

The cover features a central diamond shape with a white background, outlined in gold. Inside the diamond is a logo consisting of four overlapping yellow circles. The text 'TECHNA-X' is centered within the diamond in a dark grey serif font. Below the diamond, the words 'ANNUAL REPORT' and the year '2022' are centered. The background is a light grey with gold geometric patterns and a dotted pattern in the bottom right corner.

TECHNA-X

ANNUAL REPORT

2022

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The online version of **Techna-X Berhad's Annual Report 2022** is available from our website. Go to <https://techna-x.com/annualreport.html> or scan the QR code with your smartphone.

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth 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, 30 May 2023 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 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 amounting to RM90,000.00 for the financial year ended 31 December 2022. *(Ordinary Resolution 1)*
3. To approve the Directors’ benefits payable to the Non-Executive Directors of up to RM30,000.00 from 30 May 2023 until the next AGM of the Company to be held in the year 2024. *(Ordinary Resolution 2)*
4. To re-elect the following Directors, who are due to retire pursuant to Clause 118 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (a) Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja’afar; and *(Ordinary Resolution 3)*
 - (b) Datuk Lim Chih Li @ Lin ZhiLi. *(Ordinary Resolution 4)*
5. To re-elect the following Directors, who are due to retire pursuant to Clause 117 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (a) Mr. Fan Kah Seong; and *(Ordinary Resolution 5)*
 - (b) Puan Aidawati Binti Dahari. *(Ordinary Resolution 6)*
6. To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration. *(Ordinary Resolution 7)*

As Special Business

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

7. **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 *(Ordinary Resolution 8)*

“**THAT** subject always to the Companies Act 2016 (“**Act**”), the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and the approvals of the 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 (excluding Treasury Shares, if any) 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 to be issued on Bursa Malaysia Securities; **AND THAT** such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

cont'd

AND FURTHER THAT pursuant to Section 85 of the Act to be read together with Clause 17 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act.”

8. **ORDINARY RESOLUTION**

(Ordinary Resolution 9)

PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED RENEWAL OF SHARE BUY-BACK”)

“**THAT**, subject always to the Act, the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia 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 Malaysia 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 quoted on Bursa Malaysia Securities 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 TXB Shares to be purchased may be cancelled, retained as treasury shares, distributed as dividends to the shareholders or resold on Bursa Malaysia Securities, or a combination of any of the above, at the absolute discretion of the Directors.

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 the Proposed Renewal of 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.”

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

cont'd

9. 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 2023

Explanatory Notes to Ordinary and Special Businesses:

(a) Audited Financial Statements for the financial year ended 31 December 2022

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

(b) Ordinary Resolution 2 - Benefits payable to the Non-Executive Directors

The benefits (excluding Directors' fees) payable to the Non-Executive Directors from 30 May 2023 until the next AGM of the Company to be held in the year 2024 are as follows:

Description	Non-Executive Directors
Allowances	Up to RM30,000
Other Benefits	Nil

(c) Ordinary Resolutions 3 to 6 - Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the Seventeenth AGM of the Company, the Nomination Committee ("NC") reviewed and assessed the following Directors ("**Retiring Directors**") from the annual assessment and evaluation of the Board of Directors for the financial year ended 31 December 2022. The Board via the NC's annual assessment was satisfied with the performance of Retiring Directors who are standing for re-election and had recommended to the shareholders the proposed re-election at the Seventeenth AGM under Resolutions 3 to 6:

- (i) Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar;
- (ii) Datuk Lim Chih Li @ Lin ZhiLi;
- (iii) Mr. Fan Kah Seong; and
- (iv) Puan Aidawati Binti Dahari.

The profiles of the Retiring Directors are set out in the Annual Report in respect of the financial year ended 31 December 2022.

(d) Ordinary Resolution 8 - Authority to Issue Shares pursuant to the Act

The Company had been granted a general mandate by its shareholders at the Sixteenth AGM held on 31 May 2022 ("**Previous Mandate**").

As of the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders. Hence, no proceeds were raised therefrom.

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

cont'd

The Company wishes to renew the mandate on the authority granted to the Directors to issue and allot shares pursuant to the Act at any time to such persons in their absolute discretion without convening 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 for the time being.

Pursuant to Section 85 of the Act read together with Clause 17 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

The proposed Ordinary Resolution 8, if passed, the shareholders of the Company will waive their statutory pre-emptive right and provide flexibility and expediency to the Directors of the Company to undertake any possible fundraising activities, including but not limited to placement of shares to fund 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. 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.

(e) Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back

The proposed Ordinary Resolution 9, if passed, will enable the Company to renew the authority given to 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 Malaysia 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 2023 for further information.

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2023 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 Securities Services (Holdings) Sdn. Bhd., 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. *Any notice of termination of authority to act as proxy must be received by the Company before the commencement of the Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Act:-*
 - (i) *the constitution of the quorum at such meeting;*
 - (ii) *the validity of anything he did as chairman of such meeting;*
 - (iii) *the validity of a poll demanded by him at such meeting; or*
 - (iv) *the validity of the vote exercised by him at such meeting.*
7. *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 SEVENTEENTH ANNUAL GENERAL MEETING (“17TH AGM”)

INFORMATION ON 17TH AGM

1. Date, Time, and Venue of 17th AGM

The Company’s 17th AGM is scheduled to be held as follows:-

Day and Date	:	Tuesday, 30 May 2023
Time	:	10:00 a.m.
Venue	:	The “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 2023 shall be entitled to attend, participate, speak and vote at the 17th 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 17th AGM

- (a) If you are unable to attend the 17th 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 Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the 17th AGM or any adjournment thereof, i.e., **latest by Sunday, 28 May 2023 at 10:00 a.m.**
- (b) If you wish to attend the 17th AGM yourself, please do not submit any Form of Proxy for the 17th AGM that you wish to attend. You will not be allowed to attend the 17th 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 17th AGM and subsequently decided to attend the 17th 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 17th AGM should submit the original certificate of appointment under the corporation’s seal to the Company’s Registered Office at Securities Services (Holdings) Sdn. Bhd., 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 17th 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 17th AGM.

ADMINISTRATIVE GUIDE

cont'd

GUIDANCE FOR ATTENDANCE OF 17TH AGM

1. Registration for the 17th 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 17th 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 Record of Depositors as of 23 May 2023. 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.
- (j) If you have any enquiries on other matters, please refer to our staff who will be at hand to assist.

2. Safety Measures due to COVID-19 Pandemic

All attendees are advised to adhere to the following standard operating procedures of the Company:-

- (a) 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; and
- (b) to wear a face mask before entering the meeting venue and throughout the 17th AGM.

3. Submission of Questions prior to 17th AGM

Shareholders are encouraged to submit questions ahead of the 17th AGM and email your questions to info@techna-x.com, **latest by Sunday, 28 May 2023**.

The Company will endeavour to answer your question(s) at the 17th AGM if time permits or by email after the 17th AGM.

The 17th AGM proceedings will focus on the proposed resolutions to minimise crowd gathering time in an enclosed environment.

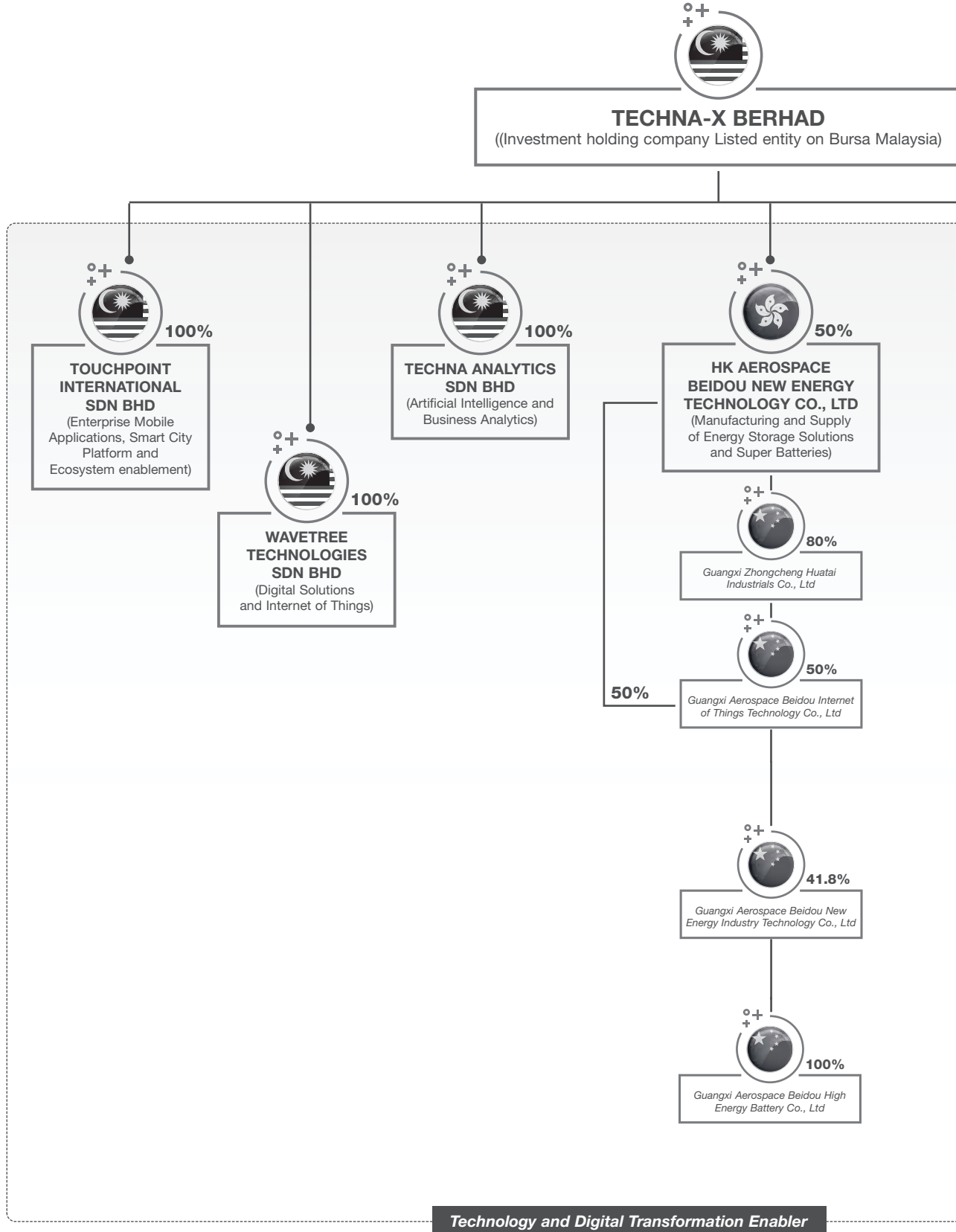
ENQUIRY

Should you have any enquiries on the foregoing, please do not hesitate to contact our Share Registrar at their general line: +603-2084 9000 or Pn. Halimah Hashim from the Company at general line: +603-2702 4681 or email: info@techna-x.com during office hours.

We thank you for your continued support.

THE TECHNA-X GROUP

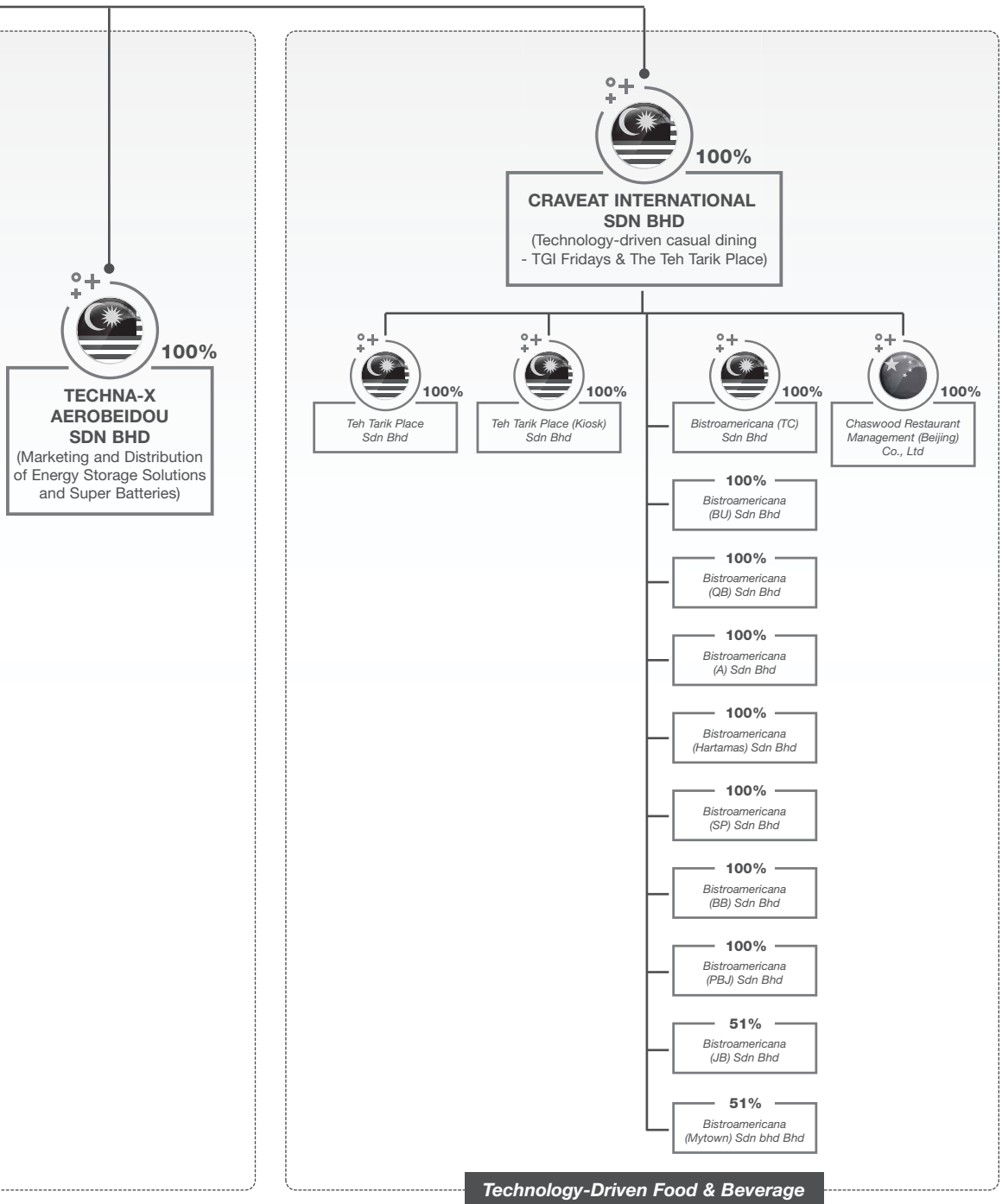
As at 31 December 2022



Technology and Digital Transformation Enabler

THE TECHNA-X GROUP

As at 31 December 2022
cont'd



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Datuk Lim Chih Li @ Lin ZhiLi
Executive Director

Ahmad Rizan Bin Ibrahim
Executive Director

Ng Chee Seng
Alternate Director
to Ahmad Rizan Bin Ibrahim
(appointed w.e.f. 12 Dec 2022)

Chin How Nyian
Alternate Director
to Datuk Lim Chih Li @ Lin ZhiLi
(appointed w.e.f. 28 Feb 2023)

Liu Guodong
Managing Director
(resigned w.e.f. 12 Dec 2022)

Fan Kah Seong
Independent Non-Executive Director
(appointed w.e.f. 1 Jun 2022)

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

Aidawati Binti Dahari
Independent Non-Executive Director
(appointed w.e.f. 28 Feb 2023)

Lim See Tow
Independent Non-Executive Director
(retired w.e.f. 31 May 2022)

Zhai Baoxing
Independent Non-Executive Director
(resigned w.e.f. 12 Dec 2022)

AUDIT & RISK MANAGEMENT COMMITTEE

Fan Kah Seong
Chairman
Independent Non-Executive Director
(appointed w.e.f. 1 Jun 2022)

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

Aidawati Binti Dahari
Independent Non-Executive Director
(appointed w.e.f. 28 Feb 2023)

NOMINATION COMMITTEE

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

Fan Kah Seong
Independent Non-Executive Director
(appointed w.e.f. 1 Jun 2022)

Aidawati Binti Dahari
Independent Non-Executive Director
(appointed w.e.f. 28 Feb 2023)

AUDITORS

HLB Ler Lum Chew PLT
(201906002362 & AF0276)
Chartered Accountants

REMUNERATION COMMITTEE

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

Fan Kah Seong
Independent Non-Executive Director
(appointed w.e.f. 1 Jun 2022)

Aidawati Binti Dahari
Independent Non-Executive Director
(appointed w.e.f. 28 Feb 2023)

PRINCIPAL BANKERS

RHB Bank Berhad
(Kuala Lumpur, Malaysia)

CIMB Bank Berhad
(Kuala Lumpur, Malaysia)

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

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

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 DIRECTOR AND SENIOR MANAGEMENT



- Executive Chairman
- Key Senior Management

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (male), a Malaysian aged 76, 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 5 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 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.

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

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 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.

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT

cont'd



- Executive Director
- Key Senior Management

Datuk Jared Lim Chih Li @ Lin ZhiLi (“**Datuk Jared**”) (male), a Malaysian aged 51, 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 all 5 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.

DATUK JARED LIM CHIH LI @ LIN ZHILI

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 privatisation 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 Inc. and the Non-Executive Chairman of Tremendous Entertainment Holdings Berhad (“**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.

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 DIRECTOR AND SENIOR MANAGEMENT

cont'd

AHMAD RIZAN BIN IBRAHIM



- Executive Director
- Key Senior Management

Encik Ahmad Rizan bin Ibrahim (male), a Malaysian aged 60, 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 all 5 Board meetings held in the financial year.

Encik Ahmad Rizan holds 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. The company 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% own 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 does not hold any directorship in 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 DIRECTOR AND SENIOR MANAGEMENT

cont'd



- Independent Non-Executive Director

Mr. Fan Kah Seong (male), a Malaysian aged 58, was appointed to the Board of Techna-X Berhad on 1 June 2022 as an Independent Non-Executive Director. He is the Chairman of the Audit and Risk Management Committee. He is also a member of Nomination Committee and Remuneration Committee. He attended all 2 Board meetings held in the financial year since his appointment.

Mr. Fan holds a Bachelor of Economics, Honours Class II A, from Monash University, Clayton Australia. He is a member of Certified Practising Accountant (CPA) Australia, Malaysian Institute of Accountants (“MIA”), and Chartered Tax Institute of Malaysia (“CTIM”). He is also a Section 153 tax agent licensee and licensee holder of the previous GST Section 170.

In his professional career path, Mr. Fan first joined Arthur Anderson & Co in 1990 as a tax associate and was promoted to Manager in 1996. He was made a director of Arthur Andersen in 2001. He left Arthur Anderson & Co in 2002 and joined PricewaterhouseCoopers as an Executive Director. In 2006, he was made to head the East Malaysia office covering Kuching and Kota Kinabalu.

In 2010, he left PricewaterhouseCoopers to join Deloitte Southeast Asia as a Partner, where he oversaw various tax related projects and was leading the indirect tax department in Kuala Lumpur. He then left Deloitte Southeast Asia in 2016.

In 2017, he joined PKF Malaysia as a tax director and was heading the Indirect Tax department of PKF Malaysia until his resignation in November 2022.

Mr. Fan is a director of Tremendous Entertainment Holdings Berhad. Save as disclosed above, Mr. Fan does not hold any other directorship in other public companies and public listed companies

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

FAN KAH SEONG



- Independent Non-Executive Director

Mr. Balraj Singh Pannu A/L Gajjan Singh (male), a Malaysian aged 45, 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 Remuneration Committee and a member of the Audit and Risk Management Committee. He attended all 5 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, Food & Beverage and early child care education.

Presently, he is also 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.

BALRAJ SINGH PANNU A/L GAJJAN SINGH

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT

cont'd



- Independent Non-Executive Director

Puan Aidawati Binti Dahari (female), a Malaysian aged 52, was appointed to the Board of Techna-X Berhad on 28 February 2023 as an Independent Non-Executive Director. She is a member of the Audit and Risk Management Committee, Nomination Committee as well as Remuneration Committee. Puan Aidawati did not attend any Board meetings held in the financial year as she was only appointed on 28 February 2023.

Puan Aidawati graduated with a Bachelor of Accounting (Honours) from the International Islamic University Malaysia in 1994 and is a member of the MIA.

Puan Aidawati has garnered over 20 years of work experience in the professional and corporate environment. She started off her professional career in Ernst & Young in 1994 wherein she gained wide experiences in audit, corporate recovery and insolvency as well as corporate finance. Thereafter, she joined a boutique private equity outfit for a few years and later moved on to join a local venture capital investment and incubation entity wherein she gained extensive exposures and experiences in business evaluation and investments. In 2007, Puan Aidawati went on to become the Chief Operating Officer of SKALI E-Ventures Sdn. Bhd. for several years where she was involved in undertaking investments, nurturing

and monitoring ICT companies under the SKALI Netpreneurs Acceleration Programme, before taking some time off to pursue her personal endeavours.

Puan Aidawati is currently an Independent Non-Executive Director of Dolomite Corporation Berhad as well as a Project Manager in Aqalivista Consulting and Services Sdn. Bhd. since 2010.

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

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

AIDAWATI BINTI DAHARI



- Head of IoT and SmartCity Enablement Division
- Alternate director to Encik Ahmad Rizan Bin Ibrahim

Mr. Vince Ng Chee Seng (“**Mr. Vince Ng**”) (male), a Malaysian aged 45, was appointed as the Head of IoT and SmartCity Enablement Division of Techna-X Group on 19 December 2019. Subsequently, he was appointed as alternate director to Encik Ahmad Rizan Bin Ibrahim on 12 December 2022.

Mr. Vince Ng 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 20 years of experience in founding and growing technology companies, Mr. Vince Ng has successfully brought start-ups from drawing board to commercialisation.

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 Ng does not hold any directorship in public companies and public listed companies.

Mr. Vince Ng 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

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT

cont'd



- Alternate director to
Datuk Jared Lim Chih Li
@ Lin ZhiLi

Mr. Ian Chin How Nyian (“**Mr. Ian Chin**”) (male), a Malaysian aged 53, was appointed as alternate director to Datuk Jared Lim Chih Li @ Lin ZhiLi on 28 February 2023.

Mr. Ian Chin graduated from the National Chung Hsing University, Taiwan with a Bachelor of Arts and Master of Arts in English in 1997. Subsequently, he went on to complete his MBA in Technology and Innovation Management from the same University in 1997.

Mr. Ian Chin is an angel investor and technology evangelist. He has in depth knowledge and experiences in Technology, Media and Telecommunication for 20 years in China. Since early 2015, he has invested in a technology accelerator company (Innovista) in Hong Kong which focussed on introducing new technology, incubating and coaching start-ups. Under this framework, Mr. Ian Chin has co-founded Media Star, an OTT company in Indonesia.

CHIN HOW NYIAN

He has also invested and founded Dongwan Multimedia Technology, focusing on intellectual property, portfolio management, technology transfer, and also assisting other technology companies to acquire core technology teams. Additionally, he also invested in Chongqing Lianhuan as one of the AR Technology companies and Starpulse Taiwan which focused on cloud network management and content management. These 3 companies were subsequently acquired by private investors and consolidated into a bigger technology operation.

Prior to that, Mr. Ian Chin was the Chief Operating Officer at BesTV (listed on Shanghai Stock Exchange 600637, now renamed to Oriental Pearl Group). He was leading 25 provincial branch offices with over 1,000 staffs and was responsible for generating RMB3 billion annual revenue for the group.

Over the years, Mr. Ian Chin has garnered varied and notable industrial knowledge in telecommunication from his prior extensive engagement with China Telecom, China Unicom, China Mobile, French Telecom (Orange), Indonesia Telkom, XL, Telekom Malaysia, Starhub (Singapore), and Firstmedia on IPTV, Mobile TV, OTT service.

In 2012, Mr. Ian Chin was awarded “Silver Magnolia Award” (Honorable Foreign Residence) by the Shanghai Municipal Government for his contribution to Shanghai city. Prior to that, Mr. Ian Chin was the CEO of Wealink.com, a business social network service (SNS) website in Shanghai. In 2005, Mr. Ian Chin worked in a university based business incubator whereby he was awarded “Incubator Manager of the Year 2005” by the Taiwan authority. Mr. Ian Chin started his career in the early stage of internet industry in China (1999), the portal website he led, Myrice.com was acquired by Lycos Asia in 2001.

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

Mr. Ian Chin 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 DIRECTOR AND SENIOR MANAGEMENT

cont'd



- Financial Controller

Mr. Quek Chin Thor (male), a Malaysian aged 45, joined Techna-X Berhad as the Financial Controller on 18 January 2023.

Mr. Quek graduated with a Bachelor of Business majoring in Accounting from the Royal Melbourne Institute Of Technology and Masters in Business Administration (“MBA”) from University of Southern Queensland.

He started his professional career with Olympia Land Berhad and moved on to Hotel Intercontinental Phom Penh. He subsequently assumed the role as Head of Shared Services for SATS Services Sdn Bhd (a wholly-owned subsidiary of SATS Ltd, Singapore) and thereafter moved on to assume the position as Chief Financial Officer of Digistar Corporation Berhad on 26 October 2018 before joining Techna-X Berhad. He has more

than 23 years of working experience throughout Asia Pacific with Shared Services Centers and Finance which includes corporate finance, financial controlling, treasury, audit, financial planning and analysis. Besides that, he has ventured into a couple of businesses with experiences in operations, strategy, marketing and human capital management.

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

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

QUEK CHIN THOR



- Head of Technology-driven Food and Beverage Division

Mr. Lee Yew Jin (male), a Malaysian aged 49, 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 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.

LEE YEW JIN

Notes: Other than traffic offences, none of the Directors and Key Senior Management have any conviction for offences within the past 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 “**the Company**”) recognises the importance of practicing high standards of corporate governance throughout the Company and its subsidiaries (“**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 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 Malaysian Code on Corporate Governance (“**MCCG**”) throughout the financial year ended 31 December 2022 (“**FY2022**”).

This Statement is prepared in compliance with the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”), and it is to be read together with the Company’s Corporate Governance Report in respect of the financial year ended 31 December 2022, which sets out the detailed explanation on the application of each practice in the MCCG 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 Group is led by an experienced and effective Board that provides oversight, strategic direction, and entrepreneurial leadership to ensure the necessary resources are in place for the Group to meet its objective and achieve long-term sustainability. The Board consists of members from different backgrounds and with diverse expertise in leading and directing the Group’s business operation. The Board has delegated specific responsibilities to 3 Board Committees, namely (i) Audit and Risk Management Committee (“**ARMC**”), (ii) Remuneration Committee (“**RC**”), and (iii) Nomination Committee (“**NC**”). These Board Committees operate within their respective Terms of Reference 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 held by different individuals, and the division of their responsibilities is clearly stipulated in the Board Charter, which is made available on the Company’s corporate website at www.techna-x.com. This is to ensure a balance of power and authority, and maintain an effective segregation of duties.
- (iii) The Board is helmed by the Executive Chairman, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja’afar who strives to instil good corporate governance practices, demonstrates strong leadership and oversees the effectiveness of the Board. The management of the Group’s business and implementation of policies and day-to-day running of the business operations are delegated to the Managing Director and Executive Directors. The Independent Non-Executive Directors provide unbiased and independent views to safeguard the interests of shareholders.

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, is not a member of the Company’s Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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)

- (v) The Board is supported by qualified and competent Company Secretaries in carrying out their roles and responsibilities. The Company Secretaries play an advisory role in ensuring adherence to the Company's Constitution, Board policies and procedures, and compliance with the relevant regulatory requirements, code of guidance, and legislation.
- (vi) 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 Directors 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 of the Board as and when required to ensure the effective and efficient functioning of the Board.

- (vii) 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 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, Internal Auditors and/or any other professional parties at the Company's expense in furtherance of their duties.

Upon conclusion of the meetings, the minutes of the Board/Board Committees' meetings accurately reflect the deliberations and decisions of the Board, including the abstention of the Director from voting or deliberating on a particular matter would be circulated to the Board and Board Committees in a timely manner for review before they are confirmed and adopted by the members of the Board/Board Committees at their respective meetings.

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 and subsequently revised on 8 April 2022 that clearly defines the Board's and Board Committees' roles and responsibilities, composition, authority, matters reserved for the Board and processes related to key governance activities.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available on the Company's corporate website at www.techna-x.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

Board Responsibilities (cont'd)

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 a Code of Ethics and Business Conduct and subsequently reviewed on 8 April 2022 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 Code of Ethics and Business Conduct is available on the Company's corporate website at www.techna-x.com.

- (ii) The Group has established a Whistleblowing Policy and subsequently reviewed on 8 April 2022 to provide an avenue for the employees of the Group and members of the public to disclose any improper conduct or criminal offences.

As at the date of this Statement, the Group has not received any reports or concerns via the communication and feedback channels stipulated in the Whistleblowing Policy.

The Whistleblowing Policy 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 Anti-Corruption Policy to prevent corruption and bribery practices within the Group.

The Anti-Bribery and Anti-Corruption Policy was last reviewed on 8 April 2022 and is available on the Company's corporate website at www.techna-x.com.

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

- (i) 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. The Board takes into account the sustainability considerations when overseeing the Group's planning, performance and long-term strategy. The Company is committed to adopting and applying responsible practices from environmental, social and governance ("ESG") perspective, to minimise the risk and to enhance the long-term development impact of its corporate activities. The ESG priorities are affirmed by the Board and cascaded down to the Senior Management to develop strategic plans to realise the ESG goals and objectives.
- (ii) The Group engages with its 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, experiences and 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 and 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 details of the stakeholders' engagement are set out in the Sustainability Statement of this Annual Report.

- (iii) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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. (cont'd)

In addition, the Board members will keep themselves apprised with contemporaneous and relevant sustainability developments including climate-related risks and opportunities by way of formal training including webinars, structured reading and discussions.

- (iv) The Board had included sustainability as one of the criteria in the annual performance evaluations of the Directors. Based on annual performance carried out, the Board has performed their respective roles in addressing the Group's material sustainability risks and opportunities.

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 6 Directors, comprising 3 Executive Directors and 3 Independent Non-Executive Directors. Premised on the above, the Board composition complies with Paragraph 15.02 of the Main LR of Bursa Malaysia Securities, which requires at least 2 Directors or 1/3 of the Board, whichever is higher, to be independent as well as having at least 1 women Director in the Board, and Practice 5.2 of the MCGG to have at least half of the Board comprises Independent Directors. The Independent Non-Executive Directors provide unbiased and independent views to safeguard the interests of other minority shareholders/stakeholders.

The profiles of the Directors are set out in the Profile of Directors in this Annual Report.

During the FY2022, the NC has reviewed the present composition of the Board and the Board Committees, and was satisfied that the current size and composition of the Board are adequate and they have adequately carried out their functions within their scope of work.

- (ii) The Board takes cognisance that Practice 5.3 of the MCGG recommends that the tenure of an Independent Director should not exceed a cumulative term of 9 years. Upon completion of the 9 years, an Independent Director may continue to serve on the Board as a Non-Independent Director. In the event such a Director is to be retained as an Independent Director beyond 9 years and up to 12 years, the Board must provide justification and seek annual shareholders' approval through a two-tier voting process.

Based on the assessment carried out during the FY2022, the NC and the Board were satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the Company's best interests.

As of the date of this Statement, none of the Company's Independent Non-Executive Directors has served more than 9 years on the Board.

- (iii) 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, age, gender, professionalism, integrity, competencies, commitment, contribution and performance ("the **Criteria**"). Women candidates shall be sought as part of its recruitment exercise to promote gender, ethnicity, and age group diversity within the Group.

For the position of Independent Non-Executive Directors, the NC will evaluate the candidates' ability to discharge such responsibilities/functions as expected of a person assuming such a position.

The NC will not limit themselves by solely rely on the recommendations from the existing Board members, Management or major shareholders, but also will utilise independent sources to identify suitably qualified candidates.

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) (cont'd)

Upon identifying and evaluating the prospective candidate(s) from the abovementioned sources, the NC will recommend the appointment of the candidates for the consideration and approval of the Board. The Company Secretaries will ensure all appointments are properly made and that all relevant legal and regulatory requirements in regard to the said appointments are satisfactorily complied with.

During the FY2022, the NC has evaluated and satisfied that Mr. Fan Kah Seong and Mr. Ng Chee Seng have fulfilled the Criteria and fit and proper criteria as set out in the Directors' Fit and Proper Policy, and recommended their proposed appointments as the Director and Alternate Director respectively to the Board. The Board has subsequently approved their appointments to take effect on 1 June 2022 and 12 December 2022 respectively.

Subsequent to the FY2022, the NC has made their recommendations to the Board for the appointment of Puan Aidawati Binti Dahari and Mr. Chin How Nyian as Independent Non-Executive Director and Alternate Director, respectively, upon assessed and reviewed their profiles, the Criteria and the fit and proper criteria as set out in the Directors' Fit and Proper Policy. Subsequently, Puan Aidawati Binti Dahari and Mr. Chin How Nyian were appointed as Independent Non-Executive Director and Alternate Director, respectively on 28 February 2023.

The identifications of the aforesaid candidates have been facilitated through recommendations from the Management as they would have better understanding on the required background, qualification, skills and experience of candidates, prior to the assessment to be conducted by the NC. Although the NC and the Board did not utilise independent sources with regards to the appointments, the Board's decisions were still made objectively in the best interests of the Company taking into account the diverse skills, expertise, experience and perspectives of the current Board members. Notwithstanding the above, the Board will consider utilising independent sources to identify suitably qualified candidate(s) when the need arises in future.

In accordance with the Company's Constitution, 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to 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 3 years but shall be eligible for re-election. Newly appointed Director(s) shall hold office only until the next Annual General Meeting ("AGM") and be eligible for re-election.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information for those Directors standing for re-election is furnished in the Annual Report accompanying the Notice of AGM.

At the upcoming AGM, the following Directors are due to retire pursuant to the Company's Constitution, and being eligible, have offered themselves for re-election:-

- (i) Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar;
- (ii) Datuk Lim Chih Li @ Lin ZhiLi;
- (iii) Mr. Fan Kah Seong; and
- (iv) Puan Aidawati Binti Dahari.

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) (cont'd)

The NC has reviewed and assessed the abovementioned Directors from the annual assessment and evaluation of the Board for the FY2022 and fit and proper assessment. The Board via the NC's annual assessment and fit and proper assessment was satisfied with their performance and had recommended to the shareholders the proposed re-elections.

The profiles of the abovementioned Directors are set out in this Annual Report.

(iv) The NC is currently chaired by Mr. Balraj Singh Pannu A/L Gajjan Singh, an Independent Non-Executive Director of the Company.

(v) The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of the MCCG on the establishment of a gender diversity policy. With the appointment of Puan Aidawati Binti Dahari as an Independent Non-Executive Director on 28 February 2023, the Board has a representation of a female Director, representing 16.67% women participation at the Board level, thus complies with Paragraph 15.02(1)(b) of the Main LR of Bursa Malaysia Securities. However, it remains departure under Practice 5.9 of the MCCG, which requires the Board to comprise at least 30% women directors.

The Company has adopted a Gender-Ethnicity-Age Diversity Policy and last reviewed on 8 April 2022 that is applicable to all positions within the Group. The Gender-Ethnicity-Age Diversity Policy is to ensure that equal rights, regardless of the gender, ethnicity or age of the candidates (from its stable of blue collar workers to middle management level personnel, senior management and right through to the Board) are accorded when it comes to hiring, employment, promotion, job placement and etc within the Group. The said policy is published on the Company's corporate website at www.techna-x.com.

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

Board

	Male	Female
Age Group		
41-50	1	-
51-60	3	1
61-70	-	-
71-80	1	-
Ethnicity		
Malay	2	1
India	1	-
Chinese	2	-
Nationality		
Malaysian	6	-
Foreigner	-	-

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)

(iv) (cont'd)

Senior Management

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

The Directors holding office during the FY2022 have ensured their time commitment to discharge their duties effectively, as they do not hold more than 5 directorships in public listed companies pursuant to Paragraph 15.06 of the Main LR of Bursa Malaysia Securities, detailed as below:-

Name	No. of directorship in public listed companies
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	3
Datuk Lim Chih Li @ Lin ZhiLi	1
Chin How Nyian <i>(alternate director to Datuk Lim Chih Li @ Lin ZhiLi)</i>	1
Ahmad Rizan Bin Ibrahim	1
Ng Chee Seng <i>(alternate director to Ahmad Rizan Bin Ibrahim)</i>	1
Fan Kah Seong	1
Balraj Singh Pannu A/L Gajjan Singh	1
Aidawati Binti Dahari	2

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 5 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 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 7 days prior to the convening of the said meeting(s).

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)

(iv) (cont'd)

In addition to the abovementioned 5 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, which are supported with all the relevant information and explanations required for an informed decision to be made. In accordance with Clause 169 of the Company's Constitution, a signed and approved resolution in writing by a majority of the Directors for the time being entitled to receive notice of a meeting 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 FY2022, a total of 5 Board meetings were held. The attendance record of each of the Directors is as follows: -

Board	Position	Date of Board Meeting					Total	%
		25 Feb 2022	08 Apr 2022	26 May 2022	29 Aug 2022	25 Nov 2022		
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Executive Chairman	✓	✓	✓	✓	✓	5/5	100%
Liu Guodong (resigned w.e.f. 12 December 2022)	Managing Director	✓	✗	✓	✓	✗	3/5	60%
Datuk Lim Chih Li @ Lin ZhiLi	Executive Director	✓	✓	✓	✓	✓	5/5	100%
Ahmad Rizan Bin Ibrahim	Executive Director	✓	✓	✓	✓	✓	5/5	100%
Lim See Tow (retired w.e.f. 31 May 2022)	Independent Non-Executive Director	✓	✓	✓	N/A	N/A	3/3	100%
Zhai Baoxing (resigned w.e.f. 12 December 2022)	Independent Non-Executive Director	✓	✓	✓	✓	✓	5/5	100%
Balraj Singh Pannu A/L Gajjan Singh	Independent Non-Executive Director	✓	✓	✓	✓	✓	5/5	100%
Fan Kah Seong (appointed w.e.f. 1 June 2022)	Independent Non-Executive Director	N/A	N/A	N/A	✓	✓	2/2	100%
Aidawati Binti Dahari (appointed w.e.f. 28 February 2023)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Save for Mr. Chin How Nyian who was appointed as an Alternate Director on 28 February 2023, all the other Directors have attended the Directors' Mandatory Accreditation Programme ("MAP"). Mr. Chin How Nyian, the newly appointed Alternate Director will attend the MAP within four (4) months from his date of appointment.

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)

(iv) (cont'd)

During the FY2022, the Directors have attended the following seminars, conferences and programmes:-

Topics	Mode	Organiser
• Sustainability Management Plan & Impact Assessment	Training Workshop	Thinkplus Academy Sdn Bhd
• Out of Adversity, Comes Opportunity	Conference	Interadign Sdn Bhd
• Key Amendments to Listing Requirements 2022 and Various Corporate Proposals	Live Webinar	CKM Advisory Sdn Bhd
• How the Audit Committees and Auditors can work together towards reliable audited financial statements	Webinar	Securities Commission Malaysia – Audit Oversight Board

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

As of the date of this Statement, the NC comprises 3 members, all of whom are Independent Non-Executive Directors, and the composition of the NC is as follows:-

Chairman	: Balraj Singh Pannu A/L Gajjan Singh (<i>Independent Non-Executive Director</i>)
Members	: Fan Kah Seong (<i>Independent Non-Executive Director</i>) (<i>appointed w.e.f. 1 June 2022</i>)
	: Aidawati Binti Dahari (<i>Independent Non-Executive Director</i>)
	: Lim See Tow (<i>Independent Non-Executive Director</i>) (<i>retired w.e.f. 31 May 2022</i>)
	: Zhai Baoxing (<i>Independent Non-Executive Director</i>) (<i>resigned w.e.f. 12 December 2022</i>)

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

The NC shall meet at least once a year. 1 NC meeting was held during the FY2022.

The summary of the NC's activities for FY2022 are as follows:-

- (1) Reviewed the evaluation forms for annual assessment and recommended the same to the Board for approval and adoption;
- (2) Reviewed the revised Terms of Reference of the NC and recommended the same to the Board for approval and adoption;
- (3) Reviewed the Directors' Fit and Proper Policy and recommended the same to the Board for approval and adoption;
- (4) Evaluated the contribution and performance of each individual Director;
- (5) Reviewed the effectiveness of the Board and Board Committees;
- (6) Reviewed the terms of office and performance of the ARMC and each of its members;
- (7) Assessed the independence of the Independent Directors, with each Director abstaining from deliberation on their own assessment;
- (8) 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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 summary of the NC's activities for FY2022 are as follows (cont'd) :-

- (9) Reviewed and confirmed the minutes of the NC meeting; and
- (10) Reviewed the appointment of the proposed candidate(s) and reconstitution of the Board Committees, and recommended to the Board for consideration and approval.

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 the FY2022. The criteria for the evaluations are guided by the Corporate Governance Guide (4th Edition): -

- (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.

Based on the assessment carried out, the NC concluded the following:-

- The Board's current size and composition are appropriate and well-balanced with the right mix of skills. The Board composition comprises individuals with the necessary skills, qualifications and experiences to enable the Board to discharge its duties and responsibilities effectively.
- All the Directors have discharged their duties and responsibilities according to the Board Charter and respective Terms of Reference of the Board Committees.

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. Remuneration policies and decisions are made through a transparent and independent process.

- (i) Remuneration Committee

As of the date of this Statement, the RC comprises 3 members, all of whom are Independent Non-Executive Directors, and the composition of the RC is as follows:-

Chairman	: Balraj Singh Pannu A/L Gajjan Singh (<i>Independent Non-Executive Director</i>)
	: Lim See Tow (<i>Independent Non-Executive Director</i>) (<i>retired w.e.f. 31 May 2022</i>)
Members	: Fan Kah Seong (<i>Independent Non-Executive Director</i>) (<i>appointed w.e.f. 1 June 2022</i>)
	: Aidawati Binti Dahari (<i>Independent Non-Executive Director</i>) (<i>appointed w.e.f. 28 February 2023</i>)
	: Zhai Baoxing (<i>Independent Non-Executive Director</i>) (<i>resigned w.e.f. 12 December 2022</i>)

The RC shall meet at least once a year. 1 RC meeting was held during the FY2022.

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. Remuneration policies and decisions are made through a transparent and independent process. (cont'd)

(i) Remuneration Committee (cont'd)

The summary of the RC's activities for FY2022 are as follows:-

- (i) Reviewed the revised Terms of Reference of the RC and recommended the same to the Board for approval and adoption;
- (ii) Reviewed the Directors' fees for the financial year ended 31 December 2021 and recommended the same to the Board for consideration;
- (iii) Reviewed the Directors' remuneration (excluding Directors' fees) from 1 June 2022 until the next AGM of the Company and recommended the same to the Board for consideration;
- (iv) Reviewed and confirmed the minutes of the RC meeting;
- (v) Reviewed the proposed Directors' fees payable to the proposed new Director(s) and recommended the same to the Board for consideration; and
- (vi) Reviewed the remuneration package of the Managing Director and Executive Directors of the Company for year 2023 and recommended the same to the Board for consideration and approval.

The Terms of Reference of RC was last revised on 8 April 2022, and is available on the Company's corporate website at www.techna-x.com.

(ii) Remuneration Policy

The Company does not have a remuneration policy for the Directors and Senior Management for the time being. However, the Terms of Reference of RC has stipulated that the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management were taken into account the demands, complexities, and performance of the Company as well as the skills and experience required. For Executive Directors, the remuneration package is commensurated with skills and responsibility expected of the Director concerned and sufficient to attract and retain Directors needed to run the Company successfully. For Non-Executive Directors, the remuneration package reflects the experience, time demanded of the Directors to discharge their duties and responsibilities undertaken. For Senior Management, the remuneration package commensurates with the individual's performance, skills, experience, level of responsibility, and market benchmarks.

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 Management 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

Remuneration (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.

(i) Directors' Remuneration

The remuneration of the Directors of the Company and the Group for the FY2022 is set out below:-

A. Aggregate Remuneration

	The Company		The Group	
	Executive Directors	Non-executive Directors	Executive Directors	Non-executive Directors
	RM	RM	RM	RM
Salary	120,000	-	120,000	-
Fees	-	90,000	-	90,000
Allowances	-	19,650	-	19,650
Other emoluments	15,402	-	15,402	-
Total	135,402	109,650	135,402	109,650

B. Individual Director's Remuneration

The Company

	Salary RM	Fee RM	Allowances RM	Others Emoluments RM
Executive Directors				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	-	-	-	-
Datuk Lim Chih Li @ Lin ZhiLi	-	-	-	-
Ahmad Rizan Bin Ibrahim	120,000	-	-	15,402
Liu Guodong (resigned w.e.f. 12 Dec 2022)	-	-	-	-
Non-Executive Directors				
Balraj Singh Pannu A/L Gajjan Singh	-	30,000	6,550	-
Fan Kah Seong (appointed w.e.f. 1 June 2022)	-	17,500	2,500	-
Lim See Tow (retired w.e.f. 31 May 2022)	-	12,500	4,050	-
Zhai Baoxing (resigned w.e.f. 12 Dec 2022)	-	30,000	6,550	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

Remuneration (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)

The remuneration of the Directors of the Company and the Group for the FY2022 is set out below (cont'd):-

B. Individual Director's Remuneration (cont'd)

The Group

	Salary RM	Fee RM	Allowances RM	Emoluments RM
Executive Directors				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	-	-	-	-
Datuk Lim Chih Li @ Lin ZhiLi	-	-	-	-
Ahmad Rizan Bin Ibrahim	120,000	-	-	15,402
Liu Guodong <i>(resigned w.e.f. 12 Dec 2022)</i>	-	-	-	-
Non-Executive Directors				
Balraj Singh Pannu A/L Gajjan Singh	-	30,000	6,550	-
Fan Kah Seong <i>(appointed w.e.f. 1 June 2022)</i>	-	17,500	2,500	-
Lim See Tow <i>(retired w.e.f. 31 May 2022)</i>	-	12,500	4,050	-
Zhai Baoxing <i>(resigned w.e.f. 12 Dec 2022)</i>	-	30,000	6,550	-

(ii) Senior Management (by Band)

The aggregate remuneration of the Senior Management members during the FY2022 is as follows:-

	Nik Haris Bin Nik Ibrahim <i>(Head of Energy Storage and Super Batteries)</i>	Lee Yew Jin <i>(Head of Technology- driven Food and Beverage Division)</i>	Vince Ng Chee Seng <i>(Head of IoT and SmartCity Enablement Division)</i>	Nik Hisham Bin Nik Ibrahim <i>(Chief Executive Officer for Data Analytics and Business Intelligence Division)</i>	Foong Chong Thong <i>(Financial Controller) (resigned w.e.f. 18 January 2023)</i>
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			✓		
RM350,001 – RM400,000					
RM400,001 – RM450,000		✓			

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

ARMC

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 Mr. Fan Kah Seong, who is a separate person from the Chairman of the Board, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar.

The ARMC of the Company comprises solely of Independent Non-Executive Directors and the composition of the ARMC is set out in the ARMC Report of this Annual Report.

- (ii) The Terms of Reference of ARMC has indicated that a former partner of the external audit firm of the Group shall observe a cooling-off period of at least 3 years before he/she can be appointed as an ARMC member.
- (iii) Based on the outcome of the performance assessment on the ARMC by the NC, the NC and Board were satisfied with the performance of the ARMC and regard the ARMC members collectively possess the accounting and related financial management expertise and experience required for the ARMC to discharge its duties and responsibilities, and assist the Board in its oversight over the financial reporting process.

The ARMC members received ongoing training and development as disclosed in Paragraph 5.0 in this Statement.

- (iv) 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.
- (v) 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 Main LR of Bursa Malaysia 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.

- (vi) The ARMC assesses the suitability, objectivity 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

ARMC (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)

(vi) (cont'd)

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 Messrs. HLB Ler Lum Chew PLT as the Company's External Auditors for shareholders' approval at the forthcoming AGM.

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

Risk Management and Internal Control Framework

10.0 The Company 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 risk management and 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.
- (iii) The Board discloses the features of its risk management and internal control framework in the Statement on Risk Management and Internal Control in this Annual Report, which provides an overview of the risk management and internal control within the Group.

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

The Group's internal audit function is outsourced to an independent professional services firm, namely 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP 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, investors and other stakeholders.

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

Apart from that, the Company actively updates its website at www.techna-x.com with the latest information on the corporate and business aspects of the Group. Announcements made to Bursa Malaysia 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

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 Main LR of Bursa Malaysia Securities and/or other applicable laws and regulations. The confidential information is restricted to the Top Management only. The authorised spokesperson i.e. the Chairman of the Board and the Executive Directors and any other officers as may be authorised by the Executive Directors are responsible for making disclosures and responding to market rumours and queries if any.

The Company has established a Corporate Disclosure Policy that governs the dissemination of corporate information, the Corporate Disclosure Committee has been established to oversee all matters relating to the Company's corporate disclosure practices and to ensure adherence to the Corporate Disclosure Policy. A copy of the Corporate Disclosure Policy is available on the Company's corporate website at www.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.
- (ii) The Sixteenth AGM notice and Annual Report for the financial year ended 31 December 2021 are despatched to the shareholders at least 28 days before the AGM.
- (iii) In order to ensure effective participation and engagement, the Board encouraged the shareholders to participate in the question-and-answer session in the Company's Sixteenth AGM, whereby the Directors, Chair of the ARMC and RC, Management, and External Auditors in attendance will respond to the shareholders' queries. Mr. Liu Guodong being the Managing Director and Mr. Balraj Singh Pannu A/L Gajjan Singh who also the Chair of the NC were absent at the Sixteenth AGM due to other commitments.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

Conduct of General Meetings (cont'd)

13.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings. (cont'd)

- (iv) All resolutions set out in the notice of general meetings will be carried out by poll voting. An independent scrutineer is also appointed to scrutinise the polling process. 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.
- (v) Although the Board recognises the importance of leveraging on technology to facilitate remote shareholders' participation and voting on all resolutions via remote participation and voting facilities, but after due considerations, the Company has conducted its Sixteenth AGM via physical mode on 31 May 2022. The shareholders and proxies were provided with sufficient opportunity to pose questions during the AGM. There were no questions posed during the Sixteenth AGM held on 31 May 2022, but adequate responses were given to the questions from the Minority Shareholders Watch Group during the Sixteenth AGM.
- (vi) The minutes of the Sixteenth AGM has been made available to the shareholders at the Company's corporate website at www.techna-x.com within 30 business days from the date of Sixteenth AGM.

Key Focus Areas and Future Priorities

The Board endeavours to comply with the regulatory requirements under the Main LR, MCGG and applicable rules and regulations, and in steering the 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 2023 include intensifying efforts to enhance the Board's composition, dynamics, and succession planning of the Board members and Management. The Board will continue to emphasise anti-bribery, anti-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 strives 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 interests of all stakeholders.

This Statement and the Corporate Governance Report were approved by the resolution passed at the Board meeting held on 30 March 2023.

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

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.

The said RCN programme had expired on 11 November 2022, being thirty-six (36) months from the closing date of the first sub-tranche of Tranche 1 Notes pursuant to Clause 10.1 of the Subscription Agreement. Further thereto, the Company cannot issue further Notes under the RCN Programme. Details of the proceeds from the issuance therefrom are as follows:

Purpose	Proposed Utilisation RM' million	Issuance in 2019 RM' million	Issuance in 2020 RM' million	Issuance in 2021 RM' million	Issuance in 2022 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

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	102,500	422,000
Non-audit fees	30,000	30,000

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 2022 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.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

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

The Company has one (1) ESOS in existence during the financial year ended 31 December 2022 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 2022 is as follows:-

	All Eligible Employees including Directors	Directors
Options Granted	137,000,000	110,000,000
Options Exercised	3,000,000	-
Options Outstanding	134,000,000	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	33.31%	33.31%

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 2022, focusing primarily on (i) technology-driven casual dining food and beverage; and (ii) technology and digital transformation enabler. This statement does not cover the risk management and internal control system of Guangxi Aerobeidou New Energy Industry Technology Co., Ltd. (GABNEIT) Group, an associated Company incorporated in China that provides technology energy storage solution and super batteries. Control over this associated company is currently maintained through joint decision making process.

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) technology and digital transformation enabler, (ii) technology-driven food and beverage, and (iii) 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 half-yearly 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

THE INTERNAL CONTROL PROCESS (CONT'D)

The Group outsources its internal audit function of the technology-driven casual dining food and beverage businesses and digital transformation enabler businesses to a professional internal audit firm, namely Talent League Sdn. Bhd.

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.

The internal audit function report independently to the ARMC to preserve their objectivity.

The risk-based Internal Audit scope covers auditable areas which include amongst others, (i) Human Resource Management, (ii) Project Management, (iii) Business Development, (iv) Financial Reporting, (v) Fixed Assets Management, (vi) Corporate Governance and Corporate Liability Reviews, and (vii) Risk Management Review and Business Continuity Management, all of these of which will be rolled out throughout all the Group's strategic business units in succession and in rotation.

Premised on the above, for this financial year ended 31 December 2022, the auditable areas covered by the Internal Auditors involved the following:

Strategic Business Unit	Auditable areas
(i) Technology-driven casual dining food and beverage	Human Resources Management
(ii) Technology and digital transformation enabler	Project Management

Further details of the scope covered in the Internal Audit function are outlined in Audit and Risk Management Committee Report section of this Annual Report.

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 2022 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 Executive Directors, 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 2022 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 30 March 2023.

STATEMENT ON SUSTAINABILITY

OVERVIEW

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

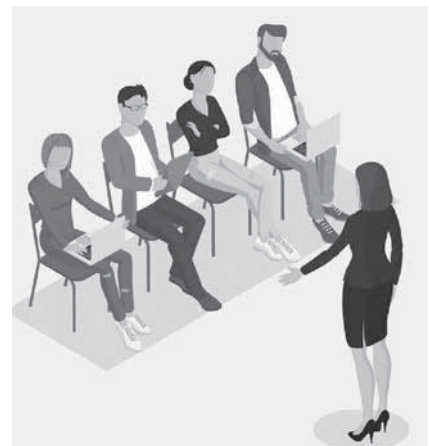
Techna-X also endeavours to continue being a responsible corporate citizen by contributing to the development of society and making a positive difference to nation-building in the market that we operate in.

During the financial year ended 31 December 2022 (“**FY2022**”), the Group’s “Sustainability” initiatives and highlights are as follows:-

1. Observed and adopted 8 United Nations Sustainable Development Goals (“**UNSDG**”).



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



3. Employment of majority Malaysian workforce. The Group employs a total of approximately 250 employees out of which approximately 85% are Malaysian citizens.






STATEMENT ON SUSTAINABILITY

cont'd

Alignment to the UNSDG

In FY2022, the Group 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 the Group in ensuring congruency towards the relevant chapters of UNSDG:-

UNSDG	UNSDG Description	Highlights and achievements
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Ensure healthy lives and promote well-being for all at all ages.</p>	<ul style="list-style-type: none"> Complied with legal requirements and safe work procedures related to prevention of Covid-19. Facilities and welfare related to Covid-19 risk control and resources were adequately provided to the employees. Information, training and supervision related to Covid-19 prevention were provided and disseminated. Provided suitable personal protective equipment to employees according to their respective work needs and complied with the latest standard operating procedures related to Covid-19 mitigation. Work-from-home for employees was encouraged for departments which are able to, especially non-customer-facing departments. Prompt dissemination of information on detected Covid-19 cases, not only interdepartmental but also other third-party organisations that are located in the same office building. Covid-19 self-test kits were provided free-of-charge to all employees and the self-test was made mandatory when there were Covid-19 incidences detected within the vicinity.
 <p>4 QUALITY EDUCATION</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<ul style="list-style-type: none"> 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.
 <p>5 GENDER EQUALITY</p>	<p>Achieve gender equality and empower all women and girls.</p>	<ul style="list-style-type: none"> Continued to value, stimulate and hire diverse teams, in line with being an equal opportunity employer. Continued 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. Continued to promote fair labour recruitment practices. Ensured female employees' full and effective participation as well as granting equal opportunities in leadership roles at all decision-making levels.




STATEMENT ON SUSTAINABILITY

cont'd

UNSDG	UNSDG Description	Highlights and achievements
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	<ul style="list-style-type: none"> • The Group believed the need to improve the 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 and sustainable energy sources and to increase the electrification of vehicles. • Techna-X continued in its collaboration with several subject matter experts in Electric Vehicles (“EV”) via its equity participation in 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. The LVDS is competitive in price and performance against vehicles powered by internal combustion engines and suitable for passenger cars and commercial vehicles up to 2.5T. <p>Drive power of such EVs would be not less than 100kW for 30 seconds of continuous power, which translates to 100 kw > 140 km/h.</p> <p>The advantages of LVDS are:</p> <ul style="list-style-type: none"> - Cheaper and more affordable components for controller, motor and battery - Cheaper and simpler approval for LVEVs - Easier additional increase in battery capacity - Battery Management System (BMS) is cheaper, practically not needed - The system is more suitable for conversions of existing internal combustion engine vehicles - No risk of electric shock during assembly and servicing the vehicles - Simpler battery design - Cheaper Heating, Ventilation and Air Conditioning (HVAC) systems - Fewer and less costly components in the system - Cheaper and more efficient direct current (DC) converters for 12 to 24V system
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<ul style="list-style-type: none"> • Through the Group’s business model and strategies, it continued to deliver financial and non-financial values for its stakeholders. This includes growth in revenue and earnings from its digital technology businesses, elimination of losses sustained from its discontinuing business, etc. • Indirect contributions include statutory payments to the government, employees’ salaries, repayment to financiers and development of local supply chains. • Continued to practice non-discrimination regarding employment. • Maintained equal remuneration, including benefits, for work of equal value. The Group believed the remuneration paid to the employees commensurate with the level of work and industry practice.

STATEMENT ON SUSTAINABILITY

cont'd

UNSDG	UNSDG Description	Highlights and achievements
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	<ul style="list-style-type: none"> In October 2020, Techna-X had invested in an advanced energy storage technology via the acquisition of HK Aerospace Beidou New Energy Technology Co., Limited and its group of companies. Via these companies, the development of new energy principally revolved around the use of 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%, increased engine power and savings in fuel cost. The Group also has its own proprietary Internet of Things (“IoT”)/Artificial Intelligence (“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, pollution, fuel consumption, morbidity, manual labour, and other relevant resources.
 <p>10 REDUCED INEQUALITIES</p>	Reduce inequality within and among countries.	<ul style="list-style-type: none"> Continued providing a balanced employment opportunities as an equal opportunity employer. This includes providing employment opportunities to those who have physical disabilities. Continued to provide equal and fair remuneration to male and female employees in the Group.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient and sustainable.	<ul style="list-style-type: none"> One of the key pillars of the Group is the development of technology infrastructure for Smart City via the deployment of IoT, AI, Data Analytics and etc. <p>These Smart City platforms can help communities in the entire value chain, by increasing the 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.</p>

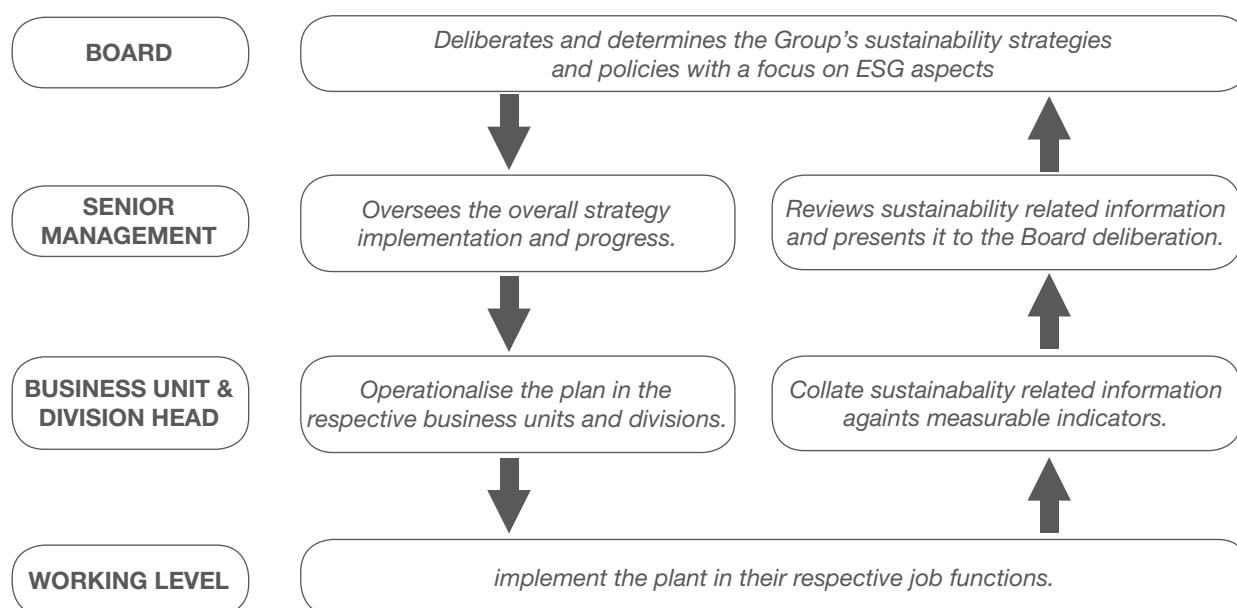
The Board of Directors of Techna-X (“**Board**”) governs the sustainability of the Group and supervises the matters related to risk, audit, remuneration and corporate governance. This also includes business ethics, organisational culture, talent and manpower, health and safety, human rights as well as the environment.

The Environmental, Social and Governance (“**ESG**”) priorities are affirmed by the Board and these are cascaded down to the Senior Management to develop strategic plans to realise the ESG goals and objectives.

STATEMENT ON SUSTAINABILITY

cont'd

Beyond just setting the tone from the top, the Group's sustainability governance structure also facilitates the escalation of the progress and performance of applied sustainability strategies. The findings presented by the 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.



STAKEHOLDER ENGAGEMENT

The Group believes that stakeholder engagement is integral to the development of its sustainability strategy. The engagement activities with the different stakeholder groups are conducted on an on-going basis. The Group's key stakeholders and engagement platforms are as listed below:-

Stakeholder Group	Areas of Interest	Forms of Engagement
Shareholders and investors	<ul style="list-style-type: none"> Financial performance Key corporate developments Corporate governance 	<ul style="list-style-type: none"> Annual General Meeting Investor Relations Annual/Quarterly reports Corporate website
Customers	<ul style="list-style-type: none"> Pricing Product quality Customer enquiries 	<ul style="list-style-type: none"> Social media (Facebook, Instagram) Company careline (phone/ email) Customer loyalty programme
Government and regulatory authorities	<ul style="list-style-type: none"> Compliance Security and safety issues Policy matters concerning public/ safety/ environment/ anti-competition 	<ul style="list-style-type: none"> Inspection and audit by local authority (JAKIM) Meetings with local authorities
Employees	<ul style="list-style-type: none"> Employee well-being and safety Career development Value diversity and equal opportunity Staff training Inclusiveness 	<ul style="list-style-type: none"> Internal engagement channels Open communication through townhall sessions Whistleblowing policy Skills development and training opportunities Operational safety and health Employee appreciation dinners/ gatherings and awards

STATEMENT ON SUSTAINABILITY

cont'd

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Areas of Interest	Forms of Engagement
Suppliers	<ul style="list-style-type: none"> Fair procurement Transparency Product quality and service delivery Anti-bribery Quality Control 	<ul style="list-style-type: none"> Group procurement policies Suppliers' evaluation and periodic review Meeting and feedback with suppliers Anti-bribery commitment
Local communities and public	<ul style="list-style-type: none"> Transparent and quality products and services Reaching out to communities 	<ul style="list-style-type: none"> Community programmes Donations, financial aids programmes to ensure affordable pricing of products Local sourcing
Environment NGO (Climate Change)	<ul style="list-style-type: none"> Energy Climate Carbon footprint Plastic consumption Waste management 	<ul style="list-style-type: none"> Energy saving evaluation Renewal energy sourcing Green energy evaluation Plastic reduction initiative Food waste reduction
Health Authority	<ul style="list-style-type: none"> Food safety and Quality Food hygiene 	<ul style="list-style-type: none"> Authority inspection QA/QC report Internal audits Food safety and handling certification

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").

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

The Board has reviewed the ABAC framework which includes 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 the Group 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 Policy. 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 the relevant laws.

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

The Group aims to create an organisation-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 staff are encouraged to use these channels to alert the Management and the Board on potential or actual acts of corruption within the organisation.

The 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 the Group is an apolitical organisation 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 2022 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 30 March 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“**Board**”) of Techna-X Berhad (“**the Company**”) is pleased to present the Audit and Risk Management Committee (“**ARMC**”) Report for the financial year ended 31 December 2022 (“**FY2022**”) in accordance with Paragraph 15.15 of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”).

COMPOSITION

The ARMC is appointed by the Board amongst its members, which comprise of 3 Independent Non-Executive Directors. The ARMC members have elected a Chairperson/Chairman from among themselves, who is an Independent Non-Executive Director. In respect of this, the Company has fulfilled the requirements under Paragraphs 15.09(1)(a), 15.09(1)(b) and 15.10 of the Main LR of Bursa Malaysia Securities and the Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance.

The members of the ARMC are as follows:-

Chairman/ Chairperson	:	Fan Kah Seong <i>Independent Non-Executive Director</i> <i>(appointed w.e.f. 1 June 2022)</i>
		Lim See Tow <i>Independent Non-Executive Director</i> <i>(retired w.e.f. 31 May 2022)</i>
Members	:	Balraj Singh Pannu A/L Gajjan Singh <i>Independent Non-Executive Director</i>
		Aidawati Binti Dahari <i>Independent Non-Executive Director</i> <i>(appointed w.e.f. 28 February 2023)</i>
		Zhai Baoxing <i>Independent Non-Executive Director</i> <i>(resigned w.e.f. 12 December 2022)</i>

Mr. Fan Kah Seong and Puan Aidawati Binti Dahari are members of the Malaysian Institute of Accountants (MIA). Accordingly, the Company complied with Paragraph 15.09(1)(c)(i) of the Main LR of Bursa Malaysia Securities, which requires at least one (1) member of the ARMC must be a member of the MIA.

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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

ARMC MEETINGS

The ARMC has convened 5 meetings during the FY2022. The ARMC's attendance records are as follows:-

ARMC Members	Date of ARMC Meeting					%
	25 Feb 2022	08 Apr 2022	26 May 2022	29 Aug 2022	25 Nov 2022	
Lim See Tow (retired w.e.f. 31 May 2022)	✓	✓	✓	N/A	N/A	100%
Zhai Baoxing (resigned w.e.f. 12 December 2022)	✓	✓	✓	✓	✓	100%
Balraj Singh Pannu A/L Gajjan Singh	✓	✓	✓	✓	✓	100%
Fan Kah Seong (appointed w.e.f. 1 June 2022)	N/A	N/A	N/A	✓	✓	100%
Aidawati Binti Dahari (appointed w.e.f. 28 February 2023)	N/A	N/A	N/A	N/A	N/A	N/A

SUMMARY OF THE WORK OF THE ARMC

The ARMC had carried out the following works during the FY2022 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 2022	• Unaudited quarterly report on consolidated results of the Company and Group for the fourth quarter ended 31 December 2021.
8 April 2022	• Audited financial statements of the Company and Group for the financial year ended 31 December 2021.
26 May 2022	• Unaudited quarterly report on consolidated results of the Company and Group for the first quarter ended 31 March 2022.
29 August 2022	• Unaudited quarterly report on consolidated results of the Company and Group for the second quarter ended 30 June 2022.
25 November 2022	• Unaudited quarterly report on consolidated results of the Company and Group for the third quarter ended 30 September 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

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

External Audit

On 25 February 2022, the ARMC had reviewed the Audit Summary Report, which had summarised the significant audit findings and observations arising from the statutory audit of the Company and Group for the financial year ended 31 December 2021, status of audit and independence of the External Auditors. The External Auditors had confirmed that they had not noted any fraud-related incidents that rendered reporting to the ARMC.

On 8 April 2022, the ARMC had evaluated the External Auditors' suitability, objectivity, and independence and recommended to the Board on the appointment of HLB Ler Lum Chew PLT as the Company's External Auditors in place of the retiring Auditors, HLB AAC PLT. The ARMC has also reviewed the audited financial statements of the Company and Group for the financial year ended 31 December 2021 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 25 November 2022, the ARMC had reviewed the Audit Planning Memorandum for the FY2022 prepared by the External Auditors, outlining the scope of works, key areas of audit emphasis, audit approach, fraud considerations, audit timeline, audit fees, and the new and revised financial reporting standards.

During the FY2022, the ARMC conducted two (2) private sessions with the External Auditors on 25 February 2022 and 25 November 2022, respectively, without the presence of the Executive Directors and Management of the Company, to discuss the External Auditors' observations and areas for improvements.

Internal Audit

The ARMC had reviewed the Internal Audit Reports issued by the external professional Internal Audit firm on a half-yearly 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 had reviewed the related party transactions on a quarterly basis for compliance with both in-house procedures and the Main LR of Bursa Malaysia Securities.

Other Matters

- (a) The ARMC had reviewed and confirmed the minutes of the ARMC meetings.
- (b) The ARMC had 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 in respect of the financial year ended 31 December 2021.
- (c) The ARMC had reviewed the Terms of Reference of the ARMC prior to submission to the Board for consideration and approval.
- (d) The ARMC had reviewed the appointment of compliance officers in charge of the whistleblowing matters prior to submission to the Board for approval.

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

The Group 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 for its technology-driven casual dining food and beverage businesses as well as the digital transformation enabler businesses.

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

The engagement team from Talent League Sdn. Bhd. is headed by Mr. Roy Thean, a member of the MIA, Malaysian Institute of Certified Public Accountants, and Institute of Internal Auditors Malaysia. All the personnel deployed by Talent League Sdn. Bhd. range from 3 to 4 staff, are free from any relationships or conflict of interest, which could impair their objectivity and independence during the course of work. The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

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 the risks are being managed within the organisation's risk appetite. The methodology consists of 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.

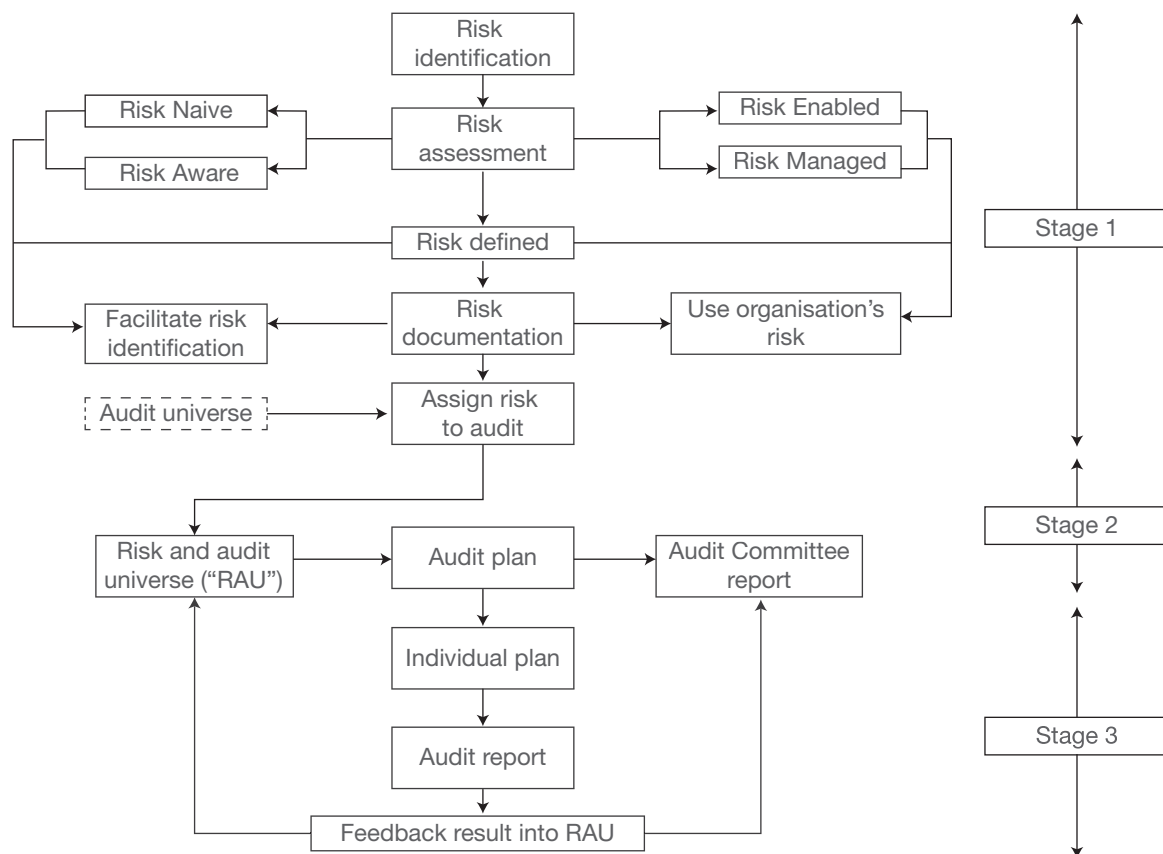
AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

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

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

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



The activities performed by the outsourced Internal Auditors include:-

- (i) Performed reviews of the key processes to examine and evaluate the adequacy and effectiveness of the operations' internal control system and highlighted any significant risks and non-compliance matters that have an impact on the Group;
- (ii) Conducted follow-up review on the status of the Management's implementation based on the agreed recommendations, which were previously reported in the preceding cycles of internal audit; and
- (iii) Developed Internal Audit Plan for years 2022 to 2024, setting out the implementation of the internal audit scope for the Group based on agreed communication, timelines, and reporting protocols.

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 scopes are depicted below:-

Auditable Areas	Audit Objectives and Scopes
Financial Reporting	<ul style="list-style-type: none"> • To ensure a proper internal control system is in place for:- <ul style="list-style-type: none"> ✓ 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	<ul style="list-style-type: none"> • To ensure a proper internal control system is in place for:- <ul style="list-style-type: none"> ✓ Capitalisation and depreciation policy ✓ Acquisitions and disposals ✓ Custodianship and safeguarding of assets ✓ Repair and maintenance ✓ Insurance coverage ✓ Company's vehicles • To ensure proper compliance with policies and procedures.
Human Resource Management	<ul style="list-style-type: none"> • To ensure a proper internal control system is in place for:- <ul style="list-style-type: none"> ✓ Recruitment and selection procedures ✓ Handling of personnel matters ✓ Covid-19 measures ✓ Working environment ✓ Maintenance of employee master records ✓ Payroll processing ✓ Statutory contribution ✓ Annual performance reviews of staff performance, increment and bonus ✓ Training, development and succession plan ✓ Disciplinary and termination • To ensure proper compliance with policies and procedures.
Project Management	<ul style="list-style-type: none"> • To ensure existing internal controls, risk management and corporate governance put in place by the Board and Management are functioning as intended to meet the objectives of:- <ul style="list-style-type: none"> ✓ Project management framework ✓ Project assessment and approval ✓ Performance monitoring ✓ Monitoring and controlling variation ✓ Project assets deployment and safeguarding ✓ Project claim and payment (interim and final) ✓ Extension of time / back charges ✓ Project handover ✓ Recovery of damages ✓ Review of project overrun and performance • To ensure proper compliance with policies and procedures.

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 scopes are depicted below:- (cont'd)

Auditable Areas	Audit Objectives and Scopes
Business Development	<ul style="list-style-type: none"> • To ensure a proper internal control system is in place for:- <ul style="list-style-type: none"> ✓ 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.

The total cost incurred for the internal audit function of the Group for the FY2022 amounted to RM68,546.00.

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 was approved by the resolution passed at the Board of Directors' Meeting held on 30 March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

The transformation of Techna-X Berhad (“**Techna-X**” or “**the Company**”) to establish itself as one of Malaysia’s leading digital enablers in facilitating the nation’s rollout of Industrial Revolution 4.0 (“**IR 4.0**”) continues to present many exciting developments within the Company and its subsidiaries (“**the Group**”).

During the financial year ended 31 December 2022 (“**FY2022**”), the Management and Board of Directors (“**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. Partnership / Memorandum of Understanding (“**MOU**”)

Techna-X has been invited to join a consortium of corporate entities led by SMTrack Berhad which comprises the latter itself together with Country Heights Holdings Berhad, Jiankun International Berhad, Sersol Berhad and MQ Technologies Berhad. The purpose of the consortium was to invest in 5G Infra Tech Solutions Sdn Bhd to undertake a series of corporate exercises to raise funds and finance 5G and fibre optics related projects by government entities such as Digital National Berhad (“**DNB**”) as well as Malaysian Communications and Multimedia Commission (“**MCMC**”). This structure would help accelerate the development of the 5G ecosystem and infrastructure in Malaysia. A non-binding Heads of Agreement (“**HOA**”) was entered into between the members of the consortium on 17 January 2022 to set out the objective, broad understanding and investment structure of the collaboration as well as with the aim of entering into a Definitive Agreement at a later stage.

Given the lapse of time wherein conditions precedent were not met, details of the proposed investment structure were not finalised and Definitive Agreement not executed within the stipulated timeframe, the Board of Techna-X made the decision to withdraw from the collaboration on 25 November 2022. The HOA did not expose Techna-X to any business risk as there were no financial resources committed and that the HOA did not create any binding contractual obligation on the Company.

During the year, the Group via its wholly-owned subsidiary, Wavetree Technologies Sdn Bhd (“**WT**”), had also entered into a Partnership Agreement (“**Agreement**”) with Borneo Eco Star Sdn Bhd (“**BES**”) to collaborate and develop a Smart Integrated Aquaculture Platform. BES is a company specialized in integrated aquaculture farming whereby it has a group of professionals with supportive backgrounds and experiences in the aquaculture industry. BES ventures, acquires, manages, and operates integrated aquaculture farms. Under the said collaboration, WT shall provide all the necessary and relevant technology, both hardware and software, to convert the entire traditional aquaculture operations via the use of digital technology. The Smart Integrated Aquaculture Platform will utilise the latest technologies in Internet of Things (“**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. The Smart Integrated Aquaculture Platform is poised to spur the adoption of technology-enabled prawn and fish farming in Malaysia and the region, enabling farming operations to benefit from a science-based and data-driven approach to maximize efficiency, reduce costs, and maximise yield. The Smart Integrated Aquaculture Platform will revolutionise the aquafarming industry and further promote sustainable farming practices.

2. Fund Raising Exercises

Several fund raising exercises were proposed, initiated and/or completed during the year with the objective of raising the necessary funds for settlement of purchase consideration to the various vendors of businesses/companies that were acquired by Techna-X as well as for the Group’s working capital purposes.

In view of the fact that several purchase consideration to vendors of businesses/companies acquired have been outstanding over a protracted period of time, Techna-X had contemplated a loan from Advance Opportunities Fund (“**AOF**”) (“**the Loan**”). The Loan was to be used primarily for the settlement of the outstanding purchase consideration owing by Techna-X to the vendors of Touchpoint International Sdn Bhd and Wavetree PLT. With this proposed settlement, the vendors agreed to allow Techna-X an extension of time to settle the remaining balance of the purchase consideration of RM30.26 million by 31 December 2022. However, due to subsequent unanticipated developments Techna-X and AOF had decided to mutually terminate the abovesaid loan prior to drawdown. Thereafter, it was agreed that no party shall have any claim in respect of the other and that 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 Loan Agreement. Accordingly, the Company did not incur any financial losses from the said termination.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Notwithstanding the above, Techna-X subsequently managed to raise some funding from several business partners and entities to meet its obligation to pay down the abovementioned purchase consideration. It was negotiated that the repayment of these loans was to be made via subsequent issuance of appropriate number of Techna-X shares ("**Proposed Debt Settlement**"). The Board of the Company was of the opinion that the said Proposed Debt Settlement was an appropriate method to settle the loan amount as it (i) would enable Techna-X to settle the loan amount without incurring additional debt obligation/interest expenses; (ii) would enable the Techna-X to strengthen its capital base; (iii) would further strengthen Techna-X's equity base as well as its net assets and gearing ratio as a result of the increase in the share capital of Techna-X; and (iv) to preserve Techna-X's cash for other purposes, such as working capital requirements.

In addition to the above, during the year, Techna-X also contemplated raising additional funds for working capital purposes via a proposed private placement exercise as well as bonus issue of free warrants.

The issue price of the placement shares shall be determined separately and fixed by the Board at a later date after obtaining the relevant approvals for the proposed private placement to independent investors. The Board will take into consideration amongst others, the prevailing market conditions and the provisions of Paragraph 6.04(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Main LR**"), in determining the issue price of the placement shares at a discount of not more than 10.00% to the volume weighted average market price of Techna-X's shares for the 5 market days ("**5D-VWAMP**") immediately preceding the price fixing dates. The proceeds raised from the proposed private placement exercise are expected to be utilised primarily for new information technology ("**IT**") contracts and orders as well as research and development ("**R&D**"), sales and marketing, business development of the ultra-capacitors products.

As for the proposed issuance of warrants, the actual number of warrants to be issued will be determined based on the issued share capital of the Company as at the entitlement date. The entitlement date will be determined at a later date by the Board upon receipt of all relevant approvals. The warrants will be issued at no cost to entitled shareholders. The exercise price of the warrants will be determined and fixed by the Board at a later date after receipt of all relevant approvals, taking into consideration (i) the historical price movement of Techna-X's shares; (ii) the 5D-VWAMP of Techna-X shares up to and including the last market day prior to the price fixing date; (iii) prevailing market condition at the point of the price-fixing; and (iv) the future funding requirements of the Group. In any event, the discount of the exercise price of the warrants shall not be more than 10.00% to the 5D-VWAMP of Techna-X's shares. The discount is to be determined by the Board to stimulate more demand for the Techna-X's shares before the entitlement date, encourage the exercise of the warrants, as well as for the potential funding benefits of the warrants in future upon the exercise of warrants.

The abovementioned proposed corporate/fund raising proposals however, were deferred and application to the authorities were withdrawn accordingly due to the advent of several unanticipated circumstances, one of which include the termination of the capitalisation agreement in relation to the Proposed Debt Settlement portion due to non-fulfilment of certain conditions precedent within the stipulated cut-off date. With the withdrawal of the corporate/fund raising proposal, the Board will make the appropriate and relevant revision therein and re-submit the said proposal at a later stage.

3. Disposal of Metallurgical Coke Business

Given the fact that the metallurgical coke business of the Group has been registering substantial amount of losses over a protracted period of time and that no visibility is envisaged moving forward, the business operations of the said metallurgical coke business were ceased with effect from 31 December 2021. The plant shut down which resulted in the fall in temperature in the coke ovens had invariably damaged the oven chambers, coupled with the fact that these ovens are deemed obsolete by definition of the government policy, the ovens were rendered unusable and worthless. By virtue of the fact that the Company could not complete the sale of the coke business on a timely manner due to the protracted non-fulfilment of conditions precedent in the transaction Agreement, as well as the fact that the said business continued to chalk up huge amount of losses during its period of operation leading towards the shutdown, Techna-X and Hua Fei Investment Limited had mutually agreed to terminate the proposed disposal of the entire equity interest in PIPO Overseas Limited (the entity in which the coke manufacturing business was held). Notwithstanding the foregoing, Techna-X had subsequently managed to sever the huge loss incurring and debt-laden balance sheet of the metallurgical coke entity out of its stable of companies, during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

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4. Compelled Partial Withdrawal of Equity Interest in Electric Revolution Expert d.o.o. (“E-Rex”)

On 21 April 2021, Techna-X via one of its subsidiaries, entered into an Agreement with several technology experts in Croatia to collaborate in developing, implementing and managing the technology surrounding electric vehicles and Low Voltage Drive System via the setting up of a joint venture company called E-Rex. Subsequently, it was decided strategically that the rights, duties and obligations under the said agreement be assigned and transferred to be held directly under Techna-X.

Under such Agreement, Techna-X was obligated to provide funding contribution of EUR1,000,000.00 (“**Capital Contribution**”) for E-Rex working capital. However, Techna-X thereafter only managed to inject EUR200,000.00, representing only 20% of the said Capital Contribution. Accordingly, due to the non-fulfilment of the funding obligations, Techna-X had to withdraw from the major part of the agreed investment by way of reducing its shareholding from 51% to 10%.

The said partial withdrawal of equity interest in E-Rex was deemed to be a necessary step to enable the participation of other strategic partners/shareholders into E-Rex to accelerate the product development and to further advance E-Rex’s R&D endeavours. With that, Techna-X will be able to refocus its financial resources to its other core digital transformation solution businesses which are seen as the catalyst for growth, moving forward. Notwithstanding the above, Techna-X will continue to be involved in the electric mobility space by virtue of it still remaining as a strategic partner and sole representative of E-Rex to develop markets in the ASEAN region.

5. Termination of proposed Reverse Takeover (“RTO”) Exercise

During the financial year ended 31 December 2021, Techna-X had contemplated and subsequently entered into an Agreement to inject its 50% ownership in HK Aerospace Beidou New Energy Technology Co., Limited (“**HKAB**”) into Chaswood Resources Holdings Ltd (“**CRHL**”), a company listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“**SGX**”), for a total consideration of USD250,000,000.00, the said transaction of which will result in a RTO where Techna-X would potentially own about 48% of the said SGX listed entity. This proposition will present Techna-X with an opportunity to monetise and extract the intrinsic value of its 50% investment in HKAB whilst at the same time free up Techna-X’s capital commitment to fund HKAB’s capital requirements for its accelerated expansion and R&D endeavours as HKAB would then be able to tap into the capital market via SGX on its own.

However, due to inadvertent delay in completing the relevant due diligence and corporate restructuring exercises of HKAB in connection with the RTO, stemming from the incessant travel, movement and other restrictions implemented by the authorities in China (in the country’s pursuit of zero-Covid policy), the strict timeline given by SGX for the completion of the RTO could not be met. Accordingly, the Board and the other relevant parties to the said transaction had decided in the best interest of all parties to mutually terminate the said RTO efforts. Notwithstanding the abortion of such efforts, Techna-X and the relevant parties will pursue other alternative to realise the listing of HKAB, one of which includes an Initial Public Offering in an overseas bourse.

6. Acquisitions

During the FY2022, the Company completed the acquisition of a 25% equity stake in MBits Digital Sdn Bhd (“**MBits**”), an operator of Internet Protocol TV Station and a leading digital platform creator focusing on the telco media ecosystem, supported by a full range of broadcasting and digital connectivity licenses issued by the Malaysian government. This acquisition was believed to enable Techna-X to further enhanced the eco-system of its digital technology businesses in order for the Group to build on and offer a comprehensive end-to-end suite of service offerings and solutions to its existing and prospective customers. Unfortunately, the initiatives and business ventures undertaken by MBits under the management and directive of the major shareholder, by and large, did not yield the outcome as initially promised coupled with the fact that Techna-X was denied of its rights as a shareholder, albeit a minority interest of 25%, of MBits. As a consequence to that, Techna-X had then swiftly entered into an Agreement to dispose its 25% in MBits towards the end of the year. In an attempt to salvage its cost of investment and mitigate any further potential losses therefrom Techna-X has subsequently in early of year 2023 initiated legal proceedings against the said conniving major shareholder.

MANAGEMENT DISCUSSION AND ANALYSIS

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FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

Pursuant to the 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.

FYE2022 continued to be a challenging year for the Group. Whilst most of the world's economy, except for China, have started to open up during the year, the resurrection of economic and business activities proved to be unhurried and somewhat gradual. Malaysia continued lacklustre economic landscape in 2022 after the easing restrictions in April was primarily precipitated by concerns that a slowdown in the world economy will hurt growth going forward as well as worries of persistently high level of inflation within the economy itself.

On the background of the foregoing, the Group's core digital and technology businesses turned in a relatively higher consolidated net loss of approximately RM31.2 million for FYE2022 compared to a consolidated net loss of RM21.7 million recorded in the preceding financial year.

Notwithstanding the above, the Group's core digital and technology businesses recorded a reasonably decent consolidated revenue of RM74.2 million in FYE2022, out of which the technology-driven F&B business contributed approximately RM54.6 million while the technology and digital transformation enabler contributed approximately RM19.6 million. The increase in revenue from the technology-driven F&B business seen in FYE2022 compared to that in FYE2021 was mainly attributed to the additional openings of new outlets as well as improvement in the spending sentiments by customers. However, the overall revenue increase in this F&B business segment was somewhat constrained by the re-imaging and refurbishment works done on TGI Fridays outlets in Beijing which disrupted their business operations and thus impacted their revenue contribution to the Group during the second quarter of FYE2022.

As far as the Group's digital transformation & technology businesses is concerned, there was a significant reduction in contribution to the Group, wherein it managed to generate a relatively lower revenue of approximately RM19.6 million in FYE2022 compared to approximately RM34.8 million recorded last year. This was mainly attributed to the fact that the Energy Storage Solutions business segment failed to recognise any revenue during this financial year compared to the preceding year, notwithstanding the higher revenue contribution from the Technology and Digital Transformation Enabler business segment in the current financial year.

The total cost of sales for the Group's continuing operations has decreased to approximately RM30.2 million in this financial year from RM37.0 million recorded in FYE2021. With better margins recorded during the current financial year, the Group saw its overall gross margin improved from 46% to 59% and this can be attributed primarily from some favourable variation orders from an already secured contract.

The administrative and operating expenses of the continuing business operations and that of corporate holding company level saw an increase to RM60.7 million in FYE2022 from RM58.2 million recorded in the preceding year. This high administrative and operating expense was primarily attributed to the one-off expenses/costs incurred by the corporate holding company level relating to the imputed impairment loss on the goodwill, impairment on receivables, notional finance cost imputed due to the deferred payment of the purchase considerations for the various acquisitions, expenses incurred for the purpose of capital raising and corporate exercises, etc, all of which amounted to approximately RM33.5 million. Apart from that, the other operating expenses were attributed to, by and large, professional fees, rental of premises, staff salaries, depreciation, office and administrative expenses, utility charges, etc. the amount of which were relatively consistent with that incurred last year.

Premised on the above, the continuing operations of the Group recorded a net loss of approximately RM31.2 million in FYE2022, compared to that recorded in the preceding year of approximately RM21.7 million. Based on the weighted average number of shares in issue, this translates to a loss per share of 1.04 sen per share (based on 2,211 million number of shares) in FYE2022 compared to 1.11 sen per share (based on 1,949 million number of shares) in the preceding year.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Notwithstanding the above, it is worthwhile to note that should the abovementioned one-off expenses/costs attributable to the corporate holding company level relating to the imputed impairment of goodwill, notional finance costs incurred due to the deferred payment of the purchase consideration for the various acquisitions, expenses incurred for the purpose of capital raising and corporate exercises of RM33.5 million be excluded for a better representation of the performance of the Group's core businesses of technology driven F&B business and the digital & technology businesses in FYE2022, these businesses segment would implicitly generate a profit of approximately RM2.3 million compared to a net loss of approximately RM3.9 million in FY2021.

As mentioned above, given the continued dire financial performance of the metallurgical coke business over the past few years and the lack of visibility of a turnaround, the Board had made a strategic decision to cease the operation of the metallurgical coke business from 31 December 2021 in an effort to stem the financial haemorrhage that has been draining the Group's financial resources for the past few years.

With the cessation of the metallurgical coke business operation which has since been classified as "discontinued operations", the Group has finally managed to dispose this burdensome loss-making operation during the financial year, following which the Group was able to recognise an accounting gain on disposal of approximately RM99.3 million in FYE2022. Furthermore, in accordance with MFRS 121 Paragraph 48, the accumulated amount of foreign exchange translation reserves pertaining to the disposed "discontinued operations" which were previously recognised in other comprehensive income has been reclassified into current financial year profit and loss upon the said disposal, thus resulting in the combined derived profit from the disposal of the "discontinued operations" to increase to RM283.4 million for FYE2022.

The total assets of the Group in FYE2022 amounted to RM215.7 million, compared to RM333.4 million recorded in the preceding financial year. Key components of the Group's Total Assets comprised predominantly of (i) Investment in Associates of RM68.8 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 RM70.7 million, (iii) Trade and Other Receivables of RM31.4 million, as well as (iv) Assets Held For Sale (i.e. MBits Digital Sdn Bhd) of RM10.0 million. The amount recorded under Assets Held For Sale represented a carrying amount of an asset which has been slated for disposal due to unresolved disputes with the major shareholder of the said investment as well as non-alignment and incongruity of the management of the said entity.

Total Liabilities registered in FYE2022 amounted to RM173.9 million, compared to RM352.4 million in the preceding financial year. Key components of the Total Liabilities comprised (i) Trade Payables of RM5.0 million arising from transactions which were in the ordinary course of business of the Group, (ii) Other Payables and accrued expenses which primarily were made up of the deferred purchase consideration owing to the vendors arising from the acquisition of various subsidiaries totalling RM120.0 million, as well as (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 RM32.1 million.

There was a tranche of Redeemable Convertible Notes ("RCN") amounted to RM1.0 million which remained outstanding in FYE2021 being subsequently converted into the shares of Techna-X in FYE2022. Apart from that, there was an exercise of Employees' Share Option Scheme ("ESOS") amounted to RM0.386 million during the financial year. Accordingly, the Share Capital has been increased by approximately RM1.386 million in the Statement of Financial Position for FYE2022.

Premised on the above, the Group's Total Equity for the current financial year has returned to a positive territory with the amount of RM41.8 million, out of which RM192,000 (deficit) was attributed to the portion of Non-controlling Interest compared to a deficit of RM19.0 million in FYE2021, out of which RM8.7 million was attributed to the portion of Non-controlling Interest. Accordingly, the Equity Attributable to the Shareholders of Techna-X for the current year stood at a surplus of RM42.0 million compared to a deficit of RM27.7 million in FYE2021. This represents an improvement of approximately 252% from that recorded in the preceding financial year. The said improvement was primarily attributed to the gain arising from the disposal of metallurgical coke business in FYE2022.

MANAGEMENT DISCUSSION AND ANALYSIS

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KEY RISKS

The Group is mindful of several risks which it could be potentially exposed to:-

Risk relating to the Technology Business

(i) Dependence on key personnel

The limited availability of suitable talents in Malaysia and China, conversant in the latest technology presents the most critical risk to the successful development and implementation of product offerings of technology business. The continuous innovation crucial to the business's intensive focus in delivering disruptive technology-based solutions also requires experienced and qualified technical personnel.

The successes of the business will depend, to a certain extent, on the capabilities and continuing efforts of key management personnel as well as the ability to retain and attract skilled technical personnel. The loss of key personnel may have an unfavourable and material impact on the financial performance of the business.

Techna-X will strive to retain its existing key management personnel of the technology entities offering competitive incentives and remunerations and attract new talent to reduce dependency on its key management team.

(ii) Competition risk

Technology business faces competition from new players and existing competitors who may be more aggressive in expanding their business. As with all disruptive technology solutions, market awareness and readiness play a critical role in the adoption and market uptake.

Techna-X and its technology companies are keenly aware of this pre-requisite and are constantly executing strategic initiatives to turn this risk into a first-mover advantage. While the technology companies have gained strong initial traction in the market place amongst the more progressive and forward-looking customers and partners, the technology companies are also focusing on spurring interest and energise market forces within the government sector in order to generate immediate demands for their innovative solutions.

It is also expected that regional and global players to be entering the markets where the Group operates and covering the entire value chain from hardware providers, software platform players to application providers.

Techna-X sees this as a long-term business advantage as it will generate market awareness and interests, while presenting the technology companies with the opportunity to explore partnerships with these global players. The successful partnering with global well-known players will path the way for the technology companies to bring their solutions to a wider market within a shorter time frame, by leveraging on partners' branding and market presence.

(iii) Rapid evolution of technological trends

Over the years, the technology industry has evolved rapidly. The use of technology solutions and tools is expected to continue to evolve and advance. This may render the existing solutions and technological tools dated or redundant. With the industry constantly changing and developing to keep up with market needs and trends, the responsibility falls on the industry players to ensure they can keep up with latest technological developments in order to remain competitive.

Techna-X's technology companies, leveraging on the technological innovation and commercial know-how of their technical teams, will continue to focus significant efforts in pursuing research and development in upcoming future technologies and trends.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

(iv) Foreign exchange risk

Some of Techna-X's technology businesses will involve transactions with foreign parties and is envisaged to involve foreign currencies, in particular RMB and USD. Some of the Group's technology companies are also located in foreign jurisdictions. There will be an inherent foreign exchange risk involved due to fluctuations of foreign currency relative to Ringgit Malaysia. In the event of significant depreciation of the foreign currency, in which the transactions and/or revenues of the foreign companies are denominated, the effective value of profits as expressed or converted into Ringgit Malaysia may be materially reduced.

In addition, as the financial results of the Group is reported in Ringgit Malaysia, the enlarged Group's financial results may be impacted via exchange translation differences on consolidation as a result of fluctuations in foreign exchange rates as at the date of consolidation. Notwithstanding the foregoing, the exchange translation on consolidation is only an accounting entry for the purposes of consolidating our enlarged Group's financial results as at a particular date.

Nevertheless, Techna-X will assess the need to utilise financial instruments to hedge its foreign exchange exposure to mitigate both transaction and/or translation exchange risk exposure.

(v) Repatriation of profit to Malaysia

Some of the Group's technology companies incorporated overseas may depend largely on the relevant policies on foreign investment and repatriation of profits/dividends under the Malaysian laws and foreign laws where the Group's foreign companies are incorporated. Any changes and amendments to the relevant policies on foreign investment and repatriation of profits/ dividends under the Malaysian laws and foreign laws where the Group's foreign companies are incorporated may have a material effect on Techna-X Group.

In order to mitigate the abovementioned risk, Techna-X will adopt a proactive approach in keeping abreast of the relevant policies on foreign investment and repatriation of profits/ dividends in relation to the foreign companies.

Risk relating to the F&B Business

(i) Competition risks

The F&B service market in Malaysia consists of establishments ranging from F&B chains to small independently owned restaurants. It is a highly fragmented industry and industry players compete to attract and retain customers by ensuring the food offering are quality, competitively priced and/or innovative as well as effectively and efficiently managing their operations.

Furthermore, some of these F&B establishments are more reputable than others, enabling them to seek and negotiate more suitable and strategic locations for their restaurants/outlets. This is highly important as the visibility and accessibility as well as high foot traffic locations are contributing factors to the success of a particular F&B establishment. The aforementioned factors are key differentiators for industry players, and failure on any industry player's part to build on these differentiating factors as a competitive advantage for themselves could cause losses in sales and a decline in customer loyalty to their establishments, leading to a subsequent loss in market share.

The Group's F&B subsidiary, Craveat International Sdn Bhd ("**Craveat**"), is dedicated in remaining competitive by constantly engaging consumers on all platforms including digital and social media to drive the brand visibility and also focuses on local store marketing, special promotions and innovative menu items to cater for the different needs of consumers.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

(ii) *Reliance on human resources*

The F&B service market is service-oriented, and it is therefore important to ensure that suitable personnel are hired as cashiers and waiter/waitresses as their interaction with customers has an impact on the customers' dining experiences. Inefficient and unfriendly customer service could lead to a loss in sales or loss in repeat customers. Also, there is an increasing reliance on foreign employees in Malaysia. Some of the foreign employees from countries such as Nepal and Bangladesh may face language and cultural barriers, and it is important for industry players to provide sufficient training to ensure that the quality of customer service is maintained at an acceptable level.

Furthermore, the government may amend policies relating to the employment of foreign workers in the F&B service market and/or introduce new conditions from time to time. As the F&B service market is dependent on the supply of foreign workers, any scarcity in supply or change in regulations would adversely affect industry players. Additionally, any increase in the levy or minimum wages for foreign workers or any other additional costs to be paid to the government in relation to the employment of foreign workers would increase retail overheads and directly impact the financial performance of industry players.

In mitigating such risk, Craveat sources its foreign workers mainly from outsourced agents. Foreign workers with language barrier are usually employed to work in the kitchen to reduce interaction difficulty with the customers. Craveat also attracts and employs local graduating students from hospitality schools to reduce the dependent on foreign workers. Nevertheless, Craveat is streamlining its operations and processes to reduce the number of workers required by utilising technology and applications for customer service such as food ordering in order to create more efficiency and to reduce labour requirements.

(iii) *Economic risks*

The F&B service market is dependent upon the present state of the economy, as a growing economy signifies a population with higher disposable income that has greater spending power, creating demand for F&B establishments. A decline in economic conditions may decrease consumer spending power, which will in turn have a negative impact on the F&B service market. A slowdown in the economy may cause reduced sales volumes, which could have a negative impact on the overall financial condition of industry players who may not be able to successfully achieve their expected results.

Nevertheless, Craveat falls under the casual dining segment which is less susceptible to fluctuations in the economy, as the price range for casual dining F&B establishments are typically low to medium-priced and are perceived as a casual dining-out option. This thus lowers the susceptibility of the casual dining F&B service segment to adverse economic conditions. Additionally, Craveat is continuously driving its sales via various marketing strategies such as engaging consumers on all platforms including digital and social media, special promotions and innovative menu items while focusing on operational enhancements that drive cost savings, labour efficiency and margin improvements.

(iv) *Fluctuation in raw material price*

F&B business will be affected by the availability and price fluctuations of food ingredients. The prices of food ingredients may fluctuate due to various factors beyond control, such as increase in food prices, outbreak of diseases, droughts, floods, or other disruption on a significant scale. The F&B business is highly dependent on a sufficient supply of food ingredients that meet its price and quality requirements. A significant increase in the market price of food ingredients will have an effect on margins if the business is unable to pass such increase in the price of food ingredients to its customers. A material shortage will affect the operation of the restaurants and its financial performance accordingly.

However, given the food ingredients of Craveat are common supplies in the market, there are flexibilities for Craveat to procure the ingredients or to substitute supplies from the wide availability of suppliers in Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

(v) *Non-renewal of leases or renewal of leases on less favourable terms*

F&B business may be affected by any increase in the rental or the failure to renew its existing leases. Since the rental expenses represent a relatively significant portion of the total operating expenses of restaurants, F&B business's financial performance will be affected by any substantial increase in rental. The landlords have the right to review and change the terms and conditions of the lease agreements upon expiry of the existing leases. There is no assurance that lease agreements could be renewed on terms acceptable to it. The non-renewal of leases or renewal on less favourable terms may have a negative effect on business and financial performance.

The leases of the restaurants operated by Craveat in the current locations have been renewed for several terms due to its good relationship with the respective landlords and also the good reputation of the restaurants. Given its historical track record, Craveat has been given the preferential for site selection and attractive rental rates.

(vi) *Business operations / franchise agreements risk*

TGI Fridays ("TGIF")

The operations of the TGIF restaurants in Malaysia and Beijing are subject to the terms and conditions of the franchise agreements with TGIF's franchisor ("**Franchise Agreements**"). Pursuant to the Franchise Agreements, Craveat was granted the right to establish and operate TGIF restaurants in Malaysia and Beijing. There can be no assurance that Craveat Group will be able to renew the Franchise Agreements and even if renew, there can be no assurance that the Franchise Agreements will not be revoked or terminated prior to its expiry. Although Techna-X does not believe that such events will occur, there can be no assurance that such non-renewal or revocation or termination will not happen and this could prohibit Craveat from continuing to carry out its TGIF restaurants operation. In the event that any of the Franchise Agreements were to be terminated, there will be a negative impact on Craveat's business and financial performance.

In addition, any factors which are detrimental to the standing of TGIF's franchisor may adversely affect Craveat if such factors were to result in TGIF's franchisor being unable to perform its obligation to Craveat and/or cause the Franchise Agreements to be invalid and/or unenforceable. In such event, Craveat's business and financial performance will be negatively affected.

However, these risks are largely mitigated by the fact that Craveat has a long history with the TGIF brand. It has cultivated a good relationship with TGIF's franchisor and has been given much operational support throughout the years. Craveat will use its best endeavours to ensure compliance with the terms and conditions of the Franchise Agreements. Craveat will also seek immediate remedial actions to rectify or address any non-compliance with the Franchise Agreements if and when they arise.

The Teh Tarik Place ("TTP")

Craveat is the proprietor of TTP and most of TTP restaurants are operated by franchisees which are subjected to the terms and conditions of franchise agreement. There is no guarantee that Craveat will always be able to attract suitable franchisees for TTP. TTP franchisees are independent business operators and Craveat does not exercise full control over their day-to-day operations. The quality of the TTP franchised outlets may be diminished by various factors beyond Craveat's control. TTP franchisees may not operate the outlets in a manner consistent with Craveat's standards and requirements or may not hire and train qualified and skilled employees as per Craveat's standards and requirements. The failure of TTP franchisees to maintain Craveat's standards could have a material adverse effect on TTP's reputation and could have a material effect on the Craveat's business and financial performance.

There can be no assurance that the TTP franchisees will comply with the terms and conditions of the franchise agreement. In addition, there can be no absolute certainty that the TTP franchisees selected will have the business acumen or financial resources necessary to operate successfully nor that Craveat can give any assurance that its franchisees will continue to be successful in their operations. The loss of franchisees will result in a decrease in Craveat's revenues.

However, these risks are largely mitigated by the fact that Craveat carefully evaluates and screens its prospective TTP franchisees as well as cultivated a good relationship and given much operational support throughout the years to its TTP franchisees. Craveat will also use its best endeavours to ensure its TTP franchisees complied with the terms and conditions of franchise agreement and seek immediate remedial actions to rectify or address any non-compliance with franchise agreement by its TTP franchisees if and when they arise.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

(vii) Change in consumers preferences

Craveat's business is highly dependent on the goodwill and market receptiveness associated with TGIF and TTP brands. There is no guarantee that the market receptiveness to the brands will persist, hence Craveat will be challenged to continuously adapt to such changes.

The rising trend of e-commerce may also result in the shift in consumption patterns from brick-and-mortar to online shopping, thereby contributing to a decrease in shoppers' traffic to shopping malls where most of the outlets of Craveat's restaurants are located and may translate to weaker same store sales growth.

In addition, consumers' lifestyles and preferences change continuously. Factors which may result in changes to consumers' lifestyles and preferences include disposable income and cost of living. If disposable income decreases and/or cost of living increases, consumers are generally more cautious on their discretionary expenses and spend less in dining out, which in turn may adversely impact Craveat's business.

Craveat strives to mitigate the effects of the slowdown via increased advertising and promotional campaigns for dine-in and also delivery services where delivery sales have seen a significant increase in recent months which previously was not material to the business of Craveat. Craveat will also put in place a market research team to identify changes in consumer preferences.

(viii) Foreign exchange risk

Some of our TTP franchisees operate in foreign country and Craveat may also further expand its business to other foreign countries. There will be an inherent foreign exchange risk involved due to fluctuations of foreign currency relative the Ringgit Malaysia. In the event of significant depreciation of the foreign currency, in which the revenues of the overseas F&B business are denominated, the effective value of Craveat's profits as expressed or converted into Ringgit Malaysia may be materially reduced. Nevertheless, Techna-X will assess the need to utilise financial instruments to hedge its foreign exchange exposure to mitigate both transaction and/or translation exchange risk exposure.

Other General Perceivable Risks

(i) Political, economic and regulatory risks

Any adverse developments in the political, economic, regulatory and social conditions in Malaysia as well as countries in which the businesses operates, directly or indirectly, could materially and adversely affect the businesses. These risks include, amongst others, economic downturn and unfavourable changes in governmental policies such as methods of taxation, currency exchange rules or introduction of new regulations, which are generally beyond the management's control and affect all the players in the industry.

In mitigating such risks, Techna-X will continue to monitor and review its business strategies in response to any changes in political, economic and regulatory conditions.

(ii) Implications of COVID-19 on the finance and operation the Group

As experienced since 2020 with the advent of COVID-19 outbreak, it is evidenced that any future pandemic affecting the world or specific country in which the Group's businesses are operating, would invariably affect the finance and operations of those businesses. This stems from the imposition of economic lockdown, travelling restrictions, logistical disruptions and/or labour shortages which will pose a direct negative impact on all of the Group's businesses.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

MOVING FORWARD

Moving forward, the strategic pillars that will drive Techna-X Group, are as follows:

Smart City

The Group has successfully engaged with the local government and city councils of several states in Malaysia to implement Techna-X's Smart City Platform that will enable the said government agencies and/or local authorities to connect directly with the communities within their respective jurisdictions intelligently via a mobile app. Such app will allow 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.

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 discussions 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).

Following the termination of the Group's proposal of disposing its subsidiaries, namely HK Aerospace Beidou New Energy Technology Co., Ltd ("HKAB") via a reverse takeover ("RTO") exercise of Chaswood Resources Holdings Ltd, a company listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("Proposed Disposal") due to the inadvertent delay in completing the relevant due diligence and corporate restructuring exercises of HKAB in connection with the RTO, the Group has re-assessed the potential value of HKAB and would not rule out the possibility of relisting such highly potential business via Initial Public Offering ("IPO") when the timing is right in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Communication and Security Solutions

The Group continues to tap on the technology development and maintenance contract to design and deliver an analytics-enabled public safety and security command system as a springboard for the Group to pursue and secure 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 secured an exclusive distributorship for a state-of-the-art handheld device which is essential for the abovementioned integrated security command system as well as in collaboration with relevant security A.I. technologies service providers which has 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 The 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 had spilled over to a large part of 2022. 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. 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 Russian-Ukraine conflict further exacerbated the poor economic sentiment. The slower-than-expected recovery of private consumption also have limited growth prospects.

The January 2023 World Economic Outlook Update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

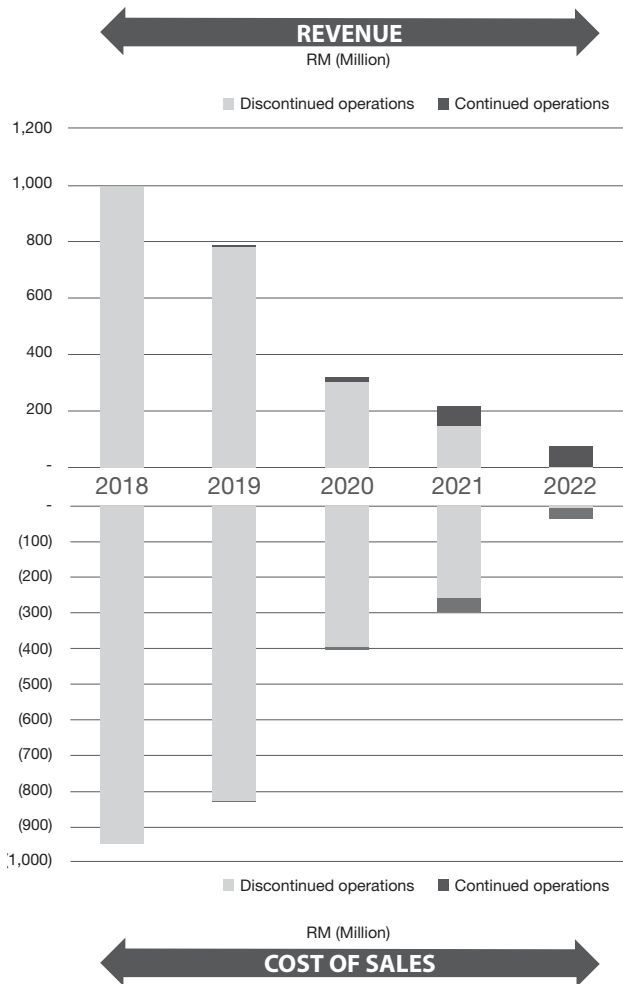
In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy in 2022 (ended only in December 2022) had to a large extent, induced continued economic and business disruptions in China.

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

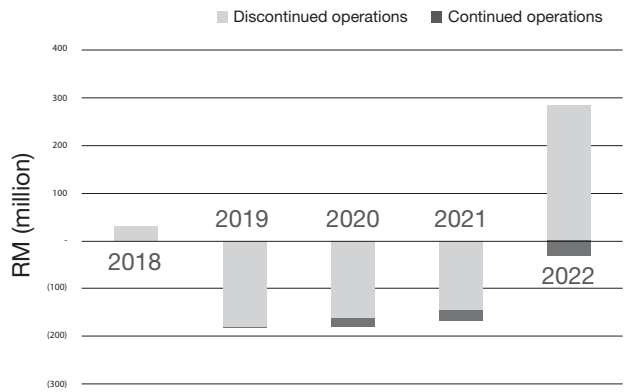
(World Economic Outlook – IMF, January 2023 @ October 2022)

HISTORICAL FINANCIAL HIGHLIGHTS

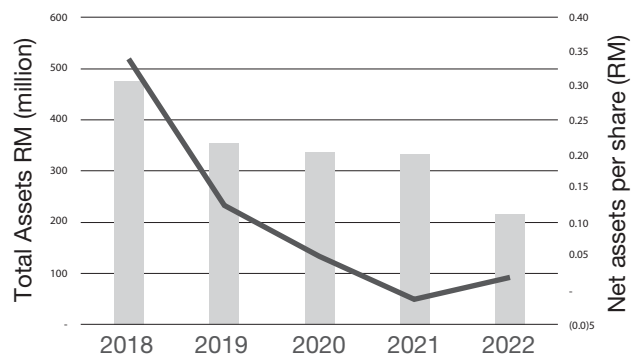
REVENUE VS COST OF SALES



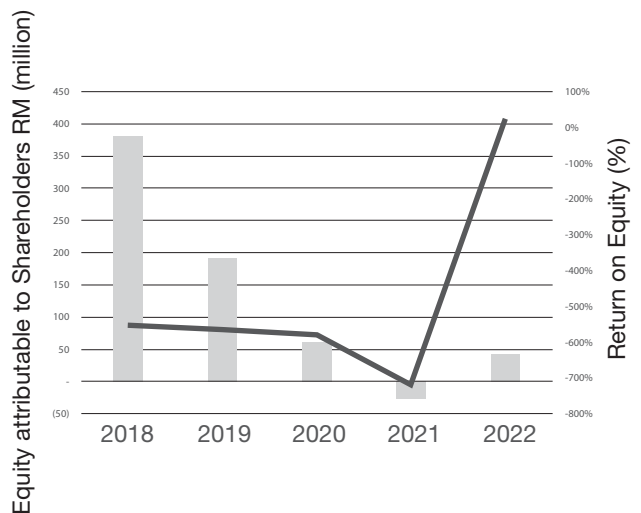
PROFIT/(LOSS) AFTER TAX



TOTAL ASSETS VS NET ASSET PER SHARES



EQUITY ATTRIBUTABLE TO SHAREHOLDERS VS RETURN ON EQUITY



FINANCIAL STATEMENTS

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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 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 4 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
Profit/(Loss) for the financial year attributable to:		
- Owners of the Company	262,299	(79,167)
- Non-controlling interests	(8,173)	-
	254,126	(79,167)

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 2,201,715,000 to 2,214,715,000 ordinary shares by way of the issuance of:

- (a) 10,000,000 new ordinary shares pursuant to the conversion of Redeemable Convertible Notes at an average conversion price of RM0.10 per share amounting to RM1,000,000; and
- (b) 3,000,000 new ordinary shares pursuant to the Employees' Share Option Scheme at an average price of RM0.0703 per share amounting to RM210,900.

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.

DIRECTORS' REPORT

cont'd

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 3,000,000 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

Datuk Lim Chih Li @ Lin Zhili

Balraj Singh Pannu A/L Gajjan Singh

Ahmad Rizan Bin Ibrahim

Fan Kah Seong

Ng Chee Seng*

Aidawati Binti Dahari

Chin How Nyian^

Lim See Tow

Zhai Baoxing

Liu Guodong

(Appointed on 1 June 2022)
(Appointed on 12 December 2022)
(Appointed on 28 February 2023)
(Appointed on 28 February 2023)
(Retired on 31 May 2022)
(Resigned on 12 December 2022)
(Resigned on 12 December 2022)

* Alternate Director to Ahmad Rizan Bin Ibrahim

^ Alternate Director to Datuk Lim Chih Li @ Lin Zhili

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:

	At 1.1.2022/ date of appointment	Number of ordinary shares		At 31.12.2022
		Bought	Sold	
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
Ng Chee Seng	103,200,600	-	-	103,200,600
Indirect interest				
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar ⁽¹⁾	304,642,259	-	-	304,642,259

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS (CONT'D)

	Number of ESOS			At 31.12.2022
	At 1.1.2022	Offered	Converted	
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
Ng Chee Seng	5,000,000	-	-	5,000,000

⁽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.

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 Ng Chee Seng 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 4 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Statutory audit	422	103

DIRECTORS' REPORT

cont'd

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.

DIRECTORS' REPORT

cont'd

SIGNIFICANT EVENTS

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

SUBSEQUENT EVENTS

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

AUDITORS

The auditors, HLB Ler Lum Chew PLT (201906002362 & AF0276), have expressed their willingness to accept re-appointment.

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
25 April 2023

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 78 to 149 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 2022 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
 25 April 2023

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 78 to 149 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 25 April 2023)

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 2022 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 78 to 149.

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 2022, 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.

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
<p>Liquidity position of the Group and the Company (Refer to Note 2(a) to the financial statements)</p> <p>The Group and the Company incurred a loss from continuing operations of RM31,206,000 and RM79,167,000 respectively during the current financial year and as of 31 December 2022, the Group's and the Company's current liabilities exceeded its current assets by RM81,642,000 and RM42,703,000 respectively.</p> <p>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:</p> <p>(a) Ability of the Group to generate sufficient cash flows from its continuing operations in the next 12 months;</p> <p>(b) 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 defer the repayment of the purchase considerations;</p> <p>(c) Undertaking from the associate company for amounts owing to them as disclosed in Note 13 to the financial statements to not seek repayment should the Group lack the capacity to repay the associate company; and</p> <p>(d) Debt settlement agreements with certain creditors as disclosed in Note 18(a)(iii) to the financial statements to convert its debts into ordinary shares of the Company pursuant to a Proposed Corporate Exercise as disclosed in Note 36(b) to the financial statements.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Inquired management as to its knowledge of events or conditions beyond the period of management's going concern assessment; • Evaluated management's going concern assessment that covers twelve months from the date of financial statements through review of the cash flows forecast and together with the relevant supporting documentation; • Assessed the reasonableness of the management's key assumptions used and judgement exercised on its cash flows forecast; • Performed sensitivity test for a range of reasonable possible scenarios; and • Considered the completeness and accuracy of disclosure in 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
<p>Goodwill impairment assessment (Refer to Note 2(l)(i), Note 2(h)(i) and Note 8 to the financial statements)</p> <p>As at 31 December 2022, the Group recognised goodwill amounting to RM65,862,000 arising from business combinations.</p> <p>Pursuant to MFRS 136 "Impairment of Assets", the Group is required to perform annual impairment assessment on its goodwill.</p> <p>The Group estimated the recoverable amount of the cash generating unit ("CGU") to which goodwill is allocated based on its value-in-use ("VIU").</p> <p>In view of the significant carrying amount of the CGU (including goodwill), coupled with the complexity and subjectivity of the assumptions involved in the annual impairment test, we consider this to be an audit focus.</p>	<p>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.</p> <p>We challenged assumptions used in the impairment assessment model which, amongst others, include:</p> <ul style="list-style-type: none"> • forecast revenue; • forecast cost of sales and operating costs; • forecast capital expenditure; and • discount rates. <p>Sensitivity analysis was performed on key assumptions used by management and we assessed the impact on the recoverable amount of the goodwill within a reasonable range.</p> <p>During the financial year, an impairment loss amounting to RM24,228,000 had been recognised in profit or loss as disclosed in Note 8 to the financial statements.</p>
<p>Disposal of assets held for sale (Refer to Note 2(q), Note 4(f) and Note 15 to the financial statements)</p> <p>On 26 May 2022, the Group has entered into a Share Sale Agreement ("SPA") with Hua Fei Investment Limited to dispose its entire interest in a wholly-owned subsidiary, PIPO and in turn, the Group's indirect interest in Linyi Yehua Coking Co., Ltd through PIPO (collectively known as "disposal group"), for a total cash consideration amounting to RM1.</p> <p>During the financial year, both parties have come to an agreement that all the Conditions Precedent in the SPA has been met and the shares were transferred. Consequently, the Group has recorded a gain on disposal amounting to RM283,424,000.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Reviewed the SPA on the terms and conditions for the disposal; • Reviewed the computation on the gain on disposal; • Reviewed the completeness and accuracy of the financial results included in the disposal group held for sale; and • Evaluated the presentation and the disclosure of the disposal group held for sale.

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.

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)

Information Other than the Financial Statements and Auditors' Report Thereon (cont'd)

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.

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.

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)

- 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.

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 4 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 LER LUM CHEW PLT
(201906002362 & AF0276)
Chartered Accountants

CHEW LOONG JIN
Approved Number: 03279/03/2025 J
Chartered Accountant

KUALA LUMPUR
25 April 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	15,917	7,409	111	147
Investment in subsidiary companies	4	-	-	105,447	116,019
Investment in associates	5	68,761	88,583	-	-
Other investment	6	7	-	7	-
Right-of-use assets	7	11,990	2,753	404	100
Intangible assets	8	70,676	94,562	-	-
Deferred tax assets	9	143	143	-	-
		167,494	193,450	105,969	116,266
Current Assets					
Inventories	10	1,410	1,007	-	-
Trade receivables	11	23,657	31,966	-	-
Other receivables	12	7,755	16,904	1,754	3,916
Amount owing by an associate	13	-	971	-	-
Tax recoverable		404	654	-	-
Cash and cash equivalents	14	4,990	12,842	131	1,357
		38,216	64,344	1,885	5,273
Assets of disposal group classified as held for sale	15	10,000	75,624	10,000	55,650
		48,216	139,968	11,885	60,923
TOTAL ASSETS		215,710	333,418	117,854	177,189

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022
cont'd

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	1,224,219	1,222,833	1,224,219	1,222,833
Reserves	17	11,694	(544,788)	7,812	7,987
Accumulated losses		(1,193,884)	(705,718)	(1,176,569)	(1,097,402)
Equity attributable to owners of the Company		42,029	(27,673)	55,462	133,418
Non-controlling interests		(192)	8,654	-	-
TOTAL EQUITY		41,837	(19,019)	55,462	133,418
LIABILITIES					
Non-Current Liabilities					
Other payables	18	37,427	-	7,543	-
Deferred tax liabilities	9	122	65	-	-
Lease liabilities	19	6,466	709	261	-
		44,015	774	7,804	-
Current Liabilities					
Trade payables	20	4,932	25,510	-	-
Other payables	18	82,466	102,110	52,242	42,669
Amount owing to subsidiaries		-	-	2,202	-
Amount owing to an associate	13	32,054	34,542	-	-
Lease liabilities	19	6,832	2,825	144	102
Borrowings	21	1,735	1,560	-	-
Redeemable convertible notes	22	-	1,000	-	1,000
Provision for taxation		1,839	13	-	-
		129,858	167,560	54,588	43,771
Liabilities directly associated with disposal group classified as held for sale	15	-	184,103	-	-
		129,858	351,663	54,588	43,771
TOTAL LIABILITIES		173,873	352,437	62,392	43,771
TOTAL EQUITY AND LIABILITIES		215,710	333,418	117,854	177,189

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 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations					
Revenue	23	74,231	68,621	-	-
Cost of sales		(30,229)	(36,990)	-	-
Gross profit		44,002	31,631	-	-
Other income		7,188	5,472	328	6,834
Administration and operating expenses		(60,654)	(58,226)	(79,467)	(35,442)
Share of associates' results	5	(19,120)	(398)	-	-
Finance cost	24	(533)	(371)	(28)	(50)
Loss before taxation	25	(29,117)	(21,892)	(79,167)	(28,658)
Taxation	26	(2,089)	168	-	-
Loss from continuing operations		(31,206)	(21,724)	(79,167)	(28,658)
Discontinued operations					
Profit/(Loss) from discontinued operations	15	285,332	(145,904)	-	-
Total Profit/(Loss) for the financial year		254,126	(167,628)	(79,167)	(28,658)
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently to profit or loss					
- Realisation of foreign currency translation reserve upon disposal of foreign operation		(184,081)	-	-	-
- Exchange differences arising from translation of foreign operations		(12,364)	6,472	-	-
Total comprehensive income/(expense) for the financial year		57,681	(161,156)	(79,167)	(28,658)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2022
cont'd

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) for the financial year attributable to:					
- Owners of the Company		262,299	(167,585)	(79,167)	(28,658)
- Non-controlling interests		(8,173)	(43)	-	-
		254,126	(167,628)	(79,167)	(28,658)
Total comprehensive income/(expense) for the financial year attributable to:					
- Owners of the Company		67,211	(162,434)	(79,167)	(28,658)
- Non-controlling interests		(9,530)	1,278	-	-
		57,681	(161,156)	(79,167)	(28,658)
Basic earnings/(loss) per share attributable to the owners of the Company from:					
- Continuing operations	27(a)	(1.04)	(1.11)		
- Discontinued operations	27(a)	12.90	(7.48)		
		11.86	(8.59)		
Diluted earnings/(loss) per share attributable to the owners of the Company from:					
- Continuing operations	27(b)	(1.04)	(1.11)		
- Discontinued operations	27(b)	12.90	(7.48)		
		11.86	(8.59)		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022

Group	Note	Attributable to Owners of the Company										Total Equity RM'000
		Non-Distributable										
		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	ESOS Reserve RM'000	Accumulated Losses RM'000	Subtotal RM'000	Non-controlling interests 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 2022
cont'd

Group	Attributable to Owners of the Company										Total Equity
	Share Capital	Reverse Acquisition Reserve	Foreign Currency Translation Reserve	Statutory Common Reserve Fund	Share Option Reserve	ESOS Reserve	Accumulated Losses	Subtotal	Non-controlling interests		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	1,222,833	(799,823)	195,050	49,358	2,640	7,987	(705,718)	(27,673)	8,654	(19,019)	
Issuance of shares, net of share issuance costs pursuant to:											
- Conversion of RCN	1,000	-	-	-	-	-	-	1,000	-	1,000	
- ESOS exercised	386	-	-	-	-	(175)	-	211	-	211	
	1,386	-	-	-	-	(175)	-	1,211	-	1,211	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	(77)	(77)	
Additional contribution from non-controlling interest	-	-	-	-	-	-	-	-	621	621	
Disposal of subsidiaries	-	799,823	-	(49,358)	-	-	(750,465)	-	140	140	
Increase in share option reserve	-	-	-	-	1,280	-	-	1,280	-	1,280	
Profit for the financial year	-	-	-	-	-	-	262,299	262,299	(8,173)	254,126	
Other comprehensive expense:											
- Realisation of foreign exchange translation reserve upon disposal of foreign operation	-	-	(184,081)	-	-	-	-	(184,081)	-	(184,081)	
- Exchange differences arising from translation of foreign operations	-	-	(11,007)	-	-	-	-	(11,007)	(1,357)	(12,364)	
Total comprehensive income/(expense) for the financial year	-	-	(195,088)	-	-	-	262,299	67,211	(9,530)	57,681	
At 31 December 2022	1,224,219	-	(38)	-	3,920	7,812	(1,193,884)	42,029	(192)	41,837	

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022
cont'd

	Note	Non-Distributable		Accumulated Losses RM'000	Total RM'000
		Share Capital RM'000	ESOS Reserve RM'000		
Company					
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
At 1 January 2022		1,222,833	7,987	(1,097,402)	133,418
Issuance of shares, net of share issuance costs pursuant to:	16				
- Conversion of RCN		1,000	-	-	1,000
- ESOS exercised		386	(175)	-	211
		1,386	(175)	-	1,211
Loss/Total comprehensive expense for the financial year		-	-	(79,167)	(79,167)
At 31 December 2022		1,224,219	7,812	(1,176,569)	55,462

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities					
Profit/(Loss) before taxation					
- from continuing operations		(29,117)	(21,892)	(79,167)	(28,658)
- from discontinued operations	15	285,332	(145,904)	-	-
		256,215	(167,796)	(79,167)	(28,658)
Adjustments for:					
Amortisation of:					
- prepaid lease payments		470	1,115	-	-
- intangible assets	8	897	887	-	-
Bad debts written off		31	-	-	-
Depreciation of:					
- property, plant and equipment		6,512	21,228	36	36
- right-of-use assets	7	3,106	2,892	137	134
Employee share option scheme charge		-	7,987	-	7,987
Impairment loss on:					
- goodwill	8	24,228	7,865	-	-
- investment in subsidiary companies		-	-	13,992	13,805
- property, plant and equipment		-	22,159	-	-
- trade receivables	11	204	114	-	-
- other receivables		984	-	984	-
Share of associate results		19,120	398	-	-
Fair value loss on contingent consideration payables		1,633	8,707	1,012	9,172
Fair value loss on assets held for sale	15	2,500	-	2,500	-
Unrealised foreign exchange loss/(gain)		30	-	-	(6,740)
(Gain)/Loss on disposal of disposal group	4(f)	(283,424)	-	58,212	-
Gain on disposal of a subsidiary company		(144)	-	-	-
Waiver of debts		(233)	(144)	-	-
Finance income		(5)	(36)	(5)	(26)
Finance cost		533	371	28	50
Operating profit/(loss) before working capital changes		32,657	(94,253)	(2,271)	(4,240)
Changes in working capital:					
Inventories		(365)	(207)	-	-
Trade receivables		8,170	(31,014)	-	-
Other receivables		10,211	(8,417)	1,178	(3,882)
Amount owing by/to subsidiary companies		-	-	10,775	(9,106)
Amount owing by/to associate companies		(1,517)	-	-	-
Trade payables		(20,629)	21,701	-	-
Other payables		3,239	58,956	1,042	(49,947)
Cash generated from/(used in) operation		31,766	(53,234)	10,724	(67,175)
Interest paid		(358)	(371)	(28)	(50)
Tax paid		(177)	(31)	-	-
Tax refund		248	-	-	-
Net cash generated from/(used in) operating activities		31,479	(53,636)	10,696	(67,225)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022
cont'd

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired		(821)	(28)	-	-
Acquisition of intangible assets		(219)	(310)	-	-
Investment in subsidiary companies		-	-	(12,000)	(4,905)
Interest received		5	36	5	26
Net cash outflow from disposal of a subsidiary company		(270)	-	-	-
Net cash outflow from disposal group	4(f)	(716)	-	-	-
Purchase of property, plant and equipment	3	(9,165)	(4,120)	-	(22)
Net cash used in investing activities		(11,186)	(4,422)	(11,995)	(4,901)
Cash flows from financing activities					
Additional contribution by non-controlling interest		621	-	-	-
Proceeds from issuances of Redeemable Convertible Notes	22	-	41,000	-	41,000
Proceeds from issuance of shares pursuant to private placement, net of share issuance costs	16	-	29,528	-	29,528
Proceeds from issuance of Employee share option scheme		211	-	211	-
Repayment of bank borrowings		-	(427)	-	-
Repayment of lease liabilities	19	(3,521)	(3,160)	(138)	(133)
Net cash generated from financing activities		(2,689)	66,941	73	70,395
Net increase/(decrease) in cash and cash equivalents		17,604	8,883	(1,226)	(1,731)
Effects of foreign exchange rate changes		(25,456)	(2,665)	-	-
Cash and cash equivalents at the beginning of the financial year		12,842	6,885	1,357	3,088
Cash and cash equivalents from disposal group held for sale	15	-	(261)	-	-
Cash and cash equivalents at the end of the financial year		4,990	12,842	131	1,357
Cash and cash equivalents at the end of the financial year comprises:					
- Cash and bank balances	14	4,990	11,879	131	394
- Deposits placed with licensed banks		-	963	-	963
		4,990	12,842	131	1,357

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

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 4 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 2022 were authorised for issue in accordance with a resolution of the Board of Directors dated 25 April 2023.

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 RM31,206,000 and RM79,167,000 respectively during the financial year ended 31 December 2022, and as at that date, the Group's and Company's current liabilities exceeded its current assets by RM81,642,000 and RM42,703,000 respectively, 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 ability to generate profitable operations and positive cash flows from its continuing operations;
- (ii) 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 have agreed to defer the repayment of the purchase considerations;
- (iii) The Group have obtained an undertaking letter from the amount owing to associates as disclosed in Note 13 to the financial statements to not seek repayment should the Group lack the capacity to repay the associate company; and
- (iv) The Group have entered into debt settlement agreements with certain creditors as disclosed in Note 18(a)(iii) to the financial statements to convert its debts into ordinary shares of the Company pursuant to a Proposed Corporate Exercise as disclosed in Note 36(b) to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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) to the financial statements.

Amendments to accounting standards that are effective for the Group and the Company's financial year beginning on or after 1 January 2022 are as follows:

- 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"

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.

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 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)

Annual periods beginning on/after 1 January 2024

- Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Non-current Liabilities with Covenants)

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(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 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.

(ii) 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.

(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.

(d) Basis of consolidation

(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(d) Basis of consolidation (cont'd)

(i) Subsidiary companies (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(d) Basis of consolidation (cont'd)

(ii) Associates (cont'd)

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(f) Property, plant and equipment (cont'd)

(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
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.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(i) Impairment of non-financial assets (cont'd)

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) 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.

(ii) 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 first in first out 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(n) Financial assets (cont'd)

(iii) Subsequent measurement (cont'd)

Debt instruments (cont'd)

- 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.

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.

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)

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 through 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(q) Non-current assets (or disposal group) held for sale and discontinued operations (cont'd)

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.

Sale of metallurgical coke and other related by-products

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.

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.

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)

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.

Technology and digital transformation enabler

(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.

(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.

(iv) Sale of devices

Revenue from sale of devices is recognised when the Group satisfies a performance obligation by transferring control of devices to a customer, which coincides with the delivery of devices and acceptance by customers.

(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(r) Revenue and income recognition (cont'd)

(ii) Other revenue and income (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Building and leasehold improvement 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
2022								
Cost								
At 1 January 2022		11,070	4,504	8,083	4,039	593	2,886	31,175
Acquisition of subsidiary companies	4(d)	-	-	-	-	-	2,002	2,002
Disposal of a subsidiary company		-	(350)	-	-	(80)	-	(430)
Additions		5,987	1,111	1,667	400	-	-	9,165
Transfers		2,865	557	597	119	-	(4,888)	(750)
Exchange differences		(130)	21	(75)	(44)	2	-	(226)
At 31 December 2022		19,792	5,843	10,272	4,514	515	-	40,936
Accumulated depreciation								
At 1 January 2022		9,145	2,983	6,662	3,582	516	-	22,888
Charge for the financial year		698	344	341	118	-	-	1,501
Disposal of a subsidiary company		-	(16)	-	-	(1)	-	(17)
Exchange differences		(127)	12	(73)	(43)	-	-	(231)
At 31 December 2022		9,716	3,323	6,930	3,657	515	-	24,141
Accumulated impairment losses								
At 1 January 2022/								
31 December 2022		439	18	385	36	-	-	878
Carrying amount								
At 31 December 2022		9,637	2,502	2,957	821	-	-	15,917

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Note	Building and leasehold improvement 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		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		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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Company	
	2022 RM'000	2021 RM'000
Office furniture and equipment		
Cost		
At 1 January	202	180
Additions	-	22
At 31 December	202	202
Accumulated depreciation		
At 1 January	55	19
Charge for the financial year	36	36
At 31 December	91	55
Carrying amount		
At 31 December	111	147

4. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost		
- In Malaysia	66,662	54,662
- Outside Malaysia	41,662	41,669
	108,324	96,331
Less: Impairment loss	(21,119)	(7,127)
	87,205	89,204
Advances to subsidiary companies treated as quasi-investment	18,242	26,815
	105,447	116,019

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Investment in subsidiary companies (cont'd)

Movement in impairment loss on investment in subsidiary companies during the financial year is as follows:

	Company	
	2022	2021
	RM'000	RM'000
At 1 January	(7,127)	-
Impairment loss on investment in subsidiaries	(13,992)	(7,127)
At 31 December	(21,119)	(7,127)

During the financial year, the Company recognised an impairment loss of RM13,992,000 (2021: RM7,127,000) on its subsidiary in the technology and digital transformation enabler segment. This impairment is primarily related to the non-materialisation of certain contracts affected by the challenging operating environment faced by the subsidiary due to the Covid-19 pandemic as disclosed in Note 8 to the financial statements.

(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		Principal activities
		2022	2021	
		%	%	
Direct holding:				
PIPO Overseas Limited ("PIPO") ^{1,2}	British Virgin Islands	-	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. ("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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. 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		Principal activities
		2022 %	2021 %	
Direct holding: (cont'd)				
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	Croatia	-	51	Develop electric mobility solutions and manufacturing and sales of automobiles
Indirect holding:				
<u>Subsidiary company of PIPO:</u>				
Linyi Yehua Coking Co. Ltd. ^{1,2}	People's Republic of China	-	100	Manufacturing and sales of metallurgical coke and other related by-products
<u>Subsidiary companies of Craveat:</u>				
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 (TC) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (PBJ) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (JB) Sdn. Bhd. ("BAJB")	Malaysia	51	-	Restaurant

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. 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		Principal activities
		2022 %	2021 %	
Indirect holding: (cont'd)				
<u>Subsidiary companies of</u>				
<u>Craveat: (cont'd)</u>				
Bistroamericana (SP) Sdn. Bhd	Malaysia	100	100	Restaurant
Bistroamericana (MYTOWN) Sdn. Bhd. ("BAMT")	Malaysia	51	-	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	100	Restaurant
<u>Subsidiary company of</u>				
<u>HKAB:</u>				
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	45	Involves in internet of things and technical internet research ³

¹ Subsidiary companies not audited by HLB Ler Lum Chew PLT.

² Classified as disposal group held for sale as disclosed in Note 15 to the financial statements.

(c) Deemed disposal of E-Rex

During the financial year under review, the Company had entered into an Amendment No. 1 to the Shareholders' Agreement dated 21 April 2021 with Monika Mikac, Igor Pongrac, Nordin ati and Benjamin Božić to withdraw from forming a major part of its investment in E-Rex by reducing its shareholding from 51% to a simple investment of 10% as disclosed in Note 6 to the financial statements.

The deemed disposal of E-Rex has no significant financial impact to the Group and the Company during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Acquisition of Bistromericana (JB) Sdn. Bhd.

On 6 January 2022, the Group acquired an additional 31% equity interest in Bistromericana (JB) Sdn. Bhd., thereby increasing the Group's equity interest from 20% to 51% for a cash consideration of RM1,054,000.

The following summarises the consideration paid, the fair value of the assets acquired and liabilities assumed at the acquisition date:

	Group RM'000
2022	
Property, plant and equipment	2,002
Right of use assets	781
Inventories	38
Trade receivables	65
Other receivables	396
Tax recoverable	25
Cash and bank	233
Trade payables	(76)
Other payables	(2,839)
Lease liabilities	(782)
Total net liabilities acquired	(157)
Add: Non-controlling interest	77
Add: Goodwill on acquisition	1,134
Purchase consideration	1,054
Less: Cash and cash equivalents	(233)
Cash outflow on acquisition, net of cash	821

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 5 January 2023.

(e) Incorporation of Bistromericana (MYTOWN) Sdn. Bhd.

On 7 July 2022, a wholly-owned subsidiary of the Company, Craveat International Sdn. Bhd., incorporated a 51% owned subsidiary, Bistromericana (MYTOWN) Sdn. Bhd. in Malaysia with a paid up share capital of RM100.

The incorporation of the new subsidiary has no significant financial impact to the Group.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(f) Disposal of PIPO and its subsidiary (Disposal group classified as held for sale)

On 26 May 2022, the Company has entered into a Share Purchase Agreement (“SPA”) with Hua Fei Investment Limited (“Hua Fei”) for the disposal of the entire equity interest of 50,000 ordinary shares in PIPO for a cash consideration of RM1 which was thereafter completed on during the financial year.

The effects of the disposal of PIPO and its subsidiary to the Group were as follows:

	Group RM'000
2022	
Property, plant and equipment	23,511
Prepaid lease payment	27,331
Inventories	10,355
Other receivables	1,471
Cash and cash equivalents	716
Trade payables	(116,849)
Other payables	(45,870)
Amount due to a director	(8)
Net liabilities disposed	(99,343)
Less: Realisation of foreign exchange upon disposal	(184,081)
Add: Gain on disposal of PIPO and its subsidiary	283,424
Net proceeds from disposal	-*
Less: Cash and cash equivalents	(716)
Net cash outflow from disposal	(716)

* Represents RM1.

The Company recognised a loss on disposal of RM58,212,000 in profit or loss being the difference between the proceeds from the disposal and the derecognition of the carrying amount of the cost of investment.

(g) Additional interest in Craveat

During the financial year, Craveat increased its issued and paid up share capital from 100 shares to 12,000,000 shares by way of issuance of 11,999,900 shares for RM11,999,900 which were fully subscribed by the Company.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(h) Non-controlling interests ("NCI") in subsidiary companies

	HKAB and its subsidiaries		BAJB and BAMT	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	27,085	46,907	5,524	-
Current assets	6,175	32,990	1,132	-
Non-current liabilities	-	-	(944)	-
Current liabilities	(44,746)	(71,610)	(3,875)	-
	(11,486)	8,287	1,837	-
Carrying amount of NCI as at year end	(1,092)	8,794	900	-
Revenue	-	23,531	5,239	-
(Loss)/Profit for the financial year	(17,061)	213	728	-
Total comprehensive (expenses)/income during the financial year	(19,773)	2,846	728	-
(Loss)/Profit for the financial year allocated to NCI	(8,530)	107	357	-
Total comprehensive (expenses)/income during the financial year allocated to NCI	(9,887)	1,423	357	-
Cash flows (used in)/generated from operating activities	(9,198)	4,814	2,061	-
Cash flows used in investing activities	-	-	(1,839)	-
Cash flows generated from financing activities	-	97	341	-
Net (decrease)/increase in cash and cash equivalents	(9,198)	4,911	563	-
Ownership interest held by NCI	50% - 60%	50% - 60%	49%	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. INVESTMENT IN ASSOCIATES

(a) Investment in associates

	Group	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost		
- In Malaysia	-	154
- Outside Malaysia	88,154	89,380
Share of post-acquisition reserves	(19,393)	(951)
	68,761	88,583

(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		Principal activities
		2022	2021	
		%	%	
Indirect holding:				
Bistroamericana (JB) Sdn. Bhd. ("BAJB")	Malaysia	-	20	Restaurant
<u>Associate of GABIOT</u>				
Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. ("GABNEIT") ¹	People's Republic of China	19	19	Design and manufacture of ultra-capacitors and super batteries
Guangxi Aerospace Beidou High Energy Battery Co., Ltd. ¹	People's Republic of China	19	19	Research and development, manufacturing, assembly and sales of battery materials, batteries, battery packs and battery application products

¹ Associates not audited by HLB Ler Lum Chew PLT.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. INVESTMENT IN ASSOCIATES (CONT'D)

(c) The summarised financial information of the associates are as follows:

	GABNEIT and its subsidiary		BAJB	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	39,934	45,299	-	2,783
Current assets	63,261	111,069	-	172
Non-current liabilities	-	(66)	-	(657)
Current liabilities	(44,240)	(44,526)	-	(2,409)
	58,955	111,776	-	(111)
Revenue	4,591	4,293	-	-
Loss/Total comprehensive expense for the financial year	(51,126)	(1,190)	-	(69)
Cash flows generated from operating activities	763	281	-	2,014
Cash flows used in investing activities	(54)	(376)	-	(2,002)
Cash flows (used in)/generated from financing activities	(66)	66	-	(13)
Net increase/(decrease) in cash and cash equivalents	643	(29)	-	(1)

(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		BAJB	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
The Group's share of loss/total comprehensive expenses for the financial year	(19,120)	(398)	-	-
Net assets/(liabilities)	58,955	111,776	-	(111)
Represented by:				
The Group's share of net assets	22,339	42,036	-	-
Goodwill	46,422	46,547	-	-
	68,761	88,583	-	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. INVESTMENT IN ASSOCIATES (CONT'D)

- (e) Impairment assessment of GABNEIT and its subsidiary

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:

	2022	2021
Terminal growth rate	-	-
Pre-tax discount rate	11%	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.

6. OTHER INVESTMENT

	Group/Company	
	2022	2021
	RM'000	RM'000
Unquoted shares outside Malaysia	7	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

7. RIGHT-OF-USE ASSETS

	Note	Office RM'000	Retail properties RM'000	Total RM'000
Group				
Cost				
At 1 January 2021		847	10,406	11,253
Written off		(133)	(989)	(1,122)
At 31 December 2021/1 January 2022		714	9,417	10,131
Additions		647	10,891	11,538
Acquisition of a subsidiary	4(d)	-	792	792
Expiry of lease		(714)	(6,415)	(7,129)
Translation differences		-	24	24
At 31 December 2022		647	14,709	15,356
Accumulated depreciation				
At 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 2021/1 January 2022		426	6,952	7,378
Charge for the financial year		342	2,764	3,106
Acquisition of a subsidiary	4(d)	-	11	11
Expiry of lease		(714)	(6,415)	(7,129)
At 31 December 2022		54	3,312	3,366
Carrying amount				
At 31 December 2022		593	11,397	11,990
At 31 December 2021		288	2,465	2,753
				Office RM'000
Company				
Cost				
At 1 January 2021/31 December 2021/1 January 2022				256
Additions				441
Expiry of lease				(256)
At 31 December 2022				441

NOTES TO THE FINANCIAL STATEMENTS

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7. RIGHT-OF-USE ASSETS (CONT'D)

	Office RM'000
Company (cont'd)	
Accumulated depreciation	
At 1 January 2021	22
Charge for the financial year	134
At 31 December 2021/1 January 2022	156
Charge for the financial year	137
Expiry of lease	(256)
At 31 December 2022	37
Carrying amount	
At 31 December 2021	404
At 31 December 2021	100

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 2021		93,198	972	7,173	101,343
Acquisition of subsidiary company		3,563	-	-	3,563
Addition		-	-	310	310
Exchange differences		174	-	-	174
At 31 December 2021/1 January 2022		96,935	972	7,483	105,390
Acquisition of a subsidiary company	4(d)	1,134	-	-	1,134
Addition		-	219	-	219
Exchange differences		(114)	-	-	(114)
At 31 December 2022		97,955	1,191	7,483	106,629
Accumulated amortisation					
At 1 January 2021		-	972	1,104	2,076
Charges during the year		-	-	887	887
At 31 December 2021/1 January 2022		-	972	1,991	2,963
Charges during the year		-	-	897	897
At 31 December 2022		-	972	2,888	3,860

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8. INTANGIBLE ASSETS (CONT'D)

	Goodwill on consolidation	Franchise fee	Source codes and software	Total
Note	RM'000	RM'000	RM'000	RM'000
Group (cont'd)				
Accumulated impairment losses				
At 1 January 2021	-	-	-	-
Impairment loss during the year	7,865	-	-	7,865
At 31 December 2021/1 January 2022	7,865	-	-	7,865
Impairment loss during the year	24,228	-	-	24,228
At 31 December 2022	32,093	-	-	32,093
Carrying amount				
At 31 December 2022	65,862	219	4,595	70,676
At 31 December 2021	89,070	-	5,492	94,562

(a) Allocation of goodwill to Cash Generating Units ("CGU")

The Group's goodwill has been allocated to the respective CGUs as follows:

	Group	
	2022	2021
	RM'000	RM'000
Technology-driven food and beverage		
- Malaysia operations	28,232	27,098
- China operations	3,625	3,737
Technology and digital transformation enabler	34,005	58,235
	65,862	89,070

(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 recognised an impairment loss amounting to RM24,228,000 (2021: RM7,865,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

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8. INTANGIBLE ASSETS (CONT'D)

- (b) Impairment test for goodwill on consolidation (cont'd)

Key assumptions used to determine recoverable amount (cont'd)

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 %
2022			
Terminal growth rate	-	-	-
Pre-tax discount rate	8	11	8
2021			
Terminal growth rate	-	-	1
Pre-tax discount rate	17	17	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 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 segment, 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 RM746,000.

9. DEFERRED TAXATION

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets	143	143
Deferred tax liabilities	(122)	(65)
	21	78

NOTES TO THE FINANCIAL STATEMENTS

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9. DEFERRED TAXATION (CONT'D)

The movement on the net deferred tax assets/(liabilities) are as follows:

	Note	Group	
		2022 RM'000	2021 RM'000
At 1 January		78	(19)
Recognised in profit or loss	26		
- property, plant and equipment		(143)	29
- unutilised tax losses		86	68
		(57)	97
At 31 December		21	78

The components of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets		
- Unabsorbed capital allowances	148	148
- Unutilised tax losses	191	105
	339	253
Offsetting	(196)	(110)
Net deferred tax assets	143	78
Deferred tax liabilities		
- Property, plant and equipment	318	175
Offsetting	(196)	(110)
Net deferred tax liabilities	122	65

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	
	2022 RM'000	2021 RM'000
Unutilised tax losses	1,430	2,898
Unabsorbed capital allowances	804	594
	2,234	3,492
Deferred tax asset not recognised at 24% (2021: 24%)	536	838

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9. DEFERRED TAXATION (CONT'D)

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	
	2022	2021
	RM'000	RM'000
At cost:		
Finished goods	3	78
Food and beverages	1,407	929
	1,410	1,007

11. TRADE RECEIVABLES

	Group	
	2022	2021
	RM'000	RM'000
Trade receivables	24,254	32,359
Less: Impairment loss	(597)	(393)
	23,657	31,966

The normal credit period granted by the Group to trade customers ranges from 7 to 90 days (2021: 7 to 90 days).

Movement in impairment loss of trade receivables during the financial year is as follows:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	393	279
Impairment loss during the financial year	204	114
At 31 December	597	393
Represented by:		
Individually impaired	472	393
Collectively impaired	125	-
	597	393

NOTES TO THE FINANCIAL STATEMENTS

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12. OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables	5,231	13,192	2,717	3,895
Less: Impairment loss	(984)	-	(984)	-
	4,247	13,192	1,733	3,895
Deposits	3,241	2,978	-	20
Prepayment	267	734	21	1
	7,755	16,904	1,754	3,916

- (a) Included in the other receivables of the Group is an amount of RM3,000,000 (2021: 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 RM Nil (2021: RM3,750,000) which made to the vendor of MBits Digital Sdn. Bhd. ("MBits") as an advance payment in pursuant to a Share Purchase Agreement as disclosed in Note 35(i) to the financial statements.

Movement in impairment loss of other receivables during the financial year is as follows:

	Group/Company	
	2022 RM'000	2021 RM'000
At 1 January	-	-
Impairment loss during the financial year	984	-
At 31 December	984	-

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	4,990	11,879	131	394
Deposits placed with licensed banks	-	963	-	963
	4,990	12,842	131	1,357

Interest rates on deposits placed with licensed banks average at Nil % (2021: 2.18%) per annum and have an average maturity period of Nil days (2021: 7 days).

NOTES TO THE FINANCIAL STATEMENTS

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15. ASSETS AND LIABILITIES HELD FOR SALE

The details of assets and liabilities held for sale are as follows:

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Assets					
Property, plant and equipment		-	28,436	-	-
Prepaid lease payments		-	27,735	-	-
Inventories		-	12,244	-	-
Other receivables		-	6,948	-	-
Cash and cash equivalents		-	261	-	-
Investment in subsidiary companies		-	-	-	55,650
Disposal group for PIPO	(b)	-	75,624	-	55,650
Investment in MBits Digital Sdn. Bhd.	(a)	10,000	-	10,000	-
		10,000	75,624	10,000	55,650
Liabilities					
Trade payables		-	123,853	-	-
Other payables		-	60,242	-	-
Amount owing to a director		-	8	-	-
Disposal group for PIPO	(b)	-	184,103	-	-

(a) Disposal of investment in MBits Digital Sdn. Bhd. ("MBits")

On 27 December 2022, the Company entered into a Share Purchase Agreement ("SPA") with Debut Supreme Sdn. Bhd. To dispose its 25% equity interest in MBits for a purchase consideration of RM10,000,000 as disclosed in Note 35(i) to the financial statements. The completion of the disposal is expected to complete in the next financial year. Accordingly, an impairment loss amounting to RM2,500,000 had been recognised in profit or loss.

(b) Disposal group for PIPO (classified as discontinued operations)

During the financial year, the disposal for PIPO group have been completed. The effect of the disposal is disclosed in Note 4(f) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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15. ASSETS AND LIABILITIES HELD FOR SALE (CONT'D)

(b) Disposal group for PIPO (classified as discontinued operations) (cont'd)

Analysis of the results of discontinued operations as follows:

	Group/Company	
	2022	2021
	RM'000	RM'000
Revenue	3,263	148,734
Cost of sales	(6,156)	(261,469)
Gross loss	(2,893)	(112,735)
Other income	17,417	1,092
Administration and operating expenses	(12,616)	(34,261)
Profit/(Loss) before tax	1,908	(145,904)
Taxation	-	-
Profit/(Loss) after tax	1,908	(145,904)
Gain on sale of discontinued operations	283,424	-
Gain/(Loss) after tax from discontinued operations	285,332	(145,904)

The following amounts have been included in arriving at loss before tax from discontinued operations:

	Group	
	2022	2021
	RM'000	RM'000
Auditors' remuneration		
- statutory	-	349
Amortisation of prepaid lease payments	470	1,115
Depreciation of property, plant and equipment	5,011	20,477
Directors' remuneration		
- salaries and other emoluments	-	344
Impairment loss on property, plant and equipment	-	22,159
Interest income	-	(10)
Staff costs	1,021	41,968

NOTES TO THE FINANCIAL STATEMENTS

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15. ASSETS AND LIABILITIES HELD FOR SALE (CONT'D)

- (b) Disposal group for PIPO (classified as discontinued operations) (cont'd)

Cash flows of the disposal group held for sale are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Operating cash flows	6,304	10,056
Investing cash flows	-	(1,902)
Exchange difference	(5,849)	(10,969)
	455	(2,815)

Cumulative income recognised in other comprehensive income relating to the disposal group classified as held for sale amounting to RM Nil (2021: RM193,592,000).

16. SHARE CAPITAL

	Group/Company			
	2022		2021	
	Number of shares	Amount	Number of shares	Amount
	000	RM'000	000	RM'000
Issued and fully paid				
At 1 January	2,201,715	1,222,833	1,537,952	1,153,305
Issuance of shares, net of transaction costs pursuant to:				
- Conversion of RCN	10,000	1,000	357,400	40,000
- Private placement	-	-	306,363	29,528
- Employee share option scheme exercised	3,000	386	-	-
At 31 December	2,214,715	1,224,219	2,201,715	1,222,833

During the financial year, the issued and paid-up share capital of the Company was increased from 2,201,715,000 to 2,214,715,000 ordinary shares by way of the issuance of:

- (a) 10,000,000 new ordinary shares pursuant to the conversion of Redeemable Convertible Notes at an average conversion price of RM0.10 per share amounting to RM1,000,000; and
- (b) 3,000,000 new ordinary shares pursuant to the Employees' Share Option Scheme at an average price of RM0.0703 per share amounting to RM210,900.

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

NOTES TO THE FINANCIAL STATEMENTS

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17. RESERVES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-distributable					
Reverse acquisition reserve	(a)	-	(799,823)	-	-
Foreign currency translation reserve	(b)	(38)	195,050	-	-
Statutory common reserve fund	(c)	-	49,358	-	-
Share option reserve	(d)	3,920	2,640	-	-
Employee share scheme option reserve	(e)	7,812	7,987	7,812	7,987
		11,694	(544,788)	7,812	7,987

(a) Reverse 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.

Following the disposal of PIPO Group as disclosed in Note 4(f) to the financial statements, the reverse acquisition reserve is adjusted against accumulated losses.

NOTES TO THE FINANCIAL STATEMENTS

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17. RESERVES (CONT'D)

(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 49% (2021: 33%) of the shareholding in Craveat International Sdn. Bhd. and its subsidiaries exercisable 48 months after the completion of the share purchase agreement.

(e) Employee share option scheme reserve

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 (excluding subsidiary companies which are dormant) (collectively known as "Eligible Persons") and was subsequently implemented on 1 October 2021. As at 31 December 2022, the Company has offered 137,000,000 (2021: 137,000,000) ESOS with an exercise price of RM 0.0703 per share.

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.

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17. RESERVES (CONT'D)

(e) Employee share option scheme reserve (cont'd)

(ii) Basis of allotment and maximum allowable allocation (cont'd)

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.

(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.

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17. RESERVES (CONT'D)

(e) Employee share option scheme reserve (cont'd)

(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.

(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)	0.0703
Underlying share price at grant date (RM)	0.0780
Expected dividend yield (%)	0.0000
Risk free interest rate (%)	3.0020
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:

	Fair value at grant date RM	← Number of ESOS →			At 31 December '000
		At 1 January '000	Granted '000	Exercised '000	
2022					
Group/Company	0.0583	137,000	-	(3,000)	134,000
2021					
Group/Company	0.0583	-	137,000	-	137,000

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18. OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Accruals	13,515	3,461	3,265	848
Other payables	106,378	98,649	56,520	41,821
	119,893	102,110	59,785	42,669
Analysed as:				
Current	82,466	102,110	52,242	42,669
Non-current	37,427	-	7,543	-
	119,893	102,110	59,785	42,669

(a) Included in other payables are the following:

- (i) An amount of RM Nil (2021: RM1,280,000) of the Group 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 2022, Craveat Management Sdn. Bhd.'s call option entitlement to acquire an additional 16% equity interest from 33% to 49% in Craveat and its subsidiaries for a fixed exercise price have been crystallised as disclosed in Note 17(d) to the financial statements;

- (ii) An amount of RM8,300,405 (2021: RM11,431,000) of the Group owing to Directors of a subsidiary Company which is non-trade in nature, unsecured, interest-free and repayable on demand;
- (iii) An amount of RM45,472,000 (2021: RM Nil) of the Group and Company owing to third parties which had entered into a debt settlement agreement with the company to convert its debts into ordinary shares of the Company pursuant to a Proposed Corporate Exercise as disclosed in Note 36(b) to the financial statements; and
- (iv) An amount of RM3,570,000 and RM3,270,000 (2021: RM3,240,000 and RM2,740,000) of the Group and Company owing to a company in which a Director of the Company has financial interest.

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18. OTHER PAYABLES (CONT'D)

- (b) Consideration/Contingent consideration payable in relation to the acquisition of subsidiaries and business as follows:

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Acquisition of:					
- Techna Analytics	(i)	3,015	8,441	3,015	8,441
- Touchpoint and business of Wavetree	(ii)	29,884	53,966	-	24,248
- HKAB	(iii)	4,528	6,362	4,528	6,362
- Chaswood Beijing		-	2,220	-	-

- (i) 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 movement control order enforced by the Malaysian government which has affected the performance of the subsidiary, on 19 December 2022, an agreement was reached between the Company and the vendors to revise the payment schedule for the purchase consideration to be fully settled by 31 December 2024 and the profit guarantee period being revised to the period from 1 January 2022 and expiring on 31 December 2023.

- (ii) On 31 December 2022, the vendors agree to defer the full settlement of the purchase consideration to a date falling on or before 30 June 2024 .
- (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 RM10,975,000) ("Guaranteed Profit"). The target date to achieve the guaranteed profit shall be 12 months upon completion. In the 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 strict Zero-Covid Policy which caused prologed travel restrictions in China, HKAB was unable to rollout the relevant contracts as originally planned. In view of such unforeseen circumstances, the Company and the vendors, had on 19 December 2022, agreed to further extend the profit guarantee period expiring on 31 December 2022 to 31 December 2023 and, the vendors agree to defer the full settlement of the purchase consideration to a date falling on or before 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

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19. LEASE LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	3,534	6,981	102	235
Addition	12,479	279	441	-
Acquisition of subsidiaries (Note 4(d))	782	-	-	-
Finance costs	334	325	4	4
Written off	-	(566)	-	-
Repayment	(3,855)	(3,485)	(142)	(137)
Translation differences	24	-	-	-
At 31 December	13,298	3,534	405	102
Analysed as				
Repayable within twelve months	6,832	2,825	144	102
Repayable after twelve months	6,466	709	261	-
	13,298	3,534	405	102

The effective interest rates used in arriving the lease liability is ranging from 3.90% to 6.85% (2021: 2.50% to 6.85%).

20. TRADE PAYABLES

The normal credit period granted to the Group from the trade payables ranges from 30 to 90 days (2021: 30 to 90 days).

21. BORROWINGS

	Group	
	2022 RM'000	2021 RM'000
Secured		
Term loan	1,735	1,560
Analysed as		
Repayable within twelve months	1,735	1,560

Interest rate is charged at a rate of 5.10% (2021: 5.10%) per annum.

The above credit facilities obtained from licensed banks are secured by the following:

- Corporate guarantee by the former ultimate holding company of Craveat, Chaswood Resources Holdings Ltd; and
- Fixed and floating charge over all present and future assets of two subsidiaries of Craveat.

NOTES TO THE FINANCIAL STATEMENTS

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22. REDEEMABLE CONVERTIBLE NOTES

	Group/Company	
	2022	2021
	RM'000	RM'000
At 1 January	1,000	-
Issued during the financial year	-	41,000
Converted into ordinary shares	(1,000)	(40,000)
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 Redeemable Convertible Notes ("RCN") has reached its Maturity Date and the outstanding redeemable convertible notes ("RCN") of RM1,000,000 were converted into 10,000,000 million new ordinary shares at an issue price of RM0.10 per share.

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;

NOTES TO THE FINANCIAL STATEMENTS

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22. REDEEMABLE CONVERTIBLE NOTES (CONT'D)

The salient terms of the RCN are as follows (cont'd):

- (d) The 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.

23. REVENUE

	Group	
	2022	2021
	RM'000	RM'000
Revenue recognised from contracts with customers:		
- Restaurant	54,580	33,866
- Energy storage solutions	-	23,531
- Technology and digital transformation enabler	19,651	11,224
	74,231	68,621

NOTES TO THE FINANCIAL STATEMENTS

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23. REVENUE (CONT'D)

	Group	
	2022 RM'000	2021 RM'000
Major goods and services		
Restaurant:		
- Restaurant operations	53,874	33,215
- Royalty	594	366
- Franchising	112	286
Energy storage solutions	-	23,531
Technology and digital transformation enabler:		
- Software development	16,054	7,617
- Software maintenance	221	177
- Digital platform	276	11
- Data analysis	1,339	3,418
- Sale of devices	1,761	-
	74,231	68,621

Breakdown of revenue recognised from contracts with customers is as follows:

	Group	
	2022 RM'000	2021 RM'000
Geographical market		
People's Republic of China	13,170	16,184
Malaysia	61,061	52,437
	74,231	68,621
Timing of revenue recognition		
At a point in time	57,738	60,553
Over time	16,493	8,068
	74,231	68,621

24. FINANCE COST

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Redeemable convertible notes	24	46	24	46
Lease liabilities	334	325	4	4
Term loan interest	175	-	-	-
	533	371	28	50

NOTES TO THE FINANCIAL STATEMENTS

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25. LOSS BEFORE TAXATION

Loss before taxation is derived after charging/(crediting):

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amortisation of intangible assets	897	887	-	-
Auditors' remuneration:				
- statutory audit	422	398	103	83
- over provision in prior years	(7)	-	-	-
- other services	30	65	30	65
Bad debts written off	31	-	-	-
Depreciation of property, plant and equipment	1,501	751	36	36
Directors of the Company:			-	-
- fees	90	90	90	90
- salaries and other emoluments	141	69	141	69
- Employee Provident Fund	14	5	14	5
Employee share option scheme charge	-	7,987	-	7,987
Fair value loss on asset held for sale	2,500	-	2,500	-
Fair value loss on contingent consideration payables	1,633	8,707	1,012	9,172
(Gain)/Loss on disposal of disposal group	(283,424)	-	58,212	-
Gain on disposal of a subsidiary company	(144)	-	-	-
Impairment loss on:				
- goodwill	24,228	7,865	-	-
- investment in a subsidiary	-	-	13,992	13,805
- trade receivables	204	114	-	-
- other receivables	984	-	984	-
Rental of assets:				
- Depreciation of right-of-use assets	3,106	2,892	137	134
- Short-term leases	2,759	4,946	23	-
- Low value assets	252	371	-	3
Unrealised foreign exchange loss/(gain)	30	-	-	(6,740)
Waiver of debts	(233)	(144)	-	-
Finance income	(5)	(26)	(5)	(26)

NOTES TO THE FINANCIAL STATEMENTS

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26. TAXATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current taxation:				
- Current year provision	1,636	-	-	-
- Under/(Over) provision in prior year	396	(71)	-	-
	2,032	(71)	-	-
Deferred taxation (Note 9):				
- Origination and reversal of temporary differences	57	(97)	-	-
	2,089	(168)	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) on chargeable income of the estimated assessable loss for the financial year. Taxation for other jurisdictions are calculated at the prevailing tax rates in the respective jurisdictions.

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		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss before taxation from continuing operations	(29,117)	(21,892)	(79,167)	(28,658)
Taxation at statutory tax rate of 24% (2021: 24%)	(6,988)	(5,254)	(19,000)	(6,878)
Expenses not deductible for tax purposes	9,003	6,237	19,000	8,518
Income not subject to tax	(20)	(64)	-	(1,640)
Utilisation of previous years unrecognised deferred tax assets	(302)	(1,016)	-	-
Under/(Over) provision of current taxation in prior year	396	(71)	-	-
Taxation for the financial year	2,089	(168)	-	-

NOTES TO THE FINANCIAL STATEMENTS

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27. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The earnings/(loss) per share has been calculated based on the consolidated profit/(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	
	2022	2021
Profit/(Loss) for the financial year attributable to the owners of the Company from (RM'000):		
- continuing operations	(23,033)	(21,681)
- discontinued operations	285,332	(145,904)
	262,299	(167,585)
Weighted average number of shares in issue ('000)	2,211,215	1,949,490
Basic earnings/(loss) per share (sen)		
- continuing operations	(1.04)	(1.11)
- discontinued operations	12.90	(7.48)
	11.86	(8.59)

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, consolidated profit/(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	
	2022	2021
Profit/(Loss) for the financial year attributable to the owners of the Company from (RM'000):		
- continuing operations	(23,033)	(21,681)
- discontinued operations	285,332	(145,904)
	262,299	(167,585)
Adjustment in respect of (RM'000)		
- redeemable convertible notes	-	-*
- ESOS	-*	-*
	-	-
Profit/(Loss) for the year after dilutive adjustment (RM'000)	262,299	(167,585)

NOTES TO THE FINANCIAL STATEMENTS

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27. EARNINGS/(LOSS) PER SHARE (CONT'D)

(b) Diluted earnings/(loss) per share (cont'd)

	Group	
	2022	2021
Weighted average number of shares in issue ('000)	2,211,215	1,949,490
Adjustment in respect of ('000)		
- redeemable convertible notes	-	-*
- ESOS	-*	-*
	-	-
Adjusted weighted average number of shares in issue ('000)	2,211,215	1,949,490
Diluted earnings/(loss) per share (sen)		
- continuing operations	(1.04)	(1.11)
- discontinued operations	12.90	(7.48)
	11.86	(8.59)

* The potential conversion of redeemable convertible notes ("RCN") and ESOS are calculated as Nil as the average fair value of the Company's quoted share price during the financial year is below the minimum conversion price and exercise price of the RCN and ESOS respectively.

28. STAFF COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salary, bonus and other emoluments (excluding Directors)	15,017	10,921	721	647
Defined contribution plan	1,805	936	90	78
Employee share option scheme charge	-	7,987	-	7,987
	16,822	19,844	811	8,712

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.

NOTES TO THE FINANCIAL STATEMENTS

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29. RELATED PARTY DISCLOSURES (CONT'D)

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salary and allowances	1,502	2,551	447	343
Statutory pension scheme contributions	118	212	40	30
Employee share option scheme charge	-	7,987	-	7,987
	1,376	10,750	487	8,360

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Term loan	Lease liabilities	Total
	RM'000	RM'000	RM'000
Group			
At 31 December 2021	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 January 2022	1,560	3,534	5,094
Addition	-	12,479	12,479
Acquisition of a subsidiary company	-	782	782
Interest accrued	175	-	175
Cash flows	-	(3,521)	(3,521)
Exchange differences	-	24	24
At 31 December 2022	1,735	13,298	15,033

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 Executive Directors. The Executive 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 Directors (Chief Operating Decision Maker). The Executive Directors considers the business from an activity perspective.

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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
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
2022							
Revenue							
Sales		54,579	-	19,652	-	-	74,231
Less: Inter-segment revenue		-	-	-	-	-	-
		54,579	-	19,652	-	-	74,231
Results							
Depreciation and amortisation		(4,260)	-	(1,070)	(174)	-	(5,504)
Fair value loss on asset held for sale		-	-	-	(2,500)	-	(2,500)
Other significant non-cash expenses	(a)	203	-	(26,369)	(567)	-	(26,733)
Finance income		-	-	-	5	-	5
Finance costs		(505)	-	-	(28)	-	(533)
Share of associates' results		-	(19,120)	-	-	-	(19,120)
Taxation		160	-	1,929	-	-	2,089
Segment profit/(loss)		2,235	(17,061)	(9,602)	(6,778)	-	(31,206)
Assets							
Segment assets		71,601	74,936	60,387	107,854	(109,068)	205,710
Liabilities							
Segment liabilities		(43,623)	(60,451)	(48,405)	(62,389)	40,995	(173,873)

NOTES TO THE FINANCIAL STATEMENTS

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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
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)
Share of associates' results		-	(398)	-	-	-	(398)
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	68,934	35,277	43,770	(26,857)	168,334

(a) Other significant non-cash expenses consist of the following:

	Group	
	2022 RM'000	2021 RM'000
Bad debts written off	31	-
Gain on disposal of a subsidiary company	(144)	-
Employee share option scheme charges	-	7,987
Fair value loss on contingent consideration payables	1,633	8,707
Impairment loss on trade receivables	204	114
Impairment loss on other receivables	984	-
Impairment of goodwill	24,228	7,865
Unrealised exchange loss	30	-
Waiver of debts	(233)	(144)
	26,733	24,529

NOTES TO THE FINANCIAL STATEMENTS

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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	
	2022	2021
	RM'000	RM'000
People's Republic of China	69,547	88,812
Malaysia	97,947	104,236
Others	-	402
	167,494	193,450

Information about major customers

Revenue from 1 (2021: 1) major customer amount to RM17,295,000 (2021: RM23,531,000) arising from the technology and digital transformations enabler segment (2021: 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	
	2022	2021
	RM'000	RM'000
Group		
Financial assets		
Trade receivables	23,657	31,966
Other receivables	7,488	16,170
Amount owing by an associate	-	971
Cash and cash equivalents	4,990	12,842
	36,135	61,949
Financial liabilities		
Trade payables	4,932	25,510
Other payables	119,893	102,110
Amount owing to an associate	32,054	34,542
Lease liabilities	13,298	3,534
Borrowings	1,735	1,560
Redeemable convertible notes	-	1,000
	171,912	168,256

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32. FINANCIAL INSTRUMENTS (CONT'D)

	Financial assets and liabilities at amortised cost	
	2022 RM'000	2021 RM'000
Company		
Financial assets		
Other receivables	1,733	3,915
Cash and cash equivalents	131	1,357
	1,864	5,272
Financial liabilities		
Other payables	59,785	42,669
Lease liabilities	405	102
Redeemable convertible notes	-	1,000
	60,190	43,771

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 statements 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	
	2022 RM'000	2021 RM'000
Neither past due nor individually impaired	2,512	23,865
Past due but not individually impaired:		
- Below 1 year	21,262	8,032
- Above 1 year	8	69
	21,270	8,101
Individually impaired	472	393
	24,254	32,359

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32. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

The Group's trade receivables of RM21,270,000 (2021: RM8,101,000) 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 RM472,000 (2021: RM393,000) 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 RM472,000 (2021: RM393,000).

At reporting date, the Group's concentration of the top 1 (2021: 2) trade customers of the Group represent 96% (2021: 90%) 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 undertaking letter by the vendors of recent acquisitions to defer repayment of the amounts due to them due to the challenges faced during the Covid-19 pandemic, undertaking letter by amount owing to associates to not seek repayment should the Group lack the capacity to repay the associate, debt settlement agreements with certain creditors to convert its debts to ordinary shares of the Company pursuant to a Proposed Corporate Exercise as disclosed in Note 36(b) 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 RM'000	Contractual interest rate %	Contractual cash flows RM'000	Below 1 year RM'000	Between 2 to 5 years RM'000	Above 5 years RM'000
2022						
Group						
Trade payables	4,932	-	4,932	4,932	-	-
Other payables	119,893	-	124,399	82,466	41,933	-
Amount owing to an associate	32,054	-	32,054	32,054	-	-
Lease liabilities	13,298	Nil - 3.90	14,581	7,808	6,583	190
Borrowings	1,735	5.10	1,735	1,735	-	-
	171,912		177,701	128,995	48,516	190
Company						
Other payables	59,785	-	60,915	52,242	8,673	-
Lease liabilities	405	-	420	420	-	-
	60,190		61,335	52,662	8,673	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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						
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
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	-	-

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 States 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 States Dollar ("USD") RM'000	Total RM'000
Group		
2022		
Trade receivables	-	-
2021		
Trade receivables	23,191	23,191

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	
		2022 RM'000	2021 RM'000
USD/RM	- strengthened 5%	-	968
	- weakened 5%	-	(968)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Floating rate instruments				
Financial liabilities	(1,735)	(1,560)	-	-
Fixed rate instruments				
Financial assets	-	963	-	963

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	
	2022	2021
	RM'000	RM'000
Profit net of tax		
50 bp increase	(7)	(6)
50 bp decrease	7	6

(c) Fair values

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings approximate their fair values at the reporting date due to the relatively short term of these financial instruments.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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.

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	
	2022 RM'000	2021 RM'000
Trade payables	4,932	25,510
Other payables	119,893	102,110
Amount owing to an associate	32,054	34,542
Lease liabilities	13,298	3,534
Borrowings	1,735	1,560
Redeemable convertible notes	-	1,000
Less: Cash and cash equivalents	(4,990)	(12,842)
Net debt	166,922	155,414
Equity attributable to the owners of the Company	42,029	(27,673)
Debt to equity ratio (times)	3.97	N/A

34. MATERIAL LITIGATION

Techna-X Berhad ("the Company") vs Saraleana Nattaya Binti Azmi ("the Vendor") and MBits Digital Sdn. Bhd. ("MBits")

Pursuant to a Share Purchase Agreement ("SPA") dated 10 February 2021, the Company purchased 10,000,000 ordinary shares in MBits amounting to 25% of the entire issued and paid-up capital of MBits for a purchase consideration of RM12,500,000 which was thereafter completed during the financial year. In addition, the shareholders of MBits and the Company have entered into a Shareholders Agreement dated 15 February 2022 to regulate their rights and interests vis-à-vis each other and with MBits.

Notwithstanding the above, the Company faced challenges in attaining monthly management accounts and was not informed of any shareholders' meeting for passing of resolutions on the approval of accounts nor issuance of new ordinary shares in Mbits. Accordingly, the Company is of the opinion that the Vendor, as the chief executive officer and executive director of Mbits, had managed in an opaque manner and had filed an oppression suit against the Vendor for its non-fulfillment of the Shareholders Agreement. The Company seeks an order for the Company's shares to be purchased by the Vendor at the value of RM12,500,000, being the purchase consideration under the SPA.

Up to the date of this report, the case is still at the preliminary stage of resolution.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

35. SIGNIFICANT EVENTS

- (i) Completion of the acquisition and disposal 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 which has thereafter completed during the financial year.

On 27 December 2022, the Company had entered into a Share Purchase Agreement with Debut Supreme Capital Sdn. Bhd. for the disposal 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 RM10,000,000 as disclosed in the Note 15 to the financial statements.

- (ii) Termination of the conditional Sales and Purchase Agreement (“SPA”) for the disposal of HKAB and proposed reverse takeover (“RTO”) of Chaswood Resources Holdings Limited (“CRHL”)

On 5 October 2022, the Company and CRHL had mutually agreed to terminate a conditional SPA dated 27 December 2021 due to difficulties in completing the relevant due diligence and restructuring work in connection with the proposed RTO as part of a condition precedent for the conditional SPA arising from the strict Zero Covid Policy in China and prolonged travel restrictions thereon. As such, the parties agreed to execute a deed of termination to terminate the SPA with no further liability to either party.

The termination of the conditional SPA does not have any material financial impact on the Group and on the Company for the current financial year.

36. SUBSEQUENT EVENTS

- (a) Disposal of 510,000 ordinary shares (equivalent 51% of the total issued and paid-up share capital) of Techna Analytics Sdn Bhd. (“TASB”).

On 4 April 2023, the Company had entered into a Share Purchase Agreement (“SPA”) with Debut Supreme Capital Sdn. Bhd. for the disposal of 510,000 ordinary shares, equivalent to 51% of the total issued and paid-up share capital of TASB for a total purchase consideration of RM6,375,000.

Up to the date of this report, the condition precedents of the SPA have been satisfied with the initial purchase consideration received by the Company.

- (b) Multiple Proposals comprising capital reduction, debt settlement, share consolidation, rights issue and bonus issue of warrants

On 14 April 2023, the Company had submitted an application to Bursa Malaysia Securities Berhad (“Bursa”) on the following Multiple Proposals:

- (i) Proposed reduction of the Company’s share capital pursuant to Section 116 of the Companies Act;
- (ii) Proposed settlement of an aggregate amount of RM33,834,500 debt owing to creditors by the Company via the issuance of 2,487,830,882 new ordinary shares of the Company for the Proposed Debt Settlement;
- (iii) Proposed consolidation of every 20 existing Shares into 1 ordinary share of the Company held by the entitled shareholders on an entitlement date to be determined and announced later and;
- (iv) Proposed renounceable rights issue of up to 251,587,641 new ordinary shares in the Company on the basis of 1 Rights Share for every 1 Consolidated Share held together with up to 251,587,641 free detachable warrants in the Company on the basis of 1 Warrant for every 1 Rights Share subscribed for by the entitled shareholders of the Company on an entitlement date to be determined later.

LIST OF PROPERTIES

As at 31 December 2022

LOCATION	DESCRIPTION	TENURE	NET BOOK VALUE (RM'000)	AREA (sq. m.)	DATE OF ACQUISITION/ COMPLETION OF CONSTRUCTION
1) C3-5-15, Subang Ville Ehsan Apartment, Jalan PJS 10/11, Bandar Sunway, 46150 Petaling Jaya, Selangor, Malaysia	Staff accommodation	Leasehold 99 years	84	79	13 Jun 2008
2) A1-5-01, Subang Ville Ehsan Apartment, Jalan PJS 10/11, Bandar Sunway, 46150 Petaling Jaya, Selangor, Malaysia	Staff accommodation	Leasehold 99 years	77	79	24 Jun 2008

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

SHARE CAPITAL

Issued share capital	:	2,214,714,736
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	767	3.26	29,349	0.00
100 – 1,000	5,605	23.80	2,597,197	0.12
1,001 - 10,000	6,902	29.31	36,689,631	1.66
10,001 – 100,000	7,742	32.88	328,314,872	14.82
100,001 – 110,735,735*	2,530	10.74	1,562,083,607	70.53
110,735,736 and above**	1	0.00	285,000,080	12.87
Total	23,547	100.00	2,214,714,736	100.00

Remark : * Less than 5% of issued holdings
 ** 5% and above of issued holdings

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Nationality	Direct	No. of shares held		%
			%	Indirect	
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Malaysian	12,073,700	0.55	304,642,259 ⁽¹⁾	13.76
Datuk Lim Chih Li @ Lin ZhiLi	Malaysian	2,350,000	0.11	-	-
Ahmad Rizan Bin Ibrahim	Malaysian	-	-	-	-
Balraj Singh Pannu A/L Gajjan Singh	Malaysian	-	-	-	-
Fan Kah Seong	Malaysian	-	-	-	-
Aidawati Binti Dahari	Malaysian	-	-	-	-
Ng Chee Seng (Alternate to Ahmad Rizan Bin Ibrahim)	Malaysian	103,200,600	4.66	-	-
Chin How Nyian (Alternate to Datuk Lim Chih Li @ Lin ZhiLi)	Malaysian	101,300	^	-	-

Notes:-

^ negligible

(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 Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti 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 ("Techna-X").

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 Techna-X.

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 Techna-X.

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.

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

cont'd

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Nationality	Direct	No. of shares held		%
			%	Indirect	
Rock Point Alliance Pte. Ltd.	Singapore	285,150,080	12.88	0	0.00
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Malaysian	12,073,700	0.55	304,642,259 ⁽¹⁾	13.76
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	Malaysian	1,221,500	0.06	315,492,959 ⁽²⁾	14.25
Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar	Malaysian	1,166,500	0.05	315,547,959 ⁽³⁾	14.25
Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar	Malaysian	1,176,500	0.05	315,537,959 ⁽⁴⁾	14.25
Y.A.M. Tunku Irinah Binti Tuanku Ja'afar	Malaysian	1,154,250	0.05	315,560,209 ⁽⁵⁾	14.25
Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar	Malaysian	1,076,550	0.05	315,637,909 ⁽⁶⁾	14.25
Y.M. Tunku Nurul Hayati Binti Tunku Bahador	Malaysian	100,200	^	316,615,759 ⁽⁷⁾	14.30
Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin	Malaysian	1,500	^	308,960,230 ⁽⁸⁾	13.95

Notes:-

^ negligible

(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 Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti 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 Techna-X.

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 Techna-X.

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 Techna-X.

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 Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti 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 Techna-X.

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 Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a 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 2023
cont'd

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF 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 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 Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a 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 Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti 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 Techna-X.
- 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 Techna-X.
- Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.
- Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a 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 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 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 Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a 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 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 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 Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.
- Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a 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 2023

cont'd

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF 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 Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti 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 Techna-X.
Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.
Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.
Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a 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 a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.
Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.
Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a 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 SHAREHOLDERS

NO.	NAME	NO. OF SHARES HELD	%
1.	HLIB NOMINEES (ASING) SDN. BHD. ROCK POINT ALLIANCE PTE. LTD.	285,000,080	12.87
2.	M & A NOMINEE (TEMPATAN) SDN. BHD. MAJESTIC SALUTE SDN. BHD. FOR NG CHEE SENG	78,888,100	3.56
3.	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED	44,900,000	2.03
4.	M & A NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW HUN SENG	33,750,000	1.52
5.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN HWEE LOONG	33,589,000	1.52
6.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR PHILLIP SECURITIES (HONG KONG) LTD.	32,865,050	1.48
7.	ABDULLAH ZUBAIR BIN WAN MOHD HASNI	32,215,357	1.45
8.	KOK CHANG CHEE	28,000,000	1.26
9.	KENANGA NOMINEES (ASING) SDN. BHD. ADVANCE OPPORTUNITIES FUND	21,000,085	0.95
10.	NG CHEE SENG	19,312,500	0.87

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023
cont'd

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

NO.	NAME	NO. OF SHARES HELD	%
11.	M & A NOMINEE (ASING) SDN. BHD. MAJESTIC SALUTE SDN. BHD. FOR MONZ INVESTMENTS LTD.	19,000,000	0.86
12.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. LEONG AI KIM	12,525,000	0.57
13.	GAN SWEE CHING	12,210,100	0.55
14.	LIM SENG LEE	12,000,000	0.54
15.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ROCK POINT ALLIANCE SDN. BHD.	11,486,250	0.52
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG SIEW YEE	11,454,200	0.52
17.	DATIN LEUNG KIT MAN	11,000,000	0.50
18.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR	10,979,700	0.50
19.	TAN TIANG HUAT	10,902,000	0.49
20.	CHAI KOON KHOW	10,400,400	0.47
21.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR LIM SENG LEE	8,340,700	0.38
22.	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE. LTD.	7,314,459	0.33
23.	KENANGA NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEUNG KIT MAN	7,000,000	0.32
24.	ANG LOO LEONG	6,300,000	0.28
25.	M & A NOMINEE (ASING) SDN. BHD. MAJESTIC SALUTE SDN. BHD. FOR ONG SING ENG	6,261,900	0.28
26.	PHOOI SEONG THIN	6,050,000	0.27
27.	CHAN KOK SAN	6,000,000	0.27
28.	LIM BENG LEE	6,000,000	0.27
29.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ENG YUNN TONG	5,900,000	0.27
30.	WEE SENG HUAT	5,500,000	0.25
	Total	796,144,881	35.95

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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/or

***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 Seventeenth 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, 30 May 2023 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 amounting to RM90,000.00 for the financial year ended 31 December 2022.		
2.	To approve the Directors’ benefits payable to the Non-Executive Directors of up to RM30,000 from 30 May 2023 until the next Annual General Meeting of the Company to be held in the year 2024.		
3.	To re-elect Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja’afar, who is due to retire pursuant to Clause 118 of the Company’s Constitution.		
4.	To re-elect Datuk Lim Chih Li @ Lin ZhiLi, who is due to retire pursuant to Clause 118 of the Company’s Constitution.		
5.	To re-elect Mr. Fan Kah Seong, who is due to retire pursuant to Clause 117 of the Company’s Constitution.		
6.	To re-elect Puan Aidawati Binti Dahari, who is due to retire pursuant to Clause 117 of the Company’s Constitution.		
7.	To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.		
8.	Authority to Issue Shares pursuant to the Companies Act 2016.		
9.	Proposed Renewal of Authority for 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 _____, 2023.

_____ *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 2023 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 Securities Services (Holdings) Sdn. Bhd., 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.

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

6. Any notice of termination of authority to act as proxy must be received by the Company before the commencement of the Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
 - (i) the constitution of the quorum at such meeting;
 - (ii) the validity of anything he did as chairman of such meeting;
 - (iii) the validity of a poll demanded by him at such meeting; or
 - (iv) The validity of the vote exercised by him at such meeting.
7. 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.



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