TECHNA-X

2021

ANNUAL REPORT

WHAT'S INSIDE

The online version of Techna-X Berhad's Annual Report 2021 is available from our website. Go to https://techna-x.com/annualreport.html or scan the QR code with your smartphone.

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting ("**AGM**") of the Company will be held at the "Hall of Fame" located at The Mines Resort & Golf Club, Jalan Kelikir, Mines Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan on Tuesday, 31 May 2022, at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon. *[Please refer to Explanatory Note (a)]*

2. To approve the payment of Directors' Fees to the Non-Executive Directors for the financial year ended 31 December 2021. *(Ordinary Resolution 1)*

3. To approve the payment of Directors' allowances and other benefits (excluding Directors' fees) to the Non-Executive Directors up to RM100,000 from 1 June 2022 until the next AGM of the Company. *(Ordinary Resolution 2)*

4. To re-elect Mr. Balraj Singh Pannu A/L Gajjan Singh, who retires by rotation pursuant to Clause 118 of the Company's Constitution and being eligible has offered himself for re-election. *(Ordinary Resolution 3)*

5. To re-elect Encik Ahmad Rizan Bin Ibrahim, who retires pursuant to Clause 117 of the Company's Constitution and being eligible has offered himself for re-election. *(Ordinary Resolution 4)*

6. To appoint HLB Ler Lum Chew PLT as Auditors of the Company in place of the retiring Auditors, HLB AAC PLT, and authorise the Board of Directors to fix their remuneration. *(Ordinary Resolution 5)*

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

7. **ORDINARY RESOLUTION** *(Ordinary Resolution 6)*
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

"**THAT** subject always to the Companies Act 2016 ("**Act**"), the Company's Constitution and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, always provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (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 Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING
cont'd

8. **ORDINARY RESOLUTION** *(Ordinary Resolution 7)*

PROPOSED GRANTING OF THE EMPLOYEES SHARES OPTION SCHEME ("ESOS") OPTIONS TO ENCIK AHMAD RIZAN BIN IBRAHIM

"**THAT** pursuant to the ESOS of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for the eligible employees as well as Executive and Non-Executive Directors of the Company and its subsidiaries (excluding dormant subsidiaries) ("**TXB Group**") as approved by the shareholders at the Extraordinary General Meeting of the Company held on 30 June 2021, approval be and is hereby given to the Board to authorise the ESOS Committee, to offer and to grant to, at any time and from time to time throughout the duration of the Proposed ESOS, Ahmad Rizan Bin Ibrahim, being the Executive Director of the Company, Options to subscribe for up to such number of new ordinary shares in the Company ("**TXB Shares**") under the Proposed ESOS **PROVIDED THAT**

(a) not more than 10% of the new TXB Shares to be issued under the Proposed ESOS is allocated to him if he, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued TXB Shares (excluding treasury shares, if any); and

(b) not more than 75% of the new TXB Shares available under the Proposed ESOS shall be allocated in the aggregate to the Directors and senior management of TXB Group on the basis that they are crucial to the performance of TXB Group as determined by the ESOS Committee at their sole and absolute discretion;

AND subject always to such terms and conditions of the By-laws and/or adjustments which may be made in accordance with the provisions of the By-laws and Listing Requirements or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities, as amended from time to time."

9. **ORDINARY RESOLUTION** *(Ordinary Resolution 8)*

PROPOSED SHARE BUY-BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK")

"**THAT**, subject always to the Companies Act 2016 ("**Act**"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company ("**TXB Shares**") as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the best interest of the Company, provided that:-

(i) the aggregate number of TXB Shares to be purchased and/or held by the Company pursuant to this Resolution shall not exceed ten per centum (10%) of the Company's total number of issued shares as at the point of purchase(s);

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited/unaudited financial statements of the Company (where applicable) available at the time of the purchase(s); and

(iii) the shares of the Company to be purchased may be cancelled, retained as treasury shares, distributed as dividends to the shareholders or resold on Bursa Securities, or a combination of any of the above, at the absolute discretion of the Directors.

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING
cont'd

AND THAT the authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and shall continue to be in force until:

(a) the conclusion of the next AGM of the Company following this AGM at which such Resolution was passed, at which time the authority shall lapse, unless by an Ordinary Resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(c) revoked or varied by an Ordinary Resolution passed by the Company's shareholders in a general meeting,

whichever occurs first.

AND FURTHER THAT the Directors of the Company be authorised to do all acts, deeds and things to give full effect to Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."

10. To transact any other ordinary business of which due notice has been given.

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
CHIN MUN YEE (SSM PC NO. 201908002785) (MAICSA 7019243)
Company Secretaries

Kuala Lumpur
28 April 2022

Explanatory Note (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 ("**Act**"), does not require the formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

Explanatory Note to Ordinary and Special Business:

(i) Ms. Lim See Tow, who retires according to Clause 118 of the Company's Constitution has expressed her intention not to seek re-election. Hence, she will retire at the conclusion of the Sixteenth AGM.

(ii) **Ordinary Resolution 2 - Approval for the payment of Directors' allowances and other benefits (excluding Directors' fees) to the Non-Executive Directors**

The Directors' allowances and other benefits (excluding Directors' fees) to the Non-Executive Directors envisaged to be payable from 1 June 2022 until the next AGM of the Company is as follows:

Description	Non-Executive Directors
Allowances	Up to RM100,000
Other Benefits	Nil

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING
cont'd

(iii) Ordinary Resolution 5 – Change of Auditors

The Company's existing Auditors, HLB AAC PLT, were re-appointed as the Company's Auditors at the Fifteenth AGM to hold office until the conclusion of the Sixteenth AGM. However, in conjunction with the merger of their practice with HLB Ler Lum PLT, HLB AAC PLT will not be seeking re-appointment as the Company's Auditors under the said name, upon retiring at the forthcoming Sixteenth AGM. Pursuant therefrom, the merged practices will operate under the name "HLB Ler Lum Chew PLT" and have accordingly offered themselves and consented to be appointed as the Company's Auditors in the forthcoming Sixteenth AGM.

The Board has reviewed the recommendation from the Audit and Risk Management Committee and has agreed with the nomination and appointment of HLB Ler Lum Chew PLT as the new Auditors of the Company in place of the retiring Auditors, HLB AAC PLT, at the forthcoming Sixteenth AGM.

(iv) Ordinary Resolution 6 - Authority to Issue Shares pursuant to the Act

The proposed Ordinary Resolution 6 is intended to renew the general mandate on the authority granted to the Directors of the Company to issue and allot shares pursuant to the Act at the Fifteenth AGM.

The Company had been granted an increase in general mandate limit for issuance of new securities for not more than twenty per centum (20%) of the total number of issued shares of the Company for the time being by its shareholders at the Fifteenth AGM of the Company held on 30 June 2021 ("**Previous Mandate**"). The Previous Mandate was granted by Bursa Securities as one of their additional temporary relief measures to listed corporations via its official letter dated 16 April 2020.

As of to date, the Company had utilised the Previous Mandate by issuing 169,901,200 new ordinary shares via Private Placement. The shares were issued at the issue price of RM0.0725 each and were listed on 29 December 2021.

The details of the total proceeds raised from the Private Placement and its utilisation are disclosed in the Annual Report.

The proposed Ordinary Resolution 6, if passed, will provide flexibility and expediency to the Directors of the Company to undertake any possible fundraising activities, including but not limited to placement of shares, for the purpose of funding the Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions, business expansion and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued does not exceed ten per centum (10%) of the total number of issued shares of the Company. Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next AGM of the Company.

(v) Ordinary Resolution 7 – Proposed Granting of Employees Shares Option Scheme ("ESOS") to Encik Ahmad Rizan Bin Ibrahim

The shareholders had at the Extraordinary General Meeting of the Company held on 30 June 2021 approved the establishment of an ESOS of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS for the eligible employees as well as Executive and Non-Executive Directors of the Company and its subsidiaries (excluding dormant subsidiaries).

The proposed Ordinary Resolution 7, if passed, will enable Encik Ahmad Rizan Bin Ibrahim who is appointed as an Executive Director of the Company on 10 September 2021, to participate in the ESOS.

Encik Ahmad Rizan Bin Ibrahim being the interested Director, will abstain and has also undertaken to ensure that persons connected to him will abstain from voting on this resolution. He has also abstained from the deliberations and voting on this resolution at the Board of Directors' Meeting.

(vi) Ordinary Resolution 8 – Proposed Share Buy-Back

The proposed Ordinary Resolution 8, if passed, will enable the Company to purchase its own shares of up to ten per centum (10%) of the Company's total issued shares at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next AGM of the Company.

Please refer to the Statement to Shareholders dated 28 April 2022 for further information.

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING
cont'd

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2022 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.*

2. *A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*

3. *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporations' common seal or under the hand of an officer or attorney duly authorised.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power of authority, must be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. All resolutions set out in this notice of Meeting are to be voted by poll.*

6. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree, and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this Meeting and convening the Meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.*

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS AND/OR PROXIES ATTENDING THE SIXTEENTH ANNUAL GENERAL MEETING ("16TH AGM")

INFORMATION ON 16TH AGM

1. Date, Time, and Venue of 16th AGM

The Company's 16th AGM is scheduled to be held as follows:-

Day and Date	:	Tuesday, 31 May 2022
Time	:	10:00 a.m.
Venue	:	"Hall of Fame" located at The Mines Resort & Golf Club, Jalan Kelikir, Mines Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan

2. Entitlement to Attend

Only members whose names appear in the Record of Depositors as of 23 May 2022 shall be entitled to attend, participate, speak and vote at the 16th AGM or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf in respect of the number of shares registered in his/her name at that mentioned date.

3. Lodgement of Form of Proxy of 16th AGM

(a) If you are unable to attend the 16th AGM and wish to appoint proxy(ies) to vote on your behalf, you may deposit your Form of Proxy at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan in accordance with the notes and instructions printed therein, not later than forty-eight (48) hours before the 16th AGM, i.e., **latest by Sunday, 29 May 2022 at 10:00 a.m**.

(b) If you wish to attend the 16th AGM yourself, please do not submit any Form of Proxy for the 16th AGM that you wish to attend. You will not be allowed to attend the 16th AGM together with a proxy appointed by you. Only one of you is allowed to attend and enter the meeting venue.

(c) If you have submitted your Form of Proxy prior to the 16th AGM and subsequently decided to attend the 16th AGM yourself, please revoke your proxy appointment at the time of registration.

4. Corporate Member

Any corporate member who wishes to appoint a representative instead of a proxy to attend the 16th AGM should submit the original certificate of appointment under the corporation's seal to the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan at any time before the time appointed for holding the 16th AGM or to the registration staff on the meeting day for the Company's records.

5. Parking

You may park your vehicle at the allocated visitors' parking bays.

6. Door Gifts

There will be **NO** door gifts in the 16th AGM.

GUIDANCE FOR ATTENDANCE OF 16TH AGM

In light of the current COVID-19 pandemic, the Company would be most obliged if all attendees were to take all necessary precautions and preventive measures as issued or directed from time to time by the Malaysian Government and/or relevant authorities while attending the 16th AGM.

As the COVID-19 situation evolves, the Company will closely monitor the status. Accordingly, the Company reserves the right to take any precautionary measures as may be required or recommended by the relevant authorities from time to time and may also be required to change its 16th AGM arrangements at short notice.

As such, prior to attending the 16th AGM, you are to keep abreast with the latest news and updates on the 16th AGM from the posting on the Company's website at https://www.techna-x.com or all announcements as well as all health and safety measures as released by the relevant authorities to the media from time to time.

ADMINISTRATIVE GUIDE
cont'd

The attendees are required to read and adhere to the standard operating procedures ("**SOPs**") as follows:-

1. Prior Registration of Physical attendance

Shareholders/Proxies/Corporate Representatives who wish to attend the 16th AGM in person, please provide the following details by email to info@sshsb.com.my, **latest by Sunday, 29 May 2022**:-

(a) Company name
(b) Full name
(c) Identity card no./ Passport no.
(d) CDS account number
(e) Mobile phone number

After verification of your registration against the Record of Depositors as of 23 May 2022, the Company's Share Registrar will send you an email on or after 29 May 2022 to approve or reject your registration to attend physically at the meeting venue. The decision of the Share Registrar shall be final, and no appeal will be entertained.

Attendees without pre-registration **WILL NOT** be allowed to enter the meeting venue for their own safety and the safety of other attendees.

2. Registration for the 16th AGM

(a) Registration will start at 8:30 a.m. and end at such time as the Chairman of the meeting may be determined.

(b) Please read the signage to ascertain the registration counter to register yourself for the 16th AGM and join the queue accordingly.

(c) Please present your original National Registration Identification Card ("NRIC") or Passport for verification by the Share Registrar against the pre-registration attendance list. Please ensure that you collect your NRIC or Passport thereafter.

(d) After verification, you are required to write your name and sign on the Attendance List provided by the Share Registrar. Thereafter, you will be given an identification wristband.

(e) **NO** individual will be allowed to enter the meeting hall without the identification wristband. There will be no replacement if you lose or misplace the identification wristband.

(f) **NO** person will be allowed to register on behalf of another person, even with the original NRIC or Passport of that person.

(g) The registration counter is solely for verification of identity and registration purposes.

(h) All attendees are also required to observe the social distancing rule.

(i) Please vacate the registration area immediately after registration.

If you have any enquiries on other matters, please refer to our staff who will be at hand to assist.

ADMINISTRATIVE GUIDE
cont'd

3. Safety Measures Due to COVID-19 Pandemic

(a) All attendees are required to adhere to the following SOPs:-

i. to show their fully vaccinated status and "Low Risk" or "Casual Contact Low Risk" status through their MySejahtera Application/ COVID-19 vaccination card:

Fully vaccinated individuals are defined as someone who has received:

- Two (2) doses of Pfizer, AstraZeneca, Sinovac, Moderna, or Sinopharm vaccine for more than 14 days; and
- Single-dose of Johnson & Johnson or CanSino vaccine for more than 28 days.

ii. to undergo a temperature screening upon arrival at the meeting venue. You will not be allowed to enter the meeting venue if you are believed to be suffering from pneumonia symptoms (which include sore throat/flu/fever/cough/shortness of breath) or having a body temperature above 37.5 Celsius;

iii. to sanitise their hands before entering the meeting venue;

iv. to maintain social distancing of at least one (1) meter at all times throughout the Meeting;

v. to wear a face mask before entering the meeting venue and throughout the meeting.

(b) The Company reserves the right to request the attendees to perform the Rapid Antigen Test before entering as an extra safety precaution to contain the spread of COVID-19.

(c) Patients under Investigation (PUI) and Persons under Surveillance (PUS) are **PROHIBITED** from attending the 16th AGM.

(d) Attendees are **PROHIBITED** from gathering outside the meeting venue **BEFORE** and **AFTER** the 16th AGM.

(e) Shareholders are encouraged to appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 16th AGM. You may submit your proxy forms with pre-determined voting instructions for the Chairman to vote for and on your behalf.

(f) The Company reserves the right to limit the total number of physical attendees at the 16th AGM in adherence to the SOPs and the requirements by the relevant authorities. Hence, entry to the meeting venue will be based on a first-come-first-serve basis, and again, the health and safety of all attendees are non-negotiable priorities for the Company.

4. Submission of Questions prior to 16th AGM

Shareholders are encouraged to submit questions ahead of the 16th AGM and email your questions to info@techna-x.com, **latest by Sunday, 29 May 2022**.

The Company will endeavour to answer your question(s) at the 16th AGM if time permits or by email after the 16th AGM. A written record of the questions and answers would be published in the Minutes of the 16th AGM to be uploaded by the Company on its corporate website in due course.

The 16th AGM proceedings will focus on the proposed resolutions to minimise crowd gathering time in an enclosed environment.

ENQUIRY

Should you have any enquiries, please do not hesitate to contact the Share Registrar at their general line +603-2084 9000 and/or Fax: +603-2094 9940 / 2095 0292 during office hours:

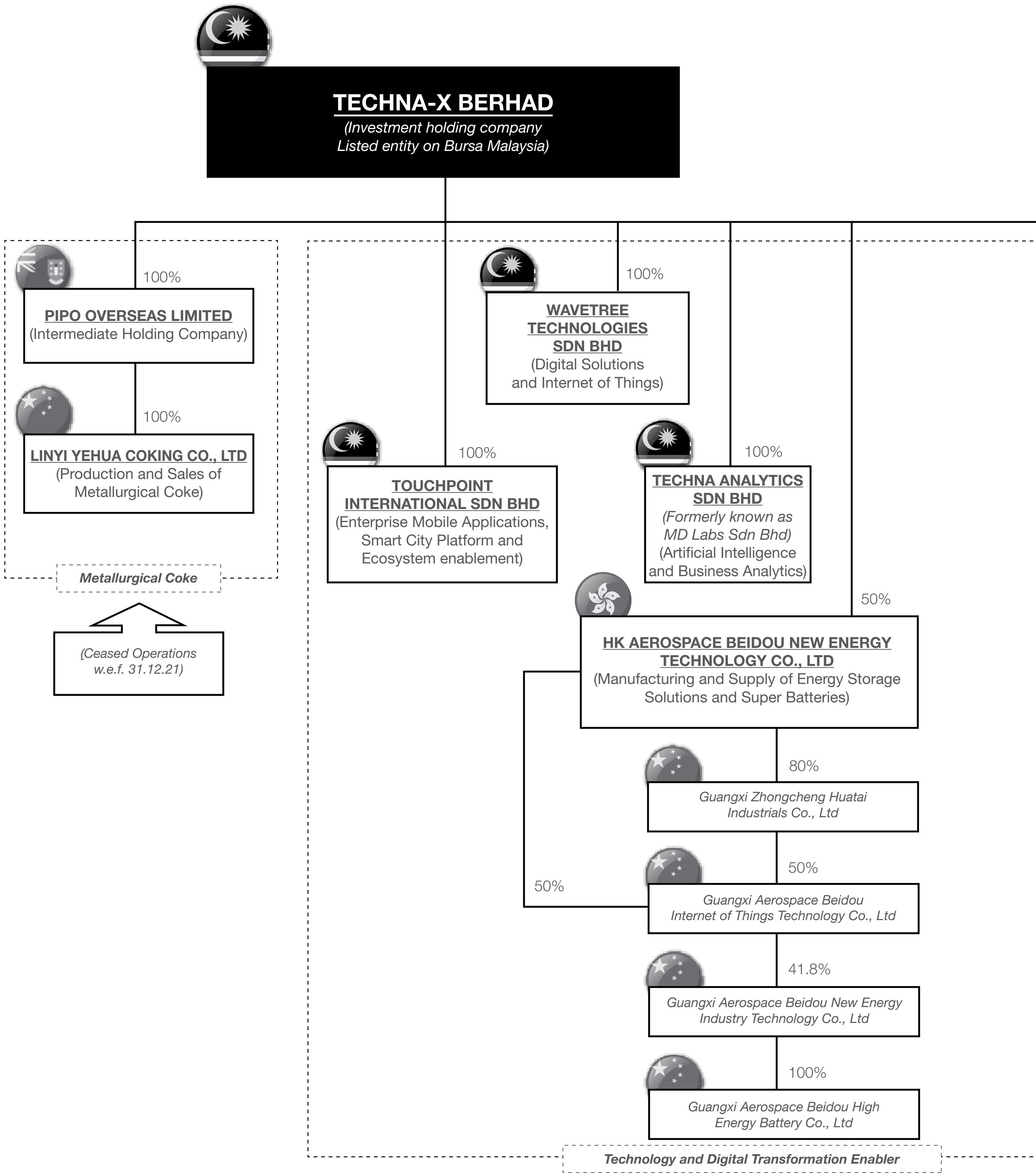
(1) Mr. Wong Piang Yoong (email: piang.yoong.wong@sshsb.com.my)

(2) Puan Nurhayati Ang (email: Nurhayati.Ang@sshsb.com.my)

(3) Ms. Yuli Chew Lai Ping (email: yuli.chew@sshsb.com.my)

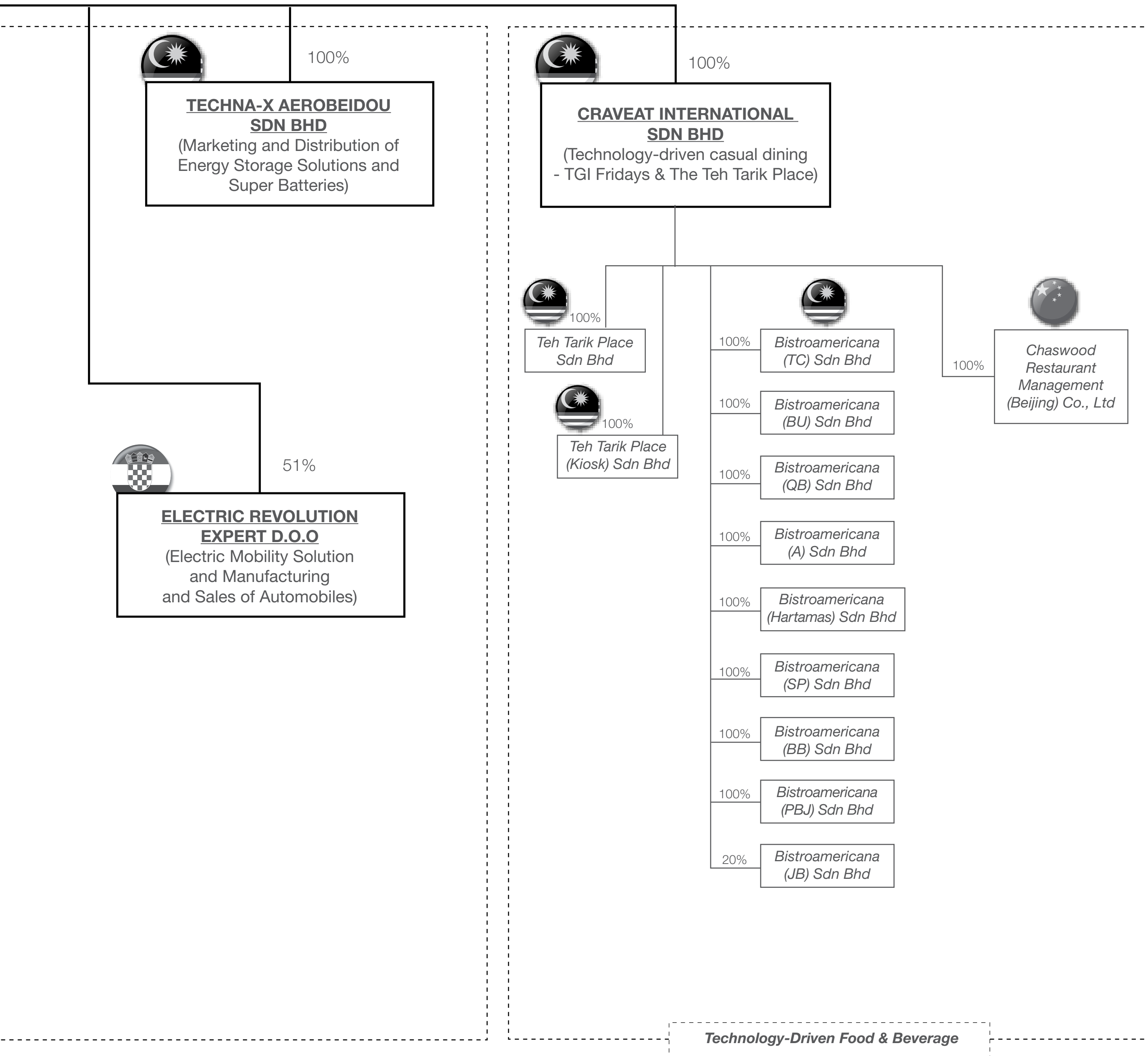
We thank you for your continued support.

THE TECHNA-X GROUP
As at 31 December 2021



THE TECHNA-X GROUP

As at 31 December 2021
cont'd



CORPORATE INFORMATION

BOARD OF DIRECTORS

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar
Executive Chairman

Liu Guo Dong
Managing Director

Datuk Lim Chih Li @ Lin ZhiLi
Executive Director

Lim See Tow
Independent Non-Executive Director

Zhai Baoxing
Independent Non-Executive Director

Balraj Singh Pannu A/L Gajjan Singh
Independent Non-Executive Director

Ahmad Rizan Bin Ibrahim
Executive Director
(appointed w.e.f. 10 Sept 2021)

AUDIT & RISK MANAGEMENT COMMITTEE

Lim See Tow
Chairperson
Independent Non-Executive Director

Zhai Baoxing
Independent Non-Executive Director

Balraj Singh Pannu A/L Gajjan Singh
Independent Non-Executive Director

REMUNERATION COMMITTEE

Lim See Tow
Chairperson
Independent Non-Executive Director

Zhai Baoxing
Independent Non-Executive Director

Balraj Singh Pannu A/L Gajjan Singh
Independent Non-Executive Director

NOMINATION COMMITTEE

Balraj Singh Pannu A/L Gajjan Singh
Chairman
Independent Non-Executive Director

Lim See Tow
Independent Non-Executive Director

Zhai Baoxing
Independent Non-Executive Director

PRINCIPAL BANKERS

RHB Bank Berhad
(Kuala Lumpur, Malaysia)

CIMB Bank Berhad
(Kuala Lumpur, Malaysia)

Standard Chartered Bank (Hong Kong) Limited
(Hong Kong)

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel: (603) 2084 9000
Fax: (603) 2094 9940

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel: (603) 2084 9000
Fax: (603) 2094 9940

AUDITORS

HLB AAC PLT
(202006000008 & LLP0022843-LCA & AF001977)
Chartered Accountants

STOCK EXCHANGE

Bursa Malaysia Securities Berhad
(Main Market)

COMPANY SECRETARIES

Chua Siew Chuan
(SSM PC NO. 201908002648)
(MAICSA 0777689 PRACTITIONER)

Chin Mun Yee
(SSM PC NO. 201908002785)
(MAICSA 7019243 PRACTITIONER)

STOCK NAME AND CODE

TECHNAX (2739)

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR

Male

- *Executive Chairman*
- *Key Senior Management*

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (male), a Malaysian aged 75, was appointed to the Board of Techna-X Berhad on 21 March 2007. He is currently the Executive Chairman of Techna-X Berhad. He attended all six (6) Board meetings held in the financial year.

Y.A.M. Tunku Naquiyuddin has a Bachelor of Science in Economics (Honours) degree from the University of Wales, Aberystwyth, United Kingdom. He was a Diplomat for five (5) years and served as Second Secretary in Paris, France, from 1972 to 1975. He was proclaimed Regent of Negeri Sembilan from 1994 until 1999. On 11 August 2006, he was appointed as a Director of PIPO Overseas Ltd, a wholly-owned subsidiary of Techna-X Berhad.

Y.A.M. Tunku Naquiyuddin also sits on the boards of Ann Joo Resources Berhad and Olympia Industries Berhad. He also holds directorship in other non-listed public companies, namely ORIX Leasing Malaysia Berhad and Syarikat Pendidikan Staffield Berhad.

Y.A.M. Tunku Naquiyuddin is a keen environmentalist and was a Committee Member of the World Wide Fund for Nature (Malaysia) and a Council Member of the Business Council for Sustainable Development in Geneva. As an active and conscientious businessman, Y.A.M. Tunku Naquiyuddin contributed to the business fraternity through his appointment as a founding Chairman of the Federation of Public Listed Companies Berhad, leading the initiatives to bridge bilateral business boundaries through the Malaysia-France Economic and Trade Association for eight (8) years and striving for Asia-Pacific co-operation through the Canada-ASEAN Centre of which he was a Council Member. He was nominated by the Minister of Finance to serve on the Committee of the Kuala Lumpur Stock Exchange from 1989 to 1994.

Y.A.M. Tunku Naquiyuddin is a major shareholder of Techna-X Berhad. Y.A.M. Tunku Naquiyuddin also has a family relationship with the other major shareholders of the Company as follows:-

- Father of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin;
- Spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador; and
- Sibling to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Save as disclosed above, Y.A.M. Tunku Naquiyuddin does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

LIU GUODONG

Male

- *Managing Director*
- *Key Senior Management*

Mr. Liu Guodong (male), a Chinese People's Republic of China ("PRC") national aged 50, was appointed to the Board of Techna-X Berhad on 22 March 2007. He is currently the Managing Director of Techna-X Berhad. He attended all six (6) Board meetings held in the financial year.

He was the Managing Director of Linyi Yehua Coking Co., Ltd ("Yehua") since 15 December 2004 and was appointed as the legal representative of Yehua on 1 July 2005. He graduated from Linyi Teaching Institute with a Bachelor's Degree in Sports in 1995. Prior to joining Yehua, from 1994 to 2004, he was a self-employed businessman involved in dealing of iron ore, coal, and electrolysis aluminite powder. On 21 June 2005, he was appointed as a Director of PIPO Overseas Ltd, a wholly-owned subsidiary of Techna-X Berhad. Overall, Mr. Liu has over ten (10) years of working experience in the related industry.

Mr. Liu does not hold any other directorship in other public companies and public listed companies.

Mr. Liu does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
cont'd

DATUK JARED LIM CHIH LI

Male

- *Executive Director*
- *Key Senior Management*

Datuk Jared Lim Chih Li (male), a Malaysian aged 50, was appointed to the Board of Techna-X Berhad on 16 October 2019 as an Executive Director to spearhead the transformation of the Group. He attended five (5) out of six (6) Board meetings held in the financial year.

Datuk Jared graduated from the University of Bristol in Economics and Accounts in 1993. He started his professional career as a financial analyst for DBS Securities in Singapore and later moved to Credit Lyonnais Securities. He was the Technology Analyst in both institutions. Datuk Jared obtained his Chartered Financial Analyst qualification and Masters in Finance from the University of Hull during his time as an analyst. He also obtained a Post Graduate Diploma in Digital Business from the Emeritus Institute of Management.

He moved to investment banking and eventually ended up leading the corporate finance department of a Ministry of Finance owned Malaysian investment bank called Avenue Securities. At Avenue Securities, he was responsible for setting up the corporate finance unit, eventually building a strong track record in Equity Offerings, Restructurings, Mergers and Acquisitions, and Bond Issues. Datuk Jared built a niche in Malaysia in cross-border equity offerings involving PRC enterprises, which eventually led to him starting an Emerging South East Asian private equity model. He is credited for bringing in the first few foreign companies to list in Malaysia.

In 2007, Datuk Jared co-founded a private equity group called Tremendous Asia Partners ("TAP"), an Asian-owned and locally-grown private equity fund focused on the consumers' space in South East Asia, focusing on value add through design and digital marketing. TAP focuses on the consumer industry, emphasising the 5 pillars – Food and Beverage services and products; Retail, Education, Healthcare and Media & Entertainment. The Private Equity fund has made roughly US$100 million in investments. Some recognisable portfolios of Datuk Jared include the privatization of "NV Multi", currently the largest bereavement services operator in South East Asia, and Munchies, the largest local biscuit manufacturer in Malaysia, and the notable International eatery, T.G.I. Fridays.

Datuk Jared is currently the Managing Partner of Tremendous Asia Partners and the Non-Executive Chairman of Tremendous Entertainment Holdings ("TEH"), one of the leading independent entertainment content producers in the region. TEH owns Intellectual Properties such as the multi-award-winning children's TV show "Hi-5", reality TV Intellectual Properties such as "The Apartment" and "The Challenger" and manages the Sands Theatre in Marina Bay Sands.

Datuk Jared also sits on the Executive Panel of the Cultural Economic Development Agency of Malaysia ("CENDANA"), supported by the Ministry of Finance, which has been set up to build a vibrant and sustainable cultural economy in Malaysia.

Datuk Jared is also the Group Managing Director of Country Heights Holding Berhad, a property investment and development company listed on the Main Board of Bursa Malaysia Securities Berhad. He was appointed to the Board on 8 September 2020 to spearhead a transformation of the property group by leading the digitisation of the group's operations and expanding its wellness and healthcare pillar.

Save as disclosed above, Datuk Jared does not hold any other directorship in other public companies and public listed companies.

Datuk Jared does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
cont'd

AHMAD RIZAN BIN IBRAHIM

Male

- *Executive Director*
- *Key Senior Management*

Encik Ahmad Rizan Bin Ibrahim (male), a Malaysian aged 59, was appointed to the Board of Techna-X Berhad on 10 September 2021 as an Executive Director to spearhead the digital and technology businesses of the Group. He attended two (2) Board meetings out of six (6) held in the financial year as he was only appointed on 10 September 2021.

Encik Ahmad Rizan holds two (2) Bachelor's Degrees in Computer Science and Management Science, a Master of Computer Science, and an MBA from Oregon State University, Corvalli, Oregon, United States of America.

He has over 30 years of management and strategic consulting experience, including senior leadership and operational roles, sales, marketing, business development, and channel/alliance development. He has worked in China, Vietnam, Cambodia, Myanmar, Indonesia, United Arab Emirates, Oman, Hungary, Russia, the United Kingdom, and the United States. He is well versed in solution delivery to clients in strategic planning, merger and acquisitions, technology design and implementation, package and custom development and implementation, operations management, e-Business, and project management, serving both public and private sectors locally and overseas. In recent years, he has been responsible for many mergers and acquisitions, due diligence, and international ventures in the hospitality and leisure market.

Encik Ahmad Rizan was a partner with Arthur Andersen, during which he held the role of Head of ASEAN Enterprise Application Line-of-Business and Asia Pacific Head of Enterprise Application for several years. Prior to joining Arthur Andersen, he was the Consulting Practice Director for Oracle Consulting Services Line-of-Business in the Asia Pacific. In 2002, he together with a senior partner of Arthur Andersen, founded a consulting company called HRM Business Consulting Sdn. Bhd. HRM Business Consulting Sdn. Bhd. was set up with 45 consulting professionals from the business consulting division of Hanafiah Raslan & Mohamed (HRM), a Malaysian-owned member firm of Arthur Andersen. The firm provided business strategy and ICT design and implementation services, which subsequently became a 51%-owned subsidiary of Dataprep Holdings Bhd., a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Encik Ahmad Rizan was also the President & Chief Executive Officer of MIMOS Berhad, a wholly-owned subsidiary of the Ministry of Finance-owned company, under the Ministry of International Trade and Industry supervision.

Encik Ahmad Rizan also sat on the Board of G3 Global Berhad, and subsequently resigned as a Non-Independent Non-Executive Director on 26 November 2021.

Save as disclosed above, Encik Ahmad Rizan does not hold any other directorship in other public companies and public listed companies.

Encik Ahmad Rizan does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
cont'd

LIM SEE TOW

Female

- *Independent Non-Executive Director*

Ms. Lim See Tow (female), a Malaysian aged 46, has served on the Board of Techna-X Berhad since 18 January 2008. She is the Chairperson of the Audit and Risk Management Committee and Remuneration Committee. She is also a member of the Nomination Committee. She attended five (5) out of six (6) Board meetings held in the financial year.

Ms. Lim graduated with an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia, in 1999 and obtained the Association of Chartered Certified Accountants ("ACCA") accreditation in 2003.

Ms. Lim is a member of the ACCA and the Malaysian Institute of Accountants ("MIA"). She was with Messrs. Deloitte & Touche (now known as Deloitte PLT) from 1999 to 2003. From 2005 to 2007, she was the Head of Finance and Special Project in Antah Holding Berhad. Currently, she is a Director in Clearwater Developments Sdn. Bhd.

Furthermore, Ms. Lim also sits on the boards of Mobilia Holdings Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad. She also holds directorship in other non-listed public companies, namely Yew Lee Pacific Group Berhad and Seng Fong Holding Berhad.

Save as disclosed above, Ms. Lim does not hold any other directorship in other public companies and public listed companies.

Ms. Lim does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

ZHAI BAOXING

Male

- *Independent Non-Executive Director*

Mr. Zhai Baoxing (male), a Chinese PRC national aged 39, was appointed to the Board of Techna-X Berhad on 12 November 2018 as an Independent Non-Executive Director. He is a member of the Audit and Risk Management Committee, Nomination Committee, and Remuneration Committee. He attended all six (6) Board meetings held in the financial year.

He graduated with a degree in Calculus from the University of Linyi in 2003. Mr. Zhai started his career as an office manager in Linyi Heng Chang Coal Co., Ltd., in 2003, after which he joined Linyi Jin Zheng Yang Pipe Co., Ltd. as a Sales Manager in 2008. After spending about four (4) years indulging in and honing his skills in sales, he wanted to expand his experience further by taking on the role as an Operation Manager in Linyi Yuan Hang Engineering Machinery Co., Ltd. in 2012. In 2016, Mr. Zhai left to join Linyi Sheng Quan Grease Chemical Co., Ltd., taking on the role of Deputy General Manager therein.

Mr. Zhai does not hold any other directorship in other public companies and public listed companies.

Mr. Zhai does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
cont'd

BALRAJ SINGH PANNU A/L GAJJAN SINGH

Male

- *Independent Non-Executive Director*

Mr. Balraj Singh Pannu A/L Gajjan Singh (male), a Malaysian aged 44, was appointed to the Board of Techna-X Berhad on 2 April 2020 as an Independent Non-Executive Director. He is the Chairman of the Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee. He attended all six (6) Board meetings held in the financial year.

Mr. Balraj graduated from Oxford University, England, with an Honours Degree in Bachelor of Arts (Jurisprudence) and Masters of Arts (Jurisprudence) in 2007. Subsequently, he completed the Legal Practice Course for Solicitors at the Oxford Institute of Legal Practice in 2002 and a Post Graduate Diploma in Digital Business Strategy from the Emeritus Institute (collaboration with MIT and Columbia) in 2018.

He was a corporate lawyer with Magic Circle law firm in England and Hong Kong from 2002 to 2006. Since then he has been in private directorships in various industries such as manufacturing, wellness, F&B and early child care education.

Presently, he is a Director at Mudah Healthcare Asia and the Regional Director for 2Spicy Entertainment GmbH.

Mr. Balraj does not hold any other directorship in other public companies and public listed companies.

Mr. Balraj does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

FOONG CHONG THONG

Male

- *Financial Controller*

Mr. Foong Chong Thong (male), a Malaysian aged 46, is the Financial Controller of Techna-X Group and was appointed by Techna-X Berhad on 1 July 2008.

A Chartered Accountant, Mr. Foong holds a Bachelor of Commerce (Accountancy) from the University of Otago, New Zealand, and Associate Member ("ACMA") of The Chartered Institute of Management Accountants ("CIMA"). He is also a member of MIA.

Prior to joining Techna-X Group in 2008, Mr. Foong worked as an Auditor Supervisor for four (4) years in audit firms in Singapore and Malaysia. Subsequently, he was an Accountant for six (6) years before joining Techna-X Group.

Overall, Mr. Foong has more than ten (10) years of working experience in auditing and accounting. He oversees Techna-X Group's overall accounting matters and reports directly to the Board of Directors.

Mr. Foong does not hold any directorship in public companies and public listed companies.

Mr. Foong does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
cont'd

DR. WAN MUHAMAD HASNI BIN WAN SULAIMAN

Male

- *Chief Technologist*

Dr. Wan Muhamad Hasni Bin Wan Sulaiman (male), a Malaysian aged 58, was appointed as the Chief Technologist to head the Digital and Technology business segment of Techna-X Group on 14 October 2020.

Dr. Wan graduated from the University of Iowa, Iowa City, Iowa, the United States of America, with a Bachelor of Science, Actuarial Science, and Statistics in 1986. He then obtained a Masters of Science, Actuarial Science, and Statistics in 1988 from the University of Iowa. In 1993, he obtained his Ph.D. in Finance from the University of Iowa, Iowa City, Iowa, United States of America, and was a certified Data Scientist.

He is an entrepreneur by nature, he has developed many businesses throughout his illustrious career spanning over thirty (30) years, managing companies and projects worth over US20 billion.

His core field of expertise is finance, with experience building up companies and organisations in Malaysia, the United States, China, and South East Asia.

Dr. Wan has dedicated his energy and skillset to spearhead the data analytics and artificial intelligence within the Techna-X Group. He reports directly to the Board of Directors.

Dr. Wan does not hold any directorship in public companies and public listed companies.

Dr. Wan does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

VINCE NG CHEE SENG

Male

- *Head of IoT and SmartCity Enablement Division*

Mr. Vince Ng Chee Seng (male), a Malaysian aged 45, was appointed as the Head of IoT and SmartCity Enablement Division of Techna-X Group on 19 December 2019.

Mr. Vince graduated from the University of New Brunswick, Canada, with a Bachelor of Science in engineering, majoring in electrical & computer engineering. Subsequent to that, he completed coursework for Master of Applied Science (M.A.Sc) (Systems) at Carleton University, Canada.

He has been leading the Group's mobile and digital solutions business. With over twenty (20) years of experience in founding and growing technology companies, Mr. Vince has successfully brought start-ups from drawing board to commercialization.

Among his notable success is TouchPoint International Sdn. Bhd., which he co-founded and has since been acquired as part of Techna-X Group in 2019, and Okulus Networks Inc., a technology start-up in Ottawa that he co-founded and has successfully undergone trade sale in 2008.

His other successful commercial deployments include Free Alliance Sdn. Bhd., a Khazanah Nasional Funded wireless sensor solutions company in healthcare, manufacturing, education, logistics, and transportation sectors.

Mr. Vince does not hold any directorship in public companies and public listed companies.

Mr. Vince does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
cont'd

LEE YEW JIN

Male

- *Head of Technology-Driven Food and Beverage Division*

Mr. Lee Yew Jin (male), a Malaysian aged 48, was appointed as the Head of Technology-Driven Food & Beverage ("F&B") Division of Techna-X Group on 15 October 2019 to oversee the Group's F&B business.

Mr. Lee graduated from David's College in 1994 with a higher diploma in hotel catering and management. Mr. Lee has more than twenty-five (25) years of experience managing and operating renowned F&B brands, including McDonald's, Dome Café, and Domino's Pizza.

Mr. Lee is responsible for the overall business operations, strategic direction, and expansion for Techna-X Group's F&B franchises, namely TGI Friday's and Teh Tarik Place in Malaysia and oversea markets.

Mr. Lee does not hold any directorship in public companies and public listed companies.

Mr. Lee does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

NIK HARIS BIN NIK IBRAHIM

Male

- *Chief Financial Officer of Energy Storage and Super Batteries Division*

Encik Nik Haris Bin Nik Ibrahim (male), a Malaysian aged 55, was appointed as the Chief Financial Officer for the energy storage business of Techna-X Group on 1 August 2021.

Encik Nik Haris graduated from UITM with an Honours Degree in Accountancy in 1991. Encik Nik Haris has over thirty (30) years of experience in corporate, strategic, and financial management and advisory.

He began his career in 1991 in corporate finance with Arthur Andersen and subsequently moved to the financial services sector with Rashid Hussain Berhad, where he led the setting up of two (2) futures broking subsidiaries as well as acquisitions of overseas stockbroking firms. At the onset of the Asian financial crisis in 1997, he returned to Arthur Andersen to assist in setting up and managing their corporate finance division in Bangkok, Thailand. He returned to Malaysia seven (7) years later to work with Malaysian Overseas Ventures on various local and overseas infrastructure projects, including the Middle East, Africa and South East Asia.

During his career, Encik Nik Haris also served as a C-Level executive with the National Sports Institute, where he managed the finances of the statutory body.

Encik Nik Haris does not hold any directorship in public companies and public listed companies.

Encik Nik Haris does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
cont'd

NIK HISHAM NIK IBRAHIM

Male

- *Chief Executive Officer for the Data Analytics and Business Intelligence Division*

Encik Nik Hisham Nik Ibrahim (male), a Malaysian aged 50, was appointed as the Chief Executive Officer of Data Analytics and Business Intelligence Division of Techna-X Group on 3 January 2022.

Encik Nik Hisham holds a Bachelor of Science Degree in Computer Science from the University of Kentucky.

Encik Nik Hisham's career spans over twenty-eight (28) years, with twenty-two (22) years in management positions and the past eight (8) years in leadership positions. He has experience working in the technology and consulting sectors and includes executive positions in government as well as public and private companies.

Encik Nik Hisham was formerly the Vice President of Corporate Strategy with MIMOS Berhad, a wholly-owned subsidiary of the Ministry of Finance under the care of the Ministry of International Trade and Industry ("MITI"). MIMOS is the country's National research and development center for Information Communication Technology as well as Semiconductors. Prior to MIMOS, he was the Managing Director at Solsis (M) Sdn. Bhd., a Malaysian Systems Integrator that is a subsidiary of Dataprep Holdings Berhad ("Dataprep"), a company listed on the ACE Market of Bursa Malaysia Securities Berhad since the year 1982. In addition, he had also headed the Transformation Management Office ("TMO") for the Dataprep group, where he served as the Group Managing Director, to formulate and facilitate group-wide initiatives according to the aspirations of the Dataprep's Board of Directors. Since 2013, Encik Nik Hisham had been serving as the Head of TMO under the previous two (2) Group managing directors. As part of the transformation initiative, Encik Nik Hisham was actively involved in the group's mergers and acquisitions efforts, corporate restructuring activities, and business diversification initiatives. From 2013 to 2015, Encik Nik Hisham worked on various assignments to assess the group's potential new businesses in Russia, China, Cambodia, Myanmar, Singapore, Indonesia, and the Philippines.

Encik Nik Hisham had been with Accenture Malaysia in a management consultant capacity serving the Malaysian public transport sector in his past positions. He was involved in the post-merger integration of the Malaysian Land Public Transport Commission during its formative period in 2011. Prior to Accenture, Encik Nik Hisham was attached to Mesiniaga Berhad, a Malaysian systems integrator, for seventeen (17) years in various management and technical positions. Encik Nik Hisham began his career in 1994 with Malayan Banking Berhad as an analyst programmer.

Encik Nik Hisham does not hold any directorship in public companies and public listed companies.

Encik Nik Hisham does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT
cont'd

MOHD AFDHA BIN MD YUSOF

Male

- *Chief Operating Officer of Data Analytics and Business Intelligence Division*

Encik Mohd Afdha Bin MD Yusof (male), a Malaysian aged 41, was appointed as the Chief Operating Officer of Data Analytics and Business Intelligence Division of Techna-X Group on 24 September 2020.

Encik Afdha has a Computer Science education background and will be pursuing a degree in Data Science for Business.

He has over fifteen (15) years of experience in Human Resource and Talent Acquisition in some of the top multinational companies in Southeast Asia and the Middle East.

He has been involved in, amongst other things, mergers, acquisitions, and joint ventures. Encik Afdha is leading the business development of Super Batteries and Energy Storage Solutions.

Encik Afdha does not hold any directorship in public companies and public listed companies.

Encik Afdha does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

- *Other than traffic offences, none of the Directors and Key Senior Management of the Company have any conviction for offences within the past five (5) years or any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Techna-X Berhad ("Techna-X" or "Company") recognises the importance of practicing high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance the shareholders' value and the performance of the Group.

The Board takes note of the updates on the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia on 28 April 2021. The MCCG 2021 introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies.

The Board is pleased to present this Corporate Governance Overview Statement ("Statement") which outlines the key aspects of how the Company has applied and complied with the principles of the MCCG 2021 throughout the financial year ended 31 December 2021 ("FYE 2021") and up to the latest practicable date of 8 April 2022 ("LPD").

This Statement is prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and it is to be read together with the Company's Corporate Governance Report, which sets out the detailed explanation on the application of each practice in the MCCG 2021 and is available on the Company's corporate website at www.techna-x.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

(i) The Board consists of members from different backgrounds and with diverse expertise in leading and directing the Group's business operation. The Board is responsible for the control and proper management of the Company. The Board has delegated specific responsibilities to three main committees, namely Audit and Risk Management Committee ("ARMC"), Remuneration Committee ("RC"), and Nomination Committee ("NC"). These Board Committees operate within the defined Constitution or Terms of References that the Board has approved. These Board Committees have the authority to examine particular issues and report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.

(ii) The roles of the Chairman and the Managing Director are stipulated in the Board Charter, which is made available on the Company's corporate website.

(iii) The Group is led by an experienced and effective Board that provides oversight, strategic direction, and entrepreneurial leadership. There is a clear division of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The management of the Group's business and implementation of policies and day-to-day running of the business operations is delegated to the Managing Director/Executive Directors. The Independent Non-Executive Directors provide unbiased and independent views to safeguard the interests of shareholders.

The positions of the Chairman and Managing Director are held by two (2) separate and distinct individuals in order to maintain effective segregation of duties. The division of responsibilities is defined in the Board Charter.

The Chairman, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, plays an important leadership role within the Group and is responsible for:

- Providing the overall strategic directions to the Group and working closely with Board members to realise the agreed-upon objectives and goals.
- Representing the Board on matters pertaining to the Group's affairs when engaging with shareholders and the general public.
- Ensuring the integrity and effectiveness of the governance process of the Board.
- Ensuring the Board meetings are properly conducted, all Directors are properly briefed on issues arising at the Board meetings, and all available information on an issue is disseminated before the Board.
- Maintaining ongoing dialogue and relationship of trust with and between the Directors and Management.
- Ensuring a close link between the Board and the Managing Director/Executive Directors and working closely with the latter on all important matters pertaining to the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (cont'd)

The Managing Director and Executive Directors are responsible for managing the financial and operational matters in accordance with the strategic direction established by the Board. They are also responsible for communicating matters relating to the Group's business affairs and issues to the Board. Their vast experience, business knowledge, and skills contributed significantly toward the realisation of the Group's goals and objectives.

(iv) The Chairman of the Board, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, does not hold any membership in the Company's Board Committees.

(v) The Board is supported by professionally qualified and competent Company Secretaries in carrying out their roles and responsibilities. The Company Secretaries play an advisory role in ensuring the adherence to the Company's Constitution, Board policies and procedures, and compliance with the relevant regulatory requirements, code of guidance, and legislation. The Company Secretaries attend and ensure that all Board, Board Committees, and shareholders meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company.

The Chairman and the Board stood guided by the Company Secretaries on their responsibilities, duties, and conducts, as prescribed under the Companies Act, 2016, and how these affairs are expected to be discharged. In addition, all Board members of the Group have unrestricted access to procure the advice and services of the Company Secretaries, as and when required. The Company Secretaries will also work with the Chairman as and when required to ensure the effective and efficient functioning of the Board.

(vi) In addition to the mandatory quarterly Board meetings, the Board has also convened formal meeting(s) as and when required to deliberate on important/material issues which require its attention. All Directors are provided with an agenda, and the relevant board papers are issued at least seven (7) days from the date of the scheduled Board Meetings either by hand, courier service, and/or electronic mails, where specifically requested, to ensure that the Directors have sufficient time to assess and consider the issues to be deliberated and to obtain further explanations beforehand, where necessary.

In addition, there is a schedule of matters reserved specifically for the Board's decision, should there be any requirement for approval of corporate policies and procedures, Group operational plan and budget, acquisitions, and disposals of undertakings and assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures, and authority limits.

In exercising their duties, the Directors have access to all information within the Company, the advice and services of the Company Secretaries and are updated on new statutory regulations or requirements concerning their duties and responsibilities. They may also obtain independent professional advice from the External Auditors and/or any other professional parties at the Company's expense in furtherance of their duties.

The Board also ensures that the minutes of the Board/Board Committee meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter. Upon conclusion of the meeting, the Board also ensures the minutes of the Board/Board Committees meetings are circulated in a timely manner for review before they are confirmed and adopted by the members of the Board/Board Committee at their respective meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

2.0 There is demarcation of responsibilities between the board, board committees and management. There is clarity in the authority of the Board, its committees and individual directors.

The Board has adopted a Board Charter that clearly defines the Board's roles and responsibilities, composition, and processes related to key governance activities.

The Board had, on 8 April 2022, reviewed and approved the revised Board Charter and Terms of Reference of the Board Committees to ensure they remain relevant and consistent with the Board's objectives and current regulations.

The updated versions of the Board Charter and Terms of Reference are available on the Company's corporate website at www.techna-x.com.

3.0 The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

(i) The Company has established the Code of Ethics and Business Conduct that is applicable to all Directors, Management, and employees of the Group, which sets forth the ethical and professional standards of corporate and individual behaviour expected to enhance the standard of corporate governance and corporate behaviour.

The Board would periodically review the Code of Ethics and Business Conduct, and the last review was done on 8 April 2022.

The Code of Ethics and Business Conduct is available on the Company's corporate website at www.techna-x.com.

(ii) The Board encourages employees to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract, and breach of law), miscarriage of justice, and dangers to health and safety or the environment.

The Group has also established a Whistleblowing Policy underlining its objectives, scope of the policy, policy statement, reporting procedures, and action.

The Whistleblowing Policy was reviewed on a periodic basis, the last being on 8 April 2022, and it is available on the Company's corporate website at www.techna-x.com.

(iii) In line with the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Company has adopted an Anti-Bribery and Corruption Policy to prevent corruption and unethical practices within the Group.

The Anti-Bribery and Corruption Policy is available on the Company's corporate website at www.techna-x.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

4.0 The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

The Company recognises that sustainability is pertinent for creating long-term value for its business as well as its commitment as a responsible corporate citizen. As such, the Group engages with internal and external stakeholders through various channels to better understand their needs and expectations. Any shortcomings in terms of resources, i.e. human capital, financial, skillset and experiences, etc as the case may be, experienced by any of the Group's business units are highlighted to the Board for appropriate resolution. Similarly, any external factors, i.e. governmental policies or regulations, environmental concerns, etc that may affect any projects undertaken, existing or prospective, by the relevant business units within the Group will be carefully evaluated and resolved in an appropriate manner.

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives throughout the year. The Board appraises and provides their views and opinions on any of the Group's sustainability issues during the Board meetings.

Board Composition

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

(i) The Board currently consists of seven (7) Directors, comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors. Premised on the above, the Board composition complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent. The Board takes note that the Board composition does not comply with the recommendation of the MCCG 2021 to have at least half of the Board comprising independent directors. The Board is actively scouting for additional Independent Non-Executive Directors, and the Board will be reconstituted to ensure compliance with the MCCG 2021 as soon as practicable. The profiles of the Directors are set out in the Profile of Directors in this Annual Report for the financial year ended 31 December 2021.

The Group is led and controlled by an experienced Board, many of whom have a vast knowledge of the businesses. There is a clear division of responsibility between the Chairman and the Managing Director/ Executive Directors to ensure a balance of power and authority. The management of the Group's business and implementation of policies and day-to-day running of the business is delegated to the Managing Director/Executive Directors. The Independent Non-Executive Directors provide unbiased and independent views to safeguard the interests of other minority shareholders/stakeholders.

The Board considers that the current size and composition of the Board are adequate and facilitate effective decision-making. The NC has reviewed the present composition of the Board and the Board Committees, namely ARMC, RC, and NC, and is satisfied that they have adequately carried out their functions within their scope of work.

(ii) The Board takes cognisance that Practice 5.3 of the MCCG 2021 recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to his/her re-designation as a Non-Independent Non-Executive Director. In the event such a Director is to be retained as an Independent Director, the Board must first justify and seek annual shareholders' approval through a two-tier voting process.

Presently, one (1) of the Company's Independent Non-Executive Directors, Ms. Lim See Tow, has served the Board for a tenure exceeding a cumulative term of nine (9) years since her appointment on 18 January 2008. However, Ms. Lim See Tow, who is due to retire by rotation pursuant to Clause 118 of the Company's Constitution, has indicated her intention not to seek re-election. Hence, she will retire at the conclusion of the Sixteenth Annual General Meeting ("AGM").

In light of the above, Ms. Lim See Tow shall hold office as an Independent Non-Executive Director of the Company until the conclusion of the Sixteenth AGM. The NC and Board will identify a suitable replacement to fill the vacancy arising therein.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (cont'd)

(iii) The Board also recognises the importance of independence and objectivity in the decision-making process. The Board is committed to ensuring that the Independent Directors are capable of exercising independent judgment and acting in the best interest of the Group.

The Independent Directors of the Company fulfill the criteria under the definition of Independent Director pursuant to the MMLR of Bursa Securities. They act independently of the Management and are not involved in any relationship with the Group, business or otherwise, that may impair their independent judgment and decision making.

Each Director has a continuing responsibility to determine whether he/she has a potential or actual conflict of interest in relation to any material transactions. Such a situation may arise from external associations, interests, or personal relationships. Should there be any, the Director concerned is required to disclose it to the Board immediately and abstain from participating in discussions, deliberations, and decisions of the Board on the said matter.

Based on the assessment carried out during the financial year, the NC and the Board are satisfied with the level demonstrated by all the Independent Directors and their ability to act in the Company's best interests.

(iv) The Board has a formal and transparent selection process to appoint the Board members and Senior Management. The NC will consider and evaluate the candidates' skills, knowledge, expertise, experience, professionalism, and integrity. Women candidates shall be sought as part of its recruitment exercise to promote gender, ethnicity, and age group diversity within the organisation.

For the position of Independent Non-Executive Directors, the NC will evaluate the candidates' ability to discharge such responsibilities expected of a person assuming such a position. The NC shall also consider candidates for directorships proposed by the Managing Director and within the bounds of practicality, by any other Senior Management or any Director or shareholder, as well as seeking references from outside the Group such as a panel of Independent Directors or professional executive search firms, etc. if deemed necessary and appropriate.

Upon identifying and evaluating the prospective candidate(s) from the abovementioned source, the NC will recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly made and that all relevant legal and regulatory requirements in regards to the said appointments are satisfactorily complied with.

(v) In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being or, if their number is not three or a multiple of three (3), then the number nearest to one-third (1/3) of the Directors shall retire from office and be eligible for re-election provided that all Directors including the Managing Director shall retire from office at least once every three (3) years but shall be eligible for re-election.

Newly appointed Director(s) shall hold office only until the next AGM and be eligible for re-election. The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance, and shareholdings in the Group for those Directors standing for election or re-election, as the case may be, is furnished in the Annual Report accompanying the Notice of AGM.

At the upcoming AGM, Ms. Lim See Tow and Mr. Balraj Singh Pannu A/L Gajjan Singh will retire by rotation pursuant to Clause 118 of the Company's Constitution. Mr. Balraj Singh Pannu A/L Gajjan Singh, being eligible, has offered himself for re-election. Ms. Lim See Tow has indicated her intention not to seek re-election, and hence, she will retire as a Director at the conclusion of the Sixteenth AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (cont'd)

In addition, Encik Ahmad Rizan Bin Ibrahim who was appointed to the Board on 10 September 2021, will retire in this upcoming AGM pursuant to Clause 117 of the Company's Constitution, and being eligible, has offered himself for re-election.

The profiles of these Directors are set out on pages 15 to 17 of the Annual Report for the financial year ended 31 December 2021.

(vi) The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of the MCCG 2021. The Board currently has one (1) female Director on the Board.

The Company has adopted a Gender-Ethnicity-Age Diversity Policy, and the said policy is published on the Company's corporate website at www.techna-x.com.

The evaluation of the suitability of candidate(s) as the new Board member(s) is based on the candidates' competency, skills, character, time commitment, knowledge, experience, and other qualities in meeting the needs of the Company and with due regard for the benefits of diversity on the Board. These are determined without regard to the candidate's gender, ethnicity, or age, as prescribed in the Gender-Ethnicity-Age Diversity Policy and as recommended by the MCCG 2021 to promote the representation of women (as well as other segments of the society) in the composition of the Board.

As of the date of this Statement, the diversity of the existing Board and Senior Management is as follows:-

Board

	Male	Female
Age Group		
31-40	1	-
41-50	3	1
51-60	1	-
61-70	-	-
71-80	1	-
Ethnicity		
Malay	2	-
India	1	-
Chinese	3	1
Nationality		
Malaysian	4	1
Foreigner	2	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (cont'd)

(vi)

Senior Management

	Male	Female
Age Group		
41-50	5	-
51-60	2	-
61-70	-	-
Ethnicity		
Malay	4	-
Chinese	3	-
Nationality		
Malaysian	7	-
Foreigner	-	-

(vii) All Directors of the Company do not hold more than five (5) directorships in public listed companies, pursuant to Paragraph 15.06 of the MMLR of Bursa Securities.

The Directors holding office during the financial year ended 31 December 2021 have ensured their time commitment to discharge their duties effectively, as they do not hold more than five (5) directorships in public listed companies as of the LPD, detailed as below:

Name	No. of directorship in public listed companies
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	3
Liu Guodong	1
Lim See Tow	2
Zhai Baoxing	1
Datuk Lim Chih Li @ Lin ZhiLi	2
Balraj Singh Pannu A/L Gajjan Singh	1
Ahmad Rizan Bin Ibrahim	1

While there is no restriction on directorships in non-listed companies, the Directors are aware that they should avoid over-commitment in multiple directorships, which may affect their performance in carrying out their roles as Directors of the Company.

The annual calendar of at least four (4) Board meetings is tentatively scheduled each year for the Directors' benefit to enable them to pre-plan their respective schedules. However, the exact date(s) of the said meetings will be confirmed at least one (1) month prior to the convening of the respective meeting(s), and the notice(s) of the meeting to the Directors will be despatched to the respective Directors at least seven (7) days prior to the convening of the said meeting(s).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (cont'd)

(vii) In addition to the abovementioned four (4) Board meetings, additional Board meeting(s) will be convened as and when necessary to deliberate on matters of importance that have not been deliberated or concluded in the earlier Board meeting(s).

Besides Board meetings, the Board is also made availed to the avenue of deliberating matters that require the Board's approval through Directors' Resolution(s) in Writing. However, the Board endeavours to avoid this alternative route for deliberations and only rely on it as an option of last resort for matters which are urgent/time-sensitive, which arise in between the scheduled meetings, and that the Directors are not able to meet in person. In accordance with Clause 169 of the Company's Constitution, a signed and approved resolution in writing by a majority of the Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

During the FYE 2021, a total of six (6) Board Meetings were held. The attendance record of each of the Directors is as follows: -

Board of Directors' Meeting		25 Feb 2021	05 May 2021	31 May 2021	10 Sep 2021	30 Nov 2021	27 Dec 2021		
Directors	**Position**			**Attendance**				**Total**	**%**
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Executive Chairman	✓	✓	✓	✓	✓	✓	6/6	100%
Liu Guodong	Managing Director	✓	✓	✓	✓	✓	✓	6/6	100%
Lim See Tow	Independent Non-Executive Director	✓	✓	✓	✓	✓	✗	5/6	83%
Zhai Baoxing	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6/6	100%
Datuk Lim Chih Li @ Lin ZhiLi	Executive Director	✓	✗	✓	✓	✓	✓	5/6	83%
Balraj Singh Pannu A/L Gajjan Singh	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6/6	100%
Ahmad Rizan Bin Ibrahim (appointed w.e.f. 10 September 2021)	Executive Director	n/a	n/a	n/a	n/a	✓	✓	2/2	100%

As required under the MMLR of Bursa Securities, all the Directors have attended the Directors' Mandatory Accreditation Programme ("MAP").

In addition, all the Directors will continue to attend various training programmes to enhance their professionalism in discharging their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

5.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (cont'd)

(vii) During the FYE 2021, the Directors have evaluated their own training needs on a continuous basis. Some of these include:-

Topics	Mode	Organiser
• Navigation Through Uncertain Times: An Investor's Guide to Making Informed Decisions	Webinar	Ernst & Young
• Launch & Discussion of the Book "China In Malaysia"	Webinar	Presentation by Andrew Goledzinowski & Dr. Cheong Kee Cheoh
• ESG in the New Normal: A Corporate's Lens	Webinar	Bloomberg
• The Way Forward	Webinar	Forbes Asia
• How does 5G Accelerate Digital Transformation	Webinar	The Standard Chartered Bank
• 3rd Sweden-Southeast Asia Business Reset Summit 2021	Webinar	Embassy of Sweden (Singapore)
• Corporate Governance Revisited: The Co-Existence of Ethics & Law Sets You F.R.E.E.	Webinar	Malaysian Alliance of Corporate Directors
• Value Creative Strategies – An Innovative Take On Creating Impactful, Healthy Companies	Webinar	Malaysian Alliance of Corporate Directors
• ESG Reporting Health Check	Webinar	Boardroom Corporate Services Sdn Bhd
• Business Transformation Post Covid	Webinar	Boardroom Corporate Services Sdn Bhd
• Audit Oversight Board Conversation with Audit Committees	Webinar	The Securities Commission of Malaysia
• Malaysia Budget 2022 by Mark Chan, Deloitte Tax	In house training, virtual meeting	Ann Joo Resources Berhad
• Transactions and RPT Rules	In house training, virtual meeting	CKM Advisory Sdn Bhd

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

The Board, through the NC, has conducted the following annual assessments to evaluate the effectiveness of the Board and the Board Committees, as well as the performance of each individual Director for FYE 2021:-

(i) Directors' self and peer performance evaluation;
(ii) Board and Board Committee evaluation;
(iii) ARMC members' self and peer evaluation;
(iv) ARMC evaluation; and
(v) Assessment of Independent Directors.

The results are tabulated and presented to the NC for review and recommendation to the Board for notation. A summarised version of the results is circulated to each Director for their information. The criteria for the evaluations are guided by the Corporate Governance Guide: Rise Together (4th Edition). The NC has evaluated the above assessment forms at the NC Meeting held on 8 April 2022 and observed that the performance of the Board and Board Committees, in terms of its structure, operations, and roles and responsibilities, was consistently strong, effective, and efficient.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors. (cont'd)

The NC of the Company comprises entirely of Independent Non-Executive Directors.

The composition of the NC is as follows:

Chairman	:	**Balraj Singh Pannu A/L Gajjan Singh** *(Independent Non-Executive Director)*
Members	:	**Zhai Baoxing** *(Independent Non-Executive Director)*
	:	**Lim See Tow** *(Independent Non-Executive Director)*

The NC's duties and responsibilities are guided by its Terms of Reference, which were last reviewed on 8 April 2022, and it is available on the Company's corporate website at www.techna-x.com.

During the FYE 2021, the NC held two (2) meetings to undertake the following activities:

(1) Evaluated the contribution and performance of each individual Director;
(2) Reviewed the performance of the Board and Board Committees;
(3) Reviewed the Board's representation and the required mix of skills and experience and assessed the effectiveness of the Board as a whole;
(4) Reviewed the terms of office and performance of the ARMC and each of its members;
(5) Assessed the independence of the Independent Directors, with each Director abstaining from deliberation on their own assessment;
(6) Recommended the re-election of Directors who are due to retire pursuant to the Company's Constitution and to be put forward for re-election;
(7) Reviewed the independence, experience, and skills set of the proposed candidate(s) and recommended to the Board the appointment(s) of the same for the position of Director(s) of the Company;
(8) Reviewed and recommended the re-designation of the Chairman and member of NC;
(9) Recommended to the Board on the reconstitution of the various Board Committees; and
(10) Adopted the performance evaluation questionnaires, which are aligned with the Corporate Governance Guide: Rise Together (4th Edition).

Remuneration

7.0 The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

(i) Remuneration Committee

The RC of the Company comprises entirely of Independent Non-Executive Directors.

The composition of the RC is as follows:

Chairperson	:	**Lim See Tow** *(Independent Non-Executive Director)*
Members	:	**Zhai Baoxing** *(Independent Non-Executive Director)*
	:	**Balraj Singh Pannu A/L Gajjan Singh** *(Independent Non-Executive Director)*

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration (cont'd)

7.0 The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process. (cont'd)

During the FYE 2021, the RC had two (2) meetings to undertake the following activities:-

(i) Reviewed and recommended the payment of Directors' fees;
(ii) Reviewed and recommended the payment of Directors' remuneration;
(iii) Reviewed and recommended the remuneration package of the newly appointed Director; and
(iv) Reviewed and recommended the remuneration package of the Managing Director and Executive Directors.

The Terms of Reference of RC are available on the Company's corporate website at www.techna-x.com.

(ii) Remuneration Policy

The RC determines and advises the Board on the broad policy for the remuneration of the Company's Executive Chairman, Managing Director, Executive Directors, and senior members of the Company as the RC is directed to consider. The RC also determines and recommends any performance-related pay schemes for Executive Directors to the Board.

8.0 Stakeholders are able to assess whether the remuneration of directors and senior management commensurates with their individual performance, taking into consideration the company's performance.

(i) Directors' Remuneration

The aggregate remuneration of the Directors received from the Company and the Group for FYE 2021 is set out below:-

A. Aggregate Remuneration

	Company		**Group**	
	Executive Directors	**Non-Executive Directors**	**Executive Directors**	**Non-Executive Directors**
	RM	**RM**	**RM**	**RM**
Salary	36,667	-	380,833	-
Fees	-	90,000	-	90,000
Allowances	-	-	-	-
Other emoluments	4,704	-	4,704	-
Total	**41,371**	**90,000**	**385,537**	**90,000**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

8.0 Stakeholders are able to assess whether the remuneration of directors and senior management commensurates with their individual performance, taking into consideration the company's performance. (cont'd)

(i) Directors' Remuneration (cont'd)

B. Individual Director's Remuneration

	Salary RM	Fee RM	Allowances RM	Emoluments RM
Executive Directors				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	-	-	-	-
Liu Guodong	344,166	-	-	-
Datuk Lim Chih Li@ Lin ZhiLi	-	-	-	-
Ahmad Rizan Bin Ibrahim (appointed w.e.f. 10 September 2021)	36,667	-	-	4,704
Non-Executive Directors				
Lim See Tow	-	30,000	-	-
Zhai Baoxing	-	30,000	-	-
Balraj Singh Pannu A/L Gajjan Singh	-	30,000	-	-

(ii) Senior Management (by Band)

The aggregate remuneration of the Senior Management members during the FYE 2021 is as follows:-

	Nik Haris Bin Nik Ibrahim (Chief Financial Officer of Energy Storage and Super Batteries Division)	**Lee Yew Jin** (Head of Technology-driven Food & Beverage Division)	**Vince Ng Chee Seng** (Head of IoT and SmartCity Enablement Division)	**Dr. Wan Muhamad Hasni Bin Wan Sulaiman** (Chief Technologist)	**Nik Hisham Nik Ibrahim** (CEO of Data Analytics and Business Intelligence Division)	**Mohd Afdha Bin Md Yusof** (COO of Data Analytics and Business Intelligence Division)	**Foong Chong Thong** (Group Financial Controller)
RM50,000 and below				✓	✓	✓	
RM50,001 – RM100,000							
RM100,001 – RM150,000							
RM150,001 – RM200,000							
RM200,001 – RM250,000							✓
RM250,001 – RM300,000							
RM300,001 – RM350,000	✓	✓	✓				

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

9.0 There is an effective and independent ARMC. The Board is able to objectively review the ARMC's findings and recommendations. The company's financial statement is a reliable source of information.

(i) The ARMC is chaired by Ms. Lim See Tow, who is a separate person from the Chairman of the Board, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar.

The composition of the ARMC is set out in the ARMC Report of this Annual Report.

The Terms of Reference of ARMC have indicated that the appointment of a former key audit partner as a member of the ARMC shall observe a cooling-off period of at least three (3) years before they can be appointed a member of the ARMC.

(ii) The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcements of financial results. The Board is assisted by the ARMC to oversee the Group's financial reporting processes and the quality of its financial reporting.

(iii) The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 2016, and the MMLR of Bursa Securities have been applied or complied with, as the case may be.

In preparing the financial statements, the Directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgments and estimates where applicable.

The Directors also have a general responsibility for taking steps reasonably available to them to safeguard the Group's assets and prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and comprehensive assessment of the Group's financial position and business prospects in the Directors' Report and the Financial Statements of this Annual Report.

(iv) An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the MMLR of Bursa Securities. The ARMC reviews and reports to the Board for consideration of any related party transactions (including recurrent related party transactions) and conflict of interest situations that may arise within the Company or Group. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and any general meeting convened to consider such matters.

(v) The ARMC assesses the suitability and independence of the External Auditors on an annual basis. The assessment areas include, amongst others, the External Auditors' objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting, and the relevant Partner's involvement. The inputs and feedback from the Management who engages directly with the external audit team throughout the financial year would also be referred to by the ARMC in its consideration of the suitability of the External Auditors.

The External Auditors, in supporting their independence, will provide the ARMC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. Accordingly, the External Auditors have provided such declaration in their annual audit planning memorandum presented to the ARMC of the Company during the financial year.

The External Auditors of the Company fulfill an essential role on behalf of the Company's shareholders is giving an assurance to the shareholders on the reliability of the financial statements of the Company and the Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Audit and Risk Management Committee (cont'd)

9.0 There is an effective and independent ARMC. The Board is able to objectively review the ARMC's findings and recommendations. The company's financial statement is a reliable source of information. (cont'd)

(v) The External Auditors have an obligation to bring to the attention of the Board, ARMC, and Management any significant shortcomings, if any, in the Group's systems of reporting, internal control, and compliance with the applicable approved Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The External Auditors of the Company are invited to attend at least two (2) meetings with the ARMC a year to discuss their audit plan and audit findings on the Company's annual financial statements. In addition, the ARMC will also have private sessions with the External Auditors without the presence of the Management and Executive Directors to enable the exchange of views on issues, if any, that are deemed to require attention.

During the FYE 2021, the amount of audit fees and non-audit fees paid to the External Auditors by the Company and the Group are as follows:-

	Group	**Company**
	RM	**RM**
Audit fees	397,692	82,500
Non-Audit fees	65,000	65,000

The non-audit fees are in respect of the review of the Statement of Risk Management and Internal Control, as well as assuming the role of a reporting accountant for the purpose of proposed reverse take over of HK Aerospace Beidou New Energy Technology Co., Limited and its subsidiaries.

In considering the nature and scope of non-audit fees, the ARMC is satisfied that they are not likely to create any conflict of interests or impair the independence and objectivity of the External Auditors.

The ARMC and the Board are satisfied with the performance, competency, and independence of the External Auditors, and the Board has accordingly recommended the re-appointment of HLB AAC PLT as the Company's External Auditors for shareholders' approval at the forthcoming AGM.

However, in conjunction with the merger of their practice with HLB Ler Lum PLT, HLB AAC PLT will not be seeking re-appointment as the Company's Auditors under the said name, upon retiring at the forthcoming Sixteenth AGM. Pursuant therefrom, the merged practices will operate under the name "HLB Ler Lum Chew PLT" and accordingly offerred themselves and consented to be appointed as the Company's Auditors in the forthcoming Sixteenth AGM. The ARMC had reviewed and recommended the appointment of HLB Ler Lum Chew PLT as the Company's Auditors in place of the retiring Auditors, HLB AAC PLT.

The key features underlying the relationship of the ARMC with External Auditors are included in the Summary of Works of the ARMC as detailed in the ARMC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control Framework

10.0 Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

(i) The Board continues to review and evaluate the effectiveness of the Group's systems of internal control to safeguard the shareholders' investment and the Group's assets. These controls provide reasonable but not absolute assurance against material misstatement, loss, or fraud.

(ii) The Company has in place an ongoing process for identifying, evaluating, and managing key risks that may affect the achievement of the business objectives of the Group. Towards cultivating a sustainable risk management culture, risk management principles and practices are embedded into existing key processes across different functions within the Group.

11.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

(i) The Group's internal audit function is carried out by an in-house Internal Audit Department and an outsourced professional service firm, Talent League Sdn. Bhd., which reports directly to the ARMC. The scopes of the internal audit include providing independent assessment on the adequacy, efficiency, and effectiveness of the Group's governance, risk management, and internal control processes.

The information on the Group's internal control is presented in the ARMC Report of this Annual Report.

(ii) The Board ensures that the disclosure of material information pertaining to the Group's performance and operations to the public is in accordance with the disclosure requirements under the MMLR of Bursa Securities and/or other applicable laws and regulations. The confidential information is restricted to the Top Management only. Selected members of the Top Management are responsible for making disclosures and responding to market rumours and queries if any.

The Company has a Corporate Disclosure Policy that governs the dissemination of corporate information, which is available on the Company's corporate website at www.techna-x.com.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Engagement with Stakeholders

12.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

The Company recognises the importance of timely and thorough dissemination of information on all material business and corporate developments to shareholders and investors.

The Company keeps shareholders informed by way of announcements and timely release of quarterly financial results through Bursa Securities, press releases, annual reports and circulars to shareholders, should it be necessary.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

Engagement with Stakeholders (cont'd)

12.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility. (cont'd)

Apart from that, the Company actively updates its website www.techna-x.com with the latest information on the corporate and business aspects of the Group. Announcements to Bursa Securities, financial information, share prices, and analysts' reports are also made available on the corporate website and this helps to promote accessibility of information to the Company's shareholders and all other market participants. Communication and feedback from investors can also be directed to the Company's Investor Relations at:-

Telephone no.	:	03-2702 4681
Email	:	info@techna-x.com

Conduct of General Meetings

13.0 Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at general meetings.

(i) The AGM is the principal forum for dialogue and interaction with all shareholders where they may seek clarifications on any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. The AGM notice and Annual Report are despatched to the shareholders at least 28 days before the AGM. All Directors are available to provide responses to questions from shareholders during the AGM. External Auditors are also present to provide their professional and independent clarification, should it be required, on issues and concerns raised by shareholders. In the event that an answer cannot be readily given at the meeting, the Company will undertake to provide a written reply to the shareholder at a later date.

(ii) All resolutions set out in the notice of general meetings will be carried out by poll voting. The Board will make an announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings for the shareholders' information.

(iii) The Company has conducted its Fifteenth AGM on an entirely virtual basis via Remote Participation and Electronic Voting facilities through Securities Services e-Portal. The shareholders and proxies were allowed to communicate with the main venue of the AGM via real-time submission of typed texts through a text box during the live streaming of the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

Key Focus Areas and Future Priorities

The Board endeavours to comply with the regulatory requirements under the MMLR, MCCG 2021, the applicable rules and regulations, and in steering Techna-X Group's vision as a frontrunner in leading the way in the digital technology solutions space.

The Board's processes, proceedings, and governance structure are constantly assessed and benchmarked to remain competitive, refreshed, and agile, focusing on strategy, governance, and compliance.

The key focus areas in the financial year ending 31 December 2022 include intensifying efforts to enhance the Board's composition, dynamics, and succession planning of Board members and Management. The Board will continue to emphasise anti-bribery, corruption, integrity pledges, and communication of the Code of Ethics and Business Conduct to the Directors, employees, and third parties. Further, during the new normal to continue fostering positive interaction between the Board and Management at all levels while supporting growth and innovative mindset, it is envisaged that there will be more virtual engagements with the Management, interactive workshops, encompassing areas such as operations, risk management, cybersecurity and anti-bribery and corruption. The Board is committed to providing oversight and working together with the Management beyond internal Board and Management interactions, but also considering the Group's strategy and value creation (for wider stakeholders) and strategic opportunities. As an ongoing effort for the next few financial years, the Board will continue to benchmark itself against other comparable international digital and technology companies.

Overall, the Board is satisfied that the Group has maintained high standards of corporate governance and strived to achieve the highest level of integrity and ethical standards in its day-to-day operations as well as business dealings.

Moving forward, the Board will continue to operationalise and improve the Company's corporate governance practices and instill a risk and governance awareness culture and mindset throughout the organisation in the best interest of all stakeholders.

This Statement and the Corporate Governance Report were approved by the Board of Directors on 8 April 2022.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"):-

1. Utilisation of Proceeds Raised from Corporate Proposals

(a) Redeemable Convertible Notes ("RCN")

On 5 September 2019, Techna-X Berhad had implemented a RCN with an aggregate principal amount of up to RM150 million which is convertible into a maximum of 833,333,333 new Techna-X shares. During the financial year, the proceeds from the issuance of RCN were utilised for the following purposes: -

Purpose	Proposed Utilisation RM' million	Issuance in 2019 RM' million	Issuance in 2020 RM' million	Issuance in 2021 RM' million	Balance Unutilised RM' million
Business expansion and working capital of Techna-X Group	140.2	3.8	20.2	40.4	75.8
Estimated expenses in relation to the RCN	9.8	1.2	2.8	0.6	5.2
TOTAL	**150.0**	**5.0**	**23.0**	**41.0**	**81.0**

(b) Private Placement

Techna-X Berhad had at its Fifteenth Annual General Meeting held on 30 June 2021 obtained a mandate from its shareholders on issuance and allotment of shares provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company.

During and subsequent to the financial year ended 31 December 2021, the Company successfully raised RM30.06 million from the private placement of 306,362,700 new ordinary shares. The details of the private placements are as follows:-

Date of Listing	No. of Placement Shares	Issue Price Per Share RM	Gross Proceeds Raised RM' milion
24 February 2021	136,461,500	0.1300	17.74
29 December 2021	169,901,200	0.0725	12.32
TOTAL	**306,362,700**	**-**	**30.06**

The status of the utilisation of the proceeds is as follows:-

Purpose	Proposed Utilisation RM' million	Amount Utilised RM' million	Amount Unutilised RM' million
Working Capital	28.89	19.06	9.83
Estimated expenses in relation to the Private Placement	1.17	1.17	nil
TOTAL	**30.06**	**20.23**	**9.83**

ADDITIONAL COMPLIANCE INFORMATION
cont'd

2. Audit and Non-Audit Fees

During the financial year, the amount of audit and non-audit fees paid or payable by the Company and the Group to the External Auditors and/or its affiliates are as follows:

	Company RM	Group RM
Audit fees	82,500	397,692
Non-audit fees	65,000	65,000

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the directors, chief executive (who is not a director) or major shareholders, either still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions of Revenue or Trading Nature

There were no recurrent related party transactions of revenue or trading nature entered into by the Company and its subsidiaries during the financial year.

5. Employees' Share Option Scheme ("ESOS")

The Company has one (1) ESOS in existence during the financial year ended 31 December 2021 which is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 30 June 2021 and under the administration of the ESOS Committee.

The ESOS shall be in force for a duration of five (5) years from the effective date and extendable for a period of up to another five (5) years immediately from the expiry of the five (5) years upon the recommendation of the ESOS Committee and shall not in aggregate exceed a duration of ten (10) years from the effective date.

The information in relation to the ESOS as of 31 December 2021 is as follows:-

	All Eligible Employees including Directors	Directors
Options Granted	137,000,000	110,000,000
Options Exercised	-	-
Options Outstanding	137,000,000	110,000,000

In accordance with the Company's By-laws, not more than seventy-five per centum (75%) of the Company's ordinary shares available under the ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group. The percentage of options granted to the Directors and senior management are as follows:-

Options Granted to Directors and Senior Management	During the financial year	Since commencement up to 31 December 2021
Aggregate maximum allocation in percentage	41.48%	41.48%
Actual percentage granted	41.48%	41.48%

During the financial year under review, none of the ESOS options was granted to the Non-Executive Directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of Techna-X Berhad is pleased to present its Statement on Risk Management and Internal Control ("Statement") which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Malaysian Code on Corporate Governance and is guided by the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers ("Guidelines").

The Statement below outlines the nature and scope of risk management and internal control of the Group's business operations for the financial year ended 31 December 2021, focusing primarily on (i) technology-driven food and beverage; and (ii) technology and digital transformation enabler. Risk management and internal control assessment for the technology energy storage solution and super batteries business segment had to be deferred due to international travel restrictions still in place between Malaysia and China.

THE BOARD'S RESPONSIBILITIES

The Board acknowledges its responsibility in maintaining the system of risk management and system of internal control as well as reviewing its adequacy, integrity, and effectiveness. In view of the inherent limitations in any internal control system, the system is designed to manage rather than eliminate the risk of failure in achieving the Group's corporate objectives. Accordingly, the system can only provide reasonable but not absolute assurance against any material misstatement or financial losses.

THE RISK MANAGEMENT PROCESS

Apart from financial controls, the Group's internal control system also covers operational and compliance controls and, most importantly, risk management. As part of the risk management process, the Board is assisted by the Audit and Risk Management Committee ("ARMC") in identifying, assessing, and managing the significant business risks faced by the Group throughout the financial year.

The process will be regularly reviewed by the Board through the ARMC and is in accordance with the guidance as contained in the Guidelines.

THE INTERNAL CONTROL PROCESS

The other key features of the Group's internal control system include the following:

- An organisation structure with defined lines of responsibility and appropriate reporting structure including proper approval and authorisation limits for approving capital expenditure and expenses within the Group;

- Internal policies and procedures are documented and regularly reviewed, and updated from time to time through a series of manuals and guidelines for all major operations of the Group;

- Strategic planning and annual budgeting are undertaken for all the key business units, namely (i) metallurgical coke, (ii) technology and digital transformation enabler, (iii) technology-driven food and beverage, and (iv) technology energy storage solution and super batteries business segment. Senior Management closely monitors the key performance indicators and financial and operating results to identify and, where appropriate, to address significant variances;

- The Internal Auditors perform regular and systematic reviews throughout the financial year on the internal controls to assess and provide sufficient assurance on the effectiveness of the system of internal control and highlights significant risks impacting the Group with recommendations for improvement; and

- The ARMC regularly reviews reports issued by the Internal Auditors on a quarterly basis as well as any reports by the External Auditors that may be presented from time to time. Premised on these reports, the ARMC shall ascertain the adequacy of the Internal Auditors' scope of work and resources.

The Group continues to take measures to enhance and strengthen the internal control environment and system of risk management.

The Group has an in-house Internal Auditor to undertake the internal audit function of the coke business operations. In addition, the Group has outsourced the internal audit function of the technology-driven food and beverage businesses and digital transformation enabler businesses to Talent League Sdn. Bhd.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

The internal audit engagement by Talent League Sdn. Bhd. is headed by an Engagement Director, namely Mr. Roy Thean, a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, and Institute of Internal Auditors Malaysia. All the personnel deployed by Talent League Sdn. Bhd. are free from any relationships or conflict of interest, which could impair their objectivity and independence during the course of work.

Both the internal audit functions report independently to the ARMC to preserve their objectivity.

During the financial year ended 31 December 2021, the Internal Auditors have conducted internal audit/ internal control, which has covered the following areas:-

Coke business Operations	Digital transformation enabler businesses	Technology-driven food and beverage businesses
(i) Production safety management; (ii) Quality control; (iii) Production technology; (iv) Environmental issues; (v) Accounting function; (vi) Fund management; (vii) Document management; (viii) Procurement; (ix) Logistics; (x) Sales cycle; (xi) Human resource management; and (xii) Update on corporate environment protection.	(i) Human resource management; and (ii) Business development.	(i) Operations; and (ii) Finance.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

In accordance with Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement for the inclusion in the Annual Report for the financial year ended 31 December 2021 in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risk and controls or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on their review, the External Auditors have reported that nothing has come to the attention that has caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor it is factually inaccurate.

CONCLUSION

With assurance from the Managing Director, Executive Directors and Financial Controller, the Board is satisfied that the Group's overall risk management and internal control system are operating adequately and effectively in all material aspects. Accordingly, no material control failure would have any material adverse effect on the financial results of the Group for the financial year ended 31 December 2021 and up to the date of issuance of the financial statements.

The Board is of the view that the systems of risk management and internal control in place throughout the Group are sufficient to safeguard the Group's interest. Moving forward, the Group endeavors to continue to enhance the existing systems of risk management and internal control, taking into consideration the changing business environment.

This Statement is made in accordance with a resolution passed at the Board of Directors' Meeting held on 8 April 2022.

STATEMENT ON SUSTAINABILITY

Overview

Techna-X's Sustainability Statement generally seeks to examine the Group's methods to track the course and intent, to the extent possible, of industry-standard sustainability governance at all levels of Techna-X Group's business operations as well as continuing to effectively address the Group's material environmental and social topics. These encompass Techna-X's business operations as a commercial digital and technology service provider and its commitment to be an inclusive equal opportunity employer.

Techna-X also endeavours to continue being a responsible corporate citizen by contributing to the development of society and making a positive difference to nation-building in the market that we operate in.

During the FY2021, Techna-X Group's "Sustainability" initiatives and highlights are as follows:-

1. Observed and adopted 8 United Nations Sustainable Development Goals ("UNSDG").

SUSTAINABLE DEVELOPMENT GOALS

2. All employees of the Group briefed on the Anti-Bribery and Anti-Corruption policy (in compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act, 2018.

STATEMENT ON SUSTAINABILITY
cont'd

3. Employment of majority Malaysian workforce. Techna-X Group employs a total of approximately 250 employees out of which approximately 85% are Malaysian citizen.

Alignment to the UNSDG

In FY2021, Techna-X continued to make its best effort to align its business operations and administrative policies towards the prescriptions and goals of the UNSDG.

Below are brief descriptions and highlights of efforts made by Techna-X in ensuring congruency towards the relevant chapters of UNSDG:-

UNSDG	UNSDG Description	Highlights and achievement
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	• Complied with legal requirements and safe work procedures related to prevention of COVID-19. • Facilities and welfare for employees related to COVID-19 risk control and resources are adequately provided. • Information, training and supervision related to COVID-19 prevention is provided and disseminated. • Provides suitable PPE to employees according to their respective work needs and complied with the latest SOP related to COVID-19 mitigation. • Work-from-home for employees is encouraged for department which are able to especially but not limited to non-customer facing department. • Self-test COVID-19 kits are provided free-of-charge to all employees and the said test is made mandatory when incidences of COVID-19 are detected within the vicinity. • Donated 500 food packs and RM26,000 worth of vouchers to front liners and volunteers manning the PPV (Pusat Pemberian Vaksin) Centre at MAEPS Serdang during the mass vaccination drive. • Additionally, the Group's F&B establishment also offered a 50% off the total bill amount for medical personnel and front liners throughout the MCO period.

STATEMENT ON SUSTAINABILITY
cont'd

UNSDG	UNSDG Description	Highlights and achievement
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	• Provided education for sustainable development by providing continuous training to all employees to further enhance their skills. • Provided employees with continuous opportunities to improve their job-related skills for their current and future employment.
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.	• Continues to value, stimulate and hire diverse teams, in line with being an equal opportunity employer. • Continues to maintain a zero-tolerance approach to sexual harassment and bullying by creating a safe channel for employees to report cases of ethical misconduct without being exposed or dismissed. Appropriate actions will be taken to address and mitigate these cases, should there be any. • Continues to promote fair labour recruitment practices. • Ensures female employees' full and effective participation as well as granting equal opportunities in leadership roles at all decision-making levels.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy	• Techna-X Group believes the need to improve access to clean and safe energy sources and technologies for the people. Thus it has started to chart a path to promote the use of renewable energy and to increase electrification of vehicles. • During the year, Techna-X has, in collaboration with several subject matter experts in EV, formed Electric Revolution Expert d.o.o. (E-Rex), a joint venture entity based in Zagreb, Croatia to develop a low voltage drive system (LVDS) for EVs competitive in price and performance against vehicles powered by internal combustion engines that is suitable for passenger cars and commercial vehicles up to 2.5T. Drive power of such vehicles would be not less than 100kW for 30 seconds of continuous power, which translates to 100 kw > 140 km/h. Advantages of LVDS are:- - Cheaper and more affordable components for controller, motor and battery - Cheaper and simpler approval for LVEVs - Easier additional increase in battery capacity - BMS is notoriously cheaper, practically not needed

STATEMENT ON SUSTAINABILITY
cont'd

UNSDG	UNSDG Description	Highlights and achievement
		- The system is more suitable for conversions of existing Internal Combustion Engine vehicles - No risk of electric shock during assembly and servicing the vehicle - Simpler battery design - Cheaper HVAC systems - Fewer and less costly components in the system - Cheaper and more efficient DC converters for 12 to 24V system
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	• Through its business model and strategies, Techna-X continued to deliver financial and non-financial values for its stakeholders. This includes growth in revenue and earnings from its digital technology businesses, mitigation of losses from its discontinuing business, etc. • Indirect contributions include statutory payments to the government, employees' salaries, repayment to financiers and development of local supply chains. • Continues to practice non-discrimination regarding employment. • Maintained equal remuneration, including benefits, for work of equal value. Techna-X believes the remuneration paid to employees commensurate with the level of work and industry practice.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote sustainable industrialisation and foster innovation.	• In October 2020, Techna-X invested in an advanced energy storage technology via the acquisition of *HK Aerospace Beidou New Energy Industry Technology Co. Limited* Group of Companies. Via these companies, the development of new energy principally revolved around the use its own patented rare metal supercapacitor which is capable of enhancing the performance of batteries in terms of higher power and energy density, higher capacitance, speedy discharging and charging capability, no overheating concerns, significantly increased batteries life cycles. These attributes can translate to a reduction of carbon emission by 50%, increase engine power and savings in fuel cost. • Techna-X Group also has its own proprietary IoT/AI solutions for agriculture and aquaculture industry in which employment of such solutions can result in enhanced operational efficiency and reduction of wastages, thus reducing carbon emission and pollution, fuel consumption, morbidity, manual labour, and other relevant resources.

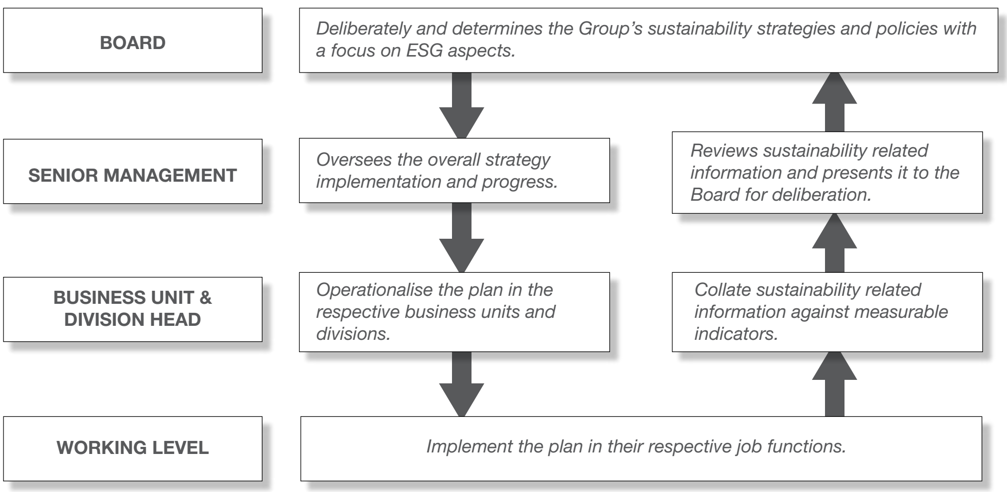
STATEMENT ON SUSTAINABILITY
cont'd

UNSDG	UNSDG Description	Highlights and achievement
	Reduce inequality within and among countries.	• Continued providing balanced employment opportunities as an equal opportunity employer. This includes providing opportunities for those who have physical disabilities. • Continued to provide equal and fair remuneration for male and female employees in the Group.
	Make cities inclusive, safe, resilient and sustainable.	• One of the key pillars of Techna-X Group is the development of technology infrastructure for Smartcities via the deployment of IoT, AI, Data Analytics, etc. These smartcity platforms can help communities in the entire value chain increase effectiveness and efficiency in tasks that directly affect their day-to-day life, in addition to providing a safe and sustainable living condition to the communities.

The Board governs sustainability at Techna-X and supervises matters related to risk, audit, remuneration and corporate governance. This also includes business ethics, organizational culture, talent and manpower, health and safety, human rights as well as the environment.

EGS priorities are affirmed by the Board and these are cascaded down to Senior Management to develop strategic plans to realise the ESG goals and objectives.

Beyond just setting the tone from the top, Techna-X's sustainability governance structure also facilitates the escalation of the progress and performance of applied sustainability strategies. Findings presented by Senior Management to the Board periodically or on a case-by-case basis should there be any, provide the basis for refinement of strategies and objectives towards ensuring continued progress.



STATEMENT ON SUSTAINABILITY
cont'd

ANTI-BRIBERY AND ANTI-CORRUPTION POSITION

One of the key sustainability governance highlights was the introduction of the enhanced Anti-Bribery and Anti-Corruption ("ABAC") Policy pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACCA").

The Section 17A of the MACCA came into force on 1 June 2020 and denotes that commercial organizations are liable and punishable if found to be involved in bribery. Potential liability extends to the company's directors, officers, partners, employees and others who are tied to the Group's management, affairs and operations.

The Board has reviewed the ABAC framework which include the Whistleblowing Policy, ABAC Policy and Code of Ethics and Business Conduct. Following the adoption and approval of the ABAC Policy by the Board, the said policy was subsequently implemented at various levels throughout Techna-X organization as well as external stakeholders (e.g. suppliers, vendors and business partners/collaborators), where possible.

All of the Board members and those at the senior decision-making level have been made aware and duly briefed on the ABAC. Anyone found guilty (after thorough and fair investigation) in undertaking the act of bribery and corruption will not be tolerated and will be reprimanded as stipulated in relevant laws.

Anti-corruption awareness has and will continue to be embedded with Techna-X organization and its culture through internal communication channels such as mobile technologies, postings on bulletin boards or walls, employee meetings, advice, internal memos, e-mails, etc. The full range of anti-corruption frameworks, policies and codes are placed on Techna-X's corporate website in which all employees are encouraged to access.

The Group aims to create an organization-wide awareness on how important the employees are in preventing bribery and corruption, and empowering them to play a role in maintaining a corrupt-free workplace. This includes the existence and availability of the Group's Whistleblowing Policy and that staffs are encouraged to use these channels to alert management and the Board on potential or actual acts of corruption within the organization.

Head of Departments are tasked to consistently remind their peers, colleagues and staff that any acts of corruption, bribery and those to that effect will face serious disciplinary action including immediate dismissal of employment and be made to face the law.

The Board continues to maintain that Techna-X Group is an apolitical organization and that it does not condone any form of corruption.

STATEMENT ON DIRECTORS' RESPONSIBILITY

In accordance with the provisions of the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the applicable approved accounting standards, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2021 and the results and cash flows for that year then ended.

In preparing the financial statements, the Directors also have: -

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Followed the applicable approved accounting standards;
- Made judgements and estimates that are reasonable and prudent; and
- Assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and the Company, as well as to prevent and detect fraud and any other irregularities.

This statement is made in accordance with a resolution passed at the Board of Directors' meeting held on 8 April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of Techna-X Berhad is pleased to present the Audit and Risk Management Committee ("ARMC") Report of the Company for the financial year ended 31 December 2021.

COMPOSITION

The members of the ARMC are as follows:

Chairperson : **Lim See Tow**
Independent Non-Executive Director

Members : **Zhai Baoxing**
Independent Non-Executive Director

Balraj Singh Pannu A/L Gajjan Singh
Independent Non-Executive Director

There is no alternate director who shall be appointed as a member of the ARMC.

TERMS OF REFERENCE

The Terms of Reference of the ARMC, outlining the ARMC's composition, proceedings of the meeting, authority, duties, and responsibilities, is available on the Company's corporate website at: www.techna-x.com.

ARMC MEETINGS

The ARMC has convened six (6) meetings during the financial year ended 31 December 2021. The ARMC's attendance records are as follows:

	Date of ARMC Meeting					
Name of Members	**25 Feb 2021**	**05 May 2021**	**31 May 2021**	**10 Sep 2021**	**30 Nov 2021**	**27 Dec 2021**
Lim See Tow	✓	✓	✓	✓	✓	×
Zhai Baoxing	✓	✓	✓	✓	✓	✓
Balraj Singh Pannu A/L Gajjan Singh	✓	✓	✓	✓	✓	✓

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF THE WORK OF THE ARMC

The ARMC had carried out the following work during the financial year ended 31 December 2021 in the discharge of its functions and duties:-

Financial Reporting

Reviewed and discussed the quarterly results and annual audited financial statements of the Company and the Group prior to recommendations to the Board for consideration and approval. The key areas of focus included the following:-

- Any change in accounting policies and practices;
- Significant adjustments, if any, arising from the audit;
- Going concern assumptions;
- Compliance and accounting standards and other legal requirements;
- Significant matters highlighted in the financial statements, if any; and
- Significant judgements, if any, made by the Management.

The dates on which the ARMC meetings were convened during the financial year to deliberate on financial reporting matters are detailed below:-

Date of Meetings	Activities
25 February 2021 & 30 March 2021	• Unaudited quarterly report on consolidated results of the Company and Group for the fourth quarter ended 31 December 2020.
5 May 2021	• Audited financial statements for the financial year ended 31 December 2020.
31 May 2021	• Unaudited quarterly report on consolidated results of the Company and Group for the first quarter ended 31 March 2021.
10 September 2021	• Unaudited quarterly report on consolidated results of the Company and Group for the second quarter ended 30 June 2021.
30 November 2021	• Unaudited quarterly report on consolidated results of the Company and Group for the third quarter ended 30 September 2021.

External Audit

On 25 February 2021, the ARMC had reviewed the Audit Review Memorandum, which had summarised the significant audit findings arising from the statutory audit of the Group and the Company for the financial year ended 31 December 2020, with the External Auditors, HLB AAC PLT ("HLB AAC").

The ARMC also evaluated the External Auditors' suitability, objectivity, and independence and recommended to the Board the re-appointment of the External Auditors and their audit fees thereof.

On 5 May 2021, the ARMC had reviewed the audited financial statements of the Company and Group for the financial year ended 31 December 2020 and discussed with the External Auditors the results of the final audit conducted on the Company and Group prior to recommending the same to the Board for approval.

On 30 November 2021, the ARMC had reviewed the Audit Planning Memorandum for the financial year ending 31 December 2021 prepared by HLB AAC, outlining the scope of works, key areas of audit emphasis, audit approach, fraud considerations, timetable, audit fees, and the new and revised auditors reporting standards.

During the financial year, the ARMC conducted two (2) private dialogue sessions with the External Auditors on 25 February 2021 and 30 November 2021, respectively, without the presence of the Executive Directors and Management of the Company, to discuss the External Auditors' observations and areas for improvements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF THE WORK OF THE ARMC (CONT'D)

Internal Audit

The ARMC had reviewed the Internal Audit Report issued by the Internal Audit Department and that of the outsourced Internal Auditors on a quarterly basis and ensured that action plans recommended by the Internal Auditors had been implemented by the Management on a timely basis.

Related Party Transactions

The ARMC reviewed the related party transactions on a quarterly basis for compliance with both in-house procedures and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Other Matters

(a) The ARMC reviewed the ARMC Report and Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval and inclusion in the Annual Report of the Company.

(b) The ARMC reviewed the Terms of Reference of the ARMC prior to submission to the Board for approval.

(c) The ARMC deliberated on the proposed Reverse Takeover of Chaswood Resources Holdings Ltd ("CRHL"), a company listed on the Catalist Board of Singapore Exchange Securities Trading Limited, via the injection of 50% equity interest in HK Aerospace Beidou New Energy Industry Technology Co., Ltd., a 50%-owned subsidiary of Techna-X Berhad, in satisfaction of the relevant number of new CRHL shares.

Summary of Work of the Internal Audit Function

The Company has in-house internal audit personnel to perform internal audit scope for its coke business operations. As for the technology-driven food and beverage businesses as well as the digital transformation enabler businesses are concerned, the Company has outsourced its internal audit function to an independent professional services firm, Talent League Sdn. Bhd. to assist in performing the necessary and appropriate internal audit function.

Both the in-house and outsourced Internal Auditors report directly to the ARMC and assist the ARMC in discharging its functions and duties.

During the financial year, the scope of the internal audit did not cover the energy storage solutions, and super-batteries business as the international travel restrictions in place have prevented Talent League Sdn. Bhd. (independent Internal Auditors) from travelling to China in which the said business was located. Notwithstanding the foregoing, the Company endeavours to perform its internal audit function to cover these business areas as soon as practicable.

The internal audit function is independent of the Management and is not involved in the operational activities of the Group. This is to ensure that the internal audit activities are performed with impartiality, proficiency, and due professional care.

The principals adopted for the Group's internal audit function involve the Risk-Based Internal Audit ("RBIA") methodology, which serves to provide assurance that risks are being managed within the organisation's risk appetite. The methodology consists of five (5) core internal audit roles that cover the risk management framework of the whole organisation, namely:-

1. Giving assurance that the processes used by the Management to identify all significant risks are effective.

2. Giving assurance that the risks are correctly assessed/scored by the Management in order to prioritise them.

3. Evaluating the risk management processes to ensure the response to any risk is appropriate and conforms to the organisation's policies.

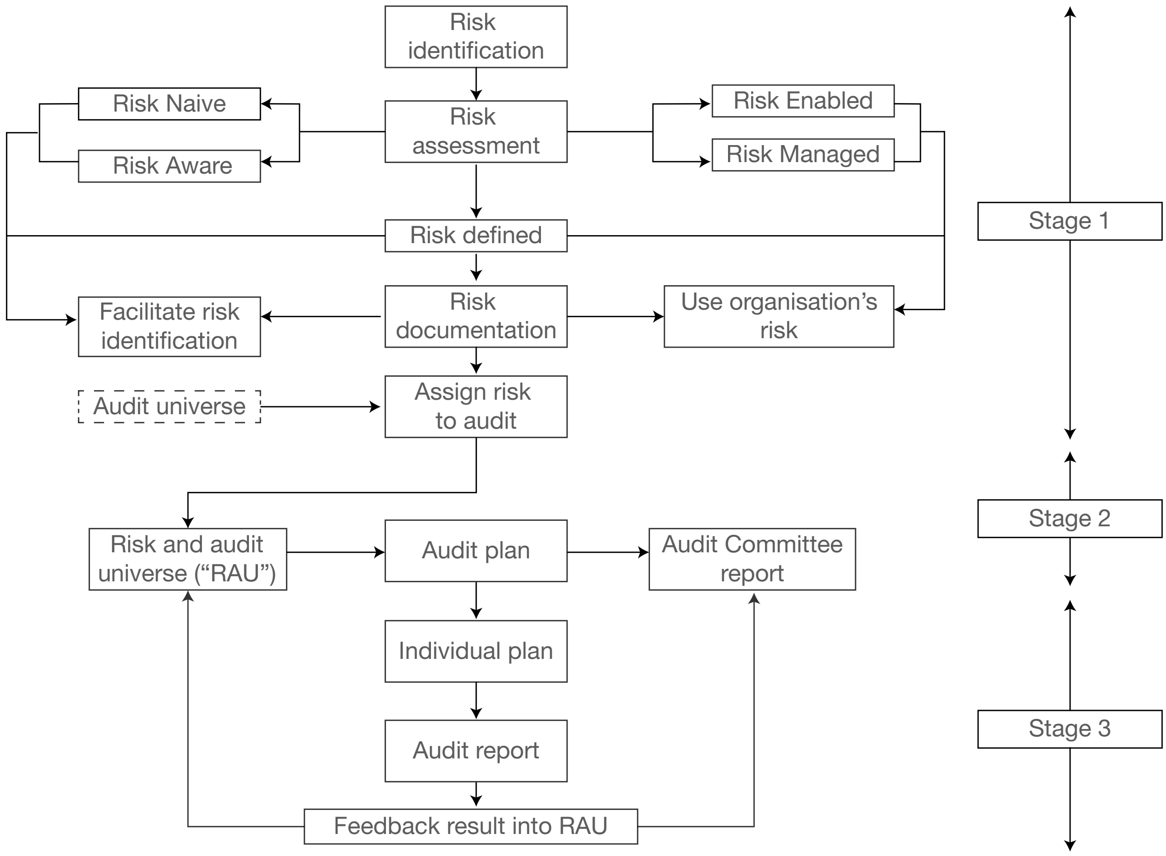
4. Evaluating the reporting of key risks by managers to directors.

5. Reviewing the management of key risks by managers to ensure controls have been put into operation and are being monitored.

SUMMARY OF THE WORK OF THE ARMC (CONT'D)

Summary of Work of the Internal Audit Function (cont'd)

Based on an agreed-upon internal audit planning schedule, the abovementioned RBIA approach shall be rolled out in 3 stages, namely:-



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF THE WORK OF THE ARMC (CONT'D)

Summary of Work of the Internal Audit Function (cont'd)

The details of the auditable areas, audit objectives, and scope are depicted below:-

Auditable Areas	Audit Objective and Scope
Human Resource Management	• To ensure proper internal control system is in place for:- ✓ Recruitment and selection procedures ✓ Training and development plan ✓ Handling of personnel matters ✓ Working environment ✓ Payroll processing ✓ Disciplinary and termination • To ensure proper compliance with policies and procedures.
Business Development	• To ensure proper internal control system is in place for:- ✓ Business development / sales monitoring (budget vs actual) ✓ Execution of marketing strategy ✓ Sales negotiation, authority and pricing policy ✓ Order processing and fulfillment ✓ Warehousing and tracing and recording ✓ Inventory distribution / delivery ✓ Invoicing and collection • To ensure proper compliance with policies and procedures.
Financial Reporting	• To ensure proper internal control system is in place for:- ✓ Receipt system ✓ Payment system ✓ Management reporting ✓ Petty cash management ✓ Information storage and backup procedures • To ensure proper compliance with policies and procedures.
Fixed Asset Management	• To ensure proper internal control system is in place for:- ✓ Capitalisation and depreciation policy ✓ Acquisitions and disposals ✓ Custodianship and safeguarding of assets ✓ Repair and maintenance ✓ Insurance coverage ✓ Company's property, plant and equipment • To ensure proper compliance with policies and procedures.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2021 amounted to RM112,654.

BOARD'S CONCLUSION

The Board is satisfied that the ARMC and its members have carried out their functions, duties, and responsibilities according to the Terms of Reference of ARMC. There were no material misstatements, frauds, and deficiencies in the internal control systems not addressed by the Management.

The ARMC Report is made in accordance with a resolution passed at the Board of Directors' meeting held on 8 April 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

The transformation of Techna-X to establish itself as one of Malaysia's leading digital enablers in facilitating the nation's rollout of Industrial 4.0 (IR 4.0) continues to present many exciting developments within the Techna-X Group.

During the financial year, the Management and Board of Techna-X have discussed and deliberated on a multitude of matters/issues. Amongst others, key discussions details/information on the various subject matters under deliberation and decision making considerations, include the following:-

1. Acquisitions

To further enhance the eco-system of its digital technology businesses in order for Techna-X to build on and offer a comprehensive end-to-end suite of service offerings and solutions to its existing and prospective customers, the Board had contemplated an investment into a telco-media company via an acquisition of a 25% equity stake in MBits Digital Sdn Bhd ("MBits"). The Board believes that such an investment will be another step in Techna-X's plans towards creating the most complete digital transformation solutions provider in the country.

MBits is an operator of Internet Protocol TV Station and a leading digital platform creator focusing on the telco media ecosystem, supported by licenses issued by the Malaysian government. MBits is the only company holding a full broadcasting license as well as licenses for the full telco spectrum in Malaysia. The company has since launched cellular service, data and bandwidth service in June 2020 and its LIFE* & PLAY> content service in October 2020. MBits also provides its MOVE~ fibre optics infrastructure.

The Board believes that MBits offers tremendous synergies with Techna-X's digital transformation strategy. Digitising means having internet access coverage nationwide so that services can be provided through digital platforms including merchants, banking, content viewing and so on. These require infrastructure development ranging from fibre optics to mobile network, to which MBits has the capacity to provide.

As Techna-X begins to roll out its smart city model in various townships and cities, the telco infrastructure of MBits will allow Techna-X to offer a complete wholistic solution for the smart city implementation. Similarly, these capabilities also complement the Internet of Things ("IoT") solutions of the Techna-X Group as connectivity is a key part of any IoT solution. Furthermore, Techna-X's super app, namely M-Squared, will also benefit tremendously from MBits' broadcast platform.

2. Partnership / Memorandum of Understanding ("MOU")

Pursuant to discussions and deliberations with Country Heights Holdings Berhad ("CHHB") in connection to forming a partnership arrangement to collaborate, develop and position the Mines Wellness City to be the first township in Malaysia to use smart city app with cryptocurrency enablement, the management of Techna-X's wholly-owned subsidiary, Touchpoint International Sdn Bhd ("TPI"), had made the decision to enter into a Master Smart City Technology Partnership Agreement with CHHB to cooperate in developing, implementing, managing and providing the MSC (Mines Smart City) Platform with integrated digital services, community engagement and smart management functions with a view to positioning Mines Wellness City as a leading smart city in Malaysia.

This partnership is envisaged to enable CHHB to realise its desire to develop its Mines Wellness City (as a Wellness Zone) to be the first township in Malaysia that utilises MSC Platform with integrated digital services and cryptocurrency enablement to allow the residents/tenants of Mines Wellness City access to local content, services and loyalty programmes within the community as well as to promote community engagement and support to local businesses.

This Partnership will enable TPI to establish a stronger foothold in the smart city technology space in the private sector. This would accelerate TPI's trajectory into pushing its smart city technology adoption amongst property developers and townships in addition to its existing presence in local authorities and state governments.

In addition to the above, during the financial year, the Board of Techna-X had also deliberated and decided to enter into a Memorandum of Understanding ("MOU") with East Nest Borneo Sdn. Bhd. ("ENBSB") to collaborate on the development of technology-enabled Smart Bird Houses and Caves Project at ENBSB properties.

The rationale for such a collaboration is to increase Techna-X Group's key advantage in the IoT space and spur growth in the Smart Agriculture industry in Malaysia and worldwide. In addition, such a collaboration will enable Techna-X to pioneer the injection of Smart Agriculture, IoT, Data Analytics, and other technological advancements into this industry which has now also been modernised into vertical farming.

MANAGEMENT DICSUSSION AND ANALYSIS
cont'd

Apart from above, the management of Techna-X and its a wholly-owned subsidiary TPI, had deliberated and made a decision to entered into an Exclusive Technology Partnership Agreement with Pesapass Limited ("PESAPASS"). Under the said Partnership Agreement, TPI will be appointed by PESAPASS to develop and provide a platform and software as a service, cloud hosted high specification secure digital wallet and revenue management payments solutions to Kenya Wildlife Service ("KWS").

KWS is a state corporation established in Kenya under the Act of Parliament (Cap 376), now repealed by the Wildlife Conservation and Management Act (2013), with the mandate to conserve and manage wildlife in Kenya, and to enforce related laws and regulations. KWS had appointed PESAPASS to design, supply, implement, test and commission a revenue collection and management solutions in all KWS national parks and reserves, which is known as "Safaripay Platform" ("Platform"), to which TPI will act as PESAPASS's Technology Partner under the abovementioned Partnership Agreement.

TPI has been working together with PESAPASS to secure the KWS Agreement for the past two (2) years and this is touted as one of the largest Information Technology system development in the history of Kenya. This will help KWS with its digitisation of its entire revenue collection and management system while at the same time reducing potential revenue leakages. As the system is expected to be deployed in the immediate future, TPI will potentially be able to introduce additional technology elements into the system such as data analytics and IoT capabilities to further enhance the usefulness and efficiency of the system.

3. Foray into Electric Vehicles (EV)

During the year, the Board chanced across an exciting investment/collaboration arrangement which will enable Techna-X to make its maiden venture into the EV space at a relatively attractive cost. Accordingly, the Board had deliberated on the cost and benefits of such venture and resolved to proceed to collaborate with Monika Mikac, Igor Pongrac, Nordin Ćatić and Benjamin Božić (all of which are subject matter experts) to develop, implement and manage the technology surrounding electric vehicles and Low Voltage Drive System ("LVDS"). A Shareholders' Agreement ("SHA") was accordingly executed with these parties and a joint venture company, named Electric Revolution Expert d.o.o. ("E-Rex") was established in Zegreb, Croatia to undertake this venture. Pursuant to the SHA, Techna-X via its 50% subsidiary HK Aerospace Beidou New Energy Technology Co. Ltd ("HKAB"), will be E-REX is direct under Techna-X a 51% shareholder in E-Rex and contribute an initial funding of EUR1,000,000 towards the working capital of E-Rex.

Prior to the decision to work with the parties involved, the management of Techna-X had ran a background check and reviewed the credentials and experiences of the said parties. Amongst others, relevant credentials of the parties are as follows:-

- ***Monika Mikac*** was one of the co-founders and Chief Operating Officer of Rimac Automobili, a technology powerhouse in electric hypercars ("Rimac Automobili"). She was responsible for growing the company from its first staff to 350 employees with strong technology and engineering backgrounds and was subsequently acquired by Porsche to focus on electric super cars.

- ***Igor Pongrac*** started his career in the Croatian army working on the development of unmanned aerial vehicles. Igor is one of the co-founders of Rimac Automobili where he led the whole production of 150 people across 12 departments dealing with prototyping, development projects, and small series production. His experience spans across leading very diverse departments from the production of parts, assembly, and testing.

- ***Nordin Ćatić*** is pursuing his PhD at the University of Cambridge working on printing sensors for various applications. He has worked on a multitude of additive manufacturing techniques throughout his degrees over the last 9 years. He has experience working within tech start-ups as a researcher in advanced materials and as a business analyst.

- ***Benjamin Božić*** has more than 20 years of experience and involvement in the development of electronic devices and systems in the field of sensorics, telemetry, low and high-power electronic systems.

In line with Techna-X's investments in the energy storage industry via its subsidiary HKAB, Techna-X plans to develop electric mobility solutions with the co-founders of Rimac Automobili, a technology powerhouse in electric hypercars. E-Rex will develop electric mobility solutions with the goal to become the European hub for new EV technologies. In view of the strong need for different solutions in the segment of electrification and mobility in today's market, E-Rex will cover different areas of mobility starting with development of low voltage powertrain that is suitable for passenger cars and commercial vehicles up to 2.5T. This powertrain will be competitive in price and performance compared to vehicles powered by internal combustion engines. Also, with today's mobility moving more towards autonomous vehicles, big data play a key role where the companies will have to learn how to store the data properly and extract the relevant information, hence E-Rex also covers the development of Advanced Driver Assistant Systems ("ADAS") with high accuracy using camera, big data applied for ADAS and battery analytics and battery development with laboratory services. These are synergistic with the product and service offerings of the other digital technology subsidiaries of Techna-X.

Premised on the above, Techna-X's participation in this E-Rex business venture will enable Techna-X Group to leverage on its energy storage technologies and capabilities to play a pivotal role in the electric mobility industry, thus enable it to increase its earnings potential in the future.

In view of the Board having greater visibility on promising progress and developments achieved by E-Rex, the Board had decided subsequently, on 28 September 2021, that it will be in the best interest of Techna-X to reorganise the structure of its investment in E-Rex by transferring the 51% equity interest therein from its 50% subsidiary (HKAB) to be held directly under Techna-X.

With the novation of all the rights, benefits, interests and obligations pursuant to the SHA (previously signed between HKAB and the indivisual parties) by HKAB to Techna-X, as well as the transfer of HKAB's shareholdings in E-Rex to Techna-X, Techna-X will be able to directly participate in the potential of the LVDS currently being developed within E-Rex by virtue of its direct shareholding, instead of indirectly via HKAB (a 50% subsidiary). HKAB will continue to focus its attention on energy storage and Internet of Things manufacturing concerns in China while the EV design experts in E-Rex namely, Monika Mikac, Igor Pongrac, Nordin Ćatić and Benjamin Božič, will now work directly with Techna-X's team in Malaysia to spearhead the low voltage related EV project.

4. ***Employees Share Option Scheme ("ESOS")***

During the year, the Board proposed to establish an ESOS of up to 15% of the total number of issued shares of Techna-X at any point of time during the duration of the ESOS for the eligible employees as well as executive and non-executive directors ("Eligible Persons"). The ESOS will involve the granting of options to subscribe for new Techna-X shares at RM0.0703 per share to all Directors and employees of Techna-X Group (which are not dormant companies) who meet the criteria of eligibility for participation in said ESOS as stipulated in the by-laws governing the ESOS.

The Board believes that the implementation of the ESOS primarily serves to align the interests of the Eligible Persons to the corporate goals of Techna-X Group. The Proposed ESOS will provide the Eligible Persons with an opportunity to have equity participation in Techna-X and help achieve the positive objectives as set out below:-

(a) To recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of Techna-X Group;

(b) To motivate the Eligible Persons towards improved performance through greater productivity and loyalty;

(c) To inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and

(d) To reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Techna-X Shares, upon exercising of the ESOS Options.

MANAGEMENT DICSUSSION AND ANALYSIS
cont'd

5. **Fund Raising via Private Placement Exercise**

During the year, the Board of Techna-X decided to fully utilise the remaining of the previous Private Placement Exercise (as approved by shareholders during the 15th AGM on 30 June 2021) allocation under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 and the "Additional Temporary Relief Measures to Listed Issuers" announced by Bursa Securities on 16 April 2020 which increased the limit prescribed under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Securities ("MMLR") from 10% to 20%, in an effort to raise further funds for the Group's operations.

The said Private Placement involved the issuance and placement of up to 169,901,200 new ordinary shares in Techna-X which represented approximately 8.36% of the then issued shares of Techna-X which amounted to 2,031,813,536.

(To recap, pursuant to the 20% General Mandate, Techna-X is authorised to issue and allot up to 406,362,700 shares. However, Techna-X had already allotted and issued a total of 236,461,500 new ordinary shares under the 20% General Mandate via two tranches during the preceding 12 months as follows:-

(i) 100,000,000 new Shares at the issue price of RM0.1098 each and were listed on 22 December 2020; and

(ii) 136,461,500 new Shares at the issue price of RM0.13 each and were listed on 24 February 2021.)

The issue price of the placement shares was determined and fixed by the Board taking into consideration the prevailing market conditions and the provisions of Paragraph 6.04(a) of the MMLR, at a discount of not more than 10% to the 5-day Volume Weighted Average Market Price ("5D-VWAMP") immediately preceding the price fixing date. Premised on the above pricing mechanism, the issue price for the placement shares was fixed at RM0.0725 per share, representing a discount of approximately 9.94% to the 5D-VWAMP of Techna-X shares from 10 December to 16 December 2021.

The funds raised from the Private Placement exercise is to be principally utilised towards funding the prototype development cost for the Low Voltage Drive System (pursuant to Techna-X's foray into the EV space as described above) as well as for Techna-X Group's overall working capital purposes.

After due consideration of the various options available, the Board is of the view that further utilisation of the private placement exercise is the most appropriate avenue to raise funds for the Group due to the following reasons:-

(i) enable Techna-X Group to raise funds expeditiously and in a more cost-effective manner as opposed to other fund-raising options;

(ii) expected to strengthen the shareholders and capital base of Techna-X Group;

(iii) serve as additional source of funding for Techna-X Group without incurring interest expenses as compared to borrowings; and

(iv) improve the liquidity and financial flexibility of Techna-X Group by strengthening its financial position.

6. ***Termination of Proposed Acquisition of NHK Energy Construction Sdn Bhd ("NHK")***

During the year, the management had contemplated the acquisition of NHK by entering into a Share Purchase Agreement with Nik Muhammad Hilmi Bin Nik Abd Kadir ("Nik") and Munira Binti Mahmud @ Mahmud Zuhdi for the proposed acquisition of 490,000 ordinary shares, equivalent to 49% of the total issued and paid-up share capital of NHK for a total purchase consideration of RM500,000.00 subject to the terms and conditions as stipulated in the SPA. Concurrently, Techna-X also entered into a Shareholders' Agreement with Nik and Isobumi Dagangan Sdn Bhd ("Isobumi", the other shareholder of NHK) to regulate the respective equity participation, rights, obligations and other arrangements of Techna-X, Nik and Isobumi in respect of NHK.

NHK is a green energy company that designs, develops, commissions, contracts and markets lighting for the growing international renewable energy market. It currently has been awarded a 15-year contract by Majlis Bandaraya Seberang Perai to supply and install smart LED street lightings.

The Proposed Acquisition will help fast track Techna-X Group's expansion of green energy business in Smart City developments in Malaysia as well as in the Asia Pacific region. Techna-X and NHK expected great synergies and expansion opportunities to leverage on technologies and renewable energy, especially in Techna-X's super batteries and ultra-capacitor technology. More cities in Malaysia are transitioning into smart cities where local council planning is setting out to meet the criteria of Malaysia Smart City Framework. The global smart lighting market driven by smart cities is expected to grow rapidly at CAGR of 20% and expected to reach USD$22 billion by 2025 according to one market research report. NHK have implemented various green energy projects throughout Malaysia including a solar power energy water filtration system for the Ministry of Health in Pahang and solar street lights for Majlis Bandar Tuaran in Sabah. The key personnel of NHK Group have also been involved in more than 100 Photovoltaics projects globally including the Olympic Centre and Wuhai Power Stations in China as well as Building Integrated Photovoltaics (BIPV) Systems for buildings in Canada and Spain as well as the train stations in Saudi Arabia.

In Malaysia, there is a total of 154 Councils, comprising City Councils, Municipal Councils and District Councils, serving approximately 32.8 million population scattered across all the states in Malaysia. Moving forward, these Councils are transforming themselves and the areas under their respective jurisdiction to be a resilient, inclusive, green, competitive and technology driven smart city. In order to achieve such aspiration, these Councils aim to provide urban service, development planning and infrastructure efficiently, effectively and responsive to the needs of the respective community they serve. Aspects of a smart city concept envisaged by the Councils comprises (i) Smart Community, (ii) Smart Mobility, (iii) Smart Environment, (iv) Smart Government and (v) Smart Economy, all of these of which are within the scope, product and service offerings of Techna-X Group.

By joining force with NHK (which is a green energy company that designs, develops, commissions, contracts and markets smart lighting for the growing international renewable energy market) coupled with the fact that NHK has been awarded a contract by the Seberang Perai City Council, Techna-X Group will put itself in the forefront for a potential of over RM100 million worth of smart lighting projects with the other Councils in Malaysia. Notwithstanding that, Techna-X Group would also be able to engage itself in providing the other elements of the Smart City projects to be undertaken by the respective Councils in their pursuit to transform the areas under their jurisdiction into smart cities, moving forward.

Notwithstanding all of the above, while conducting the relevant due diligence investigation on NHK over its business, affairs, operations, assets and liabilities, prospects and records, certain issues/events were brought to light, the impact of which may no longer warrant Techna-X to proceed to completing the Proposed Acquisition of NHK. Accordingly, upon extensive discussions and deliberation by the management, the Board had decided to terminate the SPA by invoking relevant exit clauses in the SPA, such action of which is done in the best interest of the shareholders of Techna-X.

7. *Cessation of Metallurgical Coke Business Operations*

Given the many consecutive quarters of substantial losses suffered by the metallurgical coke business segment which have significantly diminished Techna-X's shareholders' fund, the Board has deliberated on many occasions and had on 20 September 2021, made the decision to cease the operations of this business segment on or before 31 December 2021 ("Cessation") as there is still no clear visibility on the potential turnaround of the coke industry in particular that of independent coke manufacturers like Techna-X's, coupled with the harsh and challenging business environment, unfavourable governmental policies towards perceived polluting industries and relentless external challenges, all of which are beyond Techna-X's control.

The Cessation decision is deemed necessary premised on the following considerations in an attempt to safeguard the shareholders' value of Techna-X:-

(1) To immediately address the ongoing operational losses as well as to stem the continuous extensive financial strain on the Group; and

(2) To preserve the financial position of the Group from deterioration further pending the completion of the proposed disposal of the metallurgical coke business.

MANAGEMENT DICSUSSION AND ANALYSIS
cont'd

By mitigating the negative impact from the continuous significant losses expected to be suffered by the metallurgical coke business in the immediate future, the Cessation, once materialises, is expected to improve the overall financial performance of the Group for the financial year ending 31 December 2022. However, at this juncture, the Board is unable to ascertain and quantify the extent of the impact of the said Cessation.

Notwithstanding the above, the Board is of the view that it is in the best interest of Techna-X and its shareholders to cease the metallurgical coke operations of Linyi Yehua Coking Co. Ltd by 31 December 2021.

Notwithstanding the abovementioned Cessation, the Board believes that Techna-X's other business activities, namely that of the digital technology which have started to gain traction, will continue to be viable to sustain the Group, moving forward. Accordingly, Techna-X will continue to focus and dedicate the relevant resources towards growing these promising digital technology businesses.

8. *Value Extraction of HKAB*

Towards the end of the financial year, the Board was presented with an opportunity to monetise and extract the intrinsic value of its 50% investment in HK Aerospace Beidou New Energy Technology Co., Limited ("HKAB") via the proposed injection of HKAB for a total consideration of USD250,000,000 (equivalent to approximately SGD339,285,000) into Chaswood Resources Holdings Ltd ("CRHL"), a company listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST").

Under the Agreement, CRHL will allot and issue a number of new fully-paid up ordinary shares in its capital at a pre-consolidation issue price of 3.8 cents, of which 50% is to Techna-X and the other 50% to the remaining owners of HKAB, namely Dr. Wan Muhamad Hasni Bin Wan Sulaiman, Nong You Hua, and Satriya Bin Suetoh. Completion of the exercise will potentially unlock approximately RM1 billion in value for Techna-X and results in a "reverse takeover" ("RTO") where Techna-X will potentially own 48% of SGX listed CRHL with the balance being owned by the other vendors of HKAB and existing shareholders of CRHL.

In anticipation of the above exercise, the Board is contemplating to change the name of HKAB to Techna Energy Storage Systems ("TESS") to better reflect its business operations under the Group. HKAB currently has an existing order book of approximately US$300m from customers comprising of some notable MNC's including KONE, Daikin Electronics, Tuatara Machinery, and others. HKAB delivers its products to selected markets and mainly to customers in China.

It currently provides grid-scale energy storage and agriculture machinery to the China central government initiative. The Group will now look into expanding its market reach to ASEAN, Europe, and the Middle East. Amongst the market segments that HKAB will serve well are the EV makers, energy storage and E-machineries in agriculture e.g. forklifts, harvesters, transporters, public transport e.g. rail & buses, electrification of rail transport and military applications. HKAB's Ultra Capacitor batteries that uses rare metal Ruthenium base that have the highest capacitance potential, have a clear advantage in applications dealing with high pulse width modulation problems.

HKAB has delivered proof of concept battery storage systems to large power companies, auto companies, and also the military and expects more contracts in the coming year. It will focus expansion on its existing factory in Wuzhou, China to increase capacity and specialized equipment, set up a new battery production factory in Qinzhou, China, and for overall R&D expansion.

For 2022, the HKAB is looking to convert a section of the factory into research labs for developing and testing various products and technologies and installing large-scale computing and data facilities. Over the next 3 years, HKAB will focus on core research work specializing in industrial applications such as e-train and e-boats and the development of material science for energy storage.

In order to realise the above aspirations, HKAB's capital requirement for the immediate term over the next 2 years is expected to be about USD50 million. Accordingly, the RTO exercise will enable the Group to tap into the capital markets via SGX-ST and allow it to raise its own capital which is needed to accelerate expansion and R&D plans.

FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

Pursuant to the proposed disposal of the Group's metallurgical coke business (via the disposal of the entire equity interest of PIPO Overseas Limited, a wholly-owned intermediate holding company housing the Group's metallurgical coke business undertakings) the revenue and expenses in relation to the Group's metallurgical coke business operations has been separately classified according to Malaysian Financial Reporting Standards (MFRS) 5 as "Discontinued Operations" on the face of Consolidated Statement of Profit or Loss and Other Comprehensive Income and "Assets/Liabilities Held For Sale" in the Statement of Financial Position. Accordingly, for ease of reading and analysis, Techna-X's financial statements are segregated into "Continuing Operations" which comprise all the digital and technology businesses, and "Discontinued Operations" which comprise the abovementioned metallurgical coke business.

As the economy and businesses are still finding their footings coming out of the lockdown and movement restrictions in 2020, a larger part of 2021 was still hampered with incessant Covid-19 flare-ups as well as the emergence of Delta, Omicron and other new variants. These had resulted in continued operational and financial challenges to a majority of businesses as there are still lingering supply bottlenecks, logistical disruptions, cautious and pullback in project rollouts, wariness in business/consumer spending, etc. Governmental policy supports, although available, only serve to provide some temporary reprieve to businesses, the effect of which unfortunately were inconsequential to the businesses of the Group.

Premised on the above, the Group's digital and technology businesses turned in a consolidated net loss of approximately RM21.7 million for FY2021 compared to a restated consolidated net loss of RM19.3 million recorded in the preceding financial year.

Notwithstanding the above, the Group recorded a reasonably decent consolidated revenue of RM68.6 million in FY2021, out of which the technology-driven F&B business contributed approximately RM33.9 million while the energy storage solutions contributed approximately RM23.5 million and the other technology and digital transformation enabler RM11.2 million. This over threefold increase in revenue seen in FY2021 compared to that in FY2020 was mainly attributed to the significantly improved business operations of all of the Group's continuing operations' business units. The technology-driven F&B business benefited from the reopening of the economy, returning of workforce to offices, lifting of travel restrictions and dining-in being permitted in all of its establishments in 2021, compared to the protracted phases of lockdown and dining restrictions experienced in 2020. Additionally, the Group was able to consolidate the financial results of TGI Fridays outlets in Beijing following the completion of the acquisition of Chaswood Restaurant Management (Beijing) Co., Ltd. on 26 February 2021. The energy storage solutions have finally gained meaningful traction with the supply contract of its Hybrid Energy Storage Systems (HESS) while the technology and digital transformation enabler business units continued to grow exponentially with the recognition of proportional project billings for the Command & Control, Communication and Computer Integration (C4i) project (a RM50.8 million public safety and security command system contract secured by the Group towards the end of the third quarter of the year), as well as some supplemental contribution derived from IoT deployment, data analytics and business intelligence services.

As a direct consequence to the increase in consolidated revenue, the total cost of sales for the Group's continuing operations also increased in tandem to approximately RM37.0 million in this financial year from RM7.8 million recorded in FY2020. Notwithstanding the above, the Group saw a dip in its overall gross margin from 60% to 46% and this can be attributed to the fact that several preliminary and/or maiden contracts secured by the energy storage solutions and that of its technology and digital transformation enabler business units were aggressively priced in an effort to gain presence, product/service acceptance and market penetration.

The administration and operating expenses of the continuing business operations and that of corporate holding company level saw an increase to RM58.2 million in FY2021 from RM29.9 million recorded in the preceding year. This was primarily attributed to the one-off expenses/costs incurred by the corporate holding company level relating to the staff cost arising from the Employee Stock Option Scheme ("ESOS"), notional finance cost imputed due to the deferred payment of the purchase considerations for the various acquisitions, capital raising and corporate exercises, all of which collectively amounted to approximately RM17.8 million. Apart from that, the other operating expenses were attributed to, by and large, the typical professional fees, rental of premises, staff salaries, depreciation, office and administrative expenses, utility charges, etc.

MANAGEMENT DICSUSSION AND ANALYSIS
cont'd

Finance cost in FY2021 of RM0.4 million represented a significant reduction from RM2.1 million incurred in the preceding year. This was mainly attributed to the fact that the capitalised administrative and transaction cost related to the issuance of the Redeemable Convertible Notes ("RCN") which amounted to RM1.2 million were reversed out into the Statement of Profit or Loss in FY2020, thus enlarging the finance cost for that year. Additionally, those RCN subscribed during FY2021 majority of which were swiftly converted into shares as opposed to those subscribed in FY2020 which were held and remained unconverted over a relatively longer duration, thus generating additional finance cost to be incurred by Techna-X in that year.

Premised on the above, the continuing operations of the Group turned in a net loss of approximately RM21.7 million in FY2021, compared to that recorded in the preceding year of a net loss of RM19.3 million. With the weighted average number of shares in issue, this translates to a loss per share of 1.11 sen (based on 1,949 million number of shares) in FY2021 compared to 1.55 sen per share (based on 1,220 million number of shares) in the preceding year.

Notwithstanding the above, it is worthwhile to note that should those one-off expenses/costs attributed to the corporate holding company level relating to staff cost arising from the ESOS, notional finance costs incurred due to the deferred payment of the purchase considerations for the various acquisitions, capital raising and corporate exercises of RM17.8 million as described above, the continuing operations of the Group (which comprises the technology-driven F&B, energy storage solution and technology and digital transformation enabler) would have recorded a much lesser net loss of approximately RM3.9 million in FY2021.

The metallurgical coke business, which have been classified as "discontinued operations" by virtue of the fact that the said business operations had ceased on 31 December 2021 and that such business has been slated to be disposed soon by the Group, continued to turn in substantial net loss of RM145.9 million in FY2021. To recapitulate, the metallurgical coke business recorded a net loss of RM162.9 million in the preceding year and RM182.0 million in the year prior to that. This is due to the fact that the coke industry, particularly that of independent coke manufacturer, in China being continually assaulted with multitude challenges and setbacks, stemming primarily from adverse governmental policies which saw incessant production curbs and stoppage, pollution castigation, industry mergers and consolidation, unviable pricing dynamics, etc.

Given the continued dismal financial performance of the metallurgical coke business and the lack of visibility on the prospect of a turnaround in the industry moving forward, the Group had to book in an impairment of approximately RM22.2 million on its property, plant and machinery to better reflect the carrying value of the coke plant.

Consequential to the continued weak financial performance registered by the Group which is largely weighted down by the unabated extensive losses suffered by the metallurgical coke business unit, the Group's overall balance sheet position became severely diminished. In the current financial year, the Group's equity attributable to shareholders plummeted to a negative territory of RM27.7 million, compared to a positive of RM61.1 million in the preceding year.

Notwithstanding the above, the total assets of the Group in FY2021 amounted to RM333.4 million, compared to RM335.7 million recorded in the preceding financial year. Key components of the Group's Total Assets comprised predominantly of (i) Investment in Associates of RM88.6 million which largely were made up of Techna-X's indirect shareholding in the energy storage solution business in China, (ii) Intangible Assets (i.e. goodwill on acquisition, patents, licences, proprietary software, etc) which amounted to RM94.6 million, (iii) Trade and Other Receivables of RM48.9 million, as well as (iv) Assets Held For Sale (i.e. assets relating to the coke business operations) of RM75.6 million. The amount recorded under Assets Held For Sale saw a significant reduction from that of the preceding financial year due to the fact that an impairment was made on the coke assets in this financial year based on the prevailing circumstances besetting the coke business operations.

Total Liabilities registered in FY2021 amounted to RM352.4 million, compared to RM271.1 million in the preceding financial year. Key components of the Total Liabilities comprised (i) Trade Payables of RM25.5 million arising from transactions which were in the ordinary course of business of the Group, (ii) Other Payables which primarily were made up of the deferred purchase consideration owing to the vendors arising from the acquisition of various subsidiaries totalling RM71.0 million, (iii) Amount Owing to an Associate Company which is attributed to the unpaid portion of the subscribed shares in Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. amounting to RM34.5 million, as well as (iv) liabilities directly associated with disposal group classified as "Held For Sale" (i.e. liabilities relating to the coke business operations) of RM184.1 million.

As at 31 December 2021, there was RM1.0 million of RCN which remained outstanding and unconverted into the shares of Techna-X. Accordingly, such amount has been recorded as such in the Statement of Financial Position for FY2021. On the contrary, there were no such outstanding and unconverted RCN at the end of FY2020.

Premised on the above, the Group's Total Equity for the current financial year deteriorated to a deficit of RM19.0 million, out of which RM8.7 million was attributed to the portion of Non-controlling Interest. Accordingly, there is a deficit of RM27.7 million in the Equity Attributable to the Shareholders of Techna-X for the current year. This represents a decline of approximately 145% from that recorded in the preceding financial year of approximately RM61.1 million. The said decrease was primarily attributed to the net decremental effect emanating from the further deterioration in Group's Accumulated Losses.

MOVING FORWARD

The operations of the coke business has since ceased on 31 December 2021, a decision by the Board to address its continued dire financial performance over the past few years to which no visibility of a turnaround is at sight. Accordingly, the Group has now refocused its efforts and resources to develop and grow its remaining digital and technology businesses in line with its business transformation and repositioning strategy.

Premised on the above, the strategic business pillars that will to drive Techna-X Group moving forward, are as follows:-

Smart City

The Group is making its effort to engage with all the local government agencies and councils of all the states within Peninsular Malaysia to introduce Techna-X's own developed Smart City Platform that enables the government agencies and/or local authorities to engage with their respective communities therein intelligently via a mobile app. It allows the local authority and its respective departments to reach out to the community dynamically, with data driven service delivery and sustain a high level of engagement with the members of community, including residents, visitors, local businesses and tourists. Apart from Kuala Lumpur and Cyberjaya, there are several other cities in Malaysia earmarked to be developed as a smart city. This includes Iskandar Malaysia in Johor, Georgetown in Penang and Mukah in Sarawak. Iskandar Regional Development Authority intends to develop Iskandar Malaysia as a smart city by 2025. As such, there is huge potential in terms of the prospects for this business segment.

Agritech

Apart from engaging with key players for durian and vertical farming in the agriculture sector which is the third-highest GDP contributor (7.1%, which is RM101.5 billion) to the country as per the latest data in 2019, the Group also starts to venture into aquaculture industry which is estimated to be worth RM147 million in Malaysia in 2021 and is expected to grow to RM313 million by 2026. The Group believes that the recent partnership agreement inked for the joint development and commercialization of a Smart Integrated Aquaculture Platform for sustainable aquafarming in Malaysia will revolutionize the aquafarming industry and further promote sustainable farming practices in Malaysia. The capabilities of such Smart Integrated Aquaculture Platform include automatic environmental monitoring, water-quality sensing and control, feed optimization, fish/prawn health monitoring, workforce management, as well as yield prediction, all via utilization of the IoT wireless sensors, mobile app, cloud-based A.I. and Big Data Analytics. As such, the farming operators will stand to benefit from a science-based and data-driven approach to maximize efficiency, reduce costs and maximize yield.

Electrical Mobility

The Global Electric Vehicle Market size is projected to grow from 4,093 thousand units in 2021 to 34,756 thousand units by 2030, at a CAGR of 26.8%. On a broader sense, smart mobility essentially deals with the Electric Vehicle ecosystem, covering the production of the powertrain, motor, charger, charging station and battery management system. The Group is expected to ride along the success story of such future technologies especially in the Electric Vehicle industry.

MANAGEMENT DICSUSSION AND ANALYSIS
cont'd

Tapping on to the potential exponential growth of the Electric Vehicle Market, Techna-X had entered into a strategic partnership with former co-founders of Rimac Automobili, one of worlds' leading electric hypercar companies and material and system specialists to design and develop Low Voltage electric mobility solutions. Techna-X anticipates that the low voltage EV technologies will be the solution to electrification of the transport industry for the mass market and plan to be one of the pioneers in this space. The joint venture company, namely E-Rex, which was jointly set up to undertake the abovementioned ventures, has started working on the Electric Vehicle prototype which is expected to be completed by the mid-2022.

Energy Storage

There are broadly two segments in Energy Storage, namely "Stationary storage" (e.g. utility related) and "Transportation storage" (e.g. Electric Vehicle). The demand for the combined segments will grow by 3 to 5 times from 800 GWh in year 2020 to 2,500-4,000 GWh by year 2030. The need for the Energy Storage will be increased in tandem with the increase in renewable energy sector when the traditionally high polluting coal-powered energy production method is gradually replaced by solar and wind energy in larger production mix driven by environmental policies. It is estimated that the Energy Storage will be grown into a US$550bn industry by 2035 and Wood Mackenzie states that the market in China alone will grow 25x in the next 7 years.

In fact, the Group has made major inroads with various discussion on potential partnership and collaboration with key government agencies namely MIGHT, SIRIM, MITI, MIDA, MOSTI, Nano Malaysia, MIMOS, MTDC, and MGTC. In addition, discussions are also under way with listed companies such as Grab, TNB, and Uzma Berhad. The Group is making major stride in making a major contribution in the Sustainability Development Goal (SDG).

Communication and Security Solutions

The technology development and maintenance contract to design and deliver an analytics-enabled public safety and security command system secured by the Group will continue to serve as a springboard for the Group to pursue and secure numerous other opportunities in the communication and security space, both from the public as well as the private sector in the near future.

In anticipation of the above, the Group had partnered with Aiwinn Technology, a leader in safety and security A.I. technologies based in China which has produced a suite of advanced solutions targeted at public safety and law enforcement market. These solutions which amongst others, incorporate facial recognition, crowd control and surveillance, and A.I. predictive analytics, are positioned to address the needs and demands of local government and law enforcement agencies in Malaysia, as well as in the region.

Technology-driven Food & Beverage

With the acquisition of TGI Fridays in Malaysia and in Beijing, China as well as the homegrown Teh Tarik Place brand, Techna-X has embarked on a technology driven road map for the F&B business. Already, the brands have anchored the launch of the M Squared community super app, with future technologies such as A.I. and Data Analytic to accelerate the growth of the business. There are exciting plans which include developing the Group's last mile delivery network as well as expanding into Malaysia and China via the Teh Tarik Place brand which is currently the only restaurant chain in Malaysia where customers can order for dine-in completely through the app platform.

Whilst the Group believes it has put in place the right strategy and business model to future proof itself, there is no denying the fact that the economic challenges brought about by the Covid-19 pandemic in 2020 and 2021 will continue to spill over to a large part of 2022 given the proliferation of new Covid-19 variants such as the Delta and Omicron strains which are more infectious. This is evidenced by a report by International Monetary Fund (IMF) on the World Economic Outlook (dated January 2022) whereby it was stated that the global economy entered 2022 in a weaker position than previously expected. This was brought about by countries reimposing mobility restrictions as the Omicron variant spreads. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the US and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

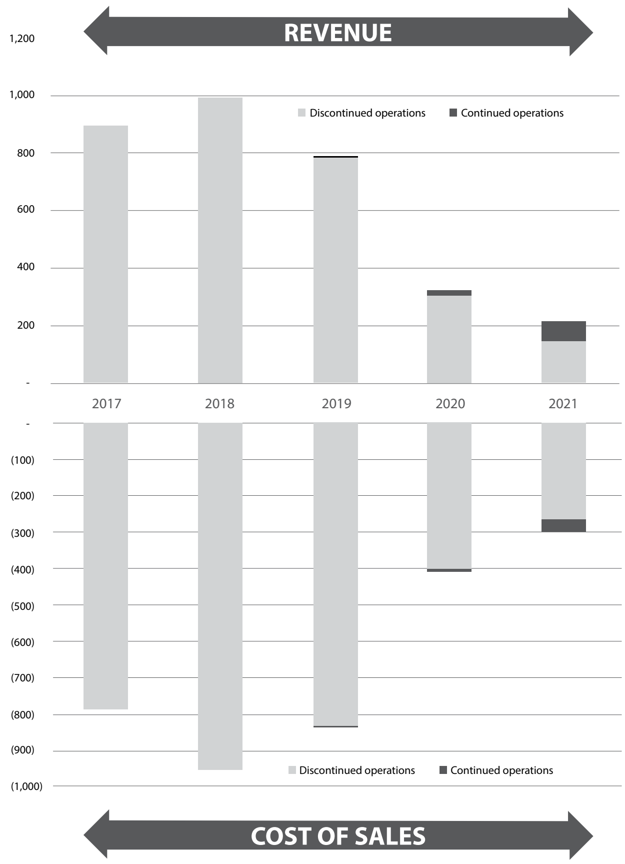
Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022 – half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions – especially with debt levels having increased significantly in the past two years – may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

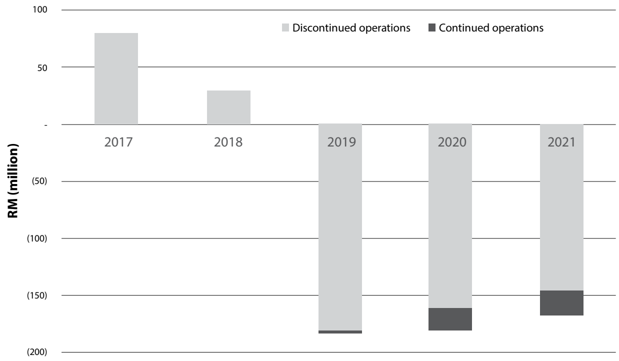
(World Economic Outlook – IMF, January 2022)

HISTORICAL FINANCIAL RESULTS

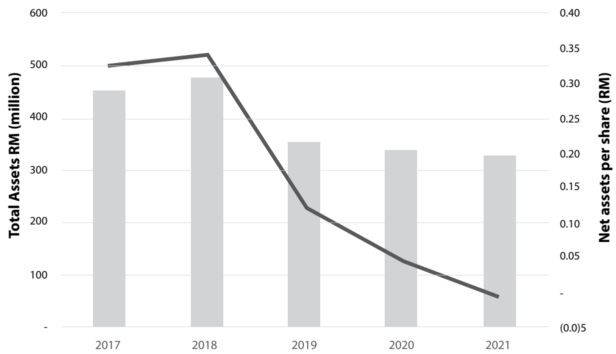
REVENUE VS COST OF SALES
RM (million)



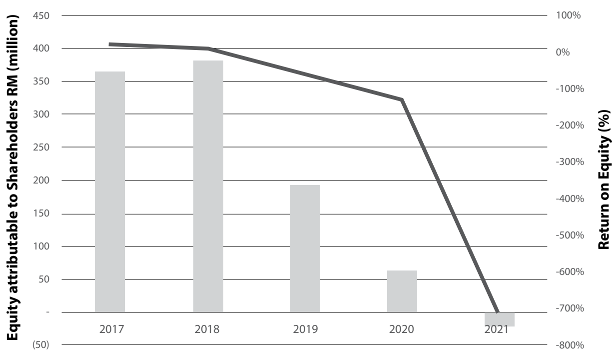
PROFIT/(LOSS) AFTER TAX



TOTAL ASSETS VS NET ASSET PER SHARES



EQUITY ATTRIBUTABLE TO SHAREHOLDERS VS RETURN ON EQUITY



FINANCIAL STATEMENTS

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 activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss for the financial year attributable to:		
Owners of the Company	167,585	28,658
Non-controlling interests	43	-
	167,628	28,658

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial year under review.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from 1,537,952,000 to 2,201,715,000 ordinary shares by way of the issuance of:

(a) 357,400,000 new ordinary shares pursuant to the conversion of Redeemable Convertible Notes at an average conversion price of RM0.11 per share amounting to RM40,000,000; and
(b) 306,363,000 new ordinary shares pursuant to the private placement at an average price of RM0.10 per share amounting to RM29,528,000.

The new ordinary shares issued during the financial year ranks pari-passu in all respect with the existing ordinary shares of the Company.

There was no issuance of debentures by the Company during the financial year.

REDEEMABLE CONVERTIBLE NOTES

On 5 September 2019, the shareholders of the Company approved the issuance of up to 3 tranches of Redeemable Convertible Notes ("RCN") with an aggregate principal amount up to RM150,000,000 at an Extraordinary General Meeting which is convertible into a maximum of 833,333,333 new shares based on the minimum conversion price of RM0.18 which was subsequently revised to RM0.10 on 11 November 2019 through a supplementary agreement. The RCN has a tenure of 3 years from the closing date of the first sub-tranche of Tranche 1 Notes ("Maturity Date"). During the financial year, the Company had issued a total of RM41,000,000 (2020: RM21,000,000) RCN and a total of RM40,000,000 (2020: RM26,000,000) RCN were converted into 357,400,000 (2020: 260,000,000) new ordinary shares.

Details of the RCN are set out in Note 22 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

On 30 June 2021, the shareholders of the Company approved the Employee Share Option Scheme ("ESOS") granted to the eligible Directors and employees of the Company and its subsidiary companies and was subsequently implemented on 1 October 2021. During the financial year, the Company has offered 137,000,000 ESOS with an exercise price of RM0.0703.

The salient features and terms of the ESOS are disclosed in Note 17(e) to the financial statements.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar
Liu Guodong
Lim See Tow
Zhai Baoxing
Datuk Lim Chih Li @ Lin Zhili
Balraj Singh Pannu A/L Gajjan Singh
Ahmad Rizan Bin Ibrahim (Appointed on 10 September 2021)

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares			
	At 1.1.2021	**Bought**	**Sold**	**At 31.12.2021**
Techna-X Berhad				
Direct interest				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	12,073,700	-	-	12,073,700
Datuk Lim Chih Li @ Lin Zhili	-	2,350,000	-	2,350,000
Indirect interest				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (1)	304,492,259	150,000	-	304,642,259
Liu Guodong (2)	74,000,057	-	-	74,000,057

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS (CONT'D)

	Number of ESOS			
	At 1.1.2021	Offered	Converted	At 31.12.2021
Techna-X Berhad				
Direct interest				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	-	50,000,000	-	50,000,000
Datuk Lim Chih Li @ Lin Zhili	-	60,000,000	-	60,000,000

(1) Deemed interested by virtue of his interest in Rock Point Alliance Sdn. Bhd., Syarikat Pesaka Antah Sdn. Bhd. and Syarikat Pesaka Radin Sdn. Bhd. and deemed interested by virtue of his family relationship with the relevant persons.

(2) Deemed interested by virtue of his interest in Libran Infinity Inc.

By virtue of their interests in the shares of the Company, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Datuk Lim Chih Li @ Lin Zhili and Liu Guodong are deemed to have interests in the shares of all its subsidiary companies to the extent the Company has an interest.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in the office at the end of the financial year did not hold any interest in shares or debentures in the Company or its subsidiary companies during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Group and of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are disclosed in Note 25 to the financial statements.

SUBSIDIARY COMPANIES

Details of the subsidiary companies are disclosed in Note 5 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are disclosed in Note 25 to the financial statements.

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for Directors or officers of the Company in accordance with Section 289 of the Companies Act, 2016.

OTHER STATUTORY INFORMATION

(a) Before the financial statements 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of Company have been written down to an amount which the current assets might be expected so to realise.

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

   (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

   (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

   (iv) any amount stated in the financial statements of the Group and of the Company misleading.

(c) No contingent or other liability of any company in the Group has become enforceable, or are 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

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

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

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

(e) In the opinion of the Directors:

   (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; 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 EVENTS

Details of the significant events are disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT
cont'd

SUBSEQUENT EVENTS

Details of the subsequent events are disclosed in Note 36 to the financial statements.

AUDITORS

HLB Ler Lum Chew PLT (201906002362 & AF0276) have indicated their willingness to accept appointment as auditors of the Company in place of the retiring auditors, HLB AAC PLT (202006000008 & AF001977).

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR

DATUK LIM CHIH LI @ LIN ZHILI

Kuala Lumpur
8 April 2022

STATEMENT BY DIRECTORS

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

We, **Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR** and **DATUK LIM CHIH LI @ LIN ZHILI**, being two of the Directors of **TECHNA-X BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 79 to 153 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 financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR

DATUK LIM CHIH LI @ LIN ZHILI

KUALA LUMPUR
8 April 2022

STATUTORY DECLARATION

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

I, **DATUK LIM CHIH LI @ LIN ZHILI**, being the Director primarily responsible for the financial management of **TECHNA-X BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 79 to 153 are to the best of my knowledge and belief, 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 DATUK LIM CHIH LI @ LIN)
ZHILI at KUALA LUMPUR in the Federal)
Territory on this date of 8 April 2022)

DATUK LIM CHIH LI @ LIN ZHILI

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

To the members of Techna-X Berhad
Registration No.: 200601012477 (732227-T)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Techna-X Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other 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 79 to 153.

In our opinion, the accompanying financial statements 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 their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Liquidity position of the Group and the Company (Refer to Note 2(a) to the financial statements)	
The Group and the Company incurred a loss from continuing operations of RM21,724,000 and RM21,531,000 respectively for the financial year ended 31 December 2021, and as of that date, the Group's current liabilities exceeded its current assets by RM211,695,000 and a deficit of shareholders' funds of RM27,673,000.	Our audit procedures included the following: • Evaluated management's going concern assessment that covers twelve months from the date of financial statements through review of the cash flows forecast; • Inquired management as to its knowledge of events or conditions beyond the period of management's going concern assessment;

INDEPENDENT AUDITORS' REPORT

To the members of Techna-X Berhad
Registration No.: 200601012477 (732227-T)
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the key audit matter
Liquidity position of the Group and the Company (Refer to Note 2(a) to the financial statements) (cont'd)	
In assessing the liquidity position of the Group and the Company, management has considered the repayment obligations for liabilities and cost overheads which are due in the next 12 months, taking into consideration of the following: (a) Proceeds from the proposed disposal of PIPO Overseas Limited; (b) Issuance of the remaining tranches of the Redeemable Convertible Notes ("RCN"); (c) Undertaking by the vendors of the recent acquisitions undertaken by the Group for outstanding balances as stated in Note 18(b) to the financial statements to not seek repayment should the Group and the Company lack the capacity to repay the vendors; and (d) Ability of the Group to generate sufficient cash flows from its continuing operations in the next 12 months. We considered this is an area of audit focus due to the significant degree of judgements and estimates used by the management in arriving the cash flows forecast.	Our audit procedures included the following: (cont'd) • Assessed the reasonableness of the management's key assumptions used and judgement exercised on its cash flows forecast; • Evaluated the necessary supporting documentation to support the circumstances used in the cash flows forecast; and • Considered the completeness and accuracy of disclosure in the financial statements.
Goodwill impairment assessment (Refer to Note 2(c)(ii), Note 2(h)(i) and Note 8 to the financial statements)	
As at 31 December 2021, the Group recognised goodwill amounting to RM89,070,000 arising from its various business segments. Pursuant to MFRS 136 "Impairment of Assets", the Group is required to perform annual impairment assessments on its goodwill. The Group estimated the recoverable amount of the respective segments' cash generating unit ("CGU") to which goodwill is allocated based on its value-in-use ("VIU"). In view of the significant carrying amount of the various CGU (including goodwill), coupled with the complexity and subjectivity of the assumptions involved in the impairment test, we consider this to be an audit focus.	We evaluated management's impairment assessment and the process by which they were developed and its oversight of the impairment assessment by the Board of Directors. We challenged assumptions used in the impairment assessment model which, amongst others, include: • forecast revenue; • forecast cost of sales and operating costs; • forecast capital expenditure; • discount rates; and • terminal growth rates. Sensitivity analysis was performed on key assumptions used by management and we assessed the impact on the recoverable amount of the respective CGUs within a reasonable range. Based on the impairment assessment, there was a deficit between recoverable amount from the technology and digital transformation enabler CGU segment. Accordingly, the Group had recognised an impairment loss amounting to RM7,865,000 as disclosed in Note 8 to the financial statements.

INDEPENDENT AUDITORS' REPORT

To the members of Techna-X Berhad
Registration No.: 200601012477 (732227-T)
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on investment in associate (Refer to Note 2(c)(i), Note 2(i) and Note 6 to the financial statements)	
As at 31 December 2021, the Group recorded investment in associate arising from Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. and its subsidiary amounting to RM88,583,000. The Group estimated the recoverable amount of the investment in associate based on its value-in-use ("VIU"). In view of the significant carrying amount of the investment in associate, coupled with the complexity and subjectivity of the assumptions involved in the annual impairment test, we consider this to be an audit focus.	We evaluated management's impairment assessment and the process by which they were developed and its oversight of the impairment assessment by the Board of Directors. We challenged assumptions used in the impairment assessment model which, amongst others, include: • forecast revenue; • forecast cost of sales and operating costs; • forecast capital expenditure; • discount rates; and • terminal growth rates. Sensitivity analysis was performed on key assumptions used by management and we assessed the impact on the recoverable amount of the investment in associate within a reasonable range.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

INDEPENDENT AUDITORS' REPORT

To the members of Techna-X Berhad
Registration No.: 200601012477 (732227-T)
(Incorporated in Malaysia)
cont'd

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT
To the members of Techna-X Berhad
Registration No.: 200601012477 (732227-T)
(Incorporated in Malaysia)
cont'd

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to financial statements.

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 any responsibility to any other person for the content of this report.

HLB AAC PLT
(202006000008 & AF001977)
Chartered Accountants

CHEW LOONG JIN
Approved Number: 03279/03/2023 J
Chartered Accountant

KUALA LUMPUR
8 April 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

		Group		Company	
		2021	**2020**	**2021**	**2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
			Restated		
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	7,409	3,831	147	161
Prepaid lease payments	4	-	-	-	-
Investment in subsidiary companies	5	-	-	116,019	110,682
Investment in associates	6	88,583	81,786	-	-
Right-of-use assets	7	2,753	6,118	100	234
Intangible assets	8	94,562	99,267	-	-
Deferred tax assets	9	143	-	-	-
		193,450	191,002	116,266	111,077
Current Assets					
Inventories	10	1,007	311	-	-
Trade receivables	11	31,966	844	-	-
Other receivables	12	16,904	7,201	3,916	34
Amount owing by an associate	13	971	-	-	-
Tax recoverable		654	549	-	-
Cash and cash equivalents	14	12,842	6,885	1,357	3,088
		64,344	15,790	5,273	3,122
Assets of disposal group classified as held for sale	15	75,624	128,920	55,650	54,041
		139,968	144,710	60,923	57,163
TOTAL ASSETS		333,418	335,712	177,189	168,240

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021
cont'd

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
			Restated		
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	1,222,833	1,153,305	1,222,833	1,153,305
Reserves	17	(544,788)	(555,633)	7,987	-
Accumulated losses		(705,718)	(536,524)	(1,097,402)	(1,068,744)
Equity attributable to owners of the Company		(27,673)	61,148	133,418	84,561
Non-controlling interests		8,654	3,469	-	-
TOTAL EQUITY		(19,019)	64,617	133,418	84,561
LIABILITIES					
Non-Current Liabilities					
Other payables	18	-	30,161	-	18,741
Deferred tax liabilities	9	65	19	-	-
Lease liabilities	19	709	3,490	-	102
		774	33,670	-	18,843
Current Liabilities					
Trade payables	20	25,510	2,896	-	-
Other payables	18	102,110	99,312	42,669	64,703
Amount owing to an associate	13	34,542	35,339	-	-
Lease liabilities	19	2,825	3,491	102	133
Borrowings	21	1,560	1,987	-	-
Redeemable convertible notes	22	1,000	-	1,000	-
Provision for taxation		13	12	-	-
		167,560	143,037	43,771	64,836
Liabilities directly associated with disposal group classified as held for sale	15	184,103	94,388	-	-
		351,663	237,425	43,771	64,836
TOTAL LIABILITIES		352,437	271,095	43,771	83,679
TOTAL EQUITY AND LIABILITIES		333,418	335,712	177,189	168,240

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 Restated	Company 2021 RM'000	Company 2020 RM'000
Continuing operations					
Revenue	23	68,621	19,628	-	-
Cost of sales		(36,990)	(7,766)	-	-
Gross profit		31,631	11,862	-	-
Other income		5,472	1,650	6,834	49
Administration and operating expenses		(58,226)	(29,929)	(35,442)	(141,913)
Share of associates' results	6	(398)	(439)	-	-
Finance cost	24	(371)	(2,086)	(50)	(1,393)
Loss before taxation	25	(21,892)	(18,942)	(28,658)	(143,257)
Taxation	26	168	(314)	-	-
Loss from continuing operations		(21,724)	(19,256)	(28,658)	(143,257)
Discontinued operations					
Loss from discontinued operations	15	(145,904)	(162,852)	-	-
Total loss for the financial year		(167,628)	(182,108)	(28,658)	(143,257)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
- Exchange differences arising from translation of foreign operations		6,472	12,781	-	-
Total comprehensive expense for the financial year		(161,156)	(169,327)	(28,658)	(143,257)
Loss for the financial year attributable to:					
- Owners of the Company		(167,585)	(181,757)	(28,658)	(143,257)
- Non-controlling interests		(43)	(351)	-	-
		(167,628)	(182,108)	(28,658)	(143,257)
Total comprehensive expense for the financial year attributable to:					
- Owners of the Company		(162,434)	(168,922)	(28,658)	(143,257)
- Non-controlling interests		1,278	(405)	-	-
		(161,156)	(169,327)	(28,658)	(143,257)
Basic loss per share attributable to the owners of the Company from:					
- Continuing operations	27(a)	(1.11)	(1.55)		
- Discontinued operations	27(a)	(7.48)	(13.35)		
		(8.59)	(14.90)		
Diluted loss per share attributable to the owners of the Company from:					
- Continuing operations	27(b)	(1.11)	(1.55)		
- Discontinued operations	27(b)	(7.48)	(13.35)		
		(8.59)	(14.90)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the Financial Year Ended 31 December 2021

Group	Note	Share Capital RM'000	Reverse Acquisition Reserve RM'000	Foreign Currency Translation Reserve RM'000	Statutory Common Reserve Fund RM'000	Share Option Reserve RM'000	Accumulated Losses RM'000	Subtotal RM'000	Non-controlling interests RM'000	Total Equity RM'000
		Attributable to Owners of the Company								
		Non-Distributable								
At 1 January 2020		1,115,045	(799,823)	179,357	49,358	2,640	(354,767)	191,810	-	191,810
Issuance of shares, net of share issuance costs pursuant to:	16									
- Conversion of RCN		26,000	-	-	-	-	-	26,000	-	26,000
- Debt settlement		3,500	-	-	-	-	-	3,500	-	3,500
- Private placement		8,760	-	-	-	-	-	8,760	-	8,760
		38,260	-	-	-	-	-	38,260	-	38,260
Acquisition of subsidiary companies		-	-	-	-	-	-	-	3,874	3,874
Loss for the financial year		-	-	-	-	-	(181,757)	(181,757)	(351)	(182,108)
Other comprehensive income/(expense):										
- Exchange differences arising from translation of foreign operations		-	-	12,835	-	-	-	12,835	(54)	12,781
Total comprehensive income/(expense) for the financial year		-	-	12,835	-	-	(181,757)	(168,922)	(405)	(169,327)
At 31 December 2020		1,153,305	(799,823)	192,192	49,358	2,640	(536,524)	61,148	3,469	64,617

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2021
cont'd

		Attributable to Owners of the Company									
		Non-Distributable									
Group	**Note**	**Share Capital RM'000**	**Reverse Acquisition Reserve RM'000**	**Foreign Currency Translation Reserve RM'000**	**Statutory Common Reserve Fund RM'000**	**Share Option Reserve RM'000**	**Employee Share Option Scheme Reserve RM'000**	**Accumulated Losses RM'000**	**Subtotal RM'000**	**Non-controlling interests RM'000**	**Total Equity RM'000**
At 1 January 2021		1,153,305	(799,823)	192,192	49,358	2,640	-	(536,524)	61,148	3,469	64,617
Issuance of shares, net of share issuance costs pursuant to:	16										
- Conversion of RCN		40,000	-	-	-	-	-	-	40,000	-	40,000
- Private placement		29,528	-	-	-	-	-	-	29,528	-	29,528
		69,528	-	-	-	-	-	-	69,528	-	69,528
Employee shares option scheme granted		-	-	-	-	-	7,987	-	7,987	-	7,987
Accretion of interest in a subsidiary		-	-	(2,293)	-	-	-	(1,609)	(3,902)	3,902	-
Acquisition of a subsidiary company		-	-	-	-	-	-	-	-	5	5
Loss for the financial year		-	-	-	-	-	-	(167,585)	(167,585)	(43)	(167,628)
Other comprehensive income:											
- Exchange differences arising from translation of foreign operations		-	-	5,151	-	-	-	-	5,151	1,321	6,472
Total comprehensive income/(expense) for the financial year		-	-	5,151	-	-	-	(167,585)	(162,434)	1,278	(161,156)
At 31 December 2021		1,222,833	(799,823)	195,050	49,358	2,640	7,987	(705,718)	(27,673)	8,654	(19,019)

STATEMENTS OF CHANGES IN EQUITY
For the Financial Year Ended 31 December 2021
cont'd

		Non-Distributable			
	Note	Share Capital RM'000	Employee Share Option Scheme Reserve RM'000	Accumulated Losses RM'000	Total RM'000
Company					
At 1 January 2020		1,115,045	-	(925,487)	189,558
Issuance of shares, net of share issuance costs pursuant to:	16				
- Conversion of RCN		26,000	-	-	26,000
- Debts settlement		3,500	-	-	3,500
- Private placement		8,760	-	-	8,760
		38,260	-	-	38,260
Loss/Total comprehensive expense for the financial year		-	-	(143,257)	(143,257)
At 31 December 2020		1,153,305	-	(1,068,744)	84,561
At 1 January 2021		1,153,305	-	(1,068,744)	84,561
Issuance of shares, net of share issuance costs pursuant to:	16				
- Conversion of RCN		40,000	-	-	40,000
- Private placement		29,528	-	-	29,528
		69,528	-	-	69,528
Employee share option scheme granted		-	7,987	-	7,987
Loss/Total comprehensive expense for the financial year		-	-	(28,658)	(28,658)
At 31 December 2021		1,222,833	7,987	(1,097,402)	133,418

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000 Restated	RM'000	RM'000
Cash flows from operating activities					
Loss before taxation					
- from continuing operations		(21,892)	(18,942)	(28,658)	(143,257)
- from discontinued operations		(145,904)	(162,852)	-	-
		(167,796)	(181,794)	(28,658)	(143,257)
Adjustments for:					
Amortisation of:					
- prepaid lease payments		1,115	1,050	-	-
- intangible assets	8	887	834	-	-
Bad debts written off		-	338	-	-
Depreciation of:					
- property, plant and equipment		21,228	25,614	36	2
- right-of-use assets	7	2,892	2,937	134	22
Employee share option scheme granted		7,987	-	7,987	-
Impairment loss on:					
- goodwill	8	7,865	-	-	-
- investment in subsidiary companies		-	-	13,805	131,871
- property, plant and equipment		22,159	-	-	-
- trade receivables	11	114	279	-	-
Property, plant and equipment written off	3	-	57	-	-
Provision for compensation on unfulfilled obligation		-	30,304	-	-
Share of associate results		398	439	-	-
Fair value loss on contingent consideration payables		8,707	1,740	9,172	868
Unrealised foreign exchange (gain)/loss			-	(6,740)	3,733
Waiver of debts		(144)	(129)	-	-
Finance income		(36)	(53)	(26)	(38)
Finance cost		371	2,483	50	1,393
Operating loss before working capital changes		(94,253)	(115,901)	(4,240)	(5,406)
Changes in working capital:					
Inventories		(207)	32,011	-	-
Trade receivables		(31,014)	53,864	-	-
Other receivables		(8,417)	6,641	(3,882)	(18)
Amount owing by/to subsidiary companies		-	-	(9,106)	(19,256)
Trade payables		21,701	2,880	-	-
Other payables		58,956	(8,673)	(49,947)	(1,779)
Cash used in operations		(53,234)	(29,178)	(67,175)	(26,459)
Interest paid		(371)	(1,062)	(50)	(164)
Tax paid		(31)	(400)	-	-
Net cash used in operating activities		(53,636)	(30,640)	(67,225)	(26,623)

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 31 December 2021
cont'd

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
			Restated		
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired		(28)	(117)	-	-
Acquisition of intangible assets		(310)	-	-	-
Investment in subsidiary companies		-	-	(4,905)	(1,500)
Interest received		36	53	26	38
Purchase of property, plant and equipment	3	(4,120)	(6,712)	(22)	(161)
Net cash used in investing activities		(4,422)	(6,776)	(4,901)	(1,623)
Cash flows from financing activities					
Proceeds from issuances of Redeemable Convertible Notes	22	41,000	21,000	41,000	21,000
Proceeds from issuance of shares pursuant to private placement, net of share issuance costs	16	29,528	8,760	29,528	8,760
Repayment of bank borrowings		(427)	(513)		-
Repayment of lease liabilities	19	(3,160)	(2,923)	(133)	(21)
Net cash generated from financing activities		66,941	26,324	70,395	29,739
Net increase/(decrease) in cash and cash equivalents		8,883	(11,092)	(1,731)	1,493
Effects of foreign exchange rate changes		(2,665)	6,069	-	-
Cash and cash equivalents at the beginning of the financial year		6,885	14,984	3,088	1,595
Cash and cash equivalents from disposal group held for sale	15	(261)	(3,076)	-	-
Cash and cash equivalents at the end of the financial year		12,842	6,885	1,357	3,088
Cash and cash equivalents at the end of the financial year comprises:					
- Cash and bank balances	14	11,879	5,448	394	1,651
- Deposits placed with licensed banks	14	963	1,437	963	1,437
		12,842	6,885	1,357	3,088

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Unit 2.2, Level 2, Work@Clearwater, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

The financial statements of the Group and of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors dated 8 April 2022.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies.

The Group and the Company has prepared its financial statements by applying the going concern basis notwithstanding that the Group and the Company incurred a loss from continuing operations of RM21,724,000 and RM21,531,000 respectively during the financial year ended 31 December 2021, and as at that date, the Group's current liabilities exceeded its current assets by RM211,695,000 and recorded a deficit of shareholders' funds of RM27,673,000, thereby indicating doubts over the Group's and the Company's ability to continue as going concerns.

The Group has prepared a cash flow forecast in consideration of the following:

(i) The Group has put in place a rationalisation plan to dispose of the heavily loss-making metallurgical coke business as disclosed in Note 15 to the financial statements, in which the Group expects the disposal to be completed in year 2022. Such a move will allow the Group to mitigate all negative impacts from the continuous significant losses expected to be suffered by this discontinued operation in the immediate future;

(ii) The Group has remaining unutilised tranches of Redeemable Convertible Notes up to RM81,000,000 available for future drawdown;

(iii) The Group have engaged with the vendors of the recent acquisitions undertaken by the Group which form large part of the other payables of the Group as disclosed in Note 18(b) to the financial statements. The vendors understand the challenges facing by the Group during the COVID-19 pandemic and agree not to seek repayment should the Group lack the capacity to repay the vendors; and

(iv) The Group ability to generate profitable operations and positive cash flows from its continuing operations.

Significant assumptions and judgements are used in the preparation of the cash flows forecast.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (cont'd)

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c).

Amendments to accounting standards that are effective for the Group and the Company's financial year beginning on or after 1 January 2021 are as follows:

- Amendments to MFRS Standards arising from Interest Rate Benchmark Reform - Phase 2:
  - Amendments to MFRS 4, "Insurance Contracts"
  - Amendments to MFRS 7, "Financial Instruments: Disclosures"
  - Amendments to MFRS 9, "Financial Instruments"
  - Amendments to MFRS 16, "Leases"
  - Amendments to MFRS 139, "Financial Instruments: Recognition and Measurement"

The above amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

The Group and the Company early adopted amendment to MFRS 16, "Leases" (COVID-19-Related Rent Concessions beyond 30 June 2021) which exempts lessees from having to determine whether rent concessions on individual lease contracts as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.

Accounting standard and amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2022

- Amendments to MFRS 3, "Business Combinations" (Reference to the Conceptual Framework)
- Amendments to MFRS 116, "Property, Plant and Equipment" (Proceeds before Intended Use)
- Amendments to MFRS 137, "Provision, Contingent Liabilities and Contingent Assets" (Onerous Contracts - Cost of Fulfilling a Contract)
- Annual Improvement to MFRS Standards 2018 – 2020:
  - Amendment to MFRS 1, "First-time Adoption of Malaysian Financial Reporting Standards"
  - Amendment to MFRS 9, "Financial Instruments"
  - Amendment to Illustrative Examples accompanying MFRS 16, "Leases"
  - Amendment to MFRS 141, "Agriculture"

Annual periods beginning on/after 1 January 2023

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts"
- Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Disclosure of Accounting Policies)
- Amendments to MFRS 108, "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates)
- Amendments to MFRS 112, "Income Taxes" (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (cont'd)

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10, "Consolidated Financial Statements" and MFRS 128, "Investments in Associates and Joint Ventures" (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The adoption of the accounting standard and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

(b) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or 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 are set out below:

(i) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When such indicators exist, recoverable amounts of the cash-generating unit are determined based on the value-in-use calculation. These calculations require the estimation of the expected future cash flows from the cash generating unit and a suitable discount rate is applied in order to calculate the present value of those cash flows.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Changes in these estimations could significantly affect the recoverable amount at the end of each reporting period.

(iii) Measurement of expected credit loss allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(c) Significant accounting estimates and judgements (cont'd)

(iv) Classification of investment in an associate

The Directors have assessed the level of influence of the Group on Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. ("GABNEIT") and have determined that it retains a significant influence in its investment. Consequently, the investment is classified as an associate.

Significant judgements are involved in determining the significant influence of the Group's investment in GABNEIT. Changes in the judgement over the classification of its investment as an associate or a subsidiary would significantly affect the Group's accounting for the basis of consolidation of its investment in GABNEIT and the resultant financial position and results of the Group.

(d) Basis of consolidation for subsidiaries

(i) Subsidiary companies

Subsidiaries are entities, including structured entities, controlled by the Group. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation for subsidiaries (cont'd)

(i) Subsidiary companies (cont'd)

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, the proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Dilution gains or losses arising from investments in associates are recognised in profit or loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment if the carrying value exceeds the recoverable amount of the associate and recognises the difference as impairment losses in profit or loss.

(e) Investments in subsidiaries and associates

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in the profit or loss.

(ii) Depreciation and impairment

Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

Building and leasehold improvement	10 - 20 years
Plant and machinery	10 years
Office furniture and equipment	5 - 10 years
Smallwares, decoration, restaurant and kitchen equipment	10 years
Electrical installation	10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount in accordance with accounting policy Note 2(i) to the financial statements.

(g) Leases by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Leases by lessee (cont'd)

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(h) Intangible assets

(i) Goodwill arising on consolidation

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Acquired franchise fee

Acquired franchise fee are recognised as an asset and initially measured at cost.

Acquired franchise fee is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on straight-line basis to allocate the cost over its estimated useful lives of 10 years.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible assets (cont'd)

(iii) Acquired source code, patents and software

Acquired source code, patents and software have finite lives and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the accumulated straight-line method to allocate the cost of the computer software over its estimated useful lives of 5 to 10 years.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

(i) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(j) Inventories

(i) Manufacturing and trading

Inventories comprising raw material, work-in-progress and finished goods are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the weighted average cost method. The cost of work-in-progress and finished goods comprise cost of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventories (cont'd)

(ii) Food and beverage

Inventories comprising food and beverage are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the weighted average cost method. The cost of work-in-progress and finished goods comprise cost of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Provisions for liabilities

Provisions for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(m) Foreign currencies

(i) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, 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.

(ii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rate prevailing at the reporting date;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken directly to other comprehensive income through the foreign currency translation reserve.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Foreign currencies (cont'd)

(ii) Foreign operations (cont'd)

Goodwill and fair value adjustments arising on the acquisitions of the exchange differences are treated as assets and liabilities of the foreign operation and are translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the foreign currency translation reserve.

(n) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Financial assets (cont'd)

(iii) Subsequent measurement

Debt instruments

Debt instruments mainly comprise of trade receivables, other receivables, amount owing by related parties and cash and cash equivalents.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost

  Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI

  Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method in profit or loss.

- FVTPL

  Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all its equity investments at fair value. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are recognised in OCI. Dividends from equity investments are recognised in profit or loss when the Group's and Company's right to receive payments is established.

(iv) Impairment

The Group and the Company assess expected credit losses associated with its debt instruments carried at amortised cost and at FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Financial assets (cont'd)

(iv) Impairment (cont'd)

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

In measuring expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company define a financial instrument as default, which is aligned with the definition of credit-impaired, when 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 Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

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.

(o) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Fair value though profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(q) Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view for resale. Classification as a discontinued operation occurs upon disposal or when the operations meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(r) Revenue and income recognition

(i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group'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 will collect the consideration to which it will be entitled to in exchange of those goods or services.

<u>Sale of metallurgical coke and other related by-products</u>

Revenue from sale of metallurgical coke and other related by-products are recognised when the Group satisfies the performance obligation by transferring the promised goods to the customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

<u>Technology and digital transformation enabler</u>

(i) Software development and consultancy

Revenue from software development and consultancy is recognised when the Group satisfies a performance obligation by transferring a promised goods or services to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue and income recognition (cont'd)

(i) Revenue from contracts with customers (cont'd)

Technology and digital transformation enabler (cont'd)

(ii) Software maintenance services

The provision of software maintenance services is recognised when the services are rendered and the customer simultaneously receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(iii) Digital platform services

Digital platform represents the commission fees and transaction fees based on the number of transactions through the Group's digital platform. Digital platform services is recognised when the services are rendered and the customer simultaneously receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(iv) Data analysis services

Revenue from data analysis services is recognised when the Group satisfies a performance obligation by transferring a promised service to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of services and acceptance by customers.

Energy storage solutions

Revenue from sale of energy storage product is recognised when the Group satisfies the performance obligation by transferring the promised goods to the customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

Restaurant

(i) Sale of food and beverage

Revenue from sale of food and beverage is recognised when the Group satisfies a performance obligation by transferring control of the food and beverage to a customer, which coincides with the delivery of goods and services and acceptance by customers.

(ii) Franchising income

Franchising income represents the rights granted to the franchisees to operate their restaurant business under the brand name which owned by the Group. Franchising income is recognised over the contract period.

(iii) Royalties income

Royalties income represents the royalties fee charged to the franchisees based on certain percentage of the franchisees' revenue. Royalties income is recognised on a monthly basis over the term of the franchise agreement.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue and income recognition (cont'd)

(ii) Other revenue and income

Revenue and income from other sources are recognised as follows:

Dividend income

Dividend income is recognised when the right to receive payment is established.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(s) Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by 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.

(t) Employee benefits

(i) Short term employee 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 compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Employee benefits (cont'd)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. The Group contributes to the statutory pension schemes as defined by the laws of the countries in which it has operations.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

(u) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director that makes strategic decisions.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Building and leasehold improvement RM'000	Plant and machinery RM'000	Office furniture and equipment RM'000	Smallwares, decoration, restaurant and kitchen equipment RM'000	Electrical installation RM'000	Motor vehicles RM'000	Construction work-in-progress RM'000	Total RM'000
2021									
Cost									
At 1 January 2021		6,981	-	3,398	5,374	2,636	514	1,094	19,997
Acquisition of subsidiary companies	5	4,064	-	564	2,411	1,368	-	-	8,407
Additions		280	-	420	313	140	81	2,886	4,120
Transfers		629	-	201	264	-	-	(1,094)	-
Written off		(1,085)	-	(126)	(397)	(172)	-	-	(1,780)
Exchange differences		201	-	47	118	67	(2)	-	431
At 31 December 2021		11,070	-	4,504	8,083	4,039	593	2,886	31,175
Accumulated depreciation									
At 1 January 2021		5,081	-	2,209	4,223	2,176	514	-	14,203
Acquisition of subsidiary companies	5	3,961	-	564	2,311	1,360	-	-	8,196
Charge for the financial year		259	-	252	148	90	2	-	751
Written off		(352)	-	(98)	(134)	(111)	-	-	(695)
Exchange differences		196	-	56	114	67	-	-	433
At 31 December 2021		9,145	-	2,983	6,662	3,582	516	-	22,888
Accumulated impairment losses									
At 1 January 2021		1,174	-	45	647	97	-	-	1,963
Written off		(735)	-	(27)	(262)	(61)	-	-	(1,085)
At 31 December 2021		439	-	18	385	36	-	-	878
Carrying amount									
At 31 December 2021		1,486	-	1,503	1,036	421	77	2,886	7,409

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Note	Building and leasehold improvement RM'000	Plant and machinery RM'000	Office furniture and equipment RM'000	Smallwares, decoration, restaurant and kitchen equipment RM'000	Electrical installation RM'000	Motor vehicles RM'000	Construction work-in-progress RM'000	Total RM'000
2020 (Restated)									
Cost									
At 1 January 2020		318,217	324,303	5,007	5,410	2,649	5,959	10,062	671,607
Acquisition of subsidiary companies		-	-	675	-	-	-	-	675
Additions		-	-	255	63	-	-	6,394	6,712
Transfers		-	15,675	75	-	-	-	(15,750)	-
Transfers to disposal group held for sale	15	(327,447)	(357,067)	(2,569)	-	-	(4,956)	(96)	(692,135)
Written off		(125)	(7)	(175)	(99)	(13)	(771)	-	(1,190)
Exchange differences		16,336	17,096	130	-	-	282	484	34,328
At 31 December 2020		6,981	-	3,398	5,374	2,636	514	1,094	19,997
Accumulated depreciation									
At 1 January 2020		165,825	235,801	3,493	4,143	2,066	5,364	-	416,692
Acquisition of subsidiary companies		-	-	573	-	-	-	-	573
Charge for the financial year		6,406	18,340	370	135	123	240	-	25,614
Transfers to disposal group held for sale	15	(175,500)	(266,595)	(2,167)	-	-	(4,571)	-	(448,833)
Written off		(123)	(6)	(165)	(55)	(13)	(771)	-	(1,133)
Exchange differences		8,473	12,460	105	-	-	252	-	21,290
At 31 December 2020		5,081	-	2,209	4,223	2,176	514	-	14,203

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Note	Building and leasehold improvement RM'000	Plant and machinery RM'000	Office furniture and equipment RM'000	Smallwares, decoration, restaurant and kitchen equipment RM'000	Electrical installation RM'000	Motor vehicles RM'000	Construction work-in-progress RM'000	Total RM'000
2020 (Cont'd)									
Accumulated impairment losses									
At 1 January 2020		111,990	57,858	282	647	97	223	-	171,097
Transfers to disposal group held for sale	15	(116,635)	(60,896)	(249)	-	-	(235)	-	(178,015)
Exchange differences		5,819	3,038	12	-	-	12	-	8,881
At 31 December 2020		1,174	-	45	647	97	-	-	1,963
Carrying amount									
At 31 December 2020		726	-	1,144	504	363	-	1,094	3,831

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Company	
	2021	2020
	RM'000	RM'000
Office furniture and equipment		
Cost		
At 1 January	180	159
Additions	22	161
Written off	-	(140)
At 31 December	202	180
Accumulated depreciation		
At 1 January	19	157
Charge for the financial year	36	2
Written off	-	(140)
At 31 December	55	19
Carrying amount		
At 31 December	147	161

4. PREPAID LEASE PAYMENTS

		Group	
		2021	2020
	Note	RM'000	RM'000
Cost			
At 1 January		-	40,470
Exchange differences		-	2,125
Transfer to disposal group held for sale	15	-	(42,595)
At 31 December		-	-
Accumulated amortisation			
At 1 January		-	13,676
Amortisation for the financial year		-	1,050
Exchange differences		-	723
Transfer to disposal group held for sale	15	-	(15,449)
At 31 December		-	-
Carrying amount			
At 31 December		-	-

Leasehold land of the Group represents two land use rights granted by the government of the People's Republic of China ("PRC") to a subsidiary for industrial usage. One of the land use rights is for a term of 29 years commencing from 4 December 2005 to 4 December 2034 and another for a term of 50 years commencing from 12 February 2007 to 12 February 2057 respectively. These amounts have been transferred to disposal group classified as held for sale as disclosed in Note 15 to the financial statements.

5. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2021	**2020**
	RM'000	**RM'000**
Unquoted shares, at cost		
- In Malaysia	54,662	49,762
- Outside Malaysia	41,669	41,664
	96,331	91,426
Less: Impairment loss	(7,127)	-
	89,204	91,426
Advances to subsidiary companies treated as quasi-investment	26,815	19,256
	116,019	110,682

The advances to subsidiary companies are unsecured, non-interest bearing with no fixed terms of repayment. The Company does not anticipate repayment of the advances and they are determined to form part of the Company's net investment in the subsidiary companies.

The currency profiles of the balances are disclosed in Note 32 to the financial statements.

Movement in impairment loss on investment in subsidiary companies during the financial year is as follows:

	Company	
	2021	**2020**
	RM'000	**RM'000**
At 1 January	-	(976,157)
Impairment loss on investment in subsidiaries	(7,127)	(131,871)
Transfers to disposal group held for sale	-	1,108,028
At 31 December	(7,127)	-

During the financial year, the Company recognised an impairment loss amounting to RM7,127,000 (2020: Nil) on its subsidiary in the technology and digital transformation enabler segments. This impairment is primarily related to the non-materialisation of certain contracts affected by the challenging operating environment faced by the subsidiary arising from COVID-19 pandemic as disclosed in Note 8 to the financial statements.

In prior financial year, the Company has entered into a share purchase agreement with Hua Fei Investment Limited ("Hua Fei") to dispose a wholly-owned subsidiary, PIPO Overseas Limited ("PIPO"), in turn, the entire indirect interest in Linyi Yehua Coking Co., Ltd. (collectively known as "disposal group").

The Company assessed the fair value less cost to sell of the disposal group and recognised an impairment loss amounting to RM Nil (2020: RM131,871,000) in profit or loss and the disposal group being classified as held for sale as disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies and shareholdings therein are as follows:

Name of companies	Country of incorporation and principal place of business	Effective ownership and voting interest 2021 %	2020 %	Principal activities
Direct holding:				
PIPO Overseas Limited ("PIPO")[1, 2]	British Virgin Islands	100	100	Investment holding
Craveat International Sdn. Bhd. ("Craveat")	Malaysia	100	100	Investment holding
Touchpoint International Sdn. Bhd. ("Touchpoint")	Malaysia	100	100	Research, development and providing professional services related to Enterprise Mobile Applications and Smart City platform and ecosystem enablement
Wavetree Technologies Sdn. Bhd. ("Wavetree")	Malaysia	100	100	Research and development of information technology
Techna Analytics Sdn. Bhd. (formerly known as MD Labs Sdn. Bhd.) ("Techna Analytics")	Malaysia	100	100	Computer programming, artificial intelligence and business analytics ventures
Techna-X Aerobeidou Sdn. Bhd. ("Techna-X Aerobeidou")	Malaysia	100	100	Dormant
HK Aerospace Beidou New Energy Technology Co., Ltd. ("HKAB") [1]	Hong Kong	50	50	Investment holding and engaged in trading of super batteries and capacitor
Electric Revolution Expert d.o.o. ("E-Rex") [1, 3]	Croatia	51	-	Develop electric mobility solutions and manufacturing and sales of automobiles
Indirect holding:				
Subsidiary company of PIPO:				
Linyi Yehua Coking Co. Ltd. [1, 2]	People's Republic of China	100	100	Manufacturing and sales of metallurgical coke and other related by-products

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies and shareholdings therein are as follows: (cont'd)

Name of companies	Country of incorporation and principal place of business	Effective ownership and voting interest 2021 %	2020 %	Principal activities
Indirect holding: (cont'd)				
Subsidiary companies of Craveat:				
Bistroamericana (A) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (BB) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (BU) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (Hartamas) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (QB) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (SP) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (TC) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (PBJ) Sdn. Bhd.	Malaysia	100	100	Restaurant
Teh Tarik Place Sdn. Bhd.	Malaysia	100	100	Restaurant
Teh Tarik Place (Kiosk) Sdn. Bhd.	Malaysia	100	100	Restaurant
Chaswood Restaurant Management (Beijing) Co., Ltd. ("Chaswood Beijing") [1]	People's Republic of China	100	-	Restaurant

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies and shareholdings therein are as follows: (cont'd)

Name of companies	Country of incorporation and principal place of business	Effective ownership and voting interest 2021 %	2020 %	Principal activities
Indirect holding: (cont'd)				
Subsidiary company of HKAB:				
Guangxi Zhongcheng Huatai Industrials Co., Ltd. ("GZHT") [1]	People's Republic of China	40	40	Investment holding
Guangxi Aerospace Beidou Internet of Things Technology Co., Ltd. ("GABIOT") [1]	People's Republic of China	45	40	Involves in internet of things and technical internet research

1 Subsidiary companies not audited by HLB AAC PLT.
2 Classified as disposal group held for sale as disclosed in Note 15 to the financial statements.
3 The audited financial statements for the financial year ended 31 December 2021 of this subsidiary company is not available at the date the financial statements of the Group. However, the Directors are of the opinion that the financial results of this subsidiary company is not material to the Group. Hence, the management accounts of the said subsidiary company for the financial year ended 31 December 2021 have been used for the consolidation purposes.

(c) Acquisition of equity interest in E-Rex

On 21 April 2021, a subsidiary company of the Group, HKAB has entered into a Shareholders' Agreement to establish ownership of 51% of E-Rex for the purpose of developing, implementing and managing the technology surrounding electric and low voltage drive system for a total cash consideration amounting to KN10,000 (equivalent to RM6,600).

On 28 September 2021, the Company has entered into a Novation Agreement with HKAB to assign and transfer all HKAB's rights, duties and obligation under the Shareholders' Agreement to the Company.

The acquisition has no significant financial impact to the Group and the Company during the financial year.

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Acquisition of equity interest in Chaswood Beijing

On 26 February 2021, a subsidiary company of the Group, Craveat had acquired the entire equity interest in Chaswood Beijing for a cash consideration of RM3,221,000.

The following summarises the consideration paid, the fair value of assets acquired and liabilities assumed at the acquisition date.

	Note	Group RM'000
2021		
Property, plant and equipment		211
Inventories		489
Trade receivables		78
Other receivables		1,286
Cash and cash equivalents		968
Trade payables		(913)
Other payables		(2,461)
Total net liabilities acquired		(342)
Goodwill on acquisition		3,563
Purchase consideration		3,221
Less: Unpaid consideration	18	(2,220)
Less: Cash and cash equivalents		(968)
Cash outflow on acquisition, net of cash		33

The initial accounting for the above business combination is currently determined provisionally. The fair value of the identifiable assets, liabilities and contingent liabilities will only be determined via a purchase price allocation exercise which is expected to be completed on or before 25 February 2022.

Acquisition related costs of RM83,000 (2020: Nil) have been charged to administration and operating expenses during the financial year.

(e) Acquisition of HKAB

On 14 October 2020, the Group completed the acquisition of 50% of the equity interest in HKAB. As at 31 December 2020, the goodwill was accounted for on a provisional basis. During the year, the Group completed the purchase price allocation exercise and have retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect the new information obtained about facts and circumstances that existed as of the acquisition date.

Pursuant to the acquisition, on 25 November 2020, a memorandum of agreement was signed between Nong You Hua, HKAB and the Company to affirm the Group's control over HKAB and GABNEIT and be responsible to provide all necessary working capital and funding requirements of HKAB group to enable it to build its business, further develop and/or expand its production capacity and service offerings.

However, due to the challenges brought about by the continuous COVID-19 pandemic during the financial year, the Company had reneged on its responsibility and obligation to provide the necessary working capital and funding requirements of HKAB group pursuant to the memorandum of agreement mentioned above.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Acquisition of HKAB (cont'd)

As a result of the above circumstance and in order to ensure minimal disruptions to the operations of GABNEIT, Nong You Hua being the only People's Republic of China resident, a fellow shareholder of HKAB and the Management Director of GABNEIT, had advanced approximately RM11,000,000 to HKAB for the above purposes.

Pursuant thereof, a supplemental memorandum of agreement was signed on 9 July 2021 whereby all parties agreed that Nong You Hua shall be given control to direct the operating and financial decisions for and on behalf of GABNEIT. Following therefrom, the Group shall only have influence over the strategic decisions of GABNEIT.

As a result of the above, measurement period adjustments pursuant to paragraph 45, MFRS 3 "Business Combination" were made retrospectively. The following summarises the consideration paid, the fair value of assets acquired and liabilities assumed at the acquisition date.

	Note	Group RM'000
2020		
Investment in an associate		83,329
Other receivables		11
Tax recoverable		48
Cash and cash equivalents		1,386
Trade payables		(254)
Other payables		(279)
Amount owing to an associate		(36,540)
Amount owing to a related company		(2,160)
Provision for taxation		(5)
Non-controlling interest		(3,726)
Exchange reserve		(146)
Total assets acquired/Present value of the purchase consideration		41,664
Less: Deferred consideration	18	(41,664)
Less: Cash and cash equivalents		(1,386)
Cash inflow on acquisition, net of cash		(1,386)

The restatement adjustments to the comparative financial year 31 December 2020 figures are disclosed in Note 37 to the financial statements.

(f) Accretion of interest in GABIOT

During the financial year, GZHT has disposed its 50% equity interest in GABIOT to HKAB. Accordingly, the Group's effective interest in GABIOT being increased from 40% to 45%. The Group recognised a decrease in equity attributable to owners of the Company arising from the transaction with non-controlling interest amounting to RM3,902,000.

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(g) Non-controlling interests ("NCI") in subsidiary companies

	2021 RM'000	2020 RM'000 Restated
HKAB and its subsidiaries		
Non-current assets	46,907	40,111
Current assets	32,990	991
Current liabilities	(71,610)	(38,050)
Net assets	8,287	3,052
Carrying amount of NCI as at year end	8,794	3,469
Revenue	23,531	-
Profit/(loss) after NCI for the financial year	213	(701)
Total comprehensive income/(expenses) after NCI during the financial year	2,846	(809)
Profit/(loss) for the financial year allocated to NCI	107	(350)
Total comprehensive income/(expense) during the financial year allocated to NCI	1,423	(405)
Cash flows generated from/(used in) operating activities	4,814	(28)
Cash flows generated from/(used in) financing activities	97	(1)
Net increase/(decrease) in cash and cash equivalents	4,911	(29)
Ownership interest held by NCI	50% - 60%	50% - 60%

The remaining non-controlling interest of the Group is individually immaterial.

6. INVESTMENT IN ASSOCIATES

(a) Investment in associates

	Group	
	2021 RM'000	2020 RM'000 Restated
Unquoted shares, at cost		
- In Malaysia	154	154
- Outside Malaysia	89,380	82,077
Share of post-acquisition reserves	(951)	(445)
	88,583	81,786

NOTES TO THE FINANCIAL STATEMENTS
cont'd

6. INVESTMENT IN ASSOCIATES (CONT'D)

(b) The associates and shareholdings therein are as follows:

Name of companies	Country of incorporation and principal place of business	Effective ownership and voting interest 2021 %	2020 %	Principal activities
Indirect holding:				
Associate of Craveat				
Bistroamericana (JB) Sdn. Bhd.	Malaysia	20	20	Restaurant
Associate of GABIOT				
Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. ("GABNEIT") [1]	People's Republic of China	19	17	Design and manufacture of ultra-capacitors and super batteries
Guangxi Aerospace Beidou High Energy Battery Co., Ltd. [1]	People's Republic of China	19	17	Research and development, manufacturing, assembly and sales of battery materials, batteries, battery packs and battery application products

[1] Associates not audited by HLB AAC PLT.

(c) The summarised financial information of the associates are as follows:

	GABNEIT and its subsidiary 2021 RM'000	GABNEIT and its subsidiary 2020 RM'000	Bistroamericana (JB) Sdn. Bhd. 2021 RM'000	Bistroamericana (JB) Sdn. Bhd. 2020 RM'000
Assets and Liabilities				
Non-current assets	45,299	44,242	2,783	-
Current assets	111,069	100,509	172	124
Non-current liabilities	(66)	-	(657)	-
Current liabilities	(44,526)	(38,471)	(2,409)	(166)
	111,776	106,280	(111)	(42)
Revenue	4,293	925	-	273
Loss/Total comprehensive expense for the financial year	(1,190)	(865)	(69)	(879)
Cash flows generated from/(used in) operating activities	281	11	2,014	(104)
Cash flows used in investing activities	(376)	(126)	(2,002)	-
Cash flows generated from/(used in) financing activities	66	-	(13)	-
Net decrease in cash and cash equivalents	(29)	(115)	(1)	(104)

6. INVESTMENT IN ASSOCIATES (CONT'D)

(d) The reconciliation of net assets of the associates to the carrying amount of the investment in associates is as follows:

	GABNEIT and its subsidiary		Bistroamericana (JB) Sdn. Bhd.	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
The Group's share of loss/total comprehensive expenses for the financial year	(398)	(289)	-	(150)
Net assets/(liabilities)	111,776	106,280	(111)	(42)
Represented by:				
The Group's share of net assets	42,036	35,818	-	-
Goodwill	46,547	46,259	-	-
	88,583	81,786	-	-

The Group has discontinued the recognition of its share of current year losses of Bistroamericana (JB) Sdn. Bhd. which has exceeded the Group's interest in Bistroamericana (JB) Sdn. Bhd. As at 31 December 2021, the Group's cumulative unrecognised share of losses in Bistroamericana (JB) Sdn. Bhd. is RM22,162 (2020: RM26,000).

(e) Impairment assessment of GABNEIT

The Group had undertaken an impairment assessment of its investment in GABNEIT following the loss sustained by the associates during the financial year.

Key assumptions used to determine recoverable amount

The recoverable amount of the investment in associate has been determined based on the value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the projected period are extrapolated using the estimated growth rates.

The key assumptions used for the value-in-use calculations of the associate include the following:

(i) Budgeted gross margin which is estimated based on past experience and future expectations over the budgeted period for new product offerings for the associate, adjusted for expected cost savings and efficiency improvements.

(ii) Pre-tax discount rate and terminal growth rate:

	2021
Terminal growth rate	-
Pre-tax discount rate	17%

Management determined the revenue growth rates, direct costs and operating expenses during the budget period based on future expectation of changes in the market. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the associate.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis, the Board of Directors concluded that no reasonable change in the assumptions above would cause the carrying amount of the associate to exceed its recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

7. RIGHT-OF-USE ASSETS

	Office RM'000	Retail properties RM'000	Total RM'000
Group			
Cost			
At 1 January 2020	114	7,804	7,918
Additions	733	2,602	3,335
At 31 December 2020/1 January 2021	847	10,406	11,253
Written off	(133)	(989)	(1,122)
At 31 December 2021	714	9,417	10,131
Accumulated depreciation			
At 1 January 2020	48	2,150	2,198
Charge for the financial year	127	2,810	2,937
At 31 December 2020/1 January 2021	175	4,960	5,135
Charge for the financial year	384	2,508	2,892
Written off	(133)	(516)	(649)
At 31 December 2021	426	6,952	7,378
Carrying amount			
At 31 December 2021	288	2,465	2,753
At 31 December 2020	672	5,446	6,118

	Office RM'000
Company	
Cost	
At 1 January 2020/31 December 2020/1 January 2021/31 December 2021	256
Accumulated depreciation	
At 1 January 2020	-
Charge for the financial year	22
At 31 December 2020/1 January 2021	22
Charge for the financial year	134
At 31 December 2021	156
Carrying amount	
At 31 December 2021	100
At 31 December 2020	234

8. INTANGIBLE ASSETS

	Note	Goodwill on consolidation RM'000	Franchise fee RM'000	Source codes and software RM'000	Total RM'000
Group					
Cost					
At 1 January 2020		82,187	972	6,000	89,159
Acquisition of subsidiary company		11,011		1,173	12,184
At 31 December 2020/1 January 2021		93,198	972	7,173	101,343
Acquisition of subsidiary company	5(d)	3,563	-	-	3,563
Addition		-	-	310	310
Exchange differences		174	-	-	174
At 31 December 2021		96,935	972	7,483	105,390
Accumulated amortisation					
At 1 January 2020		-	972	-	972
Acquisition of subsidiary companies		-	-	270	270
Charges during the year		-	-	834	834
At 31 December 2020/1 January 2021		-	972	1,104	2,076
Charges during the year		-	-	887	887
At 31 December 2021		-	972	1,991	2,963
Accumulated impairment losses					
At 1 January 2020/31 December 2020/1 January 2021		-	-	-	-
Impairment loss during the year		7,865	-	-	7,865
At 31 December 2021		7,865	-	-	7,865
Carrying amount					
At 31 December 2021		89,070	-	5,492	94,562
At 31 December 2020		93,198	-	6,069	99,267

(a) Allocation of goodwill to Cash Generating Units ("CGU")

The Group's goodwill has been allocated to the respective CGUs as follows:

	Group 2021 RM'000	Group 2020 RM'000 Restated
Technology-driven food and beverage		
- Malaysia operations	27,098	27,098
- China operations	3,737	-
Technology and digital transformation enabler	58,235	66,100
	89,070	93,198

NOTES TO THE FINANCIAL STATEMENTS
cont'd

8. INTANGIBLE ASSETS (CONT'D)

(b) Impairment test for goodwill on consolidation

The Group undertakes an annual impairment assessment on its cash-generating units ("CGU") identified based on its technology-driven food and beverage (Malaysia operations), technology-driven food and beverage (China operations) and technology and digital transformation enabler segments, being the lowest level of asset for which the management monitors the goodwill of the Group.

Arising from the non-materialisation of certain contracts in the technology and digital transformation enabler segment affected by the challenging operating environment arising from the COVID-19 pandemic, the Group rcognised an impairment loss amounting to RM7,865,000 (2020: Nil) based on the recoverable amount of the CGU which has been charged to administration and operating expenses.

Key assumptions used to determine recoverable amount

The recoverable amount of the Group's CGU has been determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering three-to-five-year period. Cash flows beyond the projected period are extrapolated using the estimated growth rates.

The key assumptions used for the value-in-use calculations of the respective CGUs include the following:

(i) Budgeted gross margin which is estimated based on past experience and future expectations over the budgeted period for new product offerings for the respective CGUs, adjusted for expected cost savings and efficiency improvements.

(ii) Pre-tax discount rate and terminal growth rate:

	Technology-driven food and beverage (Malaysia operation)	Technology-driven food and beverage (China operation)	Technology and digital transformation enabler
	%	%	%
2021			
Terminal growth rate	-	-	1
Pre-tax discount rate	17	17	17
2020			
Terminal growth rate	-	-	1
Pre-tax discount rate	15	-	15

Management determined the revenue growth rates, direct costs and operating expenses during the budget period based on future expectation of changes in the market. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis, the Board of Directors concluded that no reasonable change in the assumptions above would cause the carrying amount of the CGUs to exceed its recoverable amounts for the technology driven food and beverage segments for its Malaysia and China operations. For the technology and digital transformation enabler segments, the following key assumptions are particularly sensitive:

- A 0.5% increase in the pre-tax discount rate will increase the impairment loss recognised on the technology and digital transformation enabler CGU by RM1,835,000; and
- A 0.5% decrease in the terminal growth rate will increase the impairment loss recognised on the technology and digital transformation enabler CGU by RM1,386,000.

9. DEFERRED TAXATION

	Group	
	2021	**2020**
	RM'000	**RM'000**
Deferred tax assets	143	-
Deferred tax liabilities	(65)	(19)
	78	(19)

The movement on the net deferred tax assets/(liabilities) are as follows:

		Group	
		2021	**2020**
	Note	**RM'000**	**RM'000**
At 1 January		(19)	(20)
Acquisition of subsidiary companies			-
Recognised in profit or loss	26		
- property, plant and equipment		29	-
- unutilised tax losses		68	1
		97	1
At 31 December		78	(19)

The components of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Deferred tax assets		
- Unabsorbed capital allowances	148	-
- Unutilised tax losses	105	105
	253	105
Offsetting	(175)	(105)
Net deferred tax assets	78	-
Deferred tax liabilities		
- Property, plant and equipment	175	124
Offsetting	(175)	(105)
Net deferred tax liabilities	-	19

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. DEFERRED TAXATION (CONT'D)

The deductible temporary difference and unutilised tax losses of the Group and the Company for which no deferred tax assets were recognised in the statements of financial position are as follows:

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses	744	3,589
Unabsorbed capital allowances	6	1,395
	750	4,984
Deferred tax asset at 24% (2020: 24%)	180	1,196

The Group's unutilised tax losses brought forward from year of assessment 2018 and before, can be carried forward for 10 consecutive years of assessment (i.e. from year of assessments 2018 to 2028). Unutilised tax losses from year of assessment 2019 onwards can be carry forward for a maximum period of 10 consecutive years.

10. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000 Restated
Finished goods	78	49
Food and beverages	929	262
	1,007	311

11. TRADE RECEIVABLES

	Group	
	2021 RM'000	2020 RM'000 Restated
Trade receivables	32,359	1,123
Less: impairment loss	(393)	(279)
	31,966	844

The normal credit period granted by the Group to trade customers ranges from 7 to 90 days (2020: 7 to 90 days).

11. TRADE RECEIVABLES (CONT'D)

Movement in impairment loss during the financial year is as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
		Restated
At 1 January	279	22,997
Impairment loss during the financial year	114	279
Exchange difference	-	1,207
Transfer to disposal group held for sale	-	(24,204)
At 31 December	393	279
Represented by:		
Individually impaired	393	279

12. OTHER RECEIVABLES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		Restated		
Deposits	2,978	1,653	20	23
Other receivables	13,192	5,534	3,895	-
Prepayment	734	14	1	11
	16,904	7,201	3,916	34

(a) Included in the other receivables of the Group is an amount of RM3,000,000 (2020: RM3,000,000) claimable by Craveat International Sdn. Bhd. and its subsidiaries from the vendor, Chaswood Resources Sdn. Bhd. for the settlement of its existing creditors and borrowings prior to the acquisition pursuant to the share purchase agreement.

(b) Included in the other receivables of the Group and the Company is an amount of RM3,750,000 (2020: RM Nil) which made to the vendor of MBits Digital Sdn. Bhd. ("MBits") as an advance payment in pursuant to the Share Purchase Agreement pending to the satisfaction of the condition precedents stipulated in the Agreement as disclosed in Note 35(iii) to the financial statements.

13. AMOUNT OWING BY/TO AN ASSOCIATE

This represents non-trade transactions, unsecured, interest free and repayable on demand.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
		Restated		
Cash and bank balances	11,879	5,448	394	1,651
Deposits placed with licensed banks	963	1,437	963	1,437
	12,842	6,885	1,357	3,088

Interest rates on deposits placed with licensed banks average at 2.18% (2020: 2.63%) per annum and have an average maturity period of 7 days (2020: 7 days).

15. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 11 November 2020, the Company has entered into a share purchase agreement ("SPA") with Hua Fei Investment Limited ("Hua Fei") for the proposed disposal of 50,000 ordinary shares in a wholly owned subsidiary, PIPO Overseas Limited ("PIPO Group") for a total cash consideration of RMB88,000,000 (equivalent to RM54,041,000).

Pursuant to MFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", an entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Accordingly, PIPO Group is thereafter classified as a disposal group held for sale.

On 13 September 2021, the Company has entered into a Head of Agreement ("HOA") with Hua Fei to amend the original agreement and revise the purchase consideration to RMB85,000,000 (equivalent to RM55,650,000) and to be paid on or before 31 March 2022 or such date may be agreed between both parties.

Subsequent to the above HOA, the Company had on 30 November 2021 requested for an extension of time to meet the Conditions Precedent pursuant to the HOA, to which the purchaser agreed to further extend the completion of the SPA to 30 April 2022.

As at 31 December 2021, the carrying amount of the investment in PIPO is as follows:

	Company	
	2021	2020
	RM'000	RM'000
Cost of investment	904,908	904,908
Amount owing by PIPO Group	265,448	257,161
Net assets disposal	1,170,356	1,162,069
Less: Impairment loss	(1,114,706)	(1,108,028)
Disposal consideration	55,650	54,041

15. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

Movement in impairment loss on investment in subsidiary companies during the financial year is as follows:

	Company	
	2021	**2020**
	RM'000	**RM'000**
At 1 January	1,108,028	976,157
Impairment loss during the financial year	6,678	131,871
At 31 December	1,114,706	1,108,028

Assets of the disposal group classified as held for sale are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Property, plant and equipment	28,436	65,287
Prepaid lease payments	27,735	27,146
Inventory	12,244	23,827
Trade receivables	-	1,380
Other receivables	6,948	8,204
Cash and cash equivalents	261	3,076
	75,624	128,920

Liabilities of the disposal group classified as held for sale are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Trade payables	123,853	43,811
Other payables	60,242	50,569
Amount owing to a Director	8	8
	184,103	94,388

Included in the other payables is an amount of RM32,212,000 (2020: RM30,304,000) owing to a customer in relation to the material litigation as disclosed in Note 34(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

15. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

Cash flows of the disposal group held for sale are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Operating cash flows	10,056	(11,217)
Investing cash flows	(1,902)	(5,286)
Exchange difference	(10,969)	7,333
	(2,815)	(9,170)

Cumulative income recognised in other comprehensive income relating to the disposal group classified as held for sale amounting to RM193,592,000 (2020: RM192,246,000).

Analysis of the results of discontinued operations as follows:

	Group	
	2021	2020
	RM'000	RM'000
Revenue	148,734	302,920
Cost of sales	(261,469)	(396,870)
Gross loss	(112,735)	(93,950)
Other income	1,092	940
Administration and operating expenses	(34,261)	(69,445)
Finance cost	-	(397)
Loss before tax	(145,904)	(162,852)
Taxation	-	-
Loss after tax from discontinued operations	(145,904)	(162,852)

The following amounts have been included in arriving at loss before tax from discontinued operations:

	Group	
	2021	2020
	RM'000	RM'000
Auditors' remuneration		
- statutory	349	347
Amortisation of prepaid lease payments	1,115	1,050
Depreciation of property, plant and equipment	20,477	24,929
Directors' remuneration		
- salaries and other emoluments	481	402
Impairment loss on property, plant and equipment	22,159	-
Interest income	(10)	(15)
Provision for compensation on unfulfilled obligation (Note 34(i))	-	30,304
Staff costs	41,968	35,969

16. SHARE CAPITAL

	Group/Company			
	2021		2020	
	Number of shares	Amount	Number of shares	Amount
	000	RM'000	000	RM'000
Issued and fully paid				
At 1 January	1,537,952	1,153,305	1,122,308	1,115,045
Issuance of shares, net of transaction costs pursuant to:				
- Conversion of RCN	357,400	40,000	260,000	26,000
- Debt settlement	-	-	55,644	3,500
- Private placement	306,363	29,528	100,000	8,760
At 31 December	2,201,715	1,222,833	1,537,952	1,153,305

During the financial year, the issued and paid-up share capital of the Company was increased from 1,537,952,000 to 2,201,715,000 ordinary shares by way of the issuance of:

(a) 357,400,000 new ordinary shares pursuant to the conversion of Redeemable Convertible Notes at an average conversion price of RM0.11 per share amounting to RM40,000,000; and
(b) 306,363,000 new ordinary shares pursuant to the private placement at an average price of RM0.10 per share amounting to RM29,528,000.

The new ordinary shares issued during the financial year ranks pari-passu in all respect with the existing ordinary shares of the Company.

17. RESERVES

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
			Restated		
Non-distributable					
Reverse acquisition reserve	(a)	(799,823)	(799,823)	-	-
Foreign currency translation reserve	(b)	195,050	192,192	-	-
Statutory common reserve fund	(c)	49,358	49,358	-	-
Share option reserve	(d)	2,640	2,640	-	-
Employee share scheme option reserve	(e)	7,987	-	7,987	-
		(544,788)	(555,633)	7,987	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

17. RESERVES (CONT'D)

(a) Reserve acquisition reserve

The Company completed the acquisition of the entire equity interest in PIPO Overseas Limited and its subsidiary ("PIPO Group") via the issuance of 800,000,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM1.00 per share on 26 March 2007.

Upon completion of the acquisition of PIPO, the Company became the legal holding company of PIPO. Due to the relative values of PIPO and the Company, the former shareholders of PIPO became the majority shareholders through the issuance of 800,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.00 per share in the Company, controlling about 88% of the issued and paid-up share capital of the Company. Further, the Company's continuing operations and key executive management are those of PIPO. Accordingly, the substance of the business combination is that PIPO acquired the Company in a reverse acquisition.

MFRS 3 requires that the consolidated financial statements are issued under the name of the legal holding company, though they are a continuation of the financial statements of the legal subsidiary. In order to comply with MFRS 3, the following have been reflected in the consolidated financial statements:

(i) the assets and liabilities of the Company and PIPO Group have been recognised at their book values immediately prior to the reverse acquisition;

(ii) the pre-acquisition retained earnings recognised in the consolidated financial statements are those of PIPO Group;

(iii) the amount recognised as issued equity instruments in the consolidated financial statements is the sum of:

- the issued and paid-up share capital of PIPO immediately before the reverse acquisition; and
- the cost of achieving the combination;

(iv) the equity structure appearing in these consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the Company.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Statutory common reserve fund

In accordance with the relevant People's Republic of China ("PRC") regulations and the subsidiary company's Articles of Association, the subsidiary company in PRC is required to allocate its profit after tax to the statutory common reserve fund.

The subsidiary company in PRC is required each year to transfer 10% of its profit after tax as reported under PRC statutory financial statements to the statutory common reserve funds until the balance reaches 50% of the registered share capital of the said subsidiary company. This reserve can be used to make up any loss incurred or to increase share capital. Except for the reduction of losses incurred, any other application should not result in this reserve balance falling below 25% of the registered capital.

(d) Share option reserve

The share option reserve is recognised in relation to a call option by Craveat Management Sdn. Bhd. to acquire 33% of the shareholding in Craveat International Sdn. Bhd. and its subsidiaries exercisable 48 months after the completion of the share purchase agreement.

17. RESERVES (CONT'D)

(e) Employee share option scheme reserve

On 30 June 2021, the shareholders of Techna-X Berhad ("TXB" or "the Company") approved the Employee Share Option Scheme ("ESOS") granted to the eligible Directors and employees of the Company and its subsidiary companies (excluding subsidiary companies which are dormant) (collectively known as "Eligible Persons") and was subsequently implemented on 1 October 2021. During the financial year, the Company has offered 137,000,000 ESOS with an exercise price of RM0.0703.

The ESOS is governed by the By-Laws which was approved by the shareholders and administrated by ESOS Committee. The option price is based on the 5-day volume weighted average price of the TXB's shares, immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other relevant authorities from time to time during the tenure of the ESOS.

The salient features and terms of the ESOS are as follows:

(i) Maximum number of new TXB Shares available under the ESOS

The maximum number of TXB Shares which may be made available under the ESOS shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the tenure of the ESOS.

(ii) Basis of allotment and maximum allowable allocation

The allocation of TXB Shares to be made available for the ESOS shall be determined by the ESOS Committee annually, or such other period as determined by the ESOS Committee.

Subject to the By-Laws, the aggregate number of new TXB shares that may be offered under the ESOS and allotted and issued to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the job grading, length of service, performance appraisal and past and future contributions of the Eligible Person and such other factors that the ESOS Committee may deem relevant subject to the following:

(1) the Directors and senior management do not participate in the deliberation or discussion of their own allocation;

(2) the allocation to the Eligible Person who, either singly or collectively through person connected with the Eligible Person, holds 20% or more of the total number of issued shares (excluding treasury shares) of the Company, does not exceed 10% of the total number of the new TCB shares to be issued under the ESOS; and

(3) not more than 75% of the total number of new TXB shares available under the ESOS shall be allocated in aggregate to the Directors and senior management of TCB and its subsidiaries, which are not dormant, on the basis that they are crucial to the performance of TXB Group as determined by the ESOS Committee at their sole and absolute discretion.

provided always that it is in accordance with any prevailing requirement issued by Bursa Securities, the Listing Requirement or any other relevant authorities as may be amended from time to time.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

17. RESERVES (CONT'D)

(e) Employee share option scheme reserve (cont'd)

(iii) Eligibility

The Eligible Persons who fulfilled the following conditions as at the date of the ESOS shall be eligible to participate in the ESOS:

(1) attained the age of 18 years on the date of offer and are neither an undischarged bankrupt nor subject to any bankruptcy proceedings;

(2) must fulfill such other eligibility criteria as may be determined by the ESOS Committee from time to time;

(3) must have been employed by the Company and/or a subsidiary and his employment as an Eligible Person must have been confirmed on the date of offer, irrespective whether he was transferred to a subsidiary within the TXB Group, in which he must have been a confirmed employee in that subsidiary;

(4) if the Director or employee is employed by a company which is acquired, and becomes a subsidiary of the Company upon such acquisition during the duration of ESOS, the Director or employee must have been a confirmed employee in that subsidiary following the date that such company becomes or is deemed to be a subsidiary of the TCB Group;

(5) the Director or employee is an employee of a subsidiary, which is not dormant; and

(6) where the Directors are eligible to participate in the ESOS, such entitlement under the ESOS must have been approved by the shareholders of the Company in general meeting.

The eligibility under the ESOS shall not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the ESOS and an Eligible Person does not have any rights to acquire or have any rights over or in connection with the ESOS or the new TXB shares comprised therein unless an Offer has been made in writing by the ESOS Committee to the Eligible Person under ESOS By-Laws and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the ESOS.

(iv) Duration and termination

The ESOS shall in force for a period of 5 years from the effective date. The ESOS may be extended or renewed for a further period of up to 5 years, and shall not in aggregate exceed a duration of 10 years from the effective date.

Upon expiry or termination, all ESOS outstanding but not yet accepted by the Eligible Person shall automatically lapse or cease to have effect as at the date of the resolution and the ESOS yet to be exercised shall automatically lapse or cease to have any effect from the date on which the last of the conditions stipulated in ESOS By-Laws 25 is fulfilled.

17. RESERVES (CONT'D)

(e) Employee share option scheme reserve (cont'd)

(v) Ranking of the ESOS shares

The new shares to be allotted and issued upon to the exercise of the ESOS will, upon allotment, issuance and full payment, rank pari passu in all respects within the existing issued share capital of the Company except the new TXB shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions where the entitlement date precedes the date of allotment of the new TXB shares and will be subject to all the provision of the Constitution of the Company and Listing Requirements relating to transfer, transmission or otherwise of the TXB shares.

The fair value of the ESOS granted in which MFRS 2 applies, were determined using the Black-Scholes valuation model. The significant inputs in the model are as follows:

	Share option
Exercise price (RM)	0.070
Underlying share price at grant date (RM)	0.078
Expected dividend yield (%)	0.000
Risk free interest rate (%)	3.002
Option life	5 years
Expected volatility (%)	95.037

The assumptions above are based on historical data and is not necessarily be reflective of the actual outcome.

The movement during the financial year in the number of share options of the Company, in which the employees of the Group and the Company are entitled to, is as follows:

		←	Number of ESOS	→	
	Fair value at grant date	**At 1 January**	**Granted**	**Lapsed**	**At 31 December**
	RM	**'000**	**'000**	**'000**	**'000**
2021					
Group/Company	0.0583	-	137,000	-	137,000

18. OTHER PAYABLES

	Group 2021 RM'000	Group 2020 RM'000 Restated	Company 2021 RM'000	Company 2020 RM'000
Accruals	3,461	2,417	848	548
Other payables	98,649	127,056	41,821	82,896
	102,110	129,473	42,669	83,444
Analyse as				
Current	102,110	99,312	42,669	64,703
Non-current	-	30,161	-	18,741
	102,110	129,473	42,669	83,444

(a) Included in other payables of the Group are the following:

(i) An amount of RM1,280,000 (2020: RM1,280,000) recognised in relation to a call option by Craveat Management Sdn. Bhd. to acquire up to 16% of the shareholding in Craveat and its subsidiaries based on the projected earnings before interest, tax, depreciation and amortisation ("Projected EBITDA") of RM4,400,000 for the period ending 48 months after the completion of the sales and purchase agreement ("SPA") for a fixed exercise price of RM100,000.

Upon meeting the Projected EBITDA during the financial year ended 31 December 2021, Craveat Management Sdn. Bhd. is in midst of notifying the Company its intention to exercise the call option pursuant to the Call Option Agreement dated 3 April 2019; and

(ii) An amount of RM11,431,000 (2020: RM Nil) owing to Directors of a subsidiary company which is non-trade in nature, unsecured, interest-free and repayable on demand.

(b) Consideration/Contingent consideration payable in relation to the acquisition of subsidiaries and business as follows:

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Acquisition of:					
- Touchpoint and business of Wavetree	(i)	53,966	61,404	24,248	30,220
- Techna Analytics	(ii)	8,441	9,908	8,441	9,908
- HKAB	(iii)	6,362	41,664	6,362	41,664
- Chaswood Beijing		2,220	-	-	-

(i) On 30 November 2021, the vendors agree to defer the full settlement of the purchase consideration to a date falling on or before 31 March 2022 and 31 December 2022 respectively.

18. OTHER PAYABLES (CONT'D)

(b) Consideration/Contingent consideration payable in relation to the acquisition of subsidiaries and business as follows: (cont'd)

(ii) Based on the share purchase agreement dated on 24 September 2020, the vendors remain responsible for the management and the business affairs of Techna Analytics. A profit guarantee is provided by the vendor for a period of 2 years, and that the cumulative total guaranteed profit after taxation for the said 2 years shall be RM3,000,000 commencing from 1 July 2020 and expiring on 30 June 2022 ("Guaranteed Profit"). In the event that the actual profit after taxation shall fall below the Guaranteed Profit, the purchase consideration shall be reduced by the difference between the Guaranteed Profit and the actual profit, proportionately to the final 30% of the total purchase consideration.

Due to unprecedented COVID-19 pandemic and the movement control order enforced by the Malaysian government which has affected the performance of the subsidiary, on 31 December 2020, an agreement was reached between the Company and the vendors to revise the payment schedule for the purchase consideration and the profit guarantee period being revised to the period from 1 January 2021 and expiring on 31 December 2022.

(iii) Based on the share purchase agreement and shareholders agreement 14 October 2020, the vendors remain responsible for the management and the business affairs of HKAB. A profit guarantee is provided by the vendors that a minimum profit after taxation of the Company for the first financial year of USD2,500,000 (equivalent to approximately RM10,033,000) ("Guaranteed Profit"). The target date to achieve the guaranteed profit shall be 12 months upon completion. In event of a shortfall in the guaranteed profit, the purchase consideration shall be reduced proportionately by the difference between the Guaranteed Profit and the actual profit.

On 31 December 2020, an agreement was reached between the Company and the vendors to revise the payment schedule for the purchase consideration and the profit guarantee period to between 1 January 2021 and expiring on 31 December 2021.

Due to the unprecedented COVID-19 pandemic affecting the world in year 2020 which become even more severe in year 2021, HKAB continued to be greatly impacted by the restrictions imposed and therefore unable to rollout the relevant contracts as originally planned. In view of such unforeseen circumstances, the Company and the vendors, had on 31 December 2021, agreed to further extend the profit guarantee period expiring on 31 December 2021 to 31 December 2022 and as a gesture of goodwill, the vendors agree to defer the full settlement of the purchase consideration to a date falling on or before 31 December 2022.

19. LEASE LIABILITIES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January	6,981	6,569	235	-
Addition	279	3,335	-	256
Finance costs	325	502	4	1
Written off	(566)	-	-	-
Repayment	(3,485)	(3,425)	(137)	(22)
At 31 December	3,534	6,981	102	235
Analysed as				
Repayable within twelve months	2,825	3,491	102	133
Repayable after twelve months	709	3,490	-	102
	3,534	6,981	102	235

The effective interest rates used in arriving the lease liability is ranging from 2.50% to 6.85% (2020: 2.50% to 6.85%).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. TRADE PAYABLES

The normal credit period granted to the Group from the trade payables ranges from 30 to 90 days (2020: 30 to 90 days).

21. BORROWINGS

	Group	
	2021	**2020**
	RM'000	**RM'000**
Secured		
Term loan	1,560	1,987
Analysed as		
Repayable within twelve months	1,560	1,987

Maturity of borrowings is as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Within one year	1,560	1,987

Interest rate is charged at a rate of 5.10% (2020: 5.10%) per annum.

The above credit facilities obtained from licensed banks are secured by the following:

(a) Corporate guarantee by the former ultimate holding company of Craveat, Chaswood Resources Holdings Ltd; and

(b) Fixed and floating charge over all present and future assets of two subsidiaries of Craveat.

22. REDEEMABLE CONVERTIBLE NOTES

	Group/Company	
	2021	**2020**
	RM'000	**RM'000**
At 1 January	-	3,771
Issued during the financial year	41,000	21,000
Charged to profit or loss	-	1,229
Converted into ordinary shares	(40,000)	(26,000)
At 31 December	1,000	-

On 5 September 2019, the shareholders of the Company approved the issuance of up to 3 tranches of Redeemable Convertible Notes ("RCN") with an aggregate principal amount up to RM150,000,000 at an Extraordinary General Meeting which is convertible into a maximum of 833,333,333 new shares based on the minimum conversion price of RM0.18 which was subsequently revised to RM0.10 on 11 November 2019 through a supplementary agreement. The RCN has a tenure of 3 years from the closing date of the first sub-tranche of Tranche 1 Notes ("Maturity Date"). During the financial year, the Company had issued a total of RM41,000,000 (2020: RM21,000,000) RCN and a total of RM40,000,000 (2020: RM21,000,000) RCN were converted into 357,400,000 (2020: 260,000,000) new ordinary shares.

22. REDEEMABLE CONVERTIBLE NOTES (CONT'D)

The salient terms of the RCN are as follows:

(a) Issuance up to RM150 million principal amount which is convertible into a maximum of 833,333,333 new shares in aggregate, divided into three tranches:

(i) Tranche 1 of RM50 million comprising 50 equal sub-tranches of RM1 million each;
(ii) Tranche 2 of RM50 million comprising 50 equal sub-tranches of RM1 million each;
(iii) Tranche 3 of RM50 million comprising 50 equal sub-tranches of RM1 million each;

The issuance of Tranche 2 Notes and Tranche 3 Notes shall be at the option of the Group, in accordance with the terms and conditions of the Subscription Agreement;

(b) The RCN shall bear interest from the respective dates on which they are issued and registered in accordance with the terms and conditions as set out in the Subscription Agreement at the rate of 1% per annum, payable semi-annually in arrears on 30 June and 31 December in each year in respect of the period from (and including) the closing date of the first sub-tranche of Tranche 1 Notes and the last payment of interest being made on the Maturity Date;

If the closing price per Share of the Company falls below the Minimum Conversion Price (as defined in Note 22(d)) for more than ten (10) consecutive Business Days, the interest rate of all outstanding Notes as set out above shall be adjusted upward to 8% per annum retrospectively from the first Business Day of the Initial 10 Business Days Period;

(c) Each Noteholder has the right to convert any Notes ("Conversion Right") into duly authorised, validly issued, fully-paid and unencumbered Shares, at the option of the holder thereof;

The number of Conversion Shares to which a Noteholder is entitled on conversion of the Notes shall be determined by dividing the aggregate nominal value of the Notes held by the Noteholder with the applicable Conversion Price, determined in effect on the relevant Conversion Date provided that the aggregate number of Shares arising from the conversion of the Notes shall not exceed the Conversion Limit. Fractions of a Conversion Share will not be issued on conversion and no adjustment or cash payment will be made in respect thereof;

(d) he price at which each Conversion Share shall be issued upon conversion of the Notes ("Conversion Price") shall be:

(i) in respect of Tranche 1 Notes, 85% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which Techna-X Berhad ("Techna-X") Shares were traded on the Main Market of Bursa Securities;

(ii) in respect of Tranche 2 Notes, 88% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which Techna-X Shares were traded on Bursa Securities;

(iii) in respect of Tranche 3 Notes, 90% of the average closing price per Share on any three (3) consecutive market days as selected by the Noteholder(s) during the thirty (30) market days immediately preceding the relevant conversion date on which Techna-X Shares were traded on Bursa Securities; and

Provided always that the Conversion Price is not less than RM0.10, being the minimum Conversion Price for the Notes ("Minimum Conversion Price" or "MCP"). If the Conversion Price for each Conversion Share calculated in accordance with the conditions (i) to (iii) above is less than the Minimum Conversion Price, the Conversion Price for each Conversion Share shall be equal to the Minimum Conversion Price;

(e) The Notes which are not redeemed or purchased, converted or cancelled by the Company will be redeemed by the Company.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

23. REVENUE

	Group	
	2021	2020
	RM'000	RM'000
		Restated
Revenue recognised from contracts with customers:		
- Restaurant	33,866	18,214
- Energy storage solutions	23,531	-
- Technology and digital transformation enabler	11,224	1,414
	68,621	19,628
Major goods and services		
Restaurant:		
- Restaurant operations	33,215	17,419
- Royalty	366	500
- Franchising	286	295
Energy storage solutions	23,531	-
Technology and digital transformation enabler:		
- Software development	7,617	334
- Software maintenance	177	148
- Digital platform	11	202
- Data analysis	3,418	730
	68,621	19,628

Breakdown of revenue recognised from contracts with customers is as follows:

	Group	
	2021	2020
	RM'000	RM'000
Geographical market		
People's Republic of China	16,184	-
Malaysia	52,437	19,628
	68,621	19,628

Breakdown of revenue recognised from contracts with customers is as follows:

	Group	
	2021	2020
	RM'000	RM'000
Timing of revenue recognition		
At a point in time	60,553	18,483
Over time	8,068	1,145
	68,621	19,628

24. FINANCE COST

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Redeemable convertible notes	46	1,392	46	1,392
Lease liabilities	325	502	4	1
Term loan interest	-	192	-	-
	371	2,086	50	1,393

25. LOSS BEFORE TAXATION

Loss before taxation is derived after charging/(crediting):

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
		Restated		
Auditors' remuneration:				
- statutory audit	398	372	83	83
- others	65	74	65	74
Amortisation of intangible assets	887	834	-	-
Bad debts written off	-	338	-	-
Depreciation of property, plant and equipment	751	685	36	2
Directors of the Company:				
- fees	90	83	90	83
- salaries and other emoluments	69	271	69	271
- Employee Provident Fund	5	33	5	33
Employee share option scheme changes	7,987	-	7,987	-
Fair value loss on contingent consideration payables	8,707	1,740	9,172	868
Impairment loss on:				
- goodwill	7,865	-	-	-
- investment in subsidiary companies	-	-	13,805	131,871
- trade receivables	114	279	-	-
Rental of assets:				
- Depreciation of right-of-use assets	2,892	2,937	134	22
- Short-term leases	4,946	43	-	33
- Low value assets	371	337	3	2
Property, plant and equipment written off	-	57	-	-
Unrealised foreign exchange (gain)/loss	-	-	(6,740)	3,733
Waiver of debts	(144)	(129)	-	-
Finance income	(26)	(38)	(26)	(38)

NOTES TO THE FINANCIAL STATEMENTS
cont'd

26. TAXATION

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current taxation:				
- Current year provision	-	72	-	-
- (Over)/Under provision in prior year	(71)	243	-	-
	(71)	315	-	-
Deferred taxation (Note 9):				
- Origination and reversal of temporary differences	(97)	(1)	-	-
	(168)	314	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) on chargeable income of the estimated assessable loss for the financial year. The corporate tax rate applicable to the People's Republic of China ("PRC") subsidiaries of the Group is at 25% (2020: 25%).

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group 2021 RM'000	Group 2020 RM'000 Restated	Company 2021 RM'000	Company 2020 RM'000
Loss before taxation	(167,796)	(181,794)	(28,658)	(143,257)
Less: loss from discontinued operations (Note 15)	145,904	162,852	-	-
Loss from continued operations	(21,892)	(18,942)	(28,658)	(143,257)
Taxation at statutory tax rate of 24% (2020: 24%)	(5,254)	(4,546)	(6,878)	(34,382)
Expenses not deductible for tax purposes	6,315	3,486	8,518	34,391
Income not subject to tax	(64)	(9)	(1,640)	(9)
Deferred tax assets not recognised	-	1,140	-	-
Tax incentive arising from Pioneer Status	(78)	-	-	-
Utilisation of previous years unecognised deferred tax assets	(1,016)	-	-	-
(Over)/Under provision of current taxation in prior year	(71)	243	-	-
Taxation for the financial year	(168)	314	-	-

A subsidiary company of the Group has been granted a Pioneer Status by the relevant authority for a period of 10 years effective from 25 June 2014 to 24 June 2024 whereby its statutory income would be exempted from income tax.

27. LOSS PER SHARE

(a) Basic loss per share

The loss per share has been calculated based on the consolidated loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year.

	Group 2021	Group 2020 Restated
Loss for the financial year attributable to the owners of the Company from (RM'000):		
- continuing operations	(21,681)	(18,905)
- discontinued operations	(145,904)	(162,852)
	(167,585)	(181,757)
Weighted average number of shares in issue ('000)	1,949,490	1,220,278
Basic loss per share (sen)		
- continuing operations	(1.11)	(1.55)
- discontinued operations	(7.48)	(13.35)
	(8.59)	(14.90)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, consolidated loss attributable to owners of the Company, adjusted for dilutive adjustments is divided by weighted average number of ordinary shares in issue during the financial year, adjusted for the dilutive effects of all potential ordinary shares.

	Group 2021	Group 2020 Restated
Loss for the financial year attributable to the owners of the Company from (RM'000):		
- continuing operations	(21,681)	(18,905)
- discontinued operations	(145,904)	(162,852)
	(167,585)	(181,757)
Adjustment in respect of (RM'000)		
- redeemable convertible notes *	-	-
- ESOS *	-	-
	-	-
Loss for the year after dilutive adjustment (RM'000)	(167,585)	(181,757)

27. LOSS PER SHARE (CONT'D)

(b) Diluted loss per share (cont'd)

	Group	
	2021	2020 Restated
Weighted average number of shares in issue ('000)	1,949,490	1,220,278
Adjustment in respect of ('000)		
- redeemable convertible notes *	-	-
- ESOS *	-	-
	-	-
Adjusted weighted average number of shares in issue ('000)	1,949,490	1,220,278
Diluted loss per share (sen)		
- continuing operations	(1.11)	(1.55)
- discontinued operations	(7.48)	(13.35)
	(8.59)	(14.90)

* The potential conversion of redeemable convertible notes ("RCN") and ESOS is anti-dilutive as the conversion of the RCN and ESOS results in a reduction in diluted loss per share upon conversion.

28. STAFF COSTS

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
Salary, bonus and other emoluments (excluding Directors)	10,921	7,937	647	544
Defined contribution plan	936	791	78	65
Employee share option scheme charge	7,987	-	7,987	-
	19,844	8,728	8,712	609

29. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

29. RELATED PARTY DISCLOSURES (CONT'D)

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Salary and allowances	2,551	2,560	343	569
Statutory pension scheme contributions	212	186	30	58
Employee share option scheme charge	7,987	-	7,987	-
	10,750	2,746	8,360	627

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Term loan	Lease liabilities	Total
	RM'000	RM'000	RM'000
Group			
At 1 January 2020	2,308	6,569	8,877
Addition	-	3,335	3,335
Finance cost accrued	192	-	192
Cash flows	(513)	(2,923)	(3,436)
At 31 December 2020	1,987	6,981	8,968
Addition	-	279	279
Written off	-	(566)	(566)
Cash flows	(427)	(3,160)	(3,587)
At 31 December 2021	1,560	3,534	5,094

31. SEGMENT INFORMATION

Segment information is primarily presented in respect of the Group's business segment which is based on the reports reviewed by the Board of Directors. The Board of Directors monitors the operating results of its business segment separately for the purposes of making decision about resource allocation and performance assessment.

Management has determined the operating segments based on the reports reviewed by the Executive Director (Chief Operating Decision Maker). The Board of Directors considers the business from an activity perspective.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. SEGMENT INFORMATION (CONT'D)

The main business segments of the Group comprise the following:

Food and beverage	:	involved in restaurant operations and provision of franchise
Energy storage solutions	:	involved in manufacturing and trading of energy storage solutions such as super battery and super capacitor for the use in industrial
Technology and digital transformations enabler	:	provision of software development and maintenance services and data analysis
Manufacturing and trading of coke	:	involved in manufacturing and sales of metallurgical coke and other related by-products (discontinued operations)
Others	:	Included investment holding and dormant

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenue is eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The amounts relating to the manufacturing and trading of metallurgical coke segment have been excluded to arrive at amounts shown in the consolidated statement of profit or loss and other comprehensive income as they are presented separately within "loss from discontinued operations".

	Note	Food and beverage RM'000	Energy storage solutions RM'000	Technology and digital transformations enabler RM'000	Others RM'000	Elimination RM'000	Total RM'000
2021							
Revenue							
Sales		33,866	23,531	11,224	-	-	68,621
Less: Inter-segment revenue		-	-	-	-	-	-
		33,866	23,531	11,224	-	-	68,621
Results							
Depreciation and amortisation		(3,239)	(17)	(1,104)	(170)	-	(4,530)
Other significant non-cash expenses	(a)	30	-	(7,400)	(17,159)	-	(24,529)
Finance income		-	-	-	26	-	26
Finance costs		(314)	-	(7)	(50)	-	(371)
Taxation		(168)	-	-	-	-	(168)
Segment profit/(loss)		3,808	(92)	(3,847)	(21,593)	-	(21,724)
Assets							
Segment assets		59,315	119,010	74,425	121,539	(116,495)	257,794
Liabilities							
Segment liabilities		47,210	69,332	35,277	43,770	(27,255)	168,334

31. SEGMENT INFORMATION (CONT'D)

	Note	Food and beverage RM'000	Energy storage solutions RM'000	Technology and digital transformations enabler RM'000	Others RM'000	Elimination RM'000	Total RM'000
2020 (Restated)							
Revenue							
Sales		18,214	-	1,414	-	-	19,628
Less: Inter-segment revenue		-	-	-	-	-	-
		18,214	-	1,414	-	-	19,628
Results							
Depreciation and amortisation		(3,498)	-	(934)	(24)	-	(4,456)
Other significant non-cash expenses	(a)	(233)	-	(1,184)	(868)	-	(2,285)
Finance income		-	-	-	38		38
Finance costs		(693)	-	(1,393)	-	-	(2,086)
Taxation		(314)	-	-	-		(314)
Segment loss		(3,499)	(701)	(3,670)	(143,257)	131,871	(19,256)
Assets							
Segment assets		46,859	82,777	73,644	114,199	(110,687)	206,792
Liabilities							
Segment liabilities		38,693	38,050	35,550	83,679	(19,265)	176,707

(a) Other significant non-cash expenses consist of the following:

	Group 2021 RM'000	Group 2020 RM'000 Restated
Bad debts written off	-	338
Employee share option scheme charges	7,987	-
Fair value loss on contingent consideration payables	8,707	1,740
Impairment loss on trade receivables	114	279
Impairment of goodwill	7,865	-
Property, plant and equipment written off	-	57
Waiver of debts	(144)	(129)
	24,529	2,285

NOTES TO THE FINANCIAL STATEMENTS
cont'd

31. SEGMENT INFORMATION (CONT'D)

Geographical information

(i) Geographical information of revenue is disclosed in Note 23 to the financial statements.

(ii) Non-current assets by geographical location of assets are as follows:

	Group	
	2021	2020
	RM'000	RM'000
		Restated
People's Republic of China	88,812	64,023
Malaysia	104,236	126,979
Croatia	402	-
	193,450	191,002

Information about major customers

Revenue from 1 (2020: 0) major customer amount to RM23,531,000 (2020: RM Nil) arising from the energy storage solutions segment.

32. FINANCIAL INSTRUMENTS

The following table analyses the financial assets and financial liabilities of the Group and of the Company by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets and liabilities at amortised cost	
	2021	2020
	RM'000	RM'000
		Restated
Group		
Financial assets		
Trade receivables	31,966	844
Other receivables	16,170	7,187
Amount owing by an associate	971	-
Cash and cash equivalents	12,842	6,885
	61,949	14,916
Financial liabilities		
Trade payables	25,510	2,896
Other payables	102,110	129,473
Amount owing to an associate	34,542	35,339
Lease liabilities	3,534	6,981
Borrowings	1,560	1,987
Redeemable convertible notes	1,000	-
	168,256	176,676

32. FINANCIAL INSTRUMENTS (CONT'D)

	Financial assets and liabilities at amortised cost	
	2021	**2020**
	RM'000	**RM'000**
		Restated
Company		
Financial assets		
Other receivables	3,915	23
Cash and cash equivalents	1,357	3,088
	5,272	3,111
Financial liabilities		
Other payables	42,669	83,444
Lease liabilities	102	235
Redeemable convertible notes	1,000	-
	43,771	83,679

Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade receivables.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statement of financial position.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade receivables ageing.

The ageing analysis of the Group's trade receivables and is as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
		Restated
Neither past due nor individually impaired	23,865	482
Past due but not individually impaired:		
- Below 1 year	8,032	160
- Above 1 year	69	202
	8,101	362
Individually impaired	393	279
	32,359	1,123

NOTES TO THE FINANCIAL STATEMENTS
cont'd

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The Group's trade receivables of RM8,101,000 (2020: RM362,000) was past due but not individually impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Group's trade receivables of RM393,000 (2020: RM279,000) was individually impaired. The individually impaired receivables mainly relate to trade receivables, which are facing difficulties in cash flows. As at the end of the reporting date, the impairment loss for these receivables is RM393,000 (2020: RM279,000).

At reporting date, the Group's concentration of the top 2 (2020: 1) trade customers of the Group represent 90% (2020: 13%) of the total trade receivables.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from trade and other payables, borrowings and redeemable convertible notes.

Cash flow forecasting is performed by monitoring the Group's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The Group has prepared a cash flow forecast to consider the availability of the remaining tranches of the Redeemable Convertible Notes and proceeds from the proposed disposal of PIPO Overseas Limited, undertaking by the vendors of recent acquisitions to not demand repayment should the Group lack the capacity to repay and coupled with its cash flows generated from its operating activities in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial year. Significant assumptions and judgements are used in the preparation of the cash flows forecast.

The table below summarises the maturity profile of the Group and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount	Contractual interest rate	Contractual cash flows	Below 1 year	Between 2 to 5 year	Above 5 years
	RM'000	%	RM'000	RM'000	RM'000	RM'000
2021						
Group						
Trade payables	25,510	-	25,510	25,510	-	-
Other payables	102,110	-	108,752	108,752	-	-
Amount owing to an associate	34,542	-	34,542	34,542	-	-
Lease liabilities	3,534	-	3,728	2,956	717	55
Borrowings	1,560	5.10	1,560	1,560	-	-
Redeemable convertible notes	1,000	-	1,000	1,000	-	-
	168,256		175,092	174,320	717	55

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Below 1 year RM'000	Between 2 to 5 year RM'000	Above 5 years RM'000
2021 (cont'd)						
Company						
Other payables	42,669	-	44,094	44,094	-	-
Lease liabilities	102	-	103	103	-	-
Redeemable convertible notes	1,000	-	1,000	1,000	-	-
	43,771		45,197	45,197	-	-
2020						
Group						
Trade payables	2,896	-	2,896	2,896	-	-
Other payables	129,473	-	145,153	108,275	36,878	-
Amount owing to an associate	35,339	-	35,339	35,339	-	-
Lease liabilities	6,981	-	7,488	3,813	3,675	-
Borrowings	1,987	5.10	1,987	1,987	-	-
	176,676		192,863	152,310	40,553	-
Company						
Other payables	83,444	-	92,687	69,809	22,878	-
Lease liabilities	235	-	240	137	103	-
	83,679	-	92,927	69,946	22,981	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

(a) Foreign currency exchange risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in currency other than Ringgit Malaysia. The currency giving risk to this risk is primarily arise from United State Dollar. The Group monitor the foreign currency risks on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Market risk (cont'd)

(a) Foreign currency exchange risk (cont'd)

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Functional Currency	Financial assets/ (liabilities) held in non-functional currency United State Dollar ("USD") RM'000	Total RM'000
Group		
2021		
Trade receivables	23,191	23,191
2020		
Trade receivables	-	-

Currency risk sensitivity analysis

The following table shows the sensitivity of the Group's equity and loss net of tax to a reasonably possible change in the United States Dollar exchange rates against the functional currency of the Group, with all other variables remain constant.

		Group Profit net of tax 2021 RM	Group Profit net of tax 2020 RM
USD/RM	-strengthened 5%	968	-
	-weakened 5%	(968)	-

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Market risk (cont'd)

(b) Interest rate risk

The Group and the Company finance its operation through operating cash flows. Interest rate exposure arises from the Group's deposits.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instrument, based on carrying amounts as at the end of the financial year is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
		Restated		
Floating rate instruments				
Financial liabilities	(1,560)	(1,987)	-	-
Fixed rate instruments				
Financial assets	963	1,437	963	1,437

Interest rate sensitivity analysis

Since the Group's and the Company's fixed rate financial assets and liabilities are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group's profit or loss.

A change of 50 basis points ("bp") in floating interest rates at the end of the reporting period would have increase/(decrease) loss net of tax by the amounts shown below, assuming all other variables remain constant.

	Group	
	Loss net of tax	
	2021	2020
	RM'000	RM'000
Profit net of tax		
50 bp increase	(6)	(8)
50 bp decrease	6	8

NOTES TO THE FINANCIAL STATEMENTS
cont'd

32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Market risk (cont'd)

(c) Fair values

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings are approximate their fair values at the reporting date due to the relatively short term of these financial instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments not carried at fair value in the statements of financial position:

	2021		2020	
	Carrying amount	**Level 2 Fair value**	**Carrying amount**	**Level 2 Fair value**
	RM'000	**RM'000**	**RM'000**	**RM'000**
			Restated	**Restated**
Financial liabilities				
Group				
Lease liabilities	3,534	3,534	6,981	6,981
Company				
Lease liabilities	102	102	235	235

The Company does not anticipate the carrying amounts of other financial instruments recorded at the reporting date to be significant different from the values that would eventually settled.

33. CAPITAL MANAGEMENT

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

33. CAPITAL MANAGEMENT (CONT'D)

The Group monitors the capital using gearing ratio, which is net borrowings divided by equity attributable to the owners of the Company. The Group's policy is to keep the gearing ratio within reasonable levels.

	Group	
	2021	**2020**
	RM'000	**RM'000**
		Restated
Trade payables	25,510	2,896
Other payables	102,110	129,473
Amount owing to an associate	34,542	35,339
Lease liabilities	3,534	6,981
Borrowings	1,560	1,987
Redeemable convertible notes	1,000	-
Less: Cash and cash equivalents	(12,842)	(6,885)
Net debt	155,414	169,791
Equity attributable to the owners of the Company	(27,673)	61,148
Debt to equity ratio (times)	N/A	2.78

34. MATERIAL LITIGATION

(i) Yanzhou Coal Mining Company Ltd. ("Yanzhou Coal") vs Linyi Yehua Coking Co., Ltd. ("Linyi Yehua")

On 15 July 2020, a legal suit was filed by Yanzhou Coal against Huasheng Jiangquan in which Linyi Yehua, a subsidiary of the Group classified as held for sale, was also named a party to the suit, arising from a disputed and unfulfilled transactional obligation. The obligation attributed to Yehua amounting to approximately RMB49,131,000 (equivalent to RM32,212,000) had been included in the liabilities directly associated with the disposal group held for sale as disclosed in Note 15 to the financial statements.

Up until the date of this report, Linyi Yehua has not received any court judgement arising from the legal suit filed by Yanzhou Coal.

(ii) Guangxi Construction Engineering Group No. 5 Construction Engineering Co., Ltd. & Guangdong Wuchuan Construction and Installation Engineering Co., Ltd. & Huizhou Aisheng Mechanical and Electrical Engineering Co., Ltd. vs Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd ("GABNEIT")

The associate company of the Group, GABNEIT has pending litigation cases by (i) Guangxi Construction Engineering Group No. 5 Construction Engineering Co., Ltd.; (ii) Guangdong Wuchuan Construction and Installation Engineering Co., Ltd. and (iii) Huizhou Aisheng Mechanical and Electrical Engineering Co., Ltd. of approximately RMB40,000,000 (equivalent to RM24,672,000) in relation to the construction of the building facilities of GABNEIT. The said amount is still being disputed and the case is still on-going at the date of this report.

Premised on a legal assessment of the subject matter, it is established that the above-mentioned cases could be fully extinguished by a settlement sum of approximately RMB18,433,000 (equivalent to RM11,369,000) which have been recognised by the associate company.

Up to the date of this report, the litigation cases are still on-going and pending judgement from the Court.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

35. SIGNIFICANT EVENTS

(i) Cessation of the Group's coke manufacturing and trading of coke segment

Given the many consecutive quarters of substantial losses suffered by the metallurgical coke business segment which have significantly diminished Techna-X's shareholders' fund, the Board has deliberated on many occasions and had on 20 September 2021, made the decision to cease the operations of this business segment on or before 31 December 2021 ("Cessation") as there is still no clear visibility on the potential turnaround of the coke industry in particular that of independent coke manufacturers like Techna-X's, coupled with the harsh and challenging business environment, unfavourable governmental policies towards perceived polluting industries and relentless external challenges, all of which are beyond Techna-X's control.

The Cessation decision is deemed necessary to safeguard the shareholders' value as it will immediately address the ongoing operational losses as well as to stem the continuous extensive financial strain on the Group. Following the cessation, the Group is also able to preserve the financial position of the Group from further deterioration.

(ii) Impact of the COVID-19 pandemic

With the gradual opening up of the economy after the worldwide lockdown happened in year 2020, the business operations of the Group, especially the technology driven food and beverage segment, have been slightly improved in year 2021 compared to year 2020. However, the economic challenges brought about by the COVID-19 pandemic in 2020 and 2021 is expected to continue to spill over to a large part of 2022 given the proliferation of new COVID-19 variants such as the Delta and Omicron strains which are more infectious.

As at the date of this report, the COVID-19 pandemic is still evolving and unpredictable. The Company is actively monitoring and managing the operations of the company to minimise any impact arising from the COVID-19 pandemic.

(iii) Acquisition of MBits Digital Sdn. Bhd. ("MBits")

On 8 February 2021, the Company had entered into a Share Purchase Agreement with Saraleana Nattaya Binti Azmi for the proposed acquisition of 10,000,000 ordinary shares, equivalent to 25% of the total issued and paid-up share capital of MBits Digital Sdn. Bhd. for a total purchase consideration of RM12,500,000 subject to the terms and conditions as stipulated in the Share Purchase Agreement.

Up to the date of this report, the completion of the acquisition of MBits has been consciously deferred until full settlement of the purchase consideration is made.

(iv) Acquisition of NHK Energy Construction Sdn. Bhd. ("NHK") and subsequent termination

On 16 June 2021, the Group has entered into a Share Purchase Agreement ("SPA") to acquire 49% equity interest in NHK. NHK is principally engaged in designs, develops, commissions, contracts and markets lighting for the growing international renewable energy market.

However, on 3 August 2021, the Group terminated the acquisition of NHK due to non-fulfillment of the obligations as stipulated in Clause 4.3(a) of the SPA dated 16 June 2021. The non-fulfilment of the above was precipitated by the inadvertent delayed and subsequent non-payment of the first tranche of the purchase consideration by the Company to the vendors.

With such termination, the Group would be able to re-prioritise its resources in the energy storage and digital transformation space and in companies that own patents, technologies and licences.

Pursuant to the termination, the SPA shall have no further binding force and effect on the parties and no party shall have any claim in respect of the other under the SPA. The parties have released and discharged each other, their officers, directors, past directors, shareholders, successors and assigns from all rights, demands, expenses, causes of action and claims whatsoever arising from or connected to, whether directly or indirectly, the SPA. Accordingly, the Group does not anticipate any financial losses to be incurred from the termination.

35. SIGNIFICANT EVENTS (CONT'D)

(v) Reverse takeover of Chaswood Resources Holding Limited ("CRHL")

During the year, the Company was presented with an opportunity to monetise and extract the intrinsic value of its 50% investment in HKAB via the proposed injection of HKAB into Chaswood Resources Holdings Ltd ("CRHL" or "Purchase"), a company listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST"), for a total consideration of USD250,000,000 (equivalent to approximately SGD339,285,000).

On 27 December 2021, the Company together with Dr. Wan Muhamad Hasni Bin Wan Sulaiman ("Dr. Wan"), Nong You Hua ("NYH") and Satriya Bin Suetoh ("Satriya") (collectively, the "Vendor(s)") entered into a sales and purchase agreement with CRHL for the proposed disposal of 200,000 ordinary shares in HKAB ("Target") ("Sale Share(s)" or "HKAB Share(s)"), representing 100.0% equity interest in HKAB to CRHL for a total consideration of SGD678,570,000, to be satisfied via the issuance of approximately 17,857,105,263 new ordinary shares in CRHL ("Chaswood Shares") at an pre-consolidation issue price of SGD0.038 per Chaswood Share ("Pre-Consolidation Issue Price") ("Consideration Share(s)") subject to the adjustments pursuant to the Proposed Share Consolidation, as the case may be).

Completion of the exercise will result in a Reverse Takeover ("RTO") where Techna-X will potentially own approximately 48% of SGX listed CRHL with the balance being owned by the other vendors of HKAB and existing shareholders of CRHL.

As of the date of the report, CRHL still awaiting response from SGX-ST in order to proceed with the relevant submission.

36. SUBSEQUENT EVENTS

(a) On 6 January 2022, a wholly owned subsidiary, Craveat International Sdn. Bhd. ("Craveat") has entered into a Share Purchase Agreement ("SPA") with One Gourmet Sdn. Bhd. to acquire additional 310,000 shares in an associate company, Bistroamericana (JB) Sdn. Bhd. ("BAJB") for purchase consideration amounting to RM1,054,000. Upon execution of the SPA, Craveat will own 510,000 shares in BAJB (representing 51% of the equity interest of BAJB).

(b) The Company had on 17 January 2022 entered into a Heads of Agreement with 5G Infra Tech Solution Sdn. Bhd. (formerly known as NMS Engineering Sdn. Bhd.) ("Target Company"), through a consortium formed with the following parties, to invest in the Target Company through redeemable convertible preference shares:

(i) SMTrack Berhad;
(ii) Country Heights Holding Berhad;
(iii) Jiankun International Berhad;
(iv) Sersol Berhad; and
(v) MQ Technologies Berhad

The consortium formed with the above parties would undertake a series of corporate exercises to raise fund and finance 5G and fiber optics related projects by Digital National Berhad ("DNB") as well as Malaysian Communications and Multimedia Commission ("MCMC").

Up until the date of this report, the above-mentioned consortium is yet to be formed for the intended purpose.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

36. SUBSEQUENT EVENTS (CONT'D)

(c) On 24 January 2022, the Company entered into a Loan Agreement ("Agreement") with Advance Opportunities Fund ("Lender") for a loan sum of USD7,500,000 for the purpose of settlement of the Purchase Consideration owing to the vendors of Touchpoint and the business of Wavetree, subject to the Company pledging the entire issued and paid-up shares of its wholly-owned subsidiary, PIPO Overseas Limited in favour of the Lender, upon the terms and conditions as stipulated in the Agreement.

On 25 March 2022, however, both parties had mutually agreed to terminate the said Loan Agreement ("Termination"). The said loan has never been drawn down and pursuant to the Termination, the Agreement shall have no further binding force and effect on the Parties and no Party shall have any claim in respect of the other under the Agreement. The Parties had released and discharged each other, their officers, directors, past directors, shareholders, successors and assigns from all rights, demands, expenses, causes of action and claims whatsoever arising from or connected to, whether directly or indirectly, from the Agreement. Accordingly, the Company does not anticipate any financial impact to be incurred from the Termination.

(d) On 25 January 2022, the Company, via one of its wholly-owned subsidiary, Wavetree Technologies Sdn. Bhd., entered into a Partnership Agreement with Borneo Eco Star Sdn Bhd. to collaborate and develop a Smart Integrated Aquaculture Platform. Such Platform will utilize the latest technologies in IoT and Artificial Intelligence combined with aquaculture expertise and operational know-how to create an advanced IoT-based platform accessible to all scales of operations which will enable the farming operations to benefit from a science-based and data-driven approach to maximize efficiency, reduce costs, and maximize yield. The Smart Integrated Aquaculture Platform will revolutionize the aquafarming industry and further promote sustainable farming practices.

37. MEASUREMENT PERIOD ADJUSTMENTS

As disclosed in Note 5(e) to the financial statements, measurement period adjustments were made retrospectively to account for the acquisition of HKAB. The restatement adjustments on the comparative figures for 31 December 2020 are as follows:

	As previously stated RM	Effect of measurement period adjustments RM	As restated RM
Group			
31.12.2020			
Statement of financial position (extract)			
Property, plant and equipment	35,730	(31,899)	3,831
Investment in associates	-	81,786	81,786
Intangible assets	185,224	(85,957)	99,267
Trade receivables	1,041	(197)	844
Other receivables	71,956	(64,755)	7,201
Cash and cash equivalents	6,975	(90)	6,885
Reserves	555,072	561	555,633
Accumulated losses	536,774	(250)	536,524
Non-controlling interests	(101,266)	97,797	(3,469)
Trade payables	(3,562)	666	(2,896)
Other payables	(167,147)	2,335	(164,812)
Provision for taxation	(15)	3	(12)

37. MEASUREMENT PERIOD ADJUSTMENTS (CONT'D)

As disclosed in Note 5(e) to the financial statements, measurement period adjustments were made retrospectively to account for the acquisition of HKAB. The restatement adjustments on the comparative figures for 31 December 2020 are as follows: (cont'd)

	As previously stated RM	Effect of measurement period adjustments RM	As restated RM
Group			
31.12.2020			
Statement of profit or loss and other comprehensive income (extract)			
Revenue	20,553	(925)	19,628
Cost of sales	(8,063)	297	(7,766)
Administration and operating expenses	(31,111)	1,182	(29,929)
Share of associate's results	(150)	(289)	(439)
Finance cost	(2,321)	235	(2,086)
Other comprehensive income			
- Exchange differences arising from translation of foreign operations	13,903	(1,122)	12,781
Statement of cash flows (extract)			
Loss before taxation			
- from continuing operations	(19,442)	500	(18,942)
Adjustments for:			
Amortisation of intangible assets	1,176	(342)	834
Depreciation of property, plant and equipment	25,779	(165)	25,614
Share of associate's result	150	289	439
Finance cost	2,718	(235)	2,483
Changes in working capital:			
Trade receivables	53,701	163	53,864
Other receivables	5,341	1,300	6,641
Trade payables	2,774	106	2,880
Other payables	(6,521)	(2,152)	(8,673)
Interest paid	(1,297)	235	(1,062)
Tax paid	(330)	(70)	(400)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	(295)	178	(117)
Purchase of property, plant and equipment	(6,838)	126	(6,712)

LIST OF PROPERTIES
As at 31 December 2021

	LOCATION	DESCRIPTION	TENURE	NET BOOK VALUE (RM'000)	AREA (sq. m.)	DATE OF ACQUISITION/ COMPLETION OF CONSTRUCTION
1)	Lot no. 201/23/96 Shenquan Industrial Park, Luozhuang District, Linyi City, Shandong Province, People's Republic of China	Manufacturing plant	Leasehold 29 years	6,764	319,014	4 Dec 2005
2)	Lot no. 201/026/0008 Shenquan Industrial Park, Luozhuang District, Linyi City, Shandong Province, People's Republic of China	Coal storage area	Leasehold 50 years	20,970	85,454	12 Feb 2007
3)	C3-5-15, Subang Ville Ehsan Apartment, Jalan PJS 10/11, Bandar Sunway, 46150 Petaling Jaya, Selangor, Malaysia	Staff accommodation	Leasehold 99 years	86	79	13 Jun 2008
4)	A1-5-01, Subang Ville Ehsan Apartment, Jalan PJS 10/11, Bandar Sunway, 46150 Petaling Jaya, Selangor, Malaysia	Staff accommodation	Leasehold 99 years	79	79	24 Jun 2008

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2022

SHARE CAPITAL

Issued share capital	:	2,201,714,736
Class of shares	:	Ordinary shares
Voting rights	:	One vote for each ordinary share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	763	3.23	29,072	0.00
100 – 1,000	5,567	23.53	2,579,274	0.12
1,001 - 10,000	7,154	30.24	38,599,990	1.75
10,001 – 100,000	8,030	33.94	333,055,147	15.13
100,001 – 110,085,735	2,143	9.06	1,542,451,173	70.06
110,085,736 and above	1	0.00	285,000,080	12.94
Total	23,658	100.00	2,201,714,736	100.00

DIRECTORS' SHAREHOLDINGS

		No. of shares beneficially held			
Name of Directors	Nationality	Direct	%	Indirect	%
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Malaysian	12,073,700	0.55	304,642,259 (1)	13.84
Datuk Lim Chih Li @ Lin ZhiLi	Malaysian	2,350,000	0.11	-	-
Liu Guodong	Chinese	-	-	74,000,057 (2)	3.36
Lim See Tow	Malaysian	-	-	-	-
Zhai Baoxing	Chinese	-	-	-	-
Balraj Singh Pannu A/L Gajjan Singh	Malaysian	-	-	-	-
Ahmad Rizan Bin Ibrahim	Malaysian	-	-	-	-

Notes :-

(1) Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Deemed interested by virtue of him being the father of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin.

Deemed interested by virtue of him being the spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Companies Act 2016 ("Act") by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X Berhad ("TXB").

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(2) Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Libran Infinity Inc. which in turn holds shares in TXB.

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2022
cont'd

SUBSTANTIAL SHAREHOLDERS

		No. of shares beneficially held			
Name of Shareholders	Nationality	Direct	%	Indirect	%
Rock Point Alliance Pte. Ltd.	Singapore	285,150,080	12.95	-	-
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Malaysian	12,073,700	0.55	304,642,259 (1)	13.84
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	Malaysian	1,221,500	0.06	315,492,959 (2)	14.33
Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar	Malaysian	1,166,500	0.05	315,547,959 (3)	14.33
Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar	Malaysian	1,176,500	0.05	315,537,959 (4)	14.33
Y.A.M. Tunku Irinah Binti Tuanku Ja'afar	Malaysian	1,154,250	0.05	315,560,209 (5)	14.33
Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar	Malaysian	1,076,550	0.05	315,637,909 (6)	14.34
Y.M. Tunku Nurul Hayati Binti Tunku Bahador	Malaysian	100,200	0.00	316,615,759 (7)	14.38
Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin	Malaysian	1,500	0.00	308,960,230 (8)	14.03

Notes :-

(1) Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Deemed interested by virtue of him being the father of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin.

Deemed interested by virtue of him being the spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(2) Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Deemed interested by virtue of him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2022
cont'd

SUBSTANTIAL SHAREHOLDERS (CONT'D)

***Notes :-** (Cont'd)*

(3) Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(4) Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Deemed interested by virtue of him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(5) Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(6) Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Irinah Binti Tuanku Ja'afar.

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her sibling's interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2022
cont'd

SUBSTANTIAL SHAREHOLDERS (CONT'D)

***Notes :-** (Cont'd)*

(7) *Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar.*

Deemed interested by virtue of her being the sister-in-law to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Deemed interested by virtue of her being the mother of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(8) *Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar and Y.M. Tunku Nurul Hayati Binti Tunku Bahador.*

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in TXB.

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who has direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDERS

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
1.	HLIB NOMINEES (ASING) SDN. BHD. ROCK POINT ALLIANCE PTE. LTD.	285,000,080	12.94
2.	M & A NOMINEE (TEMPATAN) SDN. BHD. MAJESTIC SALUTE SDN. BHD. FOR NG CHEE SENG	83,888,100	3.81
3.	M & A NOMINEE (ASING) SDN. BHD. MAJESTIC SALUTE SDN. BHD. FOR RISE BUSINESS INC	79,441,385	3.61
4.	M & A NOMINEE (ASING) SDN. BHD. MAJESTIC SALUTE SDN. BHD. FOR LIBRAN INFINITY INC	74,000,057	3.36
5.	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (A/C CLIENTS)	44,900,000	2.04
6.	M & A NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW HUN SENG (M&A)	38,800,000	1.76
7.	ABDULLAH ZUBAIR BIN WAN MOHD HASNI	32,215,357	1.46
8.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR PHILLIP SECURITIES (HONG KONG) LTD (CLIENTS' ACCOUNT)	31,565,050	1.43
9.	KOPERASI SENTOSA JAYA KUALA LUMPUR BERHAD	28,400,000	1.29

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2022
cont'd

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
10.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN KOK SAN	22,000,000	1.00
11.	KENANGA NOMINEES (ASING) SDN. BHD. ADVANCE OPPORTUNITIES FUND I	19,418,993	0.88
12.	NG CHEE SENG	19,312,500	0.88
13.	M & A NOMINEE (ASING) SDN. BHD. FOR MONZ INVESTMENTS LTD	19,000,000	0.86
14.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. SENTOSA JAYA CAPITAL SDN. BHD. FOR KOPERASI BELIA ISLAM MALAYSIA BERHAD	18,750,000	0.85
15.	KENANGA NOMINEES (ASING) SDN. BHD. ADVANCE OPPORTUNITIES FUND	18,000,085	0.82
16.	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	17,656,000	0.80
17.	GAN SWEE CHING	14,210,100	0.65
18.	CHAN KOK SAN	12,500,000	0.57
19.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN HWEE LOONG (SECT 17 PJ-CL)	12,089,000	0.55
20.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ROCK POINT ALLIANCE SDN.BHD.	11,486,250	0.52
21.	DATIN LEUNG KIT MAN	11,000,000	0.50
22.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR	10,979,700	0.50
23.	TAN TIANG HUAT	10,902,000	0.50
24.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR AZIZ BIN MUSTAFA	9,700,000	0.44
25.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)	8,000,000	0.36
26.	SEAN KOH WEI ZHONG	8,000,000	0.36
27.	CHAI KOON KHOW	7,985,400	0.36
28.	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	7,595,059	0.34
29.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	7,500,000	0.34
30.	DATUK TAY HOCK TIAM	7,000,000	0.32

This page has been intentionally left blank

TECHNA-X BERHAD
[Registration No. 200601012477 (732227-T)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.

Number of ordinary shares held

*I/We (full name), ____

bearing *NRIC No./Passport No./Company No. ______________________________

of (full address)____

being a *member/members of Techna-X Berhad ("**Company**") hereby appoint:-

First Proxy "A"

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

*and

***Second Proxy "B"**

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

 # to put on a separate sheet where there are more than two (2) proxies

100%

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at the "Hall of Fame" located at The Mines Resort & Golf Club, Jalan Kelikir, Mines Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan on Tuesday, 31 May 2022, at 10:00 a.m. and any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction for voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTIONS		For	Against
1.	To approve the payment of Directors' Fees to the Non-Executive Directors for the financial year ended 31 December 2021.		
2.	To approve the payment of Directors' allowances and other benefits (excluding Directors' fees) to the Non-Executive Directors up to RM100,000 from 1 June 2022 until the next Annual General Meeting of the Company.		
3.	To re-elect Mr. Balraj Singh Pannu A/L Gajjan Singh, who retires by rotation pursuant to Clause 118 of the Company's Constitution.		
4.	To re-elect Encik Ahmad Rizan Bin Ibrahim, who retires pursuant to Clause 117 of the Company's Constitution.		
5.	To appoint HLB Ler Lum Chew PLT as Auditors of the Company in place of the retiring Auditors, HLB AAC PLT, and authorise the Board of Directors to fix their remuneration.		
6.	Authority to Issue Shares pursuant to the Companies Act 2016.		
7.	Proposed Granting of the Employees Shares Option Scheme Options to Encik Ahmad Rizan Bin Ibrahim.		
8.	Proposed Share Buy-Back of up to ten per centum (10%) of the Total Number of Issued Shares of the Company.		

As witness my/our hand(s) this day ________________ of _________________ , 2022.

____
*Signature/Common Seal of Member

* Strike out whichever not applicable

Fold this flap for sealing

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2022 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.*
2. *A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
3. *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporations' common seal or under the hand of an officer or attorney duly authorised.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power of authority, must be deposited at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. All resolutions set out in this notice of Meeting are to be voted by poll.*
6. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree, and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this Meeting and convening the Meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.*

Then fold here

Affix
Stamp

The Registrar
TECHNA-X BERHAD
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur, Wilayah Persekutuan

1st fold here

www.techna-x.com

Techna-X Berhad 200601012477 (732227-T)

Registered Office :
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Corporate Office :
Unit 2.2, Level 2
Work@Clearwater
Jalan Changkat Semantan
Damansara Heights
50490 Kuala Lumpur