432,334.00	193,000.00	-	625,334.00
Grand Total		**432,334.00**	**193,000.00**	**-**	**625,334.00**

* *The Directors fees for the respective Directors are payable to the intermediate holding company, related company and ultimate holding corporation as corporate fees.*

Matters related to remuneration to the CEO, Chief Operating Officer ("COO") and Chief Financial Officer ("CFO") are prepared by the Johor Corporation Remuneration Committee. Matters related to remuneration to other senior top management are decided by the Appraisal, KPI & Bonus Committee. Key Management remuneration paid or payable for the financial year ended 31 December 2021 is as follows: -

COMPANY LEVEL

No.	Name	Position	Salaries and Defined Contributions (RM)	Bonus (RM)	Benefits (RM)	Total (RM)
1.	Mariam Puan (Appointed w.e.f. 1 December 2021)	Acting Chief Financial Officer	23,500.00	-	3,525.00	27,025.00
2.	Khalid Mohamad (Resigned w.e.f. 31 December 2021)	Acting Chief Executive Officer	310,560.00	-	33,728.00	344,288.00
3.	Azli Mohamed (Resigned w.e.f. 31 December 2021)	Chief Financial Officer	584,790.00	-	73,020.00	657,810.00
4.	Mohd Yusni Razali (Resigned w.e.f. 30 April 2021)	Deputy General Manager	82,753.55	-	12,308.00	95,061.55
Grand Total			1,001,603.55	-	122,581.00	1,124,184.55

GROUP LEVEL						
No.	Name	Position	Salaries and Defined Contributions (RM)	Bonus (RM)	Benefits (RM)	Total (RM)
1.	Mariam Puan (Appointed w.e.f. 1 December 2021)	Acting Chief Financial Officer	23,500.00	-	3,525.00	27,025.00
2.	New Kok Ho	Executive Director (Johor Shipyard and Engineering Sdn Bhd)	270,480.00	-	40,572.00	311,052.00
3.	Khalid Mohamad (Resigned w.e.f. 31 December 2021)	Acting Chief Executive Officer	310,560.00	-	33,728.00	344,288.00
4.	Azli Mohamed (Resigned w.e.f. 31 December 2021)	Chief Financial Officer	584,790.00	-	73,020.00	657,810.00
4.	Mohd Yusni Razali (Resigned w.e.f. 30 April 2021)	Deputy General Manager	82,753.55	-	12,308.00	95,061.55
Grand Total			1,272,083.55	-	163,153.00	1,435,236.55

Tender Board Committee

Tender Board Committee ("TBC") is established as a part on enhancements of Company's governance via ensuring openness, integrity and accountability in E.A. Technique Group's activities to safeguard the rights and interest, ensuring on alignment to the Company's strategies as well as a part of monitoring tools on execution of approved projects and operations. The Tender Committee will oversee the tendering process and purchases of both operations and projects including capital expenditures for amount of equivalent or above RM 1.0 million.

The TBC comprises of the following three Directors and the Committee may invite other of E.A. Technique's top management (ex-officio) or outside parties to attend and participate in the meeting where necessary:

Director	Directorship	Designation
Abdul Azmin Abdul Halim	Independent Non-Executive Director	Chairman
Aziah Ahmad	Non-Independent Non-Executive Director	Member
Ir. Dr. Mohd Shahreen Zainooreen Madros	Independent Non-Executive Director	Member

There were three (3) TBC meetings held during financial year 2021.

Principal B

Effective Audit And Risk Management

The Audit Committee of the Board

The Audit Committee ("AC") comprises of three (3) members, a majority of which are Independent Directors. The Audit Committee is chaired by the Independent Non-Executive Director, Datuk Mohd Nasir Ali.

Director	Directorship	Designation
Datuk Mohd Nasir Ali	Independent Non-Executive Director	Chairman
Abdul Azmin Abdul Halim	Independent Non-Executive Director	Member
Aziah Ahmad	Non-Independent Non-Executive Director	Member

The effectiveness and the composition of the AC are evaluated annually through the Board Evaluation Assessment, with a view to maintain an independent and effective Audit Committee. The Board, through the Nomination Committee will ensure that a Director who is financially literate with the appropriate knowledge and experience, and strong understanding of the Company's business, will be appointed to the Audit Committee.

The role of the AC and the number of meetings held under the financial year as well as the attendance of each member are set out in the Audit Committee Report in the Company's Annual Report.

Risk & Governance Committee of the Board

The Risk & Governance Committee ("RGC") is established to support the Board by overseeing the Risk Management & Governance framework of E.A. Technique and its group of Companies ("Group") and regularly assessing the framework to ascertain its adequacy and effectiveness.

The RGC comprises of the following three Directors and the Committee may invite other of E.A. Technique's top management (ex-officio) or outside parties to attend and participate in the meeting where necessary:

Director	Directorship	Designation
Ir. Dr. Mohd Shahreen Zainooreen Madros	Independent Non-Executive Director	Chairman
Rozan Mohd Sa'at	Independent Non-Executive Director	Member
Datuk Mohd Nasir Ali	Independent Non-Executive Director	Member

There were five (5) meetings held by RGC during financial year 2021.

Risk Management and Internal Control Framework

The risk management and internal control framework of the Group was approved by the Board. The Board reviews the effectiveness, adequacy and integrity of the risk management framework and internal control system of the Group to ensure the significant risks faced by the Group are being managed appropriately to respond on changes in the business environment.

There are one (1) Committee at the Board level and one (1) at Management level that have primary risk management and internal control oversight responsibilities:

- The Risk & Governance Committee ("RGC") – oversight on governance, internal control and financial matters; and
- The Risk Management Committee ("RMC") – oversight over risk management.

There was no major internal control weakness identified during the year under review that may result in any material loss or uncertainty to the Company.

The details of the Risk Management and Internal Control Framework of the Group are disclosed in the Company's Annual Report under the Statement of Risk Management and Internal Control. The activities of the Risk Management Committee are also disclosed in the Company's Annual Report.

Relationship With External Auditors

Messrs Ernst & Young PLT ("EY") was appointed in the previous Annual General Meeting as the external auditors for the Group. EY meet the Audit Committee at least twice a year to highlight and discuss the nature, scope of the audit, audit programme, internal controls and issues that may require the attention of the AC or the Board.

The AC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by EY in order to make sure that it does not give rise to conflicts of interest. The excluded contracts would include management consulting, strategic decision, internal audit and standard operating policies and procedures documentation.

The details of the statutory audit, audit-related and non-audit fees paid/payable in 2021 to the external auditors are set out below:

Fees Paid / Payable to EY	RM
Audit	308,455.00
Audit Related	88,000.00
Grand Total	**396,455.00**

Corporate Disclosure Policy

The Corporate Disclosure Policy reinforces the Company's continuous disclosure and outlines Management's accountabilities and the processes to be followed in ensuring compliance.

This policy outlines the Company's approach toward the determination and dissemination of material information especially price sensitive information, the circumstances under which the confidentiality of the information will be maintained and restrictions on insider trading. It also set out the internal procedural guidelines to facilitate implementation and consistent disclosure practices across E.A. Technique Group.

Principal C

Integrity In Corporate Reporting And Meaningful Relationship With Stakeholders

Annual General Meeting ("AGM")

The Company values feedback from its shareholders and encourages them to actively participate in discussions and deliberations. AGM is held each year to consider the ordinary business of the Company and any other special business. Each item of special business included in the notice is accompanied by an explanation of the effects of the proposed resolution. In compliance with the Listing Requirements, all resolutions tabled at AGM will be voted by poll and an announcement will be made on the detailed results of the poll showing the number of votes cast for and against each other.

Due to the uncertainty of Covid-19 situation in Malaysia, the Government of Malaysia's directive on social distancing and restriction mass gathering as well as in ensuring shareholders' well-being and safety remain the Company's priority, the Company's Twenty-Seven AGM ("27th AGM") was carried out fully virtual via the Remote Participation and Voting ("RPV") on 30 June 2021. The shareholders are guided to register their attendance remotely by using the RPV facilities via TIIH Online website at https://tiih.online

The Notification to Shareholders on the E.A. Technique's fully virtual 27th AGM were issued to shareholders on 28 May 2021, more than 28 days before the meeting. The Notice of AGM was also published in New Straits Times newspaper and made available on Company's website at www.eatechnique.com.my. It has been the Company's practice since 2017, to issue the Notice of AGM at least 28 days prior to the meeting.

E.A. Technique's fully virtual 27th AGM was attended physically by the Group Chairman, Dato' Mohd Redza Shah Abdul Wahid and AC Chairman, Datuk Mohd Nasir Ali accompanied by Top Management and engaged directly with the shareholders as well as responded to the queries raised by the shareholders virtually.

The Acting CEO presented the highlights of the E.A. Technique Group's financial performance and business operations overview of the Company for the preceding financial year, during the AGM, to deepen the shareholders' understanding of the Company's state of affairs.

During the meeting, shareholders have direct access to Board members who are on hand to answer their questions, either on specific resolutions or on the Company generally. The Group Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

Practice Note 17 ("PN17")

On 25 February 2022, Bursa Malaysia categorised E.A. Technique as Practice Note 17 ("PN17") company, when its shareholders' equity fell below the mandatory 50% of paid-up capital.

The Company has since embarked on a Restructuring Plan to re-evaluate its strategic future direction and improve its financial framework for long-term profitability and sustainability. The Restructuring Plan will be developed in tandem with the Regularisation Plan to be submitted to Bursa Malaysia for the Company to be restored to its former listed company status.

Dialogue Between the Company and Investors

In 2021, there were limited investor relations activities and analyst coverage due to uncertainty of Covid-19 pandemic and MCO. However, the Company continues to meet with research analysts, fund managers, members of the media/business editors and institutional investors virtually on any digital platform.

E.A. Technique's objective is to give investors the best information possible so that they can accurately apply it to evaluate the Company. Relationships with the investment community are built on integrity, qualitative and timely information and Management's ability to perform and deliver effectively. Communication is a two-way process whereby we seek to understand the attitudes of investors towards the Company and relay this feedback to Management for any follow-up action.

There is also a dedicated section in Investor Relations on the Company's website at www.eatechnique.com.my for the dissemination of corporate and financial disclosure. The primary contact for Investor Relations matters of E.A. Technique (M) Berhad is:

NORWAHIDA JAAFAR
Senior Manager, Group Reporting, Finance Operations & Corporate Services
Contact Details Telephone number: 603-4252 5422
E-mail: norwahida@eatechnique.com.my or,
ir@eatechnique.com.my

Statement On Compliance

Overall, the Company has substantially complied with the majority of the practices of the MCCG for the Financial Year ended 31 December 2021. The Board is committed and will continue to strengthen its application of the corporate governance practices and procedures throughout the Group, in pursuit of safeguarding the interest of all our shareholders and stakeholders.

The Statement of Corporate Governance has been approved by the Board of Directors on 15 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In line with Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("MMLR") on the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors is pleased to present the Statement on Risk Management and Internal Control ("the Statement") for E.A. Technique (M) Berhad ("EATECH") for the Financial Year ended 31 December 2021.

Board Responsibilities

The Board of Directors ("Board") accepts its overall responsibility in overseeing and maintaining a sound system of risk management and internal control to safeguard shareholders' investments, the Group's assets and other stakeholders' value and interests.

The Board reviews the effectiveness, adequacy and integrity of the risk management framework and internal control system. This is to ensure significant risks faced by the Group are being adequately managed to respond to any changes in the business environment. There are two (2) committees at the Board that have the primary risk management and internal control oversight responsibilities:

- The Risk and Governance Committee ("RGC")–oversight on the governance, risk management and integrity matters.
- The Audit Committee ("AC") – oversight on the internal control system and financial matters.

Risk Management

The risk management and internal control systems are designed to manage, rather than eliminate risks that hinder the Group from achieving its goals and objectives. Risk management encompasses the risk identification, analysis, evaluation, treatment, communication, review and monitoring of identified risks in order to achieve business objectives and plans.

Risk Management Framework

The established Enterprise Risk Management Policy and Framework ("Framework") is aligned to the ISO 31000 "Risk Management – Principles and Guidelines". The Framework provides a structured and consistent approach to risk management across the Group for informed decision-making and managing day to day business operation.

Our policy is to identify, analyse, evaluate and mitigate the risks in order to prepare and protect the Group from business disruption, financial losses, uncertainty and lost opportunities.

All risks relevant to the Business Plan to achieve the targeted business objectives are evaluated. The relevant controls, action plans and Risk Owners are also identified. Each risk is rated according to its severity level depending on the assessment on its likelihood and impact.

Monitoring and Review

The objective of monitoring and reviewing the risk management process and activities is to provide reasonable assurance that risks are being managed effectively by the respective risk owners in the organization. It is also to ensure that risk profiles reflect the changes to current business conditions and risk exposures. Formal reporting has been established and risks are reported at the departmental, corporate and Board level, to ensure regular review of the significant risks identified by the businesses during the reporting period.

Risk Reporting

The Group risk profiles are consolidated and reviewed quarterly by the Internal Audit Department. The Quarterly Group Risk Management are discussed and deliberated at EATECH's Risk Management Committee ("RMC") chaired by the Chief Operating Officer ("COO"). The same report together with governance and Anti Bribery progress updates are subsequently tabled in the Risk and Governance Committee ("RGC") for deliberation and recommendation to the Board on the identified key risk, current controls and the status of mitigation actions. These reports are later submitted to the Board for final review.

Internal Control System

The system of internal control is designed to provide reasonable assurance against the occurrence of any event that could prevent the achievement of the Group's goals and objectives. The key components of internal control encompass the following key control processes:-

Establishment of Various Committees

Various Board Committees and Management Committees have been instituted to strengthen governance and ensure accountability and assist the Board in discharging its duties. Among the committees are:-

Board Level

- Audit Committee
- Risk and Governance Committee
- Tender Board Committee
- Nomination Committee
- Remuneration Committee

Management Level

- Management Committee
- Operation Committee
- Quality, Health, Safety, Security and Environment ("QHSSE") Committee
- Risk Management Committee ("RMC")
- Dry Docking Committee
- Contract / Tender, Proposal and Commercial Evaluation Committee
- Procurement Committee
- Appraisal, KPI and Bonus Committee

Organisational Structure

The internal control of the Group is supported by a formal organizational structure with clear lines of authority and responsibility. Qualified and experienced management personnel have been appointed to oversee the delivery of the Group goals and objectives.

Limits of Authority

The Limits of Authority ("LOA") identifies the various persons/ authorities responsible for different business transactions including matters that require Board approval. It sets out a clear line of accountability and responsibility of the persons/ authorities to facilitate decision making and approval at the appropriate levels in the organization's hierarchy.

Strategy and Budget Challenge

The Group's strategic directions and budget for the new year are formulated and revised annually, taking into account changes in the internal and external environment and risks faced. The strategic directions and budget are also reviewed annually with the Board and at reasonable intervals during implementation by the management.

Quarterly Performance Review

The Group's performance is reviewed and monitored on a quarterly basis. The reviews cover all key financial and operational indicators as well as key strategic initiatives undertaken by the Group during the year.

Internal Audit Department

The Internal Audit Department provides independent assurance on the existence, adequacy and effectiveness of the governance, risk management and control processes to achieve the Group's objectives.

Policies and Procedures

Relevant policies and procedures have been approved by the Management and Board to ensure that the Group's values and adequate control mechanisms are embedded in business operations.

Periodic review is done to ensure their relevance and effectiveness.

Regulatory Compliance

The Group adopts strict standards and controls to continuously improve the application and performance of the Safety Management System. The high standard of work is achieved by operating an integrated quality of Safety, Health, and Environment Management System that meets the requirement of :-

- ISO 9001:2015 (Quality Standard)
- OHSAS 18001:2007 (Safety and Health Standard)
- ISO 14001:2018 (Environmental Standard)
- ISM Code for Vessel Safe Operation and Pollution Prevention

Whistle Blowing

A Whistleblower Policy is available and a whistleblowing channel is provided for directors, employees and third parties to disclose improper conducts. The Policy contains the procedures and processes of managing disclosures of improper conducts that is transparent without compromising the confidentiality of persons involved.

Code of Ethics

All employees are required to adhere to the Group's Code of Ethics ("Code") and consistently reminder on the Ethics and Professionalism behavior during Management Committee meeting. Besides to emphasis the Group's commitment to ethics and compliance with applicable laws and regulations, this Code is set forth basis standards of ethical behavior within the Group.

Corporate Disclosure Policy

The Group currently observes and complies with the disclosure requirements set out in MMLR of Bursa Securities guided by Bursa Malaysia Corporate Disclosure Guide. The Corporate Disclosure Policy was developed to ensure information directed to shareholders, stakeholders and the general public represents the Group fairly and accurately.

Anti-Bribery Corruption Policy

The Group's Anti-Bribery Corruption Policy was established to fulfill the new requirements on the amended Malaysia Anti-Corruption Commission ("MACC") Act 2009 and its related Guidelines.

The Group received certification on Anti Bribery Management System, ISO 37001:2016 on 6 May 2021. It provides the Group with a framework to set up the integrity and governance structure. It also allows the Group to establish the necessary measures to prevent corruption and bribery activities and to provide defense against the corporate liability as stipulated in the MACC Act 2009.

The Policy states the Group's commitment to conduct business ethically and in full compliance with all applicable laws and regulations in every jurisdiction that Group operates. The Policy was communicated to all level of employees for their adoption.

Risk Management and Internal Control System Effectiveness

The Board reviews the effectiveness of the risk management and internal control system through the following monitoring and assessment mechanisms:

- Quarterly reviews on the Group's actual financial and operational performance versus planned performance and other key financial and operational performance indicators.
- Specific transactions, projects or opportunities are reviewed by the Management and the Board as and when required. This allows the Board and the Management to oversee and monitor the potential risks that can hinder the achievement of the objectives.
- The Group's Risk Management Report is presented quarterly to the RMC and RGC by the Internal Audit Department to provide an overview of the Group's key risks and their current mitigation status of how the risks are being managed. It also includes a summary report on Governance and Anti-Bribery Management System status update. If there are any matters arising from the respective committees, it will be communicated to the respective risk owners by the Internal Audit Department.
- The AC deliberates and discusses reports issued by the Internal Audit Department and external auditors pertaining to financial, operational, governance, risk management and control matters. The status of preventive and corrective actions for issues discussed are also updated to the AC for its monitoring of the actions.

Commentary on The Adequacy and Effectiveness

The risk management and internal control activities described above have been implemented in the Group for the year under review and up to the date of the approval of this statement for inclusion in the annual report.

In making this statement, the Board has received assurance from the Chief Executive Officer, Chief Financial Officer and Internal Audit Department that risk management and internal control are operating adequately and effectively in all material aspects for the reporting period.

Directors' Statement On Risk Management And Internal Control

For the financial year under review, the Board is of the opinion that the risk management and internal control system are adequate and sound to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interests as well as in addressing the key risks impacting the business operations of EATECH.

There was no major internal control weakness identified during the year under review that may result in any material loss or uncertainty that would require disclosure in this annual report.

This statement has been prepared in line with the Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control Guidance for Directors of Listed Issuers.

Practice Note 17

The Board announced that the Company is classified as an affected listed issuer under Practice Note 17 ("PN17") of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia. Pursuant to the matter, the Company is required to submit a Regularisation Plan within 12 months from 25 February 2022 ("First Announcement").

The Board is taking the necessary steps to formulate a regularisation plan to address the Company's PN17 status and will make the necessary announcements on the regularisation plan in due course.

The Company's Restructuring Plan and Scheme of Arrangement with creditors is being aligned as part of the PN17 mitigation plan.

Review Of The Statement By External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. They have reported to the Board under Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysia Institute of Accountants that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by Paragraph 41 and 42 of Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

This Statement has been approved by the Board of Directors at its meeting on 15 April 2022.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") provides critical oversight of the Group financial reporting process; monitoring the external and internal auditing processes; compliance with relevant legal and statutory matters and other matters delegated by the Board to the AC through its approved Terms of Reference.

AUDIT COMMITTEE COMPOSITION AND MEETINGS HELD

The AC composition, type of directorship and attendance of meetings held in the financial year ended 31 December 2021 are set out below.

No.	Name	Directorship	No. of Meetings Attended
1.	Datuk Mohd Nasir Ali (Chairman)	Independent Non-Executive Director	4/4
2.	Abdul Azmin Abdul Halim (Member)	Independent Non-Executive Director	4/4
3.	Aziah Ahmad (Member)	Non-Independent Non-Executive Director	4/4

The composition of the AC is in line with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), where;

- All AC members are Non-Executive Directors and a majority of them are Independent Non-Executive Directors, including the Chairman.
- No alternate director is appointed as a member.
- One (1) member, Aziah Ahmad is a qualified accountant and member of Malaysian Institute of Accountants ("MIA"), fulfill the requirement of paragraph 15.09(1)(c)(i) of the MMLR.

The AC meetings are normally attended by the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Head of Internal Audit and upon invitation, the External Auditors. Four (4) of the meetings held were planned quarterly meetings.

The Company Secretary acts as secretary to the AC. Minutes of each meeting is distributed to each board member. The Chairman of the AC reports key matters discussed at each meeting to the Board.

The Terms of Reference of the AC are contained in the Board Charter which is available on the Company's website.

SUMMARY OF WORK DONE BY AUDIT COMMITTEE

During the financial year, the AC performed the following:

Financial Reporting and Compliance

- Reviewed the quarterly financial results of the Company and the Group on 19 February, 19 May, 20 August and 17 November 2021 prior to recommending them to the Board for approval. The matters reviewed and discussed were:
  - Financial and operational performance, and financial statements.
  - Budget achievement, reasons for the variances and efforts to meet targets.
  - Internal and external matters impacting financial and operational performance, and the actions to be taken.

- Reviewed quarterly announcements prior to recommendation to the Board for approval to ensure that the announcements reflect the situation and are representative of their views.

External Audit

- Reviewed and recommended to the Board the External Auditors' Report on 2020-year end financial statement on 19 February 2021, covering amongst others, the following:
  - Significant accounting and auditing matters during the year.
  - Internal control recommendations.
  - New or significant developments during the year.
  - Significant matters relating to provisions, legal and contracts, compliance with accounting standards and legal requirements.

- Reviewed and recommended to the Board, the External Auditors' 2021 Audit Plan on 17 November 2021, which detailed the terms of engagement for statutory audit; independence of the external audit team; audit approach; and areas of audit emphasis, risk assessment; reporting timeline as well as development in laws and regulations and financial reporting standards.

- Reviewed the External Auditors' fees and recommended it to the Board for approval.

- Held two (2) private discussions on 19 February 2021 and 17 November 2021 with the External Auditors without the presence of Management.

- Obtained written assurance from the External Auditors that they are independent according to the By-Laws on Professional Independence of the Malaysian Institute of Accountants.

Internal Audit

- Reviewed and approved Internal Audit Department ("IAD")'s Annual Internal Audit Plan for 2021, to ensure the adequacy of scope and coverage; competency and resources available; and that Internal Audit has the necessary authority to carry out its work.

- Reviewed and deliberated on the planned and ad hoc internal audit reports issued and the adequacy of management response and actions to address control deficiencies.

- Reviewed quarterly updates on the progress of the Annual Internal Audit Plan 2021 and the status of corrective actions on whether appropriate actions are timely taken.

Others

- Quarterly review and monitoring of recurrent related party transaction and their aggregate values.

- Reviewed the Audit Committee Report 2021 for incorporation into the Annual Report 2021 and recommended it to the Board for approval.

Summary Of Work Done By Internal Audit Department

Internal Audit Department

- IAD has an independent status in the organization, with direct reporting to the AC and an administrative reporting to the Chief Executive Officer.

- IAD's purpose, objectives, authority and responsibilities are spelt out in the IAD Charter which is endorsed by the AC and approved by Board.

- IAD's mission is to provide independent and objective assurance on governance, risk management and control systems reviewed that will improve and add value to the Company and Group.

- Updates are obtained on the developments in the internal audit profession and staff are sent for internal audit training to enable them to be competent auditors.

- The standards and practices adopted by IAD conform to the International Professional Practices Framework issued by The Institute of Internal Auditors.

- The Head of Internal Audit has a Certification in Risk Management Assurance from the Institute of Internal Auditors, a Master in Business Administration and Bachelor of Accountancy (Hons.).

- There were three (3) auditors in IAD during the financial year.

- The total amount of expenses incurred by IAD during the financial year is RM321,564.

Assurance Services

- IAD prepared a risk based Annual Internal Audit Plan 2021 ("the Plan") for the Group. The Plan was reviewed by the AC and approved for implementation.

- Quarterly updates were prepared for the AC detailing the status of the 2021 Plan on the assignments completed, in progress and outstanding.

- A total of nine (9) planned and ad hoc assignments were executed during the financial year and presented to the AC covering the following areas:
  - Governance, control environment and risk management.
  - Acquisition of vessels during EPCIC Project.
  - Management of dry-docking vessels for tugboats and fast crew boat.
  - Fast crew boats operations and management.
  - Management of crew change.
  - Condition on raw material and creditors' position upon termination of Vessel K's Contract.
  - External claim on FSO Nautica Muar.

- Internal Audit Reports were forwarded to management of the relevant departments for the necessary corrective actions.

- Internal Audit Reports and status of corrective actions taken by management were presented to AC.

The report has been approved by the Board of Directors at its meeting on 15 April 2022.

ADDITIONAL COMPLIANCE INFORMATION

SHARE BUY-BACK

The Company did not have a share buy-back programme in place during the financial year ended 31 December 2021.

OPTIONS OR CONVERTIBLE SECURITIES

The Company did not issue any options or convertible securities during the financial year ended 31 December 2021.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2021.

SANCTIONS AND/OR PENALTIES

There was no material sanction and/or penalty during the financial year ended 31 December 2021.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not issue any profit estimate, forecast or projection for the financial year ended 31 December 2021.

MATERIAL CONTACTS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

There was no material contract, entered by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders, either subsisting at the end of the financial year ended 31 December 2021.

RECURRENT RELATED PARTY TRANSACTIONS

Except as disclosed, there was no recurrent related party transaction entered by the Group for the financial year ended 31 December 2021.


7.85
Gainers
Price
Change
%Change
AFC
172.55
BPIRT
29.51
GOH
42.03
AITA
23.16
JTAS
37.24
RCA
20.19
AECT
18.04
XNC
34.33
30%
40%
50%

Financial Statements

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are ship owning and operator of marine vessels for the transportation and offshore storage of oil and gas, provider of port marine services and provision of engineering, procurement, construction, installation and commissioning of floating storage and offloading vessels whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

RESULTS

	Group RM	Company RM
Loss for the year attributable to:		
Owners of the Company	(150,645,452)	(161,224,422)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the notes to the financial statements.

DIVIDENDS

No dividend has been declared or paid by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Mohd Redza Shah bin Abdul Wahid
Datuk Mohd Nasir bin Ali*
Rozan bin Mohd Sa'at
Abdul Azmin bin Abdul Halim
Ir. Dr. Mohd Shahreen Zainooreen bin Madros
Aziah binti Ahmad
Abdul Rahim bin Omar* (Resigned on 1 August 2021)

** Directors of the Company and the subsidiaries.*

DIRECTORS' REPORT (CONT'D.)

DIRECTORS (CONT'D.)

The name of the Directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding a director who is already listed above are:

New Kok Ho	
Mohd Faris Adli bin Shukery	
Mohammed Izuddin bin Rosli	
Azli bin Mohamed	(Resigned on 1 January 2022)
Methal bin Ahmad	(Resigned on 1 August 2021)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 20 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in Note 26 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the Director or officer of the Group and of the Company.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in shares in the Company during and at the end of the financial year were as follows:

	I-------------------- Number of ordinary shares		---------------------I
	As at 1.1.2021	**Acquired**	**Sold**	**As at 31.12.2021**
Datuk Mohd Nasir bin Ali				
- Direct	327,500	-	-	327,500
Rozan bin Mohd Sa'at				
- Direct	327,500	-	-	327,500
Abdul Azmin bin Abdul Halim				
- Direct	50,000	700,000	-	750,000

DIRECTORS' REPORT (CONT'D.)

DIRECTORS' INTERESTS (CONT'D.)

The interests of the Directors in office at the end of the financial year in shares in the related corporations during and at the end of the financial year were as follows:

	I------------------- Number of ordinary shares		--------------------I
	As at			As at
	1.1.2021	Acquired	Sold	31.12.2021
Direct interest in a related company, KPJ Healthcare Berhad				
Datuk Mohd Nasir bin Ali	10,000	-	-	10,000
Rozan bin Mohd Sa'at	3,000	-	-	3,000

The remaining Directors in office did not hold any interest in shares in the Company or its related corporations during and at the end of the financial year.

HOLDING COMPANIES

The details of the holding companies are disclosed in Note 1 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position and statements of comprehensive income of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) that would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company;

  (ii) that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; and

  (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (CONT'D.)

OTHER STATUTORY INFORMATION (CONT'D.)

(d) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(e) As disclosed in Note 2.1 to the financial statements, in the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

Details of the significant and subsequent events are disclosed in Note 30 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM	Company RM
Ernst & Young PLT	308,455	208,343

AUDITORS' INDEMNITY

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been paid to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 March 2022.

Datuk Mohd Nasir bin Ali

Abdul Azmin bin Abdul Halim

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Mohd Nasir bin Ali and Abdul Azmin bin Abdul Halim, being two of the directors of E.A. Technique (M) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 91 to 180 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 March 2022.

Datuk Mohd Nasir bin Ali

Abdul Azmin bin Abdul Halim

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Mariam binti Puan, being the officer primarily responsible for the financial management of E.A. Technique (M) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 91 to 180 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Mariam binti Puan
at Kuala Lumpur in the Federal Territory
on 30 March 2022.

Before me,

PESURUHJAYA SUMPAH
W 643
MOHD KAMAL
RUZAMAN BIN OTHMAN
TEMPOH LANTIKAN:
01-01-2022-31-12-2024
MALAYSIA

No. 5-2, Jalan AU 1A/4B
Taman Keramat Permai
54200 Kuala Lumpur, Malaysia

Mariam binti Puan
MIA No. 27622

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF E.A. TECHNIQUE (M) BERHAD
(INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Disclaimer of Opinion

We were engaged to audit the financial statements of E.A. Technique (M) Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 91 to 180.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

As disclosed in Note 2.1 to the financial statements, the Group and the Company reported a net loss of RM150.6million and RM161.2million respectively for the year ended 31 December 2021. As at 31 December 2021, the Group's and the Company's current liabilities exceeded their current assets by RM405.3million and RM416.9million respectively, but the Group and the Company only have cash and bank balances of RM6.4million and RM5.5million 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.

Notwithstanding the above, the Directors are of the view that it is appropriate to prepare the financial statements on a going concern basis, the validity of which is highly dependent on the following conditions:

(a) On 28 February 2022, the Company announced that it has obtained from the High Court of Malaya at Kuala Lumpur a restraining order pursuant to Section 368 of the Companies Act 2016 in Malaysia ("Act") and an order pursuant to Section 366 of the Act to hold a Court Convened Meeting ("CCM") for the proposed debt restructuring exercise, as further disclosed in Note 30(b) to the financial statements. Currently, management is still in the midst of finalising the proposed debt restructuring scheme where the scheme will only be approved through a majority of 75% of the total value of the scheme creditors present and voting in the CCM. The date of CCM has not been fixed.

    The Directors believe there will be favourable outcome from the negotiation with the scheme creditors in achieving majority support in the CCM and that the debt restructuring exercise will be able to complete successfully, on the basis that they will receive support from the major group of scheme creditors i.e. the related companies (as disclosed in Note 30(b) to the financial statements) and that the Group is able to offer higher recovery under the debt restructuring scheme as compared to the recovery under liquidation.

(b) In respect of those creditors other than the scheme creditors as mentioned in (a) above and lenders as disclosed in Note 12 to the financial statements, the Group and the Company expect to receive continuing support from them by agreeing to extended credit terms during this challenging and unprecedented situation.

The outcome of the Group's and the Company's debt restructuring exercise would depend on the scheme to be made by the Group and the Company, as well as the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. Accordingly, the debt restructuring scheme may develop in ways not initially expected. As the debt restructuring scheme (as referred to (a) above), the extended credit terms (as referred to (b) above) and the outcome of the negotiations with these creditors, are not available at the date of this auditors' report, we are unable to obtain sufficient appropriate audit evidence to support the validity of the assumptions adopted by the Directors in preparing the financial statements on a going concern basis. If the going concern assumption is not appropriate, adjustments will have to be made to state the assets at their realisable values and to provide for further liabilities which may arise.

INDEPENDENT AUDITORS' REPORT (CONT'D.)

Report on the audit of the financial statements (cont'd.)

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the 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 the IESBA Code.

Responsibilities of the directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct the audit of the Group's and of the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing and to issue an auditors' report. However, because of the matter described in the Basis of Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that in our opinion:

(a) the accounting and other records for the matter as described in the Basis for Disclaimer of Opinion section have not been properly kept by the Company in accordance with the provisions of the Act.

(b) we have not obtained all the information and explanations that we required.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Tan Shium Jye
No. 02991/05/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
30 March 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM Restated
Assets			
Non-current assets			
Property, plant and equipment	4	**424,093,287**	590,496,537
Right-of-use assets	5	**1,789,129**	8,685,538
Deferred tax assets	13	**-**	99,005
		425,882,416	599,281,080
Current assets			
Inventories		**106,259**	202,589
Trade and other receivables	7	**19,171,875**	28,760,368
Tax recoverable		**447,063**	1,024,603
Cash and bank balances	8	**10,607,382**	17,330,345
		30,332,579	47,317,905
Non-current assets held for sale	9	**104,334,194**	90,407,313
		134,666,773	137,725,218
Total assets		**560,549,189**	737,006,298
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	10	**179,755,000**	179,755,000
Accumulated losses		**(162,291,403)**	(11,645,951)
Total equity		**17,463,597**	168,109,049
Non-current liabilities			
Lease liabilities	11	**2,217,727**	2,335,362
Loans and borrowings	12	**-**	35,096,671
Deferred tax liabilities	13	**879,710**	426,900
		3,097,437	37,858,933
Current liabilities			
Trade and other payables	14	**249,362,104**	322,051,657
Contract liabilities	15	**-**	-
Lease liabilities	11	**109,835**	7,012,776
Loans and borrowings	12	**289,944,773**	201,894,489
Current tax liabilities		**571,443**	79,394
		539,988,155	531,038,316
Total liabilities		**543,085,592**	568,897,249
Total equity and liabilities		**560,549,189**	737,006,298

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM Restated
Assets			
Non-current assets			
Property, plant and equipment	4	**433,081,196**	637,196,723
Right-of-use assets	5	**63,392**	6,877,289
Investment in subsidiaries	6	**5,000,000**	7,500,000
		438,144,588	651,574,012
Current assets			
Inventories		**106,259**	202,589
Trade and other receivables	7	**19,180,651**	30,330,347
Cash and bank balances	8	**8,866,754**	13,472,333
		28,153,664	44,005,269
Non-current assets held for sale	9	**104,347,411**	90,423,489
		132,501,075	134,428,758
Total assets		**570,645,663**	786,002,770
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	10	**179,755,000**	179,755,000
(Accumulated losses)/Retained earnings		**(158,632,577)**	2,591,845
Total equity		**21,122,423**	182,346,845
Non-current liabilities			
Lease liabilities	11	**-**	79,464
Loans and borrowings	12	**-**	35,089,537
Deferred tax liabilities	13	**129,898**	129,898
		129,898	35,298,899
Current liabilities			
Trade and other payables	14	**259,384,048**	359,502,171
Contract liabilities	15	**-**	-
Lease liabilities	11	**71,663**	6,977,512
Loans and borrowings	12	**289,937,631**	201,873,591
Current tax liabilities		**-**	3,752
		549,393,342	568,357,026
Total liabilities		**549,523,240**	603,655,925
Total equity and liabilities		**570,645,663**	786,002,770

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM Restated
Revenue	16	**160,556,306**	303,192,533
Cost of sales	17	**(134,092,560)**	(299,115,947)
Gross profit		**26,463,746**	4,076,586
Other income		**7,214,564**	4,583,473
Impairment losses and write off		**(135,247,123)**	(78,912,525)
Administrative expenses		**(33,629,084)**	(29,920,857)
Results from operating activities		**(135,197,897)**	(100,173,323)
Finance income		**126,757**	297,916
Finance costs	18	**(14,462,245)**	(18,740,814)
Loss before tax from operation	19	**(149,533,385)**	(118,616,221)
Income tax (expense)/credit	21	**(1,112,067)**	13,079,938
Loss net of tax, representing total comprehensive loss for the year		**(150,645,452)**	(105,536,283)
Total comprehensive loss attributable to:			
Owners of the Company		**(150,645,452)**	(105,536,283)
Loss per share attributable to owners of the parent (sen)			
Basic	22	**(28.40)**	(19.89)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM Restated
Revenue	16	**156,700,668**	300,201,945
Cost of sales	17	**(135,044,925)**	(300,436,294)
Gross profit/(loss)		**21,655,743**	(234,349)
Other income		**6,908,475**	7,414,525
Impairment losses and write off		**(145,066,296)**	(76,802,750)
Administrative expenses		**(30,221,542)**	(26,086,207)
Results from operating activities		**(146,723,620)**	(95,708,781)
Finance income		**108,901**	273,181
Finance costs	18	**(14,609,703)**	(18,826,146)
Loss before tax from operation	19	**(161,224,422)**	(114,261,746)
Income tax credit	21	**-**	13,351,862
Loss net of tax, representing total comprehensive loss for the year		**(161,224,422)**	(100,909,884)
Total comprehensive loss attributable to:			
Owners of the Company		**(161,224,422)**	(100,909,884)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital RM	Distributable retained earnings/ (Accumulated losses) RM	Total equity RM
At 1 January 2020	169,100,000	93,890,332	262,990,332
Total comprehensive loss for the year, as restated	-	(105,536,283)	(105,536,283)
Contributions by owners of the Company			
Issuance of new shares	10,655,000	-	10,655,000
At 31 December 2020/1 January 2021, as restated	179,755,000	(11,645,951)	168,109,049
Total comprehensive loss for the year	-	(150,645,452)	(150,645,452)
At 31 December 2021	179,755,000	(162,291,403)	17,463,597

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital RM	Distributable retained earnings/ (Accumulated losses) RM	Total equity RM
At 1 January 2020	169,100,000	103,501,729	272,601,729
Total comprehensive loss for the year, as restated	-	(100,909,884)	(100,909,884)
Contributions by owners of the Company			
Issuance of new shares	10,655,000	-	10,655,000
At 31 December 2020/1 January 2021, as restated	179,755,000	2,591,845	182,346,845
Total comprehensive loss for the year	-	(161,224,422)	(161,224,422)
At 31 December 2021	179,755,000	(158,632,577)	21,122,423

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM Restated
Cash flows from operating activities			
Loss before tax		**(149,533,385)**	(118,616,221)
Adjustments for:			
Property, plant and equipment and assets held for sale:			
Loss on disposal		**12,223,433**	7,106,238
Depreciation		**43,479,248**	98,619,052
Impairment loss	4(d)	**125,612,425**	78,912,525
Write off		**9,634,698**	-
Right-of-use assets:			
Depreciation		**6,845,904**	38,407,442
Finance costs on:			
Bank overdraft		**188,284**	225,559
Finance leases		**614**	3,489
Conventional financing		**2,810,702**	4,977,914
Revolving credits		**344,575**	486,795
Loans from shareholders		**3,887,375**	3,896,149
Advances from shareholders		**2,711,219**	1,434,350
Accretion of interest on lease liabilities		**968,487**	3,187,726
Interest cost on material litigation		**2,040,594**	865,051
Profit charge on Islamic financing		**3,233,002**	3,663,781
Interest on fixed deposits		**(126,757)**	(297,916)
Allowance for impairment losses on receivables		**53,000**	586,799
Unrealised foreign exchange loss/(gain)		**4,550,749**	(1,053,709)
Operating profit before changes in working capital		**68,924,167**	122,405,024
Changes in working capital:			
Decrease in inventories		**96,330**	35,726
Decrease in trade and other receivables		**9,296,224**	24,962,679
(Decrease)/increase in trade and other payables and contract liabilities		**(86,098,576)**	65,914,685
Cash (used in)/generated from operations		**(7,781,855)**	213,318,114
Interest received		**126,757**	297,916
Interest paid		**(3,344,175)**	(11,024,256)
Profit paid on Islamic financing		**(3,233,002)**	(3,663,781)
Tax refunded		**525,834**	1,364,524
Net cash (used in)/generated from operating activities		**(13,706,441)**	200,292,517
Cash flows from investing activities			
Net placement/(redemption) in short term deposits, fixed and security deposits pledged		**2,902,087**	(384,390)
Purchase of property, plant and equipment		**(58,367,973)**	(106,964,261)
Proceed from disposal of property, plant and equipment and assets held for sale		**20,265,354**	14,042,790
Net cash used in from investing activities		**(35,200,532)**	(93,305,861)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D.)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM Restated
Cash flows from financing activities			
Repayment of conventional term loan		**(36,119,277)**	(34,948,669)
Repayment of Islamic term financing facilities		**(31,487,069)**	(61,764,109)
Drawdown from Islamic term financing facilities		**119,901,787**	1,900,000
Net repayment of finance lease		**(20,890)**	(72,413)
Repayment of lease liabilities		**(7,134,200)**	(27,095,331)
Proceeds from issuance of new shares		**-**	10,655,000
Net cash generated from/(used in) financing activities		**45,140,351**	(111,325,522)
Net decrease in cash and cash equivalents		**(3,766,622)**	(4,338,866)
Cash and cash equivalents at 1 January	(i)	**4,724,661**	9,063,527
Cash and cash equivalents at 31 December	(i)	**958,039**	4,724,661

(i) Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	Note	2021 RM	2020 RM
Cash and bank balances	8	**6,442,522**	9,984,091
Fixed and security deposits with licensed banks	8	**4,164,860**	7,346,254
		10,607,382	17,330,345
Less: Bank overdrafts	12	**(5,484,483)**	(5,259,430)
		5,122,899	12,070,915
Less: Fixed and security deposits pledged	8	**(4,164,860)**	(7,346,254)
		958,039	4,724,661

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM Restated
Cash flows from operating activities			
Loss before tax		**(161,224,422)**	(114,261,746)
Adjustments for:			
Property, plant and equipment and assets held for sale:			
Loss on disposal		**12,223,433**	7,106,238
Depreciation		**46,007,030**	99,474,211
Impairment loss	4(d)	**135,431,598**	76,802,750
Write off		**9,634,698**	-
Right-of-use assets:			
Depreciation		**6,763,392**	38,324,911
Finance costs on:			
Bank overdraft		**188,284**	225,559
Conventional financing		**2,810,702**	4,977,914
Revolving credits		**344,575**	486,795
Loans from shareholders		**3,887,375**	3,896,149
Advances from shareholders		**2,711,219**	1,434,350
Accretion of interest on lease liabilities		**827,350**	3,044,544
Advances from intercompany		**289,209**	232,003
Interest cost on material litigation		**2,040,594**	865,051
Profit charge on Islamic financing		**3,233,002**	3,663,781
Interest on fixed deposits		**(108,901)**	(273,181)
Allowance for impairment losses on trade receivables		**-**	586,799
Unrealised foreign exchange loss/(gain)		**4,612,327**	(1,272,604)
Operating profit before changes in working capital		**69,671,465**	125,313,524
Changes in working capital:			
Decrease in inventories		**96,330**	35,726
Decrease in trade and other receivables		**11,062,909**	23,170,321
(Decrease)/increase in trade and other payables and contract liabilities		**(113,590,832)**	90,956,276
Cash (used in)/generated from operations		**(32,760,128)**	239,475,847
Interest received		**108,901**	273,181
Interest paid		**(3,343,561)**	(11,252,770)
Profit paid on Islamic financing		**(3,233,002)**	(3,663,781)
Tax refunded		**-**	2,018,751
Net cash (used in)/generated from operating activities		**(39,227,790)**	226,851,228
Cash flows from investing activities			
Net placement/(redemption) in short term deposits, fixed and security deposits pledged		**2,919,943**	(433,860)
Purchase of property, plant and equipment		**(30,750,161)**	(135,568,189)
Proceed from disposal of property, plant and equipment and assets held for sale		**20,265,385**	14,042,790
Net cash used in from investing activities		**(7,564,833)**	(121,959,259)

STATEMENT OF CASH FLOWS (CONT'D.)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM Restated
Cash flows from financing activities			
Repayment of conventional term loan		**(36,119,277)**	(34,948,669)
Repayment of Islamic term financing facilities		**(31,487,069)**	(61,764,109)
Drawdown from Islamic term financing facilities		**119,901,787**	1,900,000
Repayment of lease liabilities		**(7,134,200)**	(27,095,331)
Proceeds from issuance of new shares		**-**	10,655,000
Net cash generated from/(used in) financing activities		**45,161,241**	(111,253,109)
Net decrease in cash and cash equivalents		**(1,631,382)**	(6,361,140)
Cash and cash equivalents at 1 January	(i)	**1,619,589**	7,980,729
Cash and cash equivalents at 31 December	(i)	**(11,793)**	1,619,589

(i) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	Note	2021 RM	2020 RM
Cash and bank balances	8	**5,472,690**	6,879,019
Fixed and security deposits with licensed banks	8	**3,394,064**	6,593,314
		8,866,754	13,472,333
Less: Bank overdrafts	12	**(5,484,483)**	(5,259,430)
		3,382,271	8,212,903
Less: Fixed and security deposits pledged	8	**(3,394,064)**	(6,593,314)
		(11,793)	1,619,589

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Corporate information

E.A. Technique (M) Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor. The principal place of business of the Company is located at Setiawangsa Business Suites, Unit C-3A-3A, No. 2, Jalan Setiawangsa 11, 54200 Kuala Lumpur.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group").

The immediate holding company is Sindora Berhad, a company incorporated in Malaysia.

The intermediate holding company is Kulim (Malaysia) Berhad, a company incorporated in Malaysia.

The ultimate holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by Enactment No. 5, 1995).

The principal activities of the Company are ship owning and operator of marine vessels for the transportation and offshore storage of oil and gas, provider of port marine services and provision of engineering, procurement, construction, installation and commissioning of floating storage and offloading vessels.

The principal activities of its subsidiaries are disclosed in Note 6.

There have been no significant changes in the nature of the principal activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 30 March 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Group and the Company reported a net loss of RM150.6million and RM161.2million respectively for the year ended 31 December 2021. As at 31 December 2021, the Group's and the Company's current liabilities exceeded their current assets by RM405.3million and RM416.9million respectively, but the Group and the Company only have cash and bank balances of RM6.4million and RM5.5million 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.

Notwithstanding the above, the Directors are of the view that it is appropriate to prepare the financial statements on a going concern basis, the validity of which is highly dependent on the following conditions:

(a) On 28 February 2022, the Company announced that it has obtained from the High Court of Malaya at Kuala Lumpur ("the High Court") a restraining order pursuant to Section 368 of the Companies Act 2016 in Malaysia ("Act") and an order pursuant to Section 366(1) of the Act to hold a Court Convened Meeting ("CCM") for the proposed debt restructuring exercise, as further disclosed in Note 30(b). Currently, management is still in the midst of finalising the proposed debt restructuring scheme where the scheme will only be approved through a majority of 75% of the total value of the scheme creditors present and voting in the CCM. The date of CCM has not been fixed.

The Directors believe there will be favourable outcome from the negotiation with the scheme creditors in achieving majority support in the CCM and that the debt restructuring exercise will be able to complete successfully, on the basis that they will receive support from the major group of scheme creditors i.e. the related companies (as disclosed in Note 30(b)) and that the Group is able to offer higher recovery under the debt restructuring scheme as compared to the recovery under liquidation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation (cont'd.)

(b) In respect of those creditors other than the scheme creditors as mentioned in (a) above and lenders as disclosed in Note 12, the Group and the Company expect to receive continuing support from them by agreeing to extended credit terms during this challenging and unprecedented situation.

If the going concern assumption is not appropriate, adjustments will have to be made to state the assets at their realisable values and to provide for further liabilities which may arise.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follow:

On 1 January 2021, the Group and the Company adopted the following amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2021.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform - Phase 2	1 January 2021

Adoption of the above Amendments to MFRSs did not have any material impact on the financial performance or position of the Group and the Company.

2.3 Standards, amendments and interpretations issued but not yet effective

The amendments that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 Leases: Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 1 (Annual Improvements to MFRS Standards 2018 - 2020 Cycle)	1 January 2022
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9 Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020 Cycle)	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendment to MFRS 141 (Annual Improvements to MFRS Standards 2018 - 2020 Cycle)	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards, amendments and interpretations issued but not yet effective (cont'd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 Comparative Information	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the above amendments will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiary is consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses and each component of other comprehensive loss within a subsidiary are attributed to the parent and non-controlling interests, even if that results in the non-controlling interest having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owner of the Company.

When the Group loses control of a subsidiary, gain or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations and goodwill

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit and loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

2.6 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Non-current assets held for sale and discontinued operations (cont'd.)

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Vessels	6 - 25 years
- Dry-docking	2.5 - 5 years
- Shipyard	15 years
- Buildings	50 years
- Motor vehicles	5 years
- Forklifts	5 years
- Renovation	5 years
- Furniture, fittings and office equipment	3 - 10 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Residual value of the vessels is estimated by management as equivalent to the light weight tonnage of the vessels times the estimated long term price of steel per tonne.

Dry-docking costs which enhance the useful lives of the vessels are capitalised in the year they are incurred and amortised over 2.5 to 5 years until the next dry-docking.

Vessel under construction, shipyard under construction and equipment under construction are not depreciated until the assets are ready for their intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows Cash-Generating Units ("CGU").

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount not exceeding the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.9 Investment in subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy on impairment of non-financial assets as set out in Note 2.8.

2.10 Financial assets

Initial recognition

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company classify its financial assets as subsequently measured at amortised cost on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Financial assets (cont'd.)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets at amortised cost (debt instruments)

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the right to receive cash flows from the asset has expired; or
- the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and
- either (a) the Group and the Company have transferred substantially all the risks and rewards of the assets, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the assets but has transferred control of the assets.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a "pass through" agreement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's and the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Impairment for debt instruments

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have four types of financial instruments that are subject to the ECL model:

- Trade receivables
- Accrued receivables
- Other receivables
- Inter-company receivables

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

(i) Impairment for debt instruments

While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

General 3-stage approach for other receivables and inter-company balances

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Simplified approach for trade receivables and accrued receivables

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables and accrued receivables.

(ii) Significant increase in credit risk

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

(ii) Significant increase in credit risk (cont'd.)

- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

(iii) Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired when it meets one of the following criteria:

Quantitative criteria

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days or when they fall due.

Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

(iv) Groupings of instruments for ECL measurement

Individual assessment

Trade receivables and accrued receivables which are in default or credit-impaired are assessed individually.

Other receivables and inter-company balances in the Group's and the Company's financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored individually.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

(v) Write off

Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company, and a failure to make contractual payments.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Accrued receivables, other receivables and inter-company balances

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities comprise trade and other payables, amounts due to a subsidiary, immediate holding company, intermediate holding company, ultimate holding company and related company and loans and borrowings.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective finance method.

For financial liabilities other than the derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Borrowings are classified as current liabilities unless the Group or the Company have an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially difference terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

When borrowings measured at amortised cost are modified without resulting in derecognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, shall be recognised immediately in profit or loss in finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and deposits with a licensed bank that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, with a maturity of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2.12 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group and the Company apply a single recognition and measurement approach for all lease, except for short-term leases and lease of low-value assets. The Group and the Company recognise lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise a right-of-use assets at the lease commencement date. The right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Leases (cont'd.)

(a) As lessee (cont'd.)

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognised lease liabilities measured at the present value of lease payments to be made over the lease term. The lease term payment include fixed payment less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and the payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payment or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As lessor

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as charter hire income. The accounting policy for charter hire income is set out in Note 2.18(a).

2.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.17 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.18 Revenue

The Group's and the Company's revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer.

A contract with customer exists when the contract has commercial substance, the Group, the Company and their customers have approved the contract and intend to perform their respective obligations, the Group's, the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and service tax. If the amount of consideration varies due to discounts, rebates, penalties or other similar items, the Group and the Company estimate the amount of consideration that it expects to be entitled based on the expected value method or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company are in the business of owning ships and marine vessels and leasing them to third parties; and provision of procurement, construction, installation and commissioning services.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.18 Revenue (cont'd.)

(a) Vessel charter hire income

Most vessel charter hire income is recognised on straight-line basis over the lease term determined at the inception of the lease.

Certain charter hire income is recognised when services are rendered and are computed at the contracted daily rate.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(b) Revenue from contracts with customers: Other shipping related income and non-shipping income

Income from service rendered is recognised net of service taxes and discounts as and when the services are performed.

(c) Interest income and other income

Interest income is recognised as it accrues, using the effective interest method.

Other income is recognised when services are rendered to the customers and recognised on an accrual basis.

(d) Contract balances - contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Group and Company have received consideration (or an amount of consideration is due) from the customer.

2.19 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) in the principal market for the asset or liability; or

(b) in the absence of a principal market, in the most advantageous market for the asset or liability.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.20 Fair value measurement (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.21 Segment reporting

For management purposes, the Group is organised into operating segments based on their services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 28, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.22 Current versus non-current classification

The Group and the Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

(i) expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) held primarily for the purpose of trading;

(iii) expected to be realised within twelve months after the reporting period; or

(iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) it is expected to be settled in the normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

Impairment review of vessels, vessels under construction and assets classified as held for sale

The Group and the Company are required to assess at each reporting date whether there is any indication that an asset may be impaired in accordance to MFRS 136 Impairment of Assets. If such indication exists, the Group and Company shall estimate the recoverable amount of the asset, which is the higher of fair value less cost to sell or value-in-use. The reduction in charter hire rates, deterioration in utilisation rate, continued operating losses and expired contracts or contracts which are approaching expiry were identified by management as indications that the carrying amounts of some of their vessels, vessels under construction and assets held for sales may be impaired.

The Group and the Company also have vessels and vessels under construction classified as assets held for sale which are measured at the lower of their carrying amount and fair value less costs to sell in accordance to MFRS 5 Non-current assets held for sale and discontinued operations.

The Directors had engaged independent firms of valuers to perform valuation to determine the fair value of these assets. To determine the fair value less cost to sell requires an estimation on price at which an orderly transaction to sell the asset would take place between market participants under current market condition. While to determine the value in use requires estimation on the future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows. Accordingly, the Group and the Company recognised the impairment losses as disclosed in Note 4, 9 and 19 respectively.

For sensitivity to changes in valuation, changes by 10% decrease or increase in the valuation of the fair values by the independent firms of valuers will result in 10% lower or higher in the fair values amounts on a linear basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Vessels RM	Vessels under construction RM	Buildings RM	Shipyard RM	Shipyard under construction RM	Motor vehicles RM	Forklifts RM	Renovation RM	Furniture, fittings and office equipment RM	Equipment under construction RM	Equipment RM	Total RM
Cost												
At 1 January 2021	907,523,961	98,328,080	1,696,912	5,413,687	2,109,775	876,323	364,000	717,533	1,352,925	-	19,090,547	1,037,473,743
Additions	22,978,289	35,270,488	-	102,759	-	-	-	-	16,437	-	-	58,367,973
Transfer to assets held for sale (Note 9)	(411,637,833)	(1,280,857)	-	-	-	-	-	-	-	-	-	(412,918,690)
Disposals	(2,797,725)	-	-	-	-	(73,600)	-	-	-	-	-	(2,871,325)
At 31 December 2021	516,066,692	132,317,711	1,696,912	5,516,446	2,109,775	802,723	364,000	717,533	1,369,362	-	19,090,547	680,051,701
Accumulated depreciation and impairment												
At 1 January 2021	419,180,260	1,747,936	655,614	1,027,093	2,109,775	854,773	364,000	690,718	1,256,490	-	19,090,547	446,977,206
Charge for the year (Note 19)	43,010,348	-	29,227	368,666	-	20,399	-	22,793	27,815	-	-	43,479,248
Transfer to assets held for sale (Note 9)	(346,988,036)	(1,213,855)	-	-	-	-	-	-	-	-	-	(348,201,891)
Impairment (Note 4(d), 19)	105,444,496	-	-	1,681,421	-	-	-	-	-	-	-	107,125,917
Write off	-	9,634,698	-	-	-	-	-	-	-	-	-	9,634,698
Disposals	(2,983,164)	-	-	-	-	(73,600)	-	-	-	-	-	(3,056,764)
At 31 December 2021	217,663,904	10,168,779	684,841	3,077,180	2,109,775	801,572	364,000	713,511	1,284,305	-	19,090,547	255,958,414
Net carrying amount												
At 31 December 2021	298,402,788	122,148,932	1,012,071	2,439,266	-	1,151	-	4,022	85,057	-	-	424,093,287

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Vessels	Vessels under construction	Buildings	Shipyard	Shipyard under construction	Motor vehicles	Forklifts	Renovation	Furniture, fittings and office equipment	Equipment under construction	Equipment	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost												
At 1 January 2020	1,123,164,198	52,801,460	1,696,912	5,080,842	2,109,775	876,323	364,000	717,533	1,325,505	16,406,444	-	1,204,542,992
Additions	27,821,003	76,098,890	-	332,845	-	-	-	-	27,420	2,684,103	-	106,964,261
Transfer to assets held for sale (Note 9)	(209,768,828)	(13,327,541)	-	-	-	-	-	-	-	-	-	(223,096,369)
Disposals	(50,937,141)	-	-	-	-	-	-	-	-	-	-	(50,937,141)
Tranfers	17,244,729	(17,244,729)	-	-	-	-	-	-	-	(19,090,547)	19,090,547	-
At 31 December 2020	907,523,961	98,328,080	1,696,912	5,413,687	2,109,775	876,323	364,000	717,533	1,352,925	-	19,090,547	1,037,473,743
Accumulated depreciation and impairment												
At 1 January 2020	423,493,321	4,283,710	433,203	680,832	-	834,375	364,000	667,925	1,165,432	-	-	431,922,798
Charge for the year (Note 19)	79,014,841	-	33,154	346,261	-	20,398	-	22,793	91,058	-	19,090,547	98,619,052
Transfer to assets held for sale (Note 9)	(128,412,001)	(4,277,055)	-	-	-	-	-	-	-	-	-	(132,689,056)
Impairment (Note 19	74,872,212	1,741,281	189,257	-	2,109,775	-	-	-	-	-	-	78,912,525
Disposals	(29,788,113)	-	-	-	-	-	-	-	-	-	-	(29,788,113)
At 31 December 2020, as restated	419,180,260	1,747,936	655,614	1,027,093	2,109,775	854,773	364,000	690,718	1,256,490	-	19,090,547	446,977,206
Net carrying amount												
At 31 December 2020 as restated	488,343,701	96,580,144	1,041,298	4,386,594	-	21,550	-	26,815	96,435	-	-	590,496,537

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Vessels RM	Vessels under construction RM	Buildings RM	Motor vehicles RM	Renovation RM	Furniture, fittings and office equipment RM	Equipment under construction RM	Equipment RM	Total RM
Cost									
At 1 January 2021	938,231,841	128,175,669	1,696,912	605,378	717,533	832,930	-	19,090,547	1,089,350,810
Additions	23,368,893	7,364,831	-	-	-	16,437	-	-	30,750,161
Transfer to assets held for sale	(411,366,323)	(1,552,367)	-	-	-	-	-	-	(412,918,690)
Disposals	(3,316,714)	-	-	(73,600)	-	-	-	-	(3,390,314)
At 31 December 2021	546,917,697	133,988,133	1,696,912	531,778	717,533	849,367	-	19,090,547	703,791,967
Accumulated depreciation and impairment									
At 1 January 2021	428,607,168	1,747,936	655,614	603,077	690,719	759,026	-	19,090,547	452,154,087
Charge for the year (Note 19)	45,936,953	-	29,227	1,151	22,793	16,906	-	-	46,007,030
Transfer to assets held for sale	(346,716,526)	(1,485,365)	-	-	-	-	-	-	(348,201,891)
Impairment (Note 4(d), 19)	114,445,090	-	-	-	-	-	-	-	114,445,090
Write off	-	9,634,698	-	-	-	-	-	-	9,634,698
Disposals	(3,254,643)	-	-	(73,600)	-	-	-	-	(3,328,243)
At 31 December 2021	239,018,042	9,897,269	684,841	530,628	713,512	775,932	-	19,090,547	270,710,771
Net carrying amount									
At 31 December 2021, as restated	307,899,655	124,090,864	1,012,071	1,150	4,021	73,435	-	-	433,081,196

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Vessels RM	Vessels under construction RM	Buildings RM	Motor vehicles RM	Renovation RM	Furniture, fittings and office equipment RM	Equipment under construction RM	Equipment RM	Total RM
Cost									
At 1 January 2020	1,150,818,771	56,762,549	1,696,912	605,378	717,533	824,720	16,406,444	-	1,227,832,307
Additions	28,298,415	104,577,461	-	-	-	8,210	2,684,103	-	135,568,189
Transfer to assets held for sale	(209,771,787)	(13,340,758)	-	-	-	-	-	-	(223,112,545)
Disposals	(50,937,141)	-	-	-	-	-	-	-	(50,937,141)
Transfers	19,823,583	(19,823,583)	-	-	-	-	(19,090,547)	19,090,547	-
At 31 December 2020	938,231,841	128,175,669	1,696,912	605,378	717,533	832,930	-	19,090,547	1,089,350,810
Accumulated depreciation and impairment									
At 1 January 2020	431,622,600	4,283,710	433,203	601,927	667,926	744,929	-	-	438,354,295
Charge for the year (Note 19)	80,312,470	-	33,154	1,150	22,793	14,097	-	19,090,547	99,474,211
Transfer to assets held for sale	(128,412,001)	(4,277,055)	-	-	-	-	-		(132,689,056)
Impairment (Note 4(d), 19)	74,872,212	1,741,281	189,257	-	-	-	-	-	76,802,750
Disposals	(29,788,113)	-	-	-	-	-	-	-	(29,788,113)
At 31 December 2020 as restated	428,607,168	1,747,936	655,614	603,077	690,719	759,026	-	19,090,547	452,154,087
Net carrying amount									
At 31 December 2020, as restated	509,624,673	126,427,733	1,041,298	2,301	26,814	73,904	-	-	637,196,723

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(a) Security

Net carrying amount of assets pledged as security for islamic term financing, overdraft and term loan facilities are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Vessels and Vessels under construction	**360,642,749**	455,789,982	**361,265,593**	457,309,600

(b) Assets held under finance lease

In the current financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM58,367,973 and RM30,750,161 respectively of which none was acquired by means of finance lease agreement.

In the previous financial year, the net carrying amount of office equipment, motor vehicles, forklifts of the Group held under finance lease arrangements were RM19,248 (2021: RM Nil).

(c) Borrowing costs

In the current financial year, included in vessels under construction of the Group and the Company was interest capitalised of RM1,722,607 (2020: RM125,000).

(d) Impairment of vessels in property, plant and equipment and assets held for sales

In the current financial year, the Group recognised a net impairment loss of RM125,612,425 (2020: RM78,912,525) which comprised an impairment loss of RM127,742,425 on certain vessels that are idle, aged or have been decommissioned during the year and write back of impairment of RM2,130,000 of certain vessels due to improvement in market demand in the oil and gas industry. The recoverable amounts are based on the higher of fair value less cost to sell and value in use and are determined at the individual Cash Generating Unit ("CGU") level. The Directors had engaged independent firms of valuers to perform the valuation of the vessels based on comparable vessels. The fair value measurement is categorised as Level 3 fair value as defined in Note 2.20.

The assessment performed to estimate the fair value of each vessel in reference to the valuation reports, taking into consideration of significant factors (amongst others vessels' classification, age, year built and engine capacity). The key assumptions are as follows:

(i) The type, size, main and auxiliary machinery fitted on board and other specification of the vessels.

(ii) The age of the vessels and its future economic life expectancy.

(iii) The condition of the vessels' hull, machinery and equipment are consistent with its age as noted with the normal wear and tear.

(iv) The current supply and demand for vessels of this type and size in the sales and purchase market.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

5. RIGHT-OF-USE ASSETS

The Group has lease contracts for the lease of its shipyard, vessels and equipment used in its operations. Lease of leasehold land has lease terms of 30 years while vessels and equipment have lease terms of 2 years.

	Leasehold land RM	Vessels RM	Equipment RM	Buildings RM	Total RM
Group					
As at 1 January 2021	1,808,249	6,648,994	-	228,295	8,685,538
Depreciation expenses recognised in profit or loss (Note 19)	(82,512)	(6,648,994)	-	(114,398)	(6,845,904)
Modification	-	-	-	(23,006)	(23,006)
Derecognition	-	-	-	(27,499)	(27,499)
As at 31 December 2021	1,725,737	-	-	63,392	1,789,129
As at 1 January 2020	1,890,780	52,084,370	7,376,586	-	61,351,736
Additions	-	-	-	413,579	413,579
Depreciation expenses recognised in profit or loss (Note 19)	(82,531)	(33,665,304)	(4,474,323)	(185,284)	(38,407,442)
Modification	-	(11,770,072)	-	-	(11,770,072)
Derecognition	-	-	(2,902,263)	-	(2,902,263)
As at 31 December 2020	1,808,249	6,648,994	-	228,295	8,685,538

	Vessels RM	Equipment RM	Buildings RM	Total RM
Company				
As at 1 January 2021	6,648,994	-	228,295	6,877,289
Depreciation expenses recognised in profit or loss (Note 19)	(6,648,994)	-	(114,398)	(6,763,392)
Modification	-	-	(23,006)	(23,006)
Derecognition	-	-	(27,499)	(27,499)
As at 31 December 2021	-	-	63,392	63,392
As at 1 January 2020	52,084,370	7,376,586	-	59,460,956
Additions	-	-	413,579	413,579
Depreciation expenses recognised in profit or loss (Note 19)	(33,665,304)	(4,474,323)	(185,284)	(38,324,911)
Modification	(11,770,072)	-	-	(11,770,072)
Derecognition	-	(2,902,263)	-	(2,902,263)
As at 31 December 2020	6,648,994	-	228,295	6,877,289

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM	2020 RM
Cost of investments	**7,500,000**	7,500,000
Less: Accumulated impairment	**(2,500,000)**	-
	5,000,000	7,500,000

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest 2021 %	2020 %
Johor Shipyard and Engineering Sdn. Bhd.*(1)	Malaysia	Shipbuilding, ship repair, minor fabrication of steel structures, engineering services and consultancy	100	100
Libra Perfex Precision Sdn. Bhd.*(2)	Malaysia	Hiring and chartering of marine vessels	100	100

* *Audited by Ernst & Young PLT, Malaysia*

(1) *The auditors' report of Johor Shipyard and Engineering Sdn Bhd has included the disclaimer opinion on the going concern basis used in the preparation of the financial statements.*

(2) *The auditors' opinion of Libra Prefex Precision Sdn Bhd is not modified but have included a material uncertainty related to going concern basis used in the preparation of the financial statements.*

7. TRADE AND OTHER RECEIVABLES

	Note	2021 RM	2020 RM
Group			
Trade			
Current			
Trade receivables	(a)	**7,853,424**	10,427,427
Accrued revenue from charter hire	(a)	**10,729,522**	6,068,991
Less: Allowance for impairment		**(607,869)**	(607,869)
		17,975,077	15,888,549

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

7. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Note	2021 RM	2020 RM
Group			
Non-Trade			
Current			
Other receivables		**705,122**	4,565,771
Deposits		**223,753**	287,971
Prepayments		**440,735**	2,547,847
Others	(b)	**-**	5,590,042
Less: Allowance for impairment		**(172,812)**	(119,812)
		1,196,798	12,871,819
Total trade and other receivables		**19,171,875**	28,760,368
Add: Cash and bank balances		**9,836,586**	16,577,405
Add: Short term deposits		**770,796**	752,940
Less: Prepayments		**(440,735)**	(2,547,847)
Total financial assets at amortised costs		**29,338,522**	43,542,866
Company			
Trade			
Current			
Trade receivables	(a)	**4,690,009**	6,304,822
Accrued revenue from charter hire	(a)	**7,482,433**	6,068,991
Amount due from a subsidiary	(c)	**6,450,089**	5,090,462
Less: Allowance for impairment		**(586,799)**	(586,799)
		18,035,732	16,877,476

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

7. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Note	2021 RM	2020 RM
Company			
Non-Trade			
Current			
Other receivables		**652,122**	4,507,423
Deposits		**171,874**	236,092
Prepayments		**440,735**	2,547,847
Others	(b)	**-**	6,104,736
Amount due from a subsidiary	(c)	**-**	176,585
Less: Allowance for impairment		**(119,812)**	(119,812)
		1,144,919	13,452,871
Total trade and other receivables		**19,180,651**	30,330,347
Add: Cash and bank balances		**8,866,754**	13,472,333
Less: Prepayments		**(440,735)**	(2,547,847)
Total financial assets at amortised costs		**27,606,670**	41,254,833

(a) Trade receivables

The credit terms of the trade receivables is 30 days (2020: 30 days).

The Group and the Company determine concentration of credit risk by monitoring individual profile of their trade receivables on an ongoing basis. The Group's significant concentration of credit risks are in the form of three (2020: four) major customers which constitute approximately 61% (2020: 69%) of the total trade receivables. The Company's significant concentration of credit risks are in the form of three (2020: four) major customers which constitute approximately 70% (2020: 70%) of the total trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

7. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2021 and 31 December 2020 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2021			
Not past due	**16,594,668**	**-**	**16,594,668**
Past due 30 - 59 days	**857,280**	**-**	**857,280**
Past due 60 - 90 days	**324,841**	**-**	**324,841**
Past due more than 90 days	**198,288**	**-**	**198,288**
	17,975,077	**-**	**17,975,077**
Credit impaired			
Past due more than 90 days	**607,869**	**(607,869)**	**-**
	18,582,946	**(607,869)**	**17,975,077**
2020			
Not past due	14,154,872	-	14,154,872
Past due 30 - 59 days	1,423,542	-	1,423,542
Past due 60 - 90 days	181,104	-	181,104
Past due more than 90 days	129,031	-	129,031
	15,888,549	-	15,888,549
Credit impaired			
Past due more than 90 days	607,869	(607,869)	-
	16,496,418	(607,869)	15,888,549

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

7. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2021 and 31 December 2020 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Company			
2021			
Not past due	**16,655,324**	**-**	**16,655,324**
Past due 30 - 59 days	**857,280**	**-**	**857,280**
Past due 60 - 90 days	**324,841**	**-**	**324,841**
Past due more than 90 days	**198,287**	**-**	**198,287**
	18,035,732	**-**	**18,035,732**
Credit impaired			
Past due more than 90 days	**586,799**	**(586,799)**	**-**
	18,622,531	**(586,799)**	**18,035,732**
2020			
Not past due	16,264,817	-	16,264,817
Past due 30 - 59 days	302,524	-	302,524
Past due 60 - 90 days	181,104	-	181,104
Past due more than 90 days	129,031	-	129,031
	16,877,476	-	16,877,476
Credit impaired			
Past due more than 90 days	586,799	(586,799)	-
	17,464,275	(586,799)	16,877,476

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

7. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

The movements in the allowance for impairment in respect of trade receivables are shown as below:

	Group Credit impaired RM	Company Credit impaired RM
Balance as at 1 January 2020	21,070	-
Increase in loss allowance during the year (Note 19)	586,799	586,799
Balance as at 1 January 2021 and 31 December 2021	607,869	586,799

(b) Others

Others represent costs incurred to fulfill contract with customer in relation to the contract liabilities as disclosed in Note 15.

(c) Amount due from a subsidiary

The trade portion of amount due from a subsidiary is subject to normal trade term while the non-trade portion of amount due from a subsidiary is unsecured, interest free and repayable on demand.

8. CASH AND BANK BALANCES

	2021 RM	2020 RM
Group		
Fixed and security deposits with licensed banks		
– less than 3 months	**3,394,064**	6,593,314
– more than 3 months	**770,796**	752,940
Cash and bank balances	**6,442,522**	9,984,091
	10,607,382	17,330,345
Company		
Fixed and security deposits with licensed banks	**3,394,064**	6,593,314
Cash and bank balances	**5,472,690**	6,879,019
	8,866,754	13,472,333

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

8. CASH AND BANK BALANCES (CONT'D.)

The deposits placed with licensed banks for the Group and the Company are all pledged for bank facilities.

Fixed and security deposits with licensed banks of the Group earn interest ranging from 1.85% to 3.10% (2020: 1.85% to 3.10%) per annum and have maturity periods ranging from 30 days to 365 days (2020: 30 days to 365 days).

Fixed and security deposits with licensed banks of the Company earn interest at 3% (2020: 3%) per annum and have maturity periods of 30 days (2020: 30 days).

9. NON-CURRENT ASSETS HELD FOR SALE

The management with the approval of the Board had decided to dispose certain vessels of the Group. Accordingly, the assets of the related vessels were classified as held for sale and are presented separately as current items in the statements of financial position.

	Group	
	2021 RM	**2020 RM**
At 1 January	**90,407,313**	-
Transfer from vessels and vessels under construction (Note 4)	**64,716,799**	90,407,313
Impairment loss on the remeasurement to fair value less costs to sell (Note 4(d))	**(18,486,508)**	-
Disposal during the year	**(32,303,410)**	-
At 31 December	**104,334,194**	90,407,313

	Company	
	2021 RM	**2020 RM**
At 1 January	**90,423,489**	-
Transfer from vessels and vessels under construction (Note 4)	**64,716,799**	90,423,489
Impairment loss on the remeasurement to fair value less costs to sell (Note 4(d))	**(18,486,508)**	-
Disposal during the year	**(32,306,369)**	-
At 31 December	**104,347,411**	90,423,489

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

10. SHARE CAPITAL

	Group and Company			
	2021		2020	
	Amount RM	Number of shares	Amount RM	Number of shares
Issued and fully paid ordinary shares:				
At 1 January	**179,755,000**	**530,500,000**	169,100,000	504,000,000
Issuance of shares	**-**	**-**	10,655,000	26,500,000
At 31 December	**179,755,000**	**530,500,000**	179,755,000	530,500,000

11. LEASE LIABILITIES

	2021 RM	2020 RM
Group		
Amount due for settlement within 12 months	**109,835**	7,012,776
Amount due for settlement after 12 months	**2,217,727**	2,335,362
	2,327,562	9,348,138
Maturity analysis		
Not more than 1 year	**109,835**	7,012,776
Later than 1 year and not later than 2 years	**48,608**	166,243
Later than 2 years but not later than 5 years	**164,539**	164,539
Later than 5 years	**2,004,580**	2,004,580
	2,327,562	9,348,138
Company		
Amount due for settlement within 12 months	**71,663**	6,977,512
Amount due for settlement after 12 months	**-**	79,464
	71,663	7,056,976
Maturity analysis		
Not more than 1 year	**71,663**	6,977,512
Later than 1 year and not later than 2 years	**-**	79,464
	71,663	7,056,976

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

11. LEASE LIABILITIES (CONT'D.)

Set out below are the carrying amounts of lease liabilities and the movement during the financial year:

	2021 RM	2020 RM
Group		
At 1 January	**9,348,138**	55,528,898
Addition	**-**	435,621
Accretion of interest	**968,487**	3,187,726
Paid during the financial year	**(7,134,200)**	(27,095,331)
Payable during the financial year	**(824,300)**	(3,402,000)
Effect of foreign exchange difference	**-**	1,033,512
Modification	**-**	(16,926,171)
Derecognition	**(30,563)**	(3,414,117)
At 31 December	**2,327,562**	9,348,138
Company		
At 1 January	**7,056,976**	53,204,517
Addition	**-**	435,621
Accretion of interest	**827,350**	3,044,544
Paid during the financial year	**(7,134,200)**	(27,095,331)
Payable during the financial year	**(647,900)**	(3,225,600)
Effect of foreign exchange difference	**-**	1,033,513
Modification	**-**	(16,926,171)
Derecognition	**(30,563)**	(3,414,117)
At 31 December	**71,663**	7,056,976

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

12. LOANS AND BORROWINGS

	Note	2021 RM	2020 RM
Group			
Current – Secured			
Islamic financing facilities	(a)	**147,307,900**	58,508,559
Conventional financing facilities	(a)	**56,754,422**	95,282,412
Revolving credit	(a)	**8,460,170**	9,728,478
Finance lease	(b)	**7,142**	20,898
Loans from shareholders	(c)	**71,930,656**	33,094,712
Bank overdraft	(a)	**5,484,483**	5,259,430
		289,944,773	201,894,489
Non-current - Secured			
Finance lease	(b)	**-**	7,134
Loans from shareholders	(c)	**-**	35,089,537
		-	35,096,671
Total loans and borrowings		**289,944,773**	236,991,160

	Note	2021 RM	2020 RM
Company			
Current – Secured			
Islamic financing facilities	(a)	**147,307,900**	58,508,559
Conventional financing facilities	(a)	**56,754,422**	95,282,412
Revolving credit	(a)	**8,460,170**	9,728,478
Loans from shareholders	(d)	**71,930,656**	33,094,712
Bank overdraft	(a)	**5,484,483**	5,259,430
		289,937,631	201,873,591
Non-current - Secured			
Loans from shareholders	(d)	**-**	35,089,537
Total loans and borrowings		**289,937,631**	236,963,128

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

12. LOANS AND BORROWINGS (CONT'D.)

(a) Islamic financing facilities, conventional financing facilities, revolving credit and bank overdraft

As at 31 December 2021, the Group and the Company have breached certain financing facility covenants arising from the deteriorated financial performance and the classification of the Company as a Practice Note 17 ("PN17") Issuer, as further disclosed in Note 30(a). Consequently, the entire loan balance of the Group and of the Company as at 31 December 2021 amounting to RM218.0million has become repayable on demand and the lenders are entitled to enforce their rights against the pledged assets and vessels. The Group and the Company have reclassified RM156.4million of loan facilities as current loans and borrowings as at 31 December 2021.

The Group and Company have commenced discussions with the lenders to seek for waiver and indulgence for the breached covenants. On 17 March 2022, a key lender (for loans and borrowings amounting to RM96.4million as at 31 December 2021) has provided a one-year indulgence on the gearing covenant until 17 March 2023 and has indicated its willingness to provide continuing support to the Company. In respect of a syndicated facility amounting to RM100.3million as at 31 December 2021, the said key lender (also the Agent of the syndicated facility) has agreed in principle that the said facility will not be recalled as long as the loan repayment are made in accordance to schedule. The discussions with other lenders (with loans and borrowings amounting to RM21.3million as at 31 December 2021) are still on-going and no lenders have called on the Company for the loans and borrowings as of to-date.

The Islamic financing facilities have tenures of 1 to 10 years (2020: 1 to 5 years) which bear profit as at the reporting date at rates ranging from 2.83% to 6.75% (2020: 3.17% to 6.75%) per annum. Included in the Islamic financing facilities is two (2020: two) loans denominated in United State Dollar ("USD") amounting to USD8,293,501 (2020: USD8,989,815) which approximates to RM34,609,607 (2020: RM36,280,197).

The conventional financing facilities have tenures of 1 to 3 years (2020: 1 to 5 years) which bear interest as at the reporting date at rates ranging from 3.69% to 6.40% (2020: 3.76% to 6.40%) per annum.

Revolving credits are repayable on demand which bear interest rate as at the reporting date at rates ranging from 2.90% to 6.60% (2020: 2.90% to 5.16%) per annum. In the previous financial year, included in the revolving credits was a revolving credit denominated in USD amounted to USD317,293 which approximates to RM1,282,051. There is no revolving credit denominated in USD for the current financial year.

Bank overdraft is denominated in RM, bears interest at base lending rate ("BLR") + 0.75% (2020: BLR + 0.75%) per annum and is secured over vessels and vessels under construction as disclosed Note 4(a).

Security

The Islamic financing facilities, conventional financing facilities and revolving credits are secured by way of the following:

(i) Duly executed and enforceable Memorandum of Deposit and letter of set-off for the placement of fixed deposits totaling RM1,512,405 (2020: RM1,512,405) in the form of Al Mudharabah General Investment Account ("GIA") throughout the financing period respectively;

(ii) Assignment of the relevant insurance coverage over the vessels indicating the bank as loss payee ("beneficiary"), namely:

- (a) Hull and machinery;
- (b) Mortgage interest; and
- (c) Protection and Indemnity Club ("P&I") acceptable to the Bank.

The amount to be covered by insurance shall not be less than the outstanding amount of the facilities;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

12. LOANS AND BORROWINGS (CONT'D.)

(a) Islamic financing facilities, conventional financing facilities, revolving credit and bank overdraft (cont'd.)

Security (cont'd.)

The Islamic financing facilities, conventional financing facilities and revolving credits are secured by way of the following: (cont'd.)

(iii) Duly executed and enforceable Deed of Mortgage and Covenant over the vessels and vessels under construction;

(iv) Legal Assignment of the contract proceeds throughout the financing period to be duly acknowledged by charterer; and

(v) Guarantee given by a certain shareholder of the Company for the certain loans.

(vi) The securities in relation to the loan for Pontian 2 and Kluang 2:

(a) Deed of Covenant accompanying First statutory legal mortgage over the vessels;
(b) Specific Debenture over the vessels;
(c) Legal assignment of contract proceeds related to the vessels to be channelled into Designated Collection Account ("DCA") with the bank;
(d) Legal Assignment over DCA related to the vessels;
(e) Legal Assignment of insurances for the vessels;
(f) Legal Assignment of Shipbuilding Agreement;
(g) Security Sharing Agreement and Coordinating Agent Agreement between RHBi, third party financial institution(s) and the Company; and
(h) Supplemental Assignments of Contract Proceeds from all vessels charged to RHB Banking Group to cover RHBi and third party financial institution(s)'s new facilities during construction of the vessels.

Significant covenants

In connection with financing facilities, the Group and the Company have agreed on the following significant financial covenants with certain lenders:

(i) The Group's and the Company's total financing to tangible net worth ("Gearing ratio") will not exceed 2.5 times at all time as per the following formula:-

$$\left\{ \frac{\text{Total Financing}}{\text{Tangible Networth + Subordination of Shareholders and Directors Advances}} \right\}$$

(ii) The Group's and the Company's debt to equity ratio will not exceed 3.0 times at all times.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

12. LOANS AND BORROWINGS (CONT'D.)

(b) Finance lease commitments - as lessee

Finance lease liabilities are payable as follows:

	2021 RM	2020 RM
Group		
Minimum lease payments:		
Not later than 1 year	**7,210**	21,750
Later than 1 year, but not later than 2 years	**-**	7,202
Total minimum lease payments	**7,210**	28,952
Less: Future finance charges	**(68)**	(920)
Present value of minimum lease payments	**7,142**	28,032
Present value of payments:		
Not later than 1 year	**7,142**	20,898
Later than 1 year, but not later than 2 years	**-**	7,134
Present value of minimum lease payments	**7,142**	28,032
Less: Amount due within 12 months	**(7,142)**	(20,898)
Amount due after 12 months	**-**	7,134

The Group's weighted average effective interest rate as at the reporting date of finance lease liabilities is 2.63% (2020: 3.36%) per annum.

(c) Loans from shareholders

Loans from shareholders are unsecured and bear interest at 6.85% (2020: 6.85%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

12. LOANS AND BORROWINGS (CONT'D.)

(d) Reconciliation of movement of liabilities to cash flows arising from financing activities:

	1 January 2021 RM	Cash flows RM	Foreign exchange movement RM	New leases RM	Other RM	31 December 2021 RM
Group						
Current interest-bearing loans and borrowings (excluding items listed below)	201,873,591	(67,606,346)	-	-	(27,947,619)	289,937,631
Current obligations under finance lease liabilities	20,898	(20,890)	-	-	7,134	7,142
Current obligations under lease liabilities (Note 11)	7,012,776	(7,134,200)	-	-	231,259	109,835
Non-current interest-bearing loans and borrowings (excluding items listed below)	35,089,537	119,901,787	679,062	-	27,947,619	-
Non-current obligations under finance lease liabilities	7,134	-	-	-	(7,134)	-
Non-current obligations under lease liabilities (Note 11)	2,335,362	-	-	-	(117,635)	2,217,727
Total liabilities from financing activities	246,339,298	45,140,351	679,062	-	113,624	292,272,335
Company						
Current interest-bearing loans and borrowings (excluding items listed below)	201,873,591	(67,606,346)	-	-	(27,947,619)	289,937,631
Current obligations under lease liabilities (Note 11)	6,977,512	(7,134,200)	-	-	228,351	71,663
Non-current interest-bearing loans and borrowings (excluding items listed below)	35,089,537	119,901,787	679,062	-	27,947,619	-
Non-current obligations under lease liabilities (Note 11)	79,464	-	-	-	(79,464)	-
Total liabilities from financing activities	244,020,104	45,161,241	679,062	-	148,887	290,009,294

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

12. LOANS AND BORROWINGS (CONT'D.)

(d) Reconciliation of movement of liabilities to cash flows arising from financing activities (cont'd.):

	1 January 2020 RM	Cash flows RM	Foreign exchange movement RM	New leases RM	Other RM	31 December 2020 RM
Group						
Current interest-bearing loans and borrowings (excluding items listed below)	149,207,395	(96,712,778)	-	-	149,378,974	201,873,591
Current obligations under finance lease liabilities	77,771	(72,413)	-	-	15,540	20,898
Current obligations under lease liabilities (Note 11)	33,483,791	(27,095,331)	1,033,512	435,621	16,081,354	7,012,776
Non-current interest-bearing loans and borrowings (excluding items listed below)	183,933,485	1,900,000	(139,425)	-	(150,604,523)	35,089,537
Non-current obligations under finance lease liabilities	22,674	-	-	-	(15,540)	7,134
Non-current obligations under lease liabilities (Note 11)	22,045,107	-	-	-	(19,709,745)	2,335,362
Total liabilities from financing activities	388,770,223	(121,980,522)	894,087	435,621	(4,853,940)	246,339,298
Company						
Current interest-bearing loans and borrowings (excluding items listed below)	149,207,395	(96,712,778)	-	-	149,378,974	201,873,591
Current obligations under lease liabilities (Note 11)	33,450,573	(27,095,331)	1,033,513	435,621	16,079,307	6,977,512
Non-current interest-bearing loans and borrowings (excluding items listed below)	183,933,485	1,900,000	(139,425)	-	(150,604,523)	35,089,537
Non-current obligations under lease liabilities (Note 11)	19,753,944	-	-	-	(19,674,480)	79,464
Total liabilities from financing activities	386,345,397	(121,908,109)	894,088	435,621	(4,820,722)	244,020,104

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

12. LOANS AND BORROWINGS (CONT'D.)

(d) Reconciliation of movement of liabilities to cash flows arising from financing activities (cont'd.):

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including obligations under finance lease liabilities to current due to the passage of time and the effect of accrued but not yet paid interest on interest bearing loans and borrowings. The Group and the Company classify interest paid within operating activities.

There have been breach in the financial covenants as described in Note 12(b) during the financial year.

13. DEFERRED TAX (ASSETS)/LIABILITIES

The movements and components in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the year are as follows:

	Note	2021 RM	2020 RM
Group			
At 1 January		**327,895**	13,710,864
Recognised in profit or loss	21	**551,815**	(13,382,969)
At 31 December		**879,710**	327,895
Presented after appropriate offsetting as follows:			
- Deferred tax assets		**-**	(99,005)
- Deferred tax liabilities		**879,710**	426,900
		879,710	327,895
Company			
At 1 January		**129,898**	13,481,760
Recognised in profit or loss	21	**-**	(13,351,862)
At 31 December		**129,898**	129,898
Presented after appropriate offsetting as follows:			
- Deferred tax assets		**(67,238,839)**	(67,238,839)
- Deferred tax liabilities		**67,368,737**	67,368,737
		129,898	129,898

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

13. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

The movements and components in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the year are as follows (cont'd.):

	Note	Lease liabilities RM	Unutilised tax losses RM	Unabsorbed capital allowances RM	Provisions/ others RM	Total RM
Group						
At 1 January 2021		**(159,025)**	**(17,759,494)**	**(18,232,038)**	**(31,294,921)**	**(67,445,478)**
Recognised in profit or loss	21	**472,537**	**-**	**15,342**	**19,544**	**507,423**
At 31 December 2021		**313,512**	**(17,759,494)**	**(18,216,696)**	**(31,275,377)**	**(66,938,055)**
At 1 January 2020		(324,680)	(13,491,005)	(23,852,185)	(25,603,585)	(63,271,455)
Recognised in profit or loss	21	165,655	(4,268,489)	5,620,147	(5,691,336)	(4,174,023)
At 31 December 2020		(159,025)	(17,759,494)	(18,232,038)	(31,294,921)	(67,445,478)
Company						
At 1 January 2021/31 December 2021		**(43,127)**	**(17,759,494)**	**(18,080,194)**	**(31,356,024)**	**(67,238,839)**
At 1 January 2020		(220,616)	(13,167,729)	(23,715,683)	(25,667,239)	(62,771,267)
Recognised in profit or loss	21	177,489	(4,591,765)	5,635,489	(5,688,785)	(4,467,572)
At 31 December 2020		(43,127)	(17,759,494)	(18,080,194)	(31,356,024)	(67,238,839)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

13. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

The components and movements of deferred tax assets and liabilities of the Group during the financial years prior to offsetting are as follows (cont'd.):

	Note	Property, plant and equipment RM
Group		
At 1 January 2021		**67,773,373**
Recognised in profit or loss	21	**44,392**
At 31 December 2021		**67,817,765**
At 1 January 2020		76,982,319
Recognised in profit or loss	21	(9,208,946)
At 31 December 2020		67,773,373
Company		
At 1 January 2021/31 December 2021		**67,368,737**
At 1 January 2020		76,253,027
Recognised in profit or loss	21	(8,884,290)
At 31 December 2020		67,368,737

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

14. TRADE AND OTHER PAYABLES

	Note	2021 RM	2020 RM
Group			
Trade			
Trade payables	(a)	**158,065,411**	231,716,418
Trade accruals		**2,696,987**	47,451,847
Freight income received in advance		**1,763,247**	5,174,633
		162,525,645	284,342,898
Non-trade			
Amounts due to			
- ultimate holding company	(b)	**1,289,348**	1,121,691
- intermediate holding company	(b)	**804,410**	691,174
- immediate holding company	(b)	**62,890,494**	8,913,239
- a related company	(b)	**22,607**	9,518
Amounts due to other shareholders	(b)	**6,643,258**	6,104,960
Other payables and accrued expenses		**15,036,342**	15,529,257
Provisions	(c)	**150,000**	5,338,920
		86,836,459	37,708,759
Total trade and other payables		**249,362,104**	322,051,657
Add: Loans and borrowings (Note 12)		**289,944,773**	236,991,160
Add: Lease liabilities (Note 11)		**2,327,562**	9,348,138
Less: Freight income received in advance		**(1,763,247)**	(5,174,633)
Less: Provisions		**(150,000)**	(5,338,920)
Total financial liabilities carried at amortised cost		**539,721,192**	557,877,402
Company			
Trade			
Trade payables	(a)	**153,166,898**	225,140,893
Trade accruals	(a)	**2,312,327**	47,451,847
Amount due to a subsidiary	(b)	**16,892,248**	44,858,392
Freight income received in advance		**1,763,247**	5,174,633
		174,134,720	322,625,765

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

14. TRADE AND OTHER PAYABLES (CONT'D.)

	Note	2021 RM	2020 RM
Company			
Non-trade			
Amounts due to			
- ultimate holding company	(b)	**1,222,051**	1,054,253
- intermediate holding company	(b)	**804,410**	691,174
- immediate holding company	(b)	**62,890,494**	8,913,239
- a related company	(b)	**22,607**	9,518
- subsidiary	(b)	**2,326,212**	-
Amounts due to other shareholders	(b)	**6,643,258**	6,104,960
Other payables and accrued expenses		**11,190,296**	14,845,778
Provisions	(c)	**150,000**	5,257,484
		85,249,328	36,876,406
Total trade and other payables		**259,384,048**	359,502,171
Add: Loans and borrowings (Note 12)		**289,937,631**	236,963,128
Add: Lease liabilities (Note 11)		**71,663**	7,056,976
Less: Freight income received in advance		**(1,763,247)**	(5,174,633)
Less: Provisions		**(150,000)**	(5,257,484)
Total financial liabilities carried at amortised cost		**547,480,095**	593,090,158

(a) Trade payables

Credit terms granted to the Group and the Company vary from 30 to 90 days (2020: 30 to 90 days).

(b) Amounts due to a subsidiary, ultimate holding company, intermediate holding company, immediate holding company, related company and other shareholders

The amounts due to a subsidiary and ultimate holding company are unsecured, interest free and repayable on demand.

The amounts due to intermediate holding company and a related company bear 4.26% (2020: 4.26%) interest rate per annum and are repayable on demand.

The amounts due to immediate holding company and other shareholders bear 6.85% to 9.00% (2020: 6.85 to 9.00%) interest rate per annum and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

14. TRADE AND OTHER PAYABLES (CONT'D.)

(c) Provisions

	Provision for bonus RM	Provision for zakat RM	Total RM
Group			
At 1 January 2021	**5,263,920**	**75,000**	**5,338,920**
Provision during the year	**-**	**75,000**	**75,000**
Reversal during the year	**(5,263,920)**	**-**	**(5,263,920)**
At 31 December 2021	**-**	**150,000**	**150,000**
At 1 January 2020	6,345,919	75,000	6,420,919
Reversal during the year	(1,081,999)	-	(1,081,999)
At 31 December 2020	5,263,920	75,000	5,338,920
Company			
At 1 January 2021	**5,182,484**	**75,000**	**5,257,484**
Provision during the year	**-**	**75,000**	**75,000**
Reversal during the year	**(5,182,484)**	**-**	**(5,182,484)**
At 31 December 2021	**-**	**150,000**	**150,000**
At 1 January 2020	6,264,483	75,000	6,339,483
Reversal during the year	(1,081,999)	-	(1,081,999)
At 31 December 2020	5,182,484	75,000	5,257,484

15. CONTRACT LIABILITIES

	Group and Company	
	2021 RM	**2020 RM**
At 1 January	**-**	15,610,001
Revenue recognised during the year	**-**	(15,610,001)
At 31 December	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

15. CONTRACT LIABILITIES (CONT'D.)

Unsatisfied performance obligations:

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied as at the reporting date, are as follows:

	Group and Company	
	2021 RM	**2020 RM**
Within 1 year	**-**	7,133,500

16. REVENUE

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Vessel charter hire income	**146,672,469**	243,726,231	**144,714,165**	241,808,204
Revenue from contract with customers	**7,133,500**	22,300,000	**7,133,500**	22,300,000
Other services	**6,750,337**	37,166,302	**4,853,003**	36,093,741
	160,556,306	303,192,533	**156,700,668**	300,201,945

Disaggregation of the Group's and of the Company's revenue from contracts with customers:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Geographical market:				
Malaysia	**27,179,058**	72,761,523	**25,281,724**	71,658,962

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Timing of revenue recognition:				
Point of time	**27,179,058**	72,761,523	**25,281,724**	71,658,962

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

17. COST OF SALES

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Cost of services	**158,076,366**	256,519,533	**159,028,731**	257,839,880
EPCIC cost	**(23,983,806)**	42,596,414	**(23,983,806)**	42,596,414
	134,092,560	299,115,947	**135,044,925**	300,436,294

Certain liabilities recognised in Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") costs in prior year were reversed in the current year following the Company's Settlement Agreement with Malaysian Marine Heavy Engineering. Further details are disclosed in Note 29.

18. FINANCE COSTS

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Interest expense incurred on:				
- Bank overdraft	**188,284**	225,559	**188,284**	225,559
- Finance leases	**614**	3,489	**-**	-
- Conventional financing	**2,810,702**	4,977,914	**2,810,702**	4,977,914
- Revolving credits	**344,575**	486,795	**344,575**	486,795
- Loans from shareholders	**3,887,375**	3,896,149	**3,887,375**	3,896,149
- Advances from shareholders	**2,711,219**	1,434,350	**2,711,219**	1,434,350
- Lease liabilities	**968,487**	3,187,726	**827,350**	3,044,544
- Advances from intercompany	**-**	-	**289,209**	232,003
- Interest costs of material litigation	**2,040,594**	865,051	**2,040,594**	865,051
	12,951,850	15,077,033	**13,099,308**	15,162,365
Profit payable on islamic financing	**3,233,002**	3,788,781	**3,233,002**	3,788,781
Less: Interest expense capitalised in vessels under construction (Note 4 (c))	**(1,722,607)**	(125,000)	**(1,722,607)**	(125,000)
	14,462,245	18,740,814	**14,609,703**	18,826,146

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

19. LOSS BEFORE TAX FROM OPERATION

	Group		Company	
	2021 RM	**2020 RM Restated**	**2021 RM**	**2020 RM Restated**
Loss before tax from operation is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audits	**308,455**	308,455	**208,343**	208,343
- other services	**88,000**	23,000	**88,000**	23,000
Depreciation on property, plant and equipment	**43,479,248**	98,619,052	**46,007,030**	99,474,211
Depreciation on right-of-use assets	**6,845,904**	38,407,442	**6,763,392**	38,324,911
Impairment losses on investment in subsidiary	**-**	-	**2,500,000**	-
Impairment losses on property plant and equipment and assets held for sale	**125,612,425**	78,912,525	**132,931,598**	76,802,750
Write off	**9,634,698**	-	**9,634,698**	-
Loss on disposal of property, plant and equipment and assets held for sale	**12,223,433**	7,106,238	**12,223,433**	7,106,238
Allowance for impairment losses on receivables	**53,000**	586,799	**-**	586,799
Realised foreign exchange loss	**5,906,517**	5,204,233	**5,780,262**	4,552,026
Unrealised foreign exchange los/(gain)	**4,550,749**	(1,053,709)	**4,612,327**	(1,272,604)
Low value leases:				
Rental of office equipment	**69,348**	65,060	**60,973**	59,210
Rental of staff quarters	**40,000**	-	**40,000**	-
Short term leases:				
Rental of office	**121,756**	100,341	**121,756**	100,341
Rental of shipyard	**44,500**	44,100	**-**	-
Rental of third party vessels	**4,311,448**	10,205,194	**4,311,448**	10,205,194
Personnel expenses (including key management personnel):				
- Wages, salaries and others	**32,528,314**	39,577,518	**31,347,645**	38,376,304
- Contributions to Employees Provident Fund ("EPF")	**3,511,524**	3,952,085	**3,334,134**	3,780,226
Insurance recoveries	**(6,251,964)**	(3,453,316)	**(6,251,964)**	(3,453,316)
Interest on fixed deposits	**(126,757)**	(297,916)	**(108,901)**	(273,181)
Rental income	**-**	(50,000)	**-**	(50,000)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

20. DIRECTORS' REMUNERATION

The details of remuneration received/receivable by Directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Executive:				
Salaries and other emoluments	**-**	438,840	**-**	438,840
Fees	**-**	36,000	**-**	-
Contributions to EPF	**-**	30,236	**-**	30,236
Total executive directors' remuneration (excluding benefits-in-kind)	**-**	505,076	**-**	469,076
Estimated monetary value of benefits-in-kind	**-**	216,349	**-**	216,349
Total executive directors' remuneration (including benefits-in-kind)	**-**	721,425	**-**	685,425
Non-executive:				
Fees	**432,334**	402,076	**432,334**	402,076
Other emoluments	**193,000**	114,000	**193,000**	114,000
Total non-executive directors' remuneration	**625,334**	516,076	**625,334**	516,076
Total directors' remuneration	**625,334**	1,237,501	**625,334**	1,201,501

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

20. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration received/receivable by Directors of the Group during the year are as follows (cont'd.):

	Salary, other emoluments, bonus and EPF RM	Fees RM	Benefits-in-kind RM	Total RM
Group				
As at 31 December 2021				
Non-executive				
Dato' Mohd Redza Shah bin Abdul Wahid	**40,000**	**80,000**	**-**	**120,000**
Datuk Mohd Nasir bin Ali	**30,000**	**90,167**	**-**	**120,167**
Rozan bin Mohd Sa'at	**26,000**	**76,000**	**-**	**102,000**
Abdul Azmin bin Abdul Halim	**31,000**	**96,000**	**-**	**127,000**
Ir. Dr. Mohd Shahreen Zainooreen bin Madros	**28,000**	**90,167**	**-**	**118,167**
Aziah binti Ahmad*	**24,000**	**-**	**-**	**24,000**
Abdul Rahim bin Omar*	**14,000**	**-**	**-**	**14,000**
	193,000	**432,334**	**-**	**625,334**

* The Directors fees of the respective Directors were paid to the intermediate holding company, a related company and ultimate holding corporation as corporate fees.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

20. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration received/receivable by Directors of the Group during the year are as follows (cont'd.):

	Salary, other emoluments, bonus and EPF RM	Fees RM	Benefits-in-kind RM	Total RM
Group				
As at 31 December 2020				
Executive				
Dato' Ir Abdul Hak bin Md Amin	469,076	36,000	216,349	721,425
Non-executive				
Dato' Mohd Redza Shah bin Abdul Wahid	24,000	66,330	-	90,330
Datuk Mohd Nasir bin Ali	18,000	82,700	-	100,700
Rozan bin Mohd Sa'at	14,000	80,173	-	94,173
Abdul Azmin bin Abdul Halim	18,000	92,700	-	110,700
Ir. Dr. Mohd Shahreen Zainooreen bin Madros	12,000	80,173	-	92,173
Aziah binti Ahmad*	14,000	-	-	14,000
Abdul Rahim bin Omar*	12,000	-	-	12,000
Ahamad bin Mohamad*	1,000	-	-	1,000
Zulkifly bin Zakariah*	1,000	-	-	1,000
	114,000	402,076	-	516,076
	583,076	438,076	216,349	1,237,501

* The Directors fees of the respective Directors were paid to the intermediate holding company, a related company and ultimate holding corporation as corporate fees.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

20. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration received/receivable by Directors of the Group during the year are as follows (cont'd.):

	Salary, other emoluments, bonus and EPF RM	Fees RM	Benefits-in-kind RM	Total RM
Company				
As at 31 December 2021				
Non-executive				
Dato' Mohd Redza Shah bin Abdul Wahid	**40,000**	**80,000**	**-**	**120,000**
Datuk Mohd Nasir bin Ali	**30,000**	**90,167**	**-**	**120,167**
Rozan bin Mohd Sa'at	**26,000**	**76,000**	**-**	**102,000**
Abdul Azmin bin Abdul Halim	**31,000**	**96,000**	**-**	**127,000**
Ir. Dr. Mohd Shahreen Zainooreen bin Madros	**28,000**	**90,167**	**-**	**118,167**
Aziah binti Ahmad*	**24,000**	**-**	**-**	**24,000**
Abdul Rahim bin Omar*	**14,000**	**-**	**-**	**14,000**
	193,000	**432,334**	**-**	**625,334**

* The Directors fees of the respective Directors were paid to the intermediate holding company, a related company and ultimate holding corporation as corporate fees.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

20. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration received/receivable by Directors of the Group during the year are as follows (cont'd.):

	Salary, other emoluments, bonus and EPF RM	Fees RM	Benefits-in-kind RM	Total RM
Company				
As at 31 December 2020				
Executive				
Dato' Ir Abdul Hak bin Md Amin	469,076	-	216,349	685,425
Non-executive				
Dato' Mohd Redza Shah bin Abdul Wahid	24,000	66,330	-	90,330
Datuk Mohd Nasir bin Ali	18,000	82,700	-	100,700
Rozan bin Mohd Sa'at	14,000	80,173	-	94,173
Abdul Azmin bin Abdul Halim	18,000	92,700	-	110,700
Ir. Dr. Mohd Shahreen Zainooreen bin Madros	12,000	80,173	-	92,173
Aziah binti Ahmad*	14,000	-	-	14,000
Abdul Rahim bin Omar*	12,000	-	-	12,000
Ahamad bin Mohamad*	1,000	-	-	1,000
Zulkifly bin Zakariah*	1,000	-	-	1,000
	114,000	402,076	-	516,076
	583,076	402,076	216,349	1,201,501

* The Directors fees of the respective Directors were paid to the intermediate holding company related company and ultimate holding corporation as corporate fees.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

20. DIRECTORS' REMUNERATION (CONT'D.)

The number of Directors of the Group and of the Company whose total remuneration during the financial years fell within the following bands is analysed below:

	Group		Company	
	Number of Directors		Number of Directors	
	2021	**2020**	**2021**	**2020**
Executive Directors:				
- RM650,001 to RM800,000	**-**	1	**-**	1
Non-executive Directors:				
- RM100,001 to RM250,000	**5**	2	**5**	2
- RM75,001 to RM100,000	**2**	3	**2**	3
- RM75,000 and below	**-**	4	**-**	4

21. INCOME TAX EXPENSE/(CREDIT)

Major components of income tax expense/(credit)

The major components of income tax credit for the financial years ended 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Statements of comprehensive income				
Income tax:				
- Income tax expense	**557,243**	296,324	**-**	-
- Under provision in respect of previous financial years	**3,009**	6,707	**-**	-
	560,252	303,031	**-**	-
Deferred tax (Note 13):				
- Relating to origination and reversal of temporary differences	**553,922**	(10,752,256)	**-**	(10,830,245)
- Over provision in respect of previous financial years	**(2,107)**	(2,630,713)	**-**	(2,521,617)
	551,815	(13,382,969)	**-**	(13,351,862)
Income tax expense/(credit) recognised in profit or loss	**1,112,067**	(13,079,938)	**-**	(13,351,862)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

21. INCOME TAX EXPENSE/(CREDIT) (CONT'D.)

Reconciliation between tax expense/(credit) and accounting profit

The reconciliations between tax expense/(credit) and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Loss before tax	**(149,533,385)**	(118,616,221)	**(161,224,422)**	(114,261,746)
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	**(35,888,012)**	(28,467,893)	**(38,693,861)**	(27,422,819)
Non-deductible expenses	**40,177,241**	29,236,328	**40,777,197**	27,816,941
Tax exempt income	**(439,383)**	(14,667,291)	**(439,383)**	(14,667,291)
Deferred tax assets not recognised	**704,243**	3,442,924	**1,798,971**	3,442,924
Recognition of previously unabsorbed capital allowances	**(3,442,924)**	-	**(3,442,924)**	-
(Over)/under provision in respect of previous financial years				
- deferred tax	**(2,107)**	(2,630,713)	**-**	(2,521,617)
- income tax	**3,009**	6,707	**-**	-
	1,112,067	(13,079,938)	**-**	(13,351,862)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

Deferred tax assets have not been recognised in respect of the following item:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Unutilised business losses	**1,031,667**	-	**7,495,712**	-
Unabsorbed capital allowances	**297,659**	14,345,517	**-**	14,345,517
Other deductible temporary differences	**1,605,021**	-	**-**	-
	2,934,347	14,345,517	**7,495,712**	14,345,517

These deferred tax assets were not recognised as future taxable profits may not be available against which these deductible temporary differences can be utilised.

The unutilised business losses are allowed to be carried forward for a maximum period of ten consecutive years of assessment. The unabsorbed capital allowances do not expire under the current tax legislation in Malaysia and can be utilised against income from the same business source, subject to no substantial change in shareholdings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

22. LOSS PER SHARE

Basic

Basic loss per share is calculated by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2021	**2020**
Loss for the financial year attributable to owners of the Company (RM)	**(150,645,452)**	(105,536,283)
Weighted average number of ordinary shares in issue	**530,500,000**	530,500,000
Basic loss per share (sen)	**(28.40)**	(19.89)

The Group has no potential ordinary shares in issue as at financial year end and therefore, diluted earnings per share has not been presented.

There have been no other transactions involving ordinary shares or potential shares.

23. CATEGORIES OF FINANCIAL INSTRUMENTS

All financial assets and liabilities are categorised as amortised cost as at 31 December 2021 and 31 December 2020 in accordance with the Group's and the Company's accounting policies as disclosed in Note 2.10. All financial assets and liabilities are carried at carrying amounts which are reasonable approximation of fair values except as stated below:

	Carrying amount RM	Fair value RM
Group and Company		
As at 31 December 2021		
Fixed rate loans and borrowings (current)	**(36,812,704)**	**(42,649,085)**
As at 31 December 2020		
Fixed rate loans and borrowings (non-current)	(46,577,430)	(51,354,387)

The fair value of fixed rate loans and borrowings as at 31 December 2021 and 31 December 2020 in accordance with the Group's and the Company's accounting policies as disclosed in Note 2.20 is estimated by discounting expected future cash flows at the borrowing rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

23. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D.)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets and liabilities for which fair value is disclosed.

	Level 1 RM	Level 2 RM	Level 3 RM
Group			
31 December 2021			
Property, plant and equipment	**-**	**-**	**424,093,287**
Non-current assets held for sale	**-**	**-**	**104,334,194**
Fixed rate loans and borrowings	**-**	**(42,649,085)**	**-**
31 December 2020			
Property, plant and equipment	-	-	590,496,537
Non-current assets held for sale	-	-	90,407,313
Fixed rate loans and borrowings	-	(51,354,387)	-
Company			
31 December 2021			
Property, plant and equipment	**-**	**-**	**433,081,196**
Non-current assets held for sale	**-**	**-**	**104,347,411**
Fixed rate loans and borrowings	**-**	**(42,649,085)**	**-**
31 December 2020			
Property, plant and equipment	-	-	637,196,723
Non-current assets held for sale	-	-	90,423,489
Fixed rate loans and borrowings	-	(51,354,387)	-

Level 3 fair values of the vessels have been generally derived using the method as described in Note 3(b) and Note 4. There have been no transfers between Level 1, Level 2 and Level 3 during the year.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis in view of reducing the Group's exposure to bad debts.

The Group and the Company have 30 days (2020: 30 days) credit term policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

As at the end of the reporting year, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position. The Group and the Company have only invested in fixed deposits and maintain current accounts with licensed banks.

Credit risk concentration profile

A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances due more than 90 days, which are deemed to have higher credit risk, are monitored individually. Further details are discussed in Note 7(a).

Impairment of financial assets

The Group's and the Company's financial assets that are subject to the expected credit loss ("ECL") model include trade receivables, accrued revenue from charter hire and other receivables. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

(i) Trade receivables and accrued revenue from charter hire using simplified approach

The Group and the Company apply the MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued revenue from charter hire.

To measure the expected credit losses, trade receivables and accrued revenue from charter hire have been grouped based on shared credit risk characteristics and the days past due (see impairment of financial assets in Note 7(a)).

(ii) Other receivables using general 3-stage approach

The Group and the Company use three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. Impairment loss is immaterial.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flow.	12 month ECL
Underperforming	Debtors have a low risk of default and a strong capacity to meet contractual cash flow.	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL incorporating the methodology below:

- PD ("probability of default") – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ("loss given default") – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") – the outstanding amount that is exposed to default risk.

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL incorporating the methodology below (cont'd.):

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in Malaysia, to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

Impairment losses on trade receivables are presented as net impairment losses within operating profit Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The liquidity of the Group and the Company has been impacted by events as further disclosed in Note 2.1, Note 12 (b) and Note 30 (b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity analysis

The following table demonstrates the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on the contractual undiscounted repayment obligations:

	Carrying amount RM	Contractual interest rate/ coupon	Contractual cash flows RM	Under 1 year RM	1 -2 years RM	2-5 years RM	More than 5 years RM
As at 31 December 2021							
Group							
Islamic financing facilities							
Commodity Murabahah*	34,455,269	i-COF+2.50%	35,836,649	35,836,649	-	-	-
Murabahah Tawarruq	62,624,729	5.00%	79,680,331	79,680,331	-	-	-
Murabahah Tawarruq*	50,227,902	i-COF+2.00%	60,611,008	60,611,008	-	-	-
Conventional financing facilities							
Conventional term loan*	56,754,422	COF+1.50%	59,965,766	59,965,766	-	-	-
Others							
Revolving credit*	8,460,170	COF+1.50%	8,772,350	8,772,350	-	-	-
Finance lease liabilities	7,142	2.40%-3.90%	7,210	7,210	-	-	-
Bank overdraft	5,484,483	6.45%	5,838,232	5,838,232	-	-	-
Loan from shareholders	71,930,656	6.85%	72,167,301	72,167,301	-	-	-
Trade and other payables	247,448,857	-	247,448,857	247,448,857	-	-	-
Lease liabilities	2,327,562	5.74%-9.59%	2,333,899	116,172	48,608	164,539	2,004,580
	539,721,192		572,661,603	570,443,876	48,608	164,539	2,004,580

* Floating rates vary based on cost of funds ("COF") or Islamic COF ("i-COF")

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity analysis (cont'd.)

	Carrying amount RM	Contractual interest rate/ coupon	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
As at 31 December 2021							
Company							
Islamic financing facilities							
Commodity Murabahah*	34,455,269	i-COF+2.50%	35,836,649	35,836,649	-	-	-
Murabahah Tawarruq	62,624,729	5.00%	79,680,331	79,680,331	-	-	-
Murabahah Tawarruq*	50,227,902	i-COF +2.00%	60,611,008	60,611,008	-	-	-
Conventional financing facilities							
Conventional term loan*	56,754,422	COF+1.50%	59,965,766	59,965,766	-	-	-
Others							
Revolving credit*	8,460,170	COF+1.50%	8,772,350	8,772,350	-	-	-
Bank overdraft	5,484,483	6.45%	5,838,232	5,838,232	-	-	-
Loan from shareholders	71,930,656	6.85%	72,167,301	72,167,301	-	-	-
Trade and other payables	257,470,801	-	257,470,801	257,470,801	-	-	-
Lease liabilities	71,663	5.74%-9.59%	78,000	78,000	-	-	-
	547,480,095		580,420,438	580,420,438	-	-	-

* Floating rates vary based on cost of funds ("COF") or Islamic COF ("i-COF")

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity analysis (cont'd.)

	Carrying amount RM	Contractual interest rate/ coupon	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
As at 31 December 2020							
Group							
Islamic financing facilities							
Bai Bithaman Ajil Financing	5,513,894	6.75%	5,755,918	5,755,918	-	-	-
Bai Bithaman Ajil Financing*	601,975	i-COF+1.50%	642,909	642,909	-	-	-
Commodity Murabahah*	36,280,197	i-COF+2.50%	37,329,932	37,329,932	-	-	-
Musharakah Mutanaqisah*	1,657,694	i-COF+1.85%	1,970,124	1,970,124	-	-	-
Murabahah Tawarruq	14,454,799	5.00%	16,456,955	16,456,955	-	-	-
Conventional financing facilities							
Conventional term loan*	93,367,096	COF+1.50%	99,232,885	99,232,885	-	-	-
Conventional term loan	1,915,316	5.00%	1,923,201	1,923,201	-	-	-
Others							
Revolving credit*	9,728,478	COF+1.50%	10,088,432	10,088,432	-	-	-
Finance lease liabilities	28,032	2.40%-3.90%	28,952	21,750	7,202	-	-
Bank overdraft	5,259,430	6.45%	5,598,663	5,598,663	-	-	-
Loan from shareholders	68,184,249	6.85%	73,505,186	35,143,131	13,462,762	24,899,293	-
Trade and other payables	311,538,104	-	311,538,104	311,538,104	-	-	-
Lease liabilities	9,348,138	5.74%-9.59%	12,219,876	7,984,500	261,635	555,660	3,418,081
	557,877,402		576,291,137	533,686,504	13,731,599	25,454,953	3,418,081

* Floating rates vary based on cost of funds ("COF") or Islamic COF ("i-COF")

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity analysis (cont'd.)

	Carrying amount RM	Contractual interest rate/ coupon	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
As at 31 December 2020							
Company							
Islamic financing facilities							
Bai Bithaman Ajil Financing	5,513,894	6.75%	5,755,918	5,755,918	-	-	-
Bai Bithaman Ajil Financing*	601,975	i-COF+1.50%	642,909	642,909	-	-	-
Commodity Murabahah*	36,280,197	i-COF+2.50%	37,329,932	37,329,932	-	-	-
Musharakah Mutanaqisah*	1,657,694	i-COF+1.85%	1,970,124	1,970,124	-	-	-
Murabahah Tawarruq	14,454,799	5.00%	16,456,955	16,456,955	-	-	-
Conventional financing facilities							
Conventional term loan*	93,367,096	COF+1.50%	99,232,885	99,232,885	-	-	-
Conventional term loan	1,915,316	5.00%	1,923,201	1,923,201	-	-	-
Others							
Revolving credit*	9,728,478	COF+1.50%	10,088,432	10,088,432	-	-	-
Bank overdraft	5,259,430	6.45%	5,598,663	5,598,663	-	-	-
Loan from shareholders	68,184,249	6.85%	73,505,186	35,143,131	13,462,762	24,899,293	-
Trade and other payables	349,070,054	-	349,070,054	349,070,054	-	-	-
Lease liabilities	7,056,976	5.74%-9.59%	7,892,600	7,808,100	84,500	-	-
	593,090,158		609,466,859	571,020,304	13,547,262	24,899,293	-

* Floating rates vary based on cost of funds ("COF") or Islamic COF ("i-COF")

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group. The currencies giving rise to this risk is primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EURO"), Japanese Yen ("JPY"), Great British Pound ("GBP"), Brunei Dollar ("BND") and Indonesia Rupiah ("IDR"). The Group maintains a natural hedge, whenever possible, by borrowing currency that matches the future revenue streams to be generated from its operations.

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting date was:

Exposure to foreign currency risk

	Denominated in						
	USD RM	SGD RM	EURO RM	JPY RM	GBP RM	BND RM	IDR RM
As at 31 December 2021							
Group							
Trade and other receivables	8,639,735	-	-	-	-	-	-
Cash and bank balances	43,595	-	-	-	-	-	-
Trade and other payables	(93,465,924)	(3,079,118)	(206,856)	(2,931,772)	(41,238)	(987)	(111,828)
Loans and borrowings	(34,455,269)	-	-	-	-	-	-
Net exposure	(119,237,863)	(3,079,118)	(206,856)	(2,931,772)	(41,238)	(987)	(111,828)
Company							
Trade and other receivables	2,250,302	-	-	-	-	-	-
Cash and bank balances	43,595	-	-	-	-	-	-
Trade and other payables	(90,353,848)	(3,079,118)	(134,713)	(2,931,772)	(41,238)	(987)	(111,828)
Loans and borrowings	(34,455,269)	-	-	-	-	-	-
Net exposure	(122,515,220)	(3,079,118)	(134,713)	(2,931,772)	(41,238)	(987)	(111,828)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk (cont'd.)

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting date was (cont'd.):

Exposure to foreign currency risk (cont'd.)

	Denominated in							
	USD RM	**SGD RM**	**EURO RM**	**JPY RM**	**GBP RM**	**BND RM**	**RMB RM**	**IDR RM**
As at 31 December 2020								
Group								
Trade and other receivables	4,131,772	-	-	-	-	-	-	-
Cash and bank balances	693,419	-	-	-	-	-	-	-
Trade and other payables	(137,451,764)	(3,709,119)	(136,099)	(3,091,751)	(32,406)	(975)	(36,031,816)	(130,525)
Loans and borrowings	(37,562,248)	-	-	-	-	-	-	-
Net exposure	(170,188,821)	(3,709,119)	(136,099)	(3,091,751)	(32,406)	(975)	(36,031,816)	(130,525)
Company								
Trade and other receivables	30,238	-	-	-	-	-	-	-
Cash and bank balances	693,419	-	-	-	-	-	-	-
Trade and other payables	(136,536,359)	(3,709,119)	(136,099)	(3,091,751)	(32,406)	(975)	(36,031,816)	(130,525)
Loans and borrowings	(37,562,248)	-	-	-	-	-	-	-
Net exposure	(173,374,950)	(3,709,119)	(136,099)	(3,091,751)	(32,406)	(975)	(36,031,816)	(130,525)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk (cont'd.)

Currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's and of the Company's loss net of tax to a reasonably possible change in the USD, SGD, EURO, JPY, GBP, BND, RMB and IDR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Loss net of tax	
	2021 RM	**2020 RM**
Group		
USD/RM		
- strengthened 10% (2020: 10%)	**(9,062,078)**	(12,934,350)
- weakened 10% (2020: 10%)	**9,062,078**	12,934,350
SGD/RM		
- strengthened 10% (2020: 10%)	**(234,013)**	(281,893)
- weakened 10% (2020: 10%)	**234,013**	281,893
EURO/RM		
- strengthened 10% (2020: 10%)	**(15,721)**	(10,344)
- weakened 10% (2020: 10%)	**15,721**	10,344
JPY/RM		
- strengthened 10% (2020: 10%)	**(222,815)**	(234,973)
- weakened 10% (2020: 10%)	**222,815**	234,973
GBP/RM		
- strengthened 10% (2020: 10%)	**(3,134)**	(2,463)
- weakened 10% (2020: 10%)	**3,134**	2,463
BND/RM		
- strengthened 10% (2020: 10%)	**(75)**	(74)
- weakened 10% (2020: 10%)	**75**	74
RMB/RM		
- strengthened 10% (2020: 10%)	**-**	(2,738,418)
- weakened 10% (2020: 10%)	**-**	2,738,418
IDR/RM		
- strengthened 10% (2020: 10%)	**(8,499)**	(9,920)
- weakened 10% (2020: 10%)	**8,499**	9,920

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk (cont'd.)

Currency risk sensitivity analysis (cont'd.)

	Loss net of tax	
	2021 RM	**2020 RM**
Company		
USD/RM		
- strengthened 10% (2020: 10%)	**(9,311,157)**	(13,176,496)
- weakened 10% (2020: 10%)	**9,311,157**	13,176,496
SGD/RM		
- strengthened 10% (2020: 10%)	**(234,013)**	(281,893)
- weakened 10% (2020: 10%)	**234,013**	281,893
EURO/RM		
- strengthened 10% (2020: 10%)	**(10,238)**	(10,344)
- weakened 10% (2020: 10%)	**10,238**	10,344
JPY/RM		
- strengthened 10% (2020: 10%)	**(222,815)**	(234,973)
- weakened 10% (2020: 10%)	**222,815**	234,973
GBP/RM		
- strengthened 10% (2020: 10%)	**(3,134)**	(2,463)
- weakened 10% (2020: 10%)	**3,134**	2,463
BND/RM		
- strengthened 10% (2020: 10%)	**(75)**	(74)
- weakened 10% (2020: 10%)	**75**	74
RMB/RM		
- strengthened 10% (2020: 10%)	**-**	(2,738,418)
- weakened 10% (2020: 10%)	**-**	2,738,418
IDR/RM		
- strengthened 10% (2020: 10%)	**(8,499)**	(9,920)
- weakened 10% (2020: 10%)	**8,499**	9,920

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages the interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Fixed rate instruments				
Financial assets	**4,164,860**	7,346,254	**3,394,064**	6,593,314
Financial liabilities	**(136,882,947)**	(99,416,396)	**(134,627,048)**	(97,125,234)
Floating rate instruments				
Financial liabilities	**(149,897,763)**	(141,635,440)	**(149,897,763)**	(141,635,440)

Interest rate risk sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(ii) Cash flow sensitivity analysis for the variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would result in equity and post-tax (loss) increased/(decreased) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group and Company	
	100 bp increase RM	**100 bp decrease RM**
31 December 2021		
Floating rate instruments	**1,139,223**	**(1,139,223)**
31 December 2020		
Floating rate instruments	1,076,429	(1,076,429)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

25. CAPITAL MANAGEMENT

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and cash equivalents and short term deposits. Capital includes equity attributable to the owners of the Company less the fair value adjustment reserve, if any.

	Note	2021 RM	2020 RM
Group			
Loans and borrowings	12	**289,944,773**	236,991,160
Lease liabilities	11	**2,327,562**	9,348,138
Trade and other payables	14	**247,448,857**	311,538,104
Less: Cash and and bank balances	8	**(10,607,382)**	(17,330,345)
Net debt		**529,113,810**	540,547,057
Equity attributable to the owners of the Company		**17,463,597**	168,109,049
Capital and net debt		**546,577,407**	708,656,106
Gearing ratio		**97%**	76%
Company			
Loans and borrowings	12	**289,937,631**	236,963,128
Lease liabilities	11	**71,663**	7,056,976
Trade and other payables	14	**257,470,801**	349,070,054
Less: Cash and and bank balances	8	**(8,866,754)**	(13,472,333)
Net debt		**538,613,341**	579,617,825
Equity attributable to the owners of the parent		**21,122,423**	182,346,845
Capital and net debt		**559,735,764**	761,964,670
Gearing ratio		**96%**	76%

There have been breach in the financial covenants as described in Note 12(b) during the financial year. The Group will take the measures to gradually generate operating cash flows to pay their liabilities as and when they fall due as described in Note 2.1.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

26. RELATED PARTIES DISCLOSURES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group and the Company have related party relationship with its ultimate holding corporation, subsidiaries, related companies and key management personnel.

Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year.

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Holding companies:				
Kulim (Malaysia) Berhad				
- Salaries paid on behalf	**86,000**	34,053	**86,000**	34,053
- Others	**26,730**	42,559	**26,730**	42,559
Sindora Berhad				
- Shareholder's advances	**51,650,000**	-	**51,650,000**	-
- Interest charged	**5,752,255**	3,949,541	**5,752,255**	3,949,541
Johor Corporation				
- Secretarial costs	**1,020**	107,443	**1,020**	99,258
- Corporate fees	**-**	16,500	**-**	16,500
- Salaries paid on behalf	**138,038**	116,537	**138,038**	116,537
- Travelling expenses	**2,538**	2,867	**2,538**	2,867
- Others	**64,789**	7,333	**64,789**	7,333

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

26. RELATED PARTIES DISCLOSURES (C0NT'D.)

Significant related party transactions (cont'd.)

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Subsidiaries:				
Johor Shipyard and Engineering Sdn. Bhd				
- Construction of vessels	**-**	-	**3,374,020**	36,419,680
- Fabrication works	**-**	-	**1,721,561**	3,010,159
- Other contract liabilities	**-**	-	**-**	1,014,243
- Accounting fee	**-**	-	**63,401**	63,400
- Interest charged	**-**	-	**259,730**	232,003
Libra Perfex Precision Sdn. Bhd				
- Charter hire of vessels	**-**	-	**(35,198,773)**	(35,711,248)
- Accounting fee	**-**	-	**26,400**	26,401
- Intercompany advances	**-**	-	**2,500,000**	-
- Interest charged	**-**	-	**29,479**	-

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Shareholders:				
Dato' Ir. Abdul Hak bin Md Amin				
- Interest charged	**571,964**	1,106,383	**571,964**	1,106,383
Datin Hamidah binti Omar				
- Rental paid	**48,000**	48,000	**48,000**	48,000
- Interest charged	**274,375**	274,751	**274,375**	274,751
Other related parties:				
Sumber Shipyard and Engineering Sdn. Bhd.**				
- Rental of land	**220,900**	222,096	**-**	-
- Supply of spare parts	**340,855**	827,010	**-**	-
S.S. Makmur Sdn. Bhd.**				
- Supply of spare parts	**-**	5,000	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

26. RELATED PARTIES DISCLOSURES (C0NT'D.)

Significant related party transactions (cont'd.)

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Other related parties:				
Sumber Samudera Sdn. Bhd.**	**8,114**	3,680	**-**	-
- Supply of spare parts				
TLP Terminal Sdn. Bhd. ***				
- Supply manpower and services	**-**	112,259	**-**	-
Extreme Edge Sdn. Bhd. ***				
- Supply services	**38,160**	-	**38,160**	-

* The companies are controlled by the ultimate holding company.
** The company is controlled by a Director of the Company.
*** The company is controlled by the immediate holding company.

The Directors of the Company are of opinion that the above transactions have been entered into in the normal course of business and have been established on terms that are no more favourable to the related parties than those arranged with independent third parties.

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 7 and 14.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The Company regards its directors as the key management personnel and their compensations are disclosed in Note 20.

27. COMMITMENTS

	Group	
	2021 RM	**2020 RM**
Shipyard under construction		
Approved but not contracted for	**-**	20,608,700

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

28. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services, and has two reportable operating segments as follows:

(i)	Vessel charter hire and other income ("Charter hire")	Vessel charter hire income is recognised on a straight-line basis over the lease term over the lease term determined at the inception of the lease. Other income is recognised when services are rendered to the customers and recognised on an accrual basis.
(ii)	Revenue from contract with customer	Income from service rendered is recognised net of service taxes and discounts as and when and discounts as and when the services are performed.

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit. Group financing (including finance income and finance costs) and income taxes are managed on a group basis and are not allocated to reportable segments.

The Group's segmental information is as follows:

	Charter hire RM	**Revenue from contract with customer RM**	**Other services RM**	**Total RM**
31 December 2021				
Revenue:				
External customers	**146,672,469**	**7,133,500**	**6,750,337**	**160,556,306**
Results:				
Segment loss	**(135,197,897)**	**-**	**-**	**(135,197,897)**
Finance income	**126,757**	**-**	**-**	**126,757**
Finance costs	**(14,462,245)**	**-**	**-**	**(14,462,245)**
Loss before tax	**(149,533,385)**	**-**	**-**	**(149,533,385)**
Total assets	**560,549,189**	**-**	**-**	**560,549,189**
Total liabilities	**543,085,592**	**-**	**-**	**543,085,592**
Capital expenditure	**106,964,261**	**-**	**-**	**106,964,261**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

28. SEGMENT INFORMATION (CONT'D.)

The Group's segmental information is as follows: (cont'd.)

	Charter hire RM	Revenue from contract with customer RM	Other services RM	Total RM
31 December 2020				
Revenue:				
External customers	144,714,165	7,133,500	4,853,003	156,700,668
Results:				
Segment loss	(100,173,323)	-	-	(100,173,323)
Finance income	297,916	-	-	297,916
Finance costs	(18,740,814)	-	-	(18,740,814)
Loss before tax	(118,616,221)	-		(118,616,221)
Total assets	737,006,298	-	-	737,006,298
Total liabilities	568,897,249	-	-	568,897,249
Capital expenditure	106,964,261	-	-	106,964,261

There are four external customers (2020: four) who contribute 52% (2020: 49%) on total revenues of the Group.

	Group	
	2021 RM	2020 RM
Charter hire and revenue from contract with customer:		
Customer A	**8,929,517**	73,048,210
Customer B	**22,088,240**	25,069,033
Customer C	**35,206,756**	31,348,283
Customer D	**16,542,372**	18,751,841
	82,766,885	148,217,367

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

29. MATERIAL LITIGATION

Adjudication Proceeding 1

On 5 October 2018, Malaysia Marine and Heavy Engineering Holdings Berhad ("MMHE") served E.A. Technique (M) Berhad ("EAT") with a Notice of Adjudication under the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") claiming USD30,221,301 for invoices issued to EAT relating to the EPCIC project after taking into consideration the amounts paid on behalf by HESS Exploration and Production Malaysia B.V. ("HESS") and the deletion of some additional work order ("AWO") scope.

On 27 May 2019, the Adjudicator decision had awarded in favor of MMHE. EAT was required to proceed with payments to MMHE with a total sum of USD21,607,206 including 6% of GST, interest at the rate of 1.5% per month on the sum from the date of payment claim (5 October 2018) until the full and final settlement of the sum and costs of adjudication of RM309,113 ("Adjudication Decision").

On 4 June 2019, EAT had filed an application to set aside the Adjudication Decision. Subsequently, MMHE had served their application for Enforcement of Adjudication Decision on 5 July 2019. On 16 July 2019, EAT had filed an application for a stay of the Adjudication Decision.

The Court of Appeal hearing was fixed on 6 July 2021 for set aside of the adjudication decision. On 1 June 2020, the judge had dismissed EAT's application to stay the Adjudication Decision.

On 10 November 2020, the Tribunal under AIAC as detailed in Arbitration Proceeding delivered its decision and the decision of the Tribunal took precedent over the adjudication decision on Adjudication Proceeding 1.

Adjudication Proceeding 2

On 29 May 2019, MMHE served EAT with a Notice of Adjudication under CIPAA claiming USD6,096,792 for invoices issued to EAT and tank treatment claim relating to the EPCIC project.

On 4 December 2019, the Adjudicator Decision was awarded in favor of MMHE. EAT was ordered to pay MMHE a total of adjudicated sum of USD6,066,996, interest at the rate of 5% per annum on the Adjudicated Sum from 4 December 2019 until the full and final settlement of the adjudicated sum and costs of adjudication of RM204,557.

On 31 December 2019, EAT had filed an application to set aside and a stay of the Adjudication decision. Subsequently, the Company had filed for transfer of set aside application and stay for the adjudication to Johor Bahru High Court. The judge had fixed the hearing for the transfer on 3 December 2020.

On 10 November 2020, the Tribunal under AIAC as detailed in Arbitration Proceeding delivered its decision and the decision of the Tribunal took precedent over the adjudication decision on Adjudication Proceeding 2.

Arbitration Proceeding

On 27 September 2018, EAT had filed a Notice of Arbitration to the Asian International Arbitration Centre (""AIAC"") to claim from MMHE amounts paid on behalf by HESS, deletion of MMHE's AWO scope as well as back charges with a total aggregate amount of USD21,656,198.

On 15 February 2019, EAT had served its Statement of Claim to MMHE amounting to USD21,656,198. MMHE filed a counterclaim against EAT in the AIAC Arbitration amounting to USD49,105,096 and filed its Defence for Counterclaim in March 2019.

The last evidentiary hearing took place on 6 November 2019 pursuant to the claim made by EAT and counter claim by MMHE.

On 10 January 2020, EAT and MMHE had filed their respective written submission. Subsequently, EAT and MMHE had replied the counter part written submission on 10 February 2020. The date for clarification hearing has been postponed to a later date from 24 February 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

29. MATERIAL LITIGATION (CONT'D.)

Arbitration Proceeding (Cont'd.)

On 10 November 2020, the Arbitral Tribunal had been finalised and EAT was ordered to pay MMHE a total of USD29,520,173 and costs in the sum of RM4,686,398 together with interest at 5% per annum from date of Award to the date of full payment (the "Judgment"). Subsequently, on 14 December 2020, EAT had filed to the High Court for the Final Award to be set aside or varied or remitted to the Arbitral Tribunal.

As at 31 December 2020, EAT had recognised total amount of RM124.7million resulting from the Award ("MMHE claims").

Settlement Agreement with MMHE

On 8 March 2021, EAT and MMHE entered into a Settlement Agreement with terms of settlement include, amongst others, the following:

(a) both parties have agreed, without admission of liability, to settle the disputes and differences that have arisen between themselves.

(b) EAT has agreed to pay and MMHE has agreed to accept the sum of USD25.5million ("the Settlement Sum") as full and final settlement of the disputes between the parties, including MMHE's rights under the Adjudication Proceeding 1, Adjudication Proceeding 2 and the Arbitration Proceeding.

(c) both parties have also agreed to withdraw and/or discontinue the court proceedings filed in respect of the Adjudication Proceeding 1, Adjudication Proceeding 2 and Arbitration Proceeding.

(d) MMHE's acceptance of the Settlement Sum is subject to MMHE's rights to enforce and/or execute the Judgment, which is the full sum awarded in the Final Award, less all payments made in the event the Company commits defaults under the Settlement Agreement and fails to remedy the same.

30. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Classification as PN17 Issuer

On 25 February 2022, the Company announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that the Company is classified as a PN17 Issuer as it has triggered the prescribed criteria pursuant to Paragraph 8.04 of Chapter 8 and Paragraph 2.1(e) of PN17 of the Listing Requirements. On 28 February 2022, the Company made further announcement to Bursa Securities that the Company had also triggered Paragraph 2.1(a) of PN17 of the Listing Requirements.

Pursuant to PN17, the Company is required to submit a regularisation plan to either Bursa Securities or Securities Commission Malaysia ("SC") for approval (depending on whether the plan will result in a significant change in the business direction or policy of the Company) within twelve months from the announcement date and to complete the implementation of the plan within the timeframe set by Bursa Securities or SC. Should the Company fail to comply with the obligations to regularise its condition, Bursa Securities may take necessary actions against the Company which may include suspension from the market and de-listing procedures against the Company. Currently, management is in the midst of finalising the regularisation plan which include, amongst others, the proposed debt restructuring exercise as disclosed in (b) below.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

30. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

(b) Proposed debt restructuring exercise

On 18 February 2022, the Company had filed an Originating Summons at the High Court pursuant to Section 366 and Section 368 of the Act in applying for a scheme of arrangement for the Company's debt restructuring exercise.

On 28 February 2022, the High Court had granted the following orders to the Company:

i. a restraining order pursuant to Section 368 of the Act ("Restraining Order") for a period of three months which is valid until 28 May 2022. A Restraining Order is an order granted by the court which suspends all legal proceeding against the Company to preserve the status quo of any pending legal proceeding and for legal proceeding not to be commenced. During this interim period, it will also preserve the assets of the Company as an opportunity should be provided to restructure and rehabilitate the Company; and

ii. an order pursuant to Section 366(1) of the Act to summon meetings of the creditors of the Company or any class of them ("Scheme Creditors") for the purpose of considering and, if thought fit, approving the scheme of arrangement and compromise between the Company and the creditors ("Court Convened Meeting" or "CCM"). Permission is given to the Company to hold the CCM within three months from the date of this order.

The duration of three months for the initial restraining order and for permission to hold the CCM can be extended by way of a further Court Order upon application.

As part of the debt restructuring exercise, the related companies are also included as Scheme Creditors and they are the major group of Scheme Creditors under the proposed scheme. Currently, management is in the midst of finalising the proposed debt restructuring scheme for the approval of Scheme Creditors during the CCM, which include amongst other, the value of debts owing to the Scheme Creditors. A Proof of Debt exercise will be carried out at a later date for the purpose of determining the value of debts owing to the Scheme Creditors.

The proposed debt restructuring scheme will only be approved through a majority of 75% of the total value of the Scheme Creditors present and voting in the CCM. The date of CCM has not been fixed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

31. COMPARATIVE FIGURES

In the previous financial year, the Group and the Company had previously recognised total impairment losses of RM89,355,688 and RM87,245,913 for property, plant and equipment respectively in the statements of comprehensive income. During the financial year, the Group and the Company had reassessed the impairment assessment performed in respect of previous financial year. This had resulted in an over-recognition of impairment loss of RM10,443,163. Hence, the Group and the Company had recognised the reversal of the additional impairment losses provided retrospectively.

The following comparatives of the Group and of the Company for financial year ended 31 December 2020 have been adjusted as a result of the following adjustment:

Consolidated statement of financial position
For the financial year ended 31 December 2020

	As previously stated RM	Adjustments RM	As restated RM
Assets			
Non-current assets			
Property, plant and equipment	580,053,374	10,443,163	590,496,537
Equity			
Accumulated losses	(22,089,114)	10,443,163	(11,645,951)

Statement of financial position
For the financial year ended 31 December 2020

	As previously stated RM	Adjustments RM	As restated RM
Assets			
Non-current assets			
Property, plant and equipment	626,753,560	10,443,163	637,196,723
Equity			
(Accumulated losses)/Retained earnings	(7,851,318)	10,443,163	2,591,845

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

31. COMPARATIVE FIGURES (CONT'D.)

The following comparatives of the Group and of the Company for financial year ended 31 December 2020 have been adjusted as a result of the following adjustment: (cont'd.)

Consolidated statement of comprehensive income
For the financial year ended 31 December 2020

	As previously stated RM	Adjustments RM	As restated RM
Impairment losses	(89,355,688)	10,443,163	(78,912,525)
Loss before tax from operation	(129,059,384)	10,443,163	(118,616,221)
Loss net of tax, representing total comprehensive loss for the year	(115,979,446)	10,443,163	(105,536,283)

Statement of comprehensive income
For the financial year ended 31 December 2020

	As previously stated RM	Adjustments RM	As restated RM
Impairment losses	(87,245,913)	10,443,163	(76,802,750)
Loss before tax from operation	(124,704,909)	10,443,163	(114,261,746)
Loss net of tax, representing total comprehensive loss for the year	(111,353,047)	10,443,163	(100,909,884)

Consolidated statement of changes in equity
For the financial year ended 31 December 2020

	As previously stated RM	Adjustments RM	As restated RM
Total comprehensive loss for the year	(115,979,446)	10,443,163	(105,536,283)
Accumulated losses	(22,089,114)	10,443,163	(11,645,951)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

31. COMPARATIVE FIGURES (CONT'D.)

The following comparatives of the Group and of the Company for financial year ended 31 December 2020 have been adjusted as a result of the following adjustment: (cont'd.)

Statement of changes in equity
For the financial year ended 31 December 2020

	As previously stated RM	Adjustments RM	As restated RM
Total comprehensive loss for the year	(111,353,047)	10,443,163	(100,909,884)
(Accumulated losses)/Retained earnings	(7,851,318)	10,443,163	2,591,845

Consolidated statement of cash flows
For the financial year ended 31 December 2020

	As previously stated RM	Adjustments RM	As restated RM
Loss before tax	(129,059,384)	10,443,163	(118,616,221)
Property, plant and equipment:			
Impairment loss	89,355,688	(10,443,163)	78,912,525

Statement of cash flows
For the financial year ended 31 December 2020

	As previously stated RM	Adjustments RM	As restated RM
Loss before tax	(124,704,909)	10,443,163	(114,261,746)
Property, plant and equipment:			
Impairment loss	87,245,913	(10,443,163)	76,802,750

LIST OF PROPERTIES

Registered Owner	Address	Tenure / Expiry of Lease	Description Existing Use	Date of Issuance of Certificate of Fitness for Occupation / Certificate Of Completion and Compliance	Approximate Age of Building (Years)	Total Built Up Area and Land Area (square feet)	Net Book Value as at 31 Dec 2021 (RM'000)
E.A. Technique	Setiawangsa Business Suite, C-3A-3A, No. 2, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur	Freehold	Commercial unit at fourth (4^{th}) floor of a five (5) – storey office block held for our head office	8 February 2007	14	Built-up: 6,560 Land area: not applicable	880
E.A. Technique	No. C-15-1, No. 2, Jalan 13/21D, Medan Idaman, Gombak, Kuala Lumpur	Freehold	Apartment for seafarers in-transit	6 July 2004	17	Built-up: 845 Land area: not applicable	132

LIST OF PROPERTIES (CONT'D.)

Tenant	Registered Owner	Address	Tenure /Expiry of Lease	Description Existing Use	Total Built Up Area and Land Area (square feet)
E.A. Technique	Kertih Port Sdn Bhd	Lot 3633, (PN 3387) Kawasan Bukit Tengah, KM 105, Jalan Kuantan, Kuala Terengganu	Three (3) years tenancy commencing from 1 September 2020 and expiring on 31 August 2023.	Parcel of office / business premises	Built-up: 331 Land area: not applicable
E.A. Technique	Ahmad Fathiri Bin Ahmad Fadzlah	Unit C-3-3, Unit C-3-3A, Block C, Setiawangsa Business Suite, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur	Two (2) years tenancy commencing from 1 November 2020 and expiring on 31 October 2022	Commercial unit at third (3rd) floor of a five (5) – storey office block held for our office use	Built-up: 3,283 Land area: not applicable
E.A. Technique	Northport (Malaysia) Bhd	Level 2, Marine Services Building, Northport (Malaysia) Bhd, Jalan Pelabuhan, Pelabuhan Utara, 42000 Port Klang, Selangor	Four (4) years tenancy commencing from 1 July 2019 and expiring on 30 June 2023	Office space at first (1st) floor of Marine Services Building for office use	Built-up: 697 Land area: not applicable
E.A. Technique	Wan Kamariah Binti Abu Bakar	No 38-1, Jalan Setiawangsa 11A, Taman Setiawangsa, 54200 Kuala Lumpur	Two (2) years tenancy commencing from 1 November 2020 and expiring on 31 October 2022	Office space at first (1st) floor for archiving purpose	Built-up: 1,646 Land area: not applicable
Johor Shipyard	Sumber Shipyard and Engineering Sdn Bhd	Lot PT8436-A, Parit 21, Mukim Hutan Melintang, 36400 Daerah Hilir Perak, Perak Darul Ridzuan	Twenty (20) years tenancy expiring on 30 November 2032 with an option to renew for another ten (10) years	Option which included but not limited to ship construction, repairs and all such shipyard activities and other related activities	Built-up: 13,000 Land area: 435,600
E.A. Technique	Oasis Marine Enterprise (Sg. Udang office)	Lot 1255, Batu 91/2 Pantai Kundur, 76400 Tanjung Keling, Melaka	One (1) year tenancy commencing from 1 July 2021 and expiring on 30 June 2022	Office space for port operations at Sg. Udang	Land area: not applicable
E.A. Technique	Ng Mui Kyun (Kota Kinabalu Office)	Lot 16-2, Lorong Lintas Plaza, Lintas Plaza, 88300 Kota Kinabalu, Sabah	One (1) year tenancy commencing from 1 October 2021 and expiring on 30 September 2022	Office space for port operations at Kota Kinabalu	Land area: not applicable

SHAREHOLDINGS STATISTICS

As At 13 April 2022

Issued Shares : 530,500,000
Class of Shares : Ordinary Share
Voting Rights : Every member of the Company present in person or by proxy shall have one vote on a show of hand and in the case of a poll shall have one vote for every share of which he/she is the holder.

BREAK DOWN OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	21	0.80	194	-
100 – 1000	275	10.45	138,400	0.02
1,001 – 10,000	923	35.07	5,804,406	1.09
10,001 – 100,000	1,078	40.95	43,535,300	8.21
100,001 to less than 5% of Issued Capital	334	12.69	215,521,700	40.63
5% and above of Issued Capital	1	0.04	265,500,000	50.05
TOTAL	**2,632**	**100.00**	**530,500,000**	**100.00**

TOP THIRTY SECURITIES ACCOUNT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same depositor)

	Name	No. of Shares	%
1	Sindora Berhad	265,500,000	50.05
2	CimSec Noms (T) Sdn Bhd - A/C CIMB For Abdul Hak bin Md Amin (PB)	25,153,700	4.74
3	Kenanga Capital Sdn Bhd - A/C Pledged Securities Account For Abdul Hak bin Md Amin	18,097,400	3.41
4	Kulim (Malaysia) Berhad	12,884,300	2.43
5	CimSec Noms (T) Sdn Bhd - A/C CIMB For Hamidah binti Omar (PB)	11,751,700	2.22
6	Ong Pei Boon	3,815,100	0.72
7	Ismail bin Mat Ali	3,610,100	0.68
8	Loh Kok Wai	3,269,300	0.62
9	Yap Thong @ Yap Yit Thong	3,233,200	0.61
10	Maybank Noms (T) Sdn Bhd - A/C Adam Shah bin Abdul Majid	3,130,000	0.59
11	Mohamad Nassir bin Mohd Kassim	2,702,000	0.51
12	Foo Chek Yee	2,534,000	0.48
13	Rohaizad bin Ismail	2,418,000	0.46
14	Zulkifli bin Mohamad Basar	2,385,000	0.45
15	Public Noms (T) Sdn Bhd - A/C Pledged Securities Account For Kong Kok Choy (SRB/PMS)	2,000,000	0.38
16	PM Noms (T) Sdn Bhd - A/C Pledged Securities Account For Kong Kok Choy (B)	2,000,000	0.38
17	Affin Hwang Noms (T) Sdn. Bhd. - A/C Pledged Securities Account For Tan Siew Koon (TAN6238M)	1,980,400	0.37

SHAREHOLDINGS STATISTICS (CONT'D.)

TOP THIRTY SECURITIES ACCOUNT HOLDERS (CONT'D.)

(Without aggregating the securities from different securities accounts belonging to the same depositor)

	Name	No. of Shares	%
18	Chew Hong Choo	1,900,000	0.36
19	Capaian Aspirasi Sdn.Bhd.	1,787,900	0.34
20	Mohd Noor bin Kasim	1,700,000	0.32
21	Maybank Noms (T) Sdn Bhd - A/C Tuang Yuet Hwa	1,620,000	0.31
22	Kenanga Noms (T) Sdn Bhd - A/C Rakuten Trade Sdn Bhd For Lee Xiang Jiun	1,613,800	0.30
23	Public Noms (T) Sdn Bhd - A/C Pledged Securities Account For Tam Seng @ Tam Seng Sen (E-PTS)	1,600,000	0.30
24	Affin Hwang Noms (T) Sdn. Bhd. - A/C Pledged Securities Account For Tan Kian Aik	1,572,300	0.30
25	New Kok Ho	1,435,000	0.27
26	Maybank Noms (T) Sdn Bhd - A/C Pledged Securities Account For Abd Talib bin Bachek	1,423,900	0.27
27	Ting Kwong Soon	1,276,300	0.24
28	Lee Jun Rong	1,260,000	0.24
29	Wong Nai Chung	1,254,300	0.24
30	CimSec Noms (T) Sdn Bhd - A/C CIMB For Hou Siu Kee (PB)	1,200,000	0.23

SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%
Sindora Berhad	265,500,000	50.05	-	-
Dato' Ir. Abdul Hak bin Md. Amin CimSec Noms (T) Sdn Bhd - A/C CIMB For Abdul Hak Bin Md Amin (PB) 25,153,700 Kenanga Capital Sdn Bhd - A/C Pledged Securities Account For Abdul Hak bin Md Amin 18,097,400 Maybank Secs Noms (T) Sdn Bhd - - A/C Pledged Securities Account For Abdul Hak Bin Md Amin 328,600	43,579,700	8.21	11,946,700	2.25

ANALYSIS OF SHAREHOLDERS

	No. of Shareholders	%	No. of Shares	%
Malaysian - Bumiputra	1,024	38.91	414,545,206	78.14
- Others	1,584	60.18	114,107,494	21.51
Foreigners	24	0.91	1,847,300	0.35
TOTAL	**2,632**	**100.00**	**530,500,000**	**100.00**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth (28th) Annual General Meeting **("AGM")** of E.A. Technique (M) Berhad (**"EAT"** or the **"Company"**) will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01 Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") on Monday, 13 June 2022 at 12.00 pm, for the transaction of the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A

2. To re-elect the following Directors who retire in accordance with the Company's Constitution and who being eligible offer themselves for re-election:

(i) Rozan Bin Mohd Sa'at - Rule 27.1 **Ordinary Resolution 1**
(ii) Abdul Azmin Bin Abdul Halim - Rule 27.1 **Ordinary Resolution 2**
Please refer to Explanatory Note B

3. To approve the Proposed Directors' Fees amounting to RM80,000 per annum for the Non-Executive Chairman and RM66,000 per annum for each of the Non-Executive Directors in respect of the financial year ending 31 December 2022.
Please refer to Explanatory Note C **Ordinary Resolution 3**

4. To approve the payment of Remunerations (excluding Proposed Directors' Fees) to Non-Executive Chairperson and Non-Executive Directors for the period from 14 June 2022 until the next AGM of the Company ("Relevant Period").
Please refer to Explanatory Note D **Ordinary Resolution 4**

5. To appoint Messrs KPMG PLT, having consented to act as Auditors of the Company for the financial year ended 31 December 2022 in place of the retiring Auditors, Messrs Ernst & Young PLT, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant the Companies Act, 2016 (a copy of which is annexed hereto and marked "Annexure A") in the 2021 Annual Report has been received by the Company for the nomination of Messrs KPMG PLT, for appointment as Auditors in place of the retiring Auditors, Ernst & Young PLT.
Please refer to Explanatory Note E **Ordinary Resolution 5**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

6. Authority to Issue and Allot Shares Pursuant to Section 75 and 76 of the Companies Act, 2016

"**THAT** pursuant to Section 75 and 76 of the Companies Act, 2016 ("Act"), and approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and that such authority shall continue in force until the conclusion of the next AGM of the Company.
Please refer to Explanatory Note F **Ordinary Resolution 6**

NOTICE OF ANNUAL GENERAL MEETING (CONT'D.)

7. Proposed Share Buy-Back Renewal

"**THAT**, subject to Section 127 of the Act, the provisions of the Main Market Listing Requirements of the Bursa Securities (**"Listing Requirements"**) and all other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised, to make purchase(s) of ordinary shares in the Company on Bursa Securities subject to the following:-

(a) The maximum aggregate number of shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time;
(b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company;

AND THAT the Directors be and are hereby authorised to deal with the shares so bought-back at their absolute discretion in any of the following manner:-

(i) cancel the shares so purchased; or
(ii) retain the shares so purchased as treasury shares; or
(iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or,
(iv) distribute the treasury shares as share dividends to shareholders and/or resell on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
(v) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or
(vi) cancel the treasury shares or any of the said shares; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the Listing Requirements and any other relevant authority for the time being in force;

AND THAT the authority conferred by this resolution shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company; or
(b) the expiration of the period within which the next AGM is required by law to be held; or
(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements or any other relevant authorities.

AND THAT the Directors of the Company be and are authorised to take all such steps to implement, finalise and give full effect to the purchase by the Company of its own shares with full power to assent to any conditions, modifications, revaluations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the Listing Requirements and the guidelines issued by Bursa Securities and any other relevant authorities."
Please refer to Explanatory Note G **Ordinary Resolution 7**

BY ORDER OF THE BOARD

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

Johor Bahru, Johor
29 April 2022

NOTICE OF ANNUAL GENERAL MEETING (CONT'D.)

NOTES:

(A) IMPORTANT NOTICE

1. The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairperson of the meeting to be present at the main venue of the meeting.

   Shareholders **WILL NOT BE ALLOWED** to attend the 28th AGM in person at the Broadcast Venue on the day of the meeting.

   Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 28th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online. **Please follow the Procedures for RPV in the Administrative Guide for Shareholders on 28th AGM and take note of Notes (2) to (7) below in order to participate remotely via RPV.**

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 7 June 2022.** Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

3. A member who is entitled to participate in this AGM via RPV 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.

4. 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 AGM via RPV.

5. 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.

6. 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.

7. 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.

8. 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.

9. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak, and vote at this Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at https://tiih.online. **<u>Please follow the Procedures for RPV in the Administrative Guide for Shareholders on 28th AGM</u>**

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 twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meetings at which the person named in the appointment proposes to vote:

    (i) <u>In hard copy form</u>
    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) <u>By electronic form</u>
    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 Guide For Shareholders 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, 12 June 2022 at 12.00 p.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 twenty-four (24) hours before the time appointed for holding the AGM 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.

14. 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.

Abstention from Voting

Any Director referred to in Resolution 1 and 2 who is a shareholder of the Company shall abstain from voting on the resolution in respect of his election or re-appointment as Director of the Company at the 28th AGM.

(B) EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS

A. The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 (the Act) for discussion only and does not require the Company to obtain shareholders' approval. Henceforth, this will not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D.)

B. Rule 27.1 of the Constitution provides that the whole of the Directors shall retire from office and at every succeeding AGM, one-third (1/3) of the Directors, or, if their number is not a multiple of three (3), the number nearest to, but not exceeding one-third (1/3), shall retire from office. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Out of the current Board size of six (6), two (2) Directors are to retire in accordance with Rule 27.1. Hence, Rozan Bin Mohd Sa'at and Abdul Azmin Bin Abdul Halim are standing for re-elections as Directors of the Company and being eligible, have offered themself for re-elections.

C. The proposed Ordinary Resolution 3, if passed will facilitate payment of Proposed Directors' Fees of the Non-Executive Chairman ("NEC") and Non-Executive Directors ("NEDs") on current year basis pursuant to Section 230(1)(b) of the Act.

D. The proposed Ordinary Resolution 4, if passed will allow the payment of the Directors' Remuneration (excluding Directors' fees) to the NEDs of the Company on a monthly/quarterly basis and/or when incurred within the Relevant Period.

The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' Remuneration on a monthly/quarterly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

The total amount of benefits payable to the NEDs is estimated to be up to RM376,000 for the Relevant Period, based on the current Board Remuneration Policy and taking into account various factors including the number of scheduled meetings for the Board, and Board Committees as well as the number of NEDs involved in these meetings.

Details of the estimated Directors' Remuneration for NEDs for the Relevant Period are as below:-

(a) Directors' Fees

ANNUAL FEES	2021	2022
Board of Directors		
Chairman	RM80,000 per annum	RM80,000 per annum
Other Members (per person)	RM66,000 per annum	RM66,000 per annum

NOTE:
The payment of the annual fees for nominee directors representing Johor Corporation Group of Companies will be paid to Johor Corporation Group of Companies as Corporate Fee.

(b) Directors' Remuneration (excluding Directors' fees)

(1) Committee Fees

ANNUAL FEES	CHAIRMAN	NEDs / MEMBER
Audit Committee	RM20,000 per annum	RM10,000 per annum
Tender Committee	RM20,000 per annum	RM10,000 per annum
Risk Committee	RM20,000 per annum	RM10,000 per annum
Investment Committee	RM20,000 per annum	RM10,000 per annum

NOTE:
i. The payment of the annual fees for nominee directors representing Johor Corporation Group of Companies will be paid to Johor Corporation Group of Companies as Corporate Fee.
ii. The payment of the Committees' annual fees is extended to all Directors in the Committees except for the Managing Director and Executive Directors of the Company.
iii. The payment of Committee annual fees is not applicable to Nomination and Remuneration Committees.

(2) Meeting Allowance

MEETING ALLOWANCE (PER MEETING)	CHAIRMAN	NEDs / MEMBER
Board of Directors	RM2,000	RM1,000
Audit Committee	RM2,000	RM1,000
Tender Board Committee	RM2,000	RM1,000
Nomination Committee	RM2,000	RM1,000
Remuneration Committee	RM2,000	RM1,000
Risk Committee	RM2,000	RM1,000
Investment Committee	RM2,000	RM1,000

NOTE:
i. The payments of the Sitting Allowances are extended to all Directors except for the Managing Director and Executive Directors of the Company.

E. The Audit Committee ("AC") and the Board of Directors at their Meetings have considered the appointment of Messrs. KPMG PLT ("KPMG") as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young PLT and collectively agreed that KPMG met the relevant criteria as prescribed by Paragraph 15.21 of the Listing Requirements.

F. The Ordinary Resolution 6, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion without convening a General Meeting. The authorisation, unless revoked or varied by the Company at a General Meeting, will expire at the conclusion of the next AGM of the Company. The general mandate if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

G. The proposed Ordinary Resolution 7, if passed will enable renew the authority granted by the shareholders at the last AGM. The renewed authority will enable the Company to purchase its own shares through Bursa Securities up to 10% of the total number of issued shares the issued and paid-up capital of the Company at any point in time. This authority will, unless revoked or varied at a General Meeting, expire at the conclusion of the next AGM of the Company. Further information on the Proposed Share Buy-Back Authority are set out in the Circular Statement dated 29 April 2022 to Shareholders of the Company.

Annexure A

SINDORA
BERHAD

Registration No. 197201001738 (13418-K)
Register Address:
Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor

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20 April 2022

The Board of Directors
E.A. Technique (M) Berhad
Level 11, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru, Johor

Dear Madam/ Sir,

NOTICE OF NOMINATION OF KPMG PLT AS AUDITORS

We, **SINDORA BERHAD**, being a member of the Company, holding 50.05% of the total shares of the Company, hereby give notice, pursuant to the Companies Act, 2016 of our intention to nominate Messrs KPMG PLT as Auditors of the Company in place of the retiring auditors, for the shareholders' approval at the forthcoming Annual General Meeting of the Company.

Thank you.

Yours faithfully
SINDORA BERHAD

(AFIQ IZAT BIN JUSOH)
Company Secretary

STATEMENT ACCOMPANYING NOTICE OF 28TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirement of the Bursa Malaysia Securities Berhad, there are no individuals who are standing for election as directors (excluding directors who are standing for re-election) at the 28th AGM of the Company.

The proposed Ordinary Resolution 6 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at last AGM held on 30 June 2021.

FORM OF PROXY

No. of shares held	
CDS Account No.	

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

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

Company No. / NRIC No. ....

of ....
(Full address)

being a member of E.A. TECHNIQUE (M) BERHAD ("the Company") hereby appoint:-

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

AND

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

or failing him/her, the Chairperson of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the 28th Annual General Meeting of the Company which will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("the Broadcast Venue") on Monday, 13 June 2022 at 12.00 p.m. or any adjournment thereof, and to vote as indicated below:

RESOLUTIONS		For	Against	Abstain
1.	To re-elect Director – Rozan bin Mohd Sa'at			
2.	To re-elect Director – Abdul Azmin bin Abdul Halim			
3.	To approve payment of Directors' fees			
4.	To approve payment of Directors' remuneration			
5.	To appoint Messrs. KPMG PLT as auditors			
6.	Authority to allot & issue shares			
7.	Proposed Share Buy-Back Renewal			

(Please indicate with a ("X") in the appropriate box whether you wish your vote to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.)

Date:	
Contact No.	

....
Signature/Common Seal of Shareholder

NOTES:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 28th Annual General Meeting in person at the Broadcast Venue on the day of the meeting. Shareholders are to attend, participate (including posing questions to the Board) and vote remotely at the 28th Annual General Meeting via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online.
2. For the purpose of determining who shall be entitled to attend this Annual General Meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as of 7 June 2022.** Only a member whose name appears on this Record of Depositors shall be entitled to attend, participate, speak, and vote in this Annual General Meeting via RPV.
3. A member who is entitled to attend, participate, speak, and vote at this Annual General Meeting via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak, and vote in his/her place. A proxy may but need not be a member of the Company. In view that this is a fully virtual **Annual General Meeting, we strongly advise the members who are unable to attend, participate, speak, and vote in this Annual General Meeting via RPV to appoint the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the proxy form.**
4. (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.
5. 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.
6. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this Annual General Meeting via RPV **must request his/her proxy to register himself/herself for RPV at TIIH Online website at https://tiih.online**

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STAMP

E.A. TECHNIQUE (M) BERHAD
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

Fold here

7. 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 twenty-four (24) hours before the time appointed for holding the Annual General Meeting 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 Annexure to the proxy form – Electronic Submission of Proxy Form via TIIH Online for General Meeting.
8. Please ensure ALL the particulars as required in the proxy form are completed, signed, and dated accordingly.
9. Last date and time for lodging the proxy form is Sunday, 12 June 2022 at 12.00 p.m.
10. 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 twenty-four (24) hours before the time appointed for holding the Annual 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. To attend, participate and vote remotely, the attorney should refer to the Information for Shareholders on 28th Annual General Meeting for further details.

PERSONAL DATA PRIVACY

By Submitting an instrument appointing a proxy(ies) and/or representatives(s), the members accept and agrees to the personal data privacy terms set out in the Notice of AGM dated 29 April 2022.

E.A. TECHNIQUE (M) BERHAD
199301001779 (256516-W)

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UNIT C-3A-3A, JALAN SETIAWANGSA 11
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