TECHNA-X BERHAD *[Registration No. 200601012477 (Company No.: 732227-T)]*
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Fourth quarter ended		Financial period ended	
	Unaudited		Unaudited	
	Current Period 31-Dec-21 RM'000	Preceding Period 31-Dec-20 RM'000	Current Period 31-Dec-21 RM'000	Preceding Period 31-Dec-20 RM'000
Continuing Operations				
Revenue	14,840	5,486	50,176	20,553
Cost of sales	(6,049)	(2,521)	(17,696)	(8,063)
Gross profit	8,791	2,965	32,480	12,490
Other income	1,611	1,620	3,607	1,650
Operating expenses	(28,458)	(16,198)	(50,849)	(31,111)
Finance cost	(93)	1,890	(400)	(2,321)
	(26,940)	(12,688)	(47,642)	(31,782)
Share of loss in associate company	-	(118)	0	(150)
Loss before tax from continuing operations	(18,149)	(9,841)	(15,162)	(19,442)
Taxation	(0)	(224)	(27)	(314)
Loss for the period from continuing operations	(18,149)	(10,065)	(15,189)	(19,756)
Discontinued Operations				
Loss for the period from discontinued operations	(50,949)	(64,045)	(140,360)	(162,852)
Total loss for the period	(69,098)	(74,110)	(155,549)	(182,608)
Other comprehensive (expense)/income:				
Items that will be reclassified subsequently to profit or loss:				
Exchange difference arising from translation of foreign operations	4,846	7,905	12,084	13,903
Total comprehensive expense for the period	(64,252)	(66,205)	(143,465)	(168,705)
Profit/(Loss) attributable to				
Equity holders of the Company	(67,507)	(73,509)	(154,749)	(182,007)
Minority interest	(1,591)	(601)	(800)	(601)
	(69,098)	(74,110)	(155,549)	(182,608)
Total comprehensive expenses attributable to				
Equity holders of the Company	(64,778)	(66,111)	(148,531)	(168,611)
Minority interest	526	(94)	5,066	(94)
	(64,252)	(66,205)	(143,465)	(168,705)
Loss per share attributable to equity holders of the Company (sen)				
- basic (sen)	(3.31)	(5.97)	(7.59)	(14.79)
- fully diluted (sen)	(3.31)	(5.97)	(7.59)	(14.79)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

TECHNA-X BERHAD *[Registration No. 200601012477 (Company No.: 732227-T)]*
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31-Dec-21	Audited as at 31-Dec-20
	RM'000	RM'000
Non Current Assets		
Property, plant and equipment	40,622	35,730
Right of use assets	2,968	6,118
Intangible assets	194,946	185,224
	238,536	227,072
Current Assets		
Inventories	2,993	311
Trade receivables	9,039	1,041
Other receivables, deposits and prepayments	71,776	71,956
Tax recoverable	1,876	549
Bank balances and cash	10,720	6,975
	96,404	80,832
Assets held for sales	70,509	128,920
Total Assets	405,449	436,824
Shareholders' Fund		
Share capital	1,222,833	1,153,305
Reserves	(1,232,390)	(1,091,846)
	(9,557)	61,459
Non-controlling interest	106,331	101,266
	96,774	162,725
Current Liabilities		
Trade payables	4,046	3,562
Other payables and accrued expenses	113,110	136,986
Lease payable	3,092	3,491
Short term bank loan	1,625	1,987
Redeemable convertible note	1,000	-
Provision for taxation	0	15
	122,873	146,041
Liabilities held for sales	173,415	94,388
Non Current Liabilities		
Other payable	11,423	30,161
Lease payable	709	3,490
Deferred tax liabilities	255	19
	12,387	33,670
Total Equity and Liabilities	405,449	436,824
Net assets per share (RM)	- 0.00	0.04

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

TECHNA-X BERHAD *[Registration No. 200601012477 (Company No.: 732227-T)]*
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		<-------------------- Non-distributable reserves -------------------->				*Distributable reserve*			
	Share capital RM'000	**Statutory common reserve funds RM'000**	**Reverse acquisition reserve RM'000**	**Foreign currency translation reserve RM'000**	**Shares Option reserve RM'000**	**Accumulated losses RM'000**	**Sub-total RM'000**	**Non-controlling interest RM'000**	**Total RM'000**
<u>12 months ended 31 December 2020</u>									
Balance as of January 1, 2020	1,115,045	49,358	(799,823)	179,357	2,640	(354,767)	191,810	-	191,810
Issue of shares:									-
Conversion of RCN	26,000						26,000	-	26,000
Debt settlement	3,500	-	-	-		-	3,500	-	3,500
Private placement	8,760						8,760		8,760
Acquisition of a subsidiary	-	-	-	-	-	-	-	101,360	101,360
Loss for the period	-	-	-	-	-	(182,007)	(182,007)	(601)	(182,608)
Other comprehensive expense									
Exchange difference arising from translation of foreign operations	-	-	-	13,396	-	-	13,396	507	13,903
Balance as of December 31, 2020	1,153,305	49,358	(799,823)	192,753	2,640	(536,774)	61,459	101,266	162,725
<u>12 months ended 31 December 2021</u>									
Balance as of January 1, 2021	1,153,305	49,358	(799,823)	192,753	2,640	(536,774)	61,459	101,266	162,725
Issue of shares:									
Conversion of RCN	52,070	-	-	-	-	-	52,070	-	52,070
Private placement	17,458	-	-	-	-		17,458	-	17,458
Share based payment	-	-	-	-	7,987		7,987		7,987
Loss for the period	-	-	-	-	-	(154,750)	(154,750)	(800)	(155,550)
Other comprehensive income									
Exchange difference arising from translation of foreign operations	-	-	-	6,219	-	-	6,219	5,865	12,084
Balance as of December 31, 2021	1,222,833	49,358	(799,823)	198,972	10,627	(691,524)	(9,557)	106,331	96,774

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited For the financial period ended	
	31-Dec-21	**31-Dec-20**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(15,162)	(19,442)
Loss before tax from discontinued operations	(140,360)	(162,852)
Loss for the period	(155,522)	(182,294)
Adjustments for:		
Depreciation of property, plant and equipment	29,972	25,779
Depreciation of right of use assets	3,150	2,937
Amortisation of lease payments	1,115	1,050
Amortisation of intangibles assets	835	1,176
Impairment of trade receivables	-	617
Impairment of property, plant and equipment	22,155	-
Provision for compensation on unfulfilled obligation	-	30,304
Fixed asets written off	-	57
Finance costs	400	2,718
Interest income	(36)	(53)
Share of associate's results	-	150
Share based payment'	7,987	-
Fair value loss on contingent consideration	8,707	1,740
Waiver of debts	-	(129)
Operating loss before working capital changes	(81,237)	(115,948)
(Increase) / Decrease in:		
Inventories	8,900	32,011
Trade receivables	(6,690)	53,701
Other receivables, deposits and prepayments	(2,607)	5,341
Increase / (Decrease) in:		
Trade payables	81,117	2,774
Other payables and accrued expenses	(38,608)	(6,521)
Cash used in operations	(39,125)	(28,642)
Interest paid	(400)	(1,297)
Tax	-	(330)
Net cash used in operating activities	(39,525)	(30,269)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(9,655)	(6,838)
Acquisition of subsidiaries, net of cash acquired	-	(295)
Interest received	36	53
Net cash used in investing activities	(9,619)	(7,080)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Redeemable Convertible Note, net of transaction costs	53,070	21,000
Repayment of bank loan	(362)	(513)
Proceeds from Private Placement, net of transaction costs	17,458	8,760
Repayment of lease payables	(3,535)	(2,923)
Net cash generated from financing activities	66,631	26,324
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17,487	(11,025)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	10,051	14,984
Effect of changes in exchange rates	(16,557)	6,092
Changes in cash and cash equivalents classified as held for sales	(261)	(3,076)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	10,720	6,975

The above Condensed Consolidated Statement of Cash Flows should be read in
conjunction with the the Audited Financial Statements for the financial year ended 31 December 2020.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("BMSB").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2020, except for the adoption of the following Malaysian Financial Reporting Standards ("MFRSs") and amendments to MFRS for financial periods beginning on or after 1 January 2021: -

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

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

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

Annual periods beginning on/after 1 January 2022
- Amendments to MFRS 3, "Business Combinations" (Reference to the Conceptual Framework)
- Amendments to MFRS 116, "Property, Plant and Equipment" (Proceeds before Intended Use)
- Amendments to MFRS 137, "Provision, Contingent Liabilities and Contingent Assets" (Onerous Contracts - Cost of Fulfilling a Contract)
- Annual Improvement to MFRS Standards 2018 – 2020:
  - Amendment to MFRS 101, "First-time Adoption of Malaysian Financial Reporting Standards"
  - Amendment to MFRS 9, "Financial Instruments"
  - Amendment to Illustrative Examples accompanying MFRS 16, "Leases"
  - Amendment to MFRS 141, "Agriculture"

Annual periods beginning on/after 1 January 2023

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts"
- Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)

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

- Amendments to MFRS 10 and MFRS 128, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

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

A2. Audit report

The auditors' report on the audited financial statements for the year ended 31 December 2020 was not qualified.

A3. Seasonal or cyclical factors

The coke segment, being the major operations of the Group, which is classified under operations held for sale, generally moves in tandem with the performance of the steel industry and the overall economic landscape. The other segments of the operations of the Group are subject to consumer spending preference and general market condition in the F&B and digital technology industry.

A4. Unusual items

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the quarter under review.

A6. Issuance, cancellations, repurchases, resale and repayments of debts and equity securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current quarter:

The Company had, during the current quarter under review, issued 169,901,200 Private Placement Shares amounting to RM12,317,837 (net of transaction costs) in accordance with the General Mandate obtained from its shareholders at its 15th AGM convened on 30 June 2021 which authorised the Board to allot and issue new ordinary shares not exceeding 20% of the total issued shares of the Company, following the listing of and quotation for a total of 169,901,200 Placement Shares on the Main Market of Bursa Securities on 29 December 2021.

The above issuances have thereby increased the Company's total issued share capital from RM1,210,763,000 to RM1,223,000 during the quarter under review.

A7. Dividends paid

There were no dividends paid during the quarter under review.

A8. Segmental information

Segment results by business activities

	Fourth quarter ended 31 December 2021		Financial period ended 31 December 2021	
	External revenue RM'000	**Profit/(Loss) before tax RM'000**	**External revenue RM'000**	**Profit/(Loss) before tax RM'000**
Technology driven food and beverage	12,518	2,980	34,295	4,052
Technology and digital transformations enabler	2,322	(3,350)	15,881	2,380
Others*	-	(17,779)	-	(21,594)
	14,840	(18,149)	50,176	(15,162)

	Fourth quarter ended 31 December 2020		Financial period ended 31 December 2020	
	External revenue RM'000	**Profit/(Loss) before tax RM'000**	**External revenue RM'000**	**Loss before tax RM'000**
Technology driven food and beverage	3,681	(1,408)	18,214	(3,185)
Technology and digital transformations enabler	1,805	112	2,339	(4,871)
Others*	-	(8,545)	-	(11,386)
	5,486	(9,841)	20,553	(19,442)

** This refers to the expenses incurred by TXB, majority of which are attributable to the staff cost arising from the Employee Stock Option Scheme ("ESOS"), notional finance costs incurred due the deferred payment of the purchase consideration for the various acquisitions, capital raising and corporate exercises of the Group.*

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued during the quarter under review.

A10. Material Events Subsequent to the end of the Reporting Period

On 27 December 2021, TXB proposed to dispose its entire 50% equity interest held in HKAB for a consideration of SGD339,285,000. The said disposal forms part of the sale and purchase agreement dated 27 December 2021 ("SPA") entered into between TXB, Dr. Wan Muhamad Hasni Bin Wan Sulaiman ("Dr. Wan"), Nong You Hua ("NYH") and Satriya Bin Suetoh ("Satriya") (collectively, the "Vendor(s)") with Chaswood Resources Holdings Ltd. ("Chaswood" or "Purchaser"), a company listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST") for the proposed disposal of 200,000 ordinary shares in HKAB ("Target") ("Sale Share(s)" or "HKAB Share(s)"), representing 100.0% equity interest in HKAB to Chaswood for a total consideration of SGD678,570,000, to be satisfied via the issuance of approximately 17,857,105,263 new ordinary shares in Chaswood ("Chaswood Shares") at an pre-consolidation issue price of SGD0.038 per Chaswood Share ("Pre-Consolidation Issue Price") ("Consideration Share(s)") subject to the adjustments pursuant to the Proposed Share Consolidation (as defined below) ("Proposed Disposal" to TXB or "Proposed Acquisition" to Chaswood, as the case may be).

On 17 January 2022, TXB announced that through a consortium formed with the SMTrack Berhad, Country Heights Holding Berhad, Jiankun International Berhad, Sersol Berhad and MQ Technologies Berhad, the Company had entered into a Heads of Agreement with 5G Infra Tech Solution Sdn. Bhd. (formerly known as NMS Engineering Sdn. Bhd.) ("Target Company") to invest in the Target Company through redeemable convertible preference shares.

TXB had on 24 January 2022 entered into a Loan Agreement ("Agreement") with Advance Opportunities Fund ("Lender") for a loan sum of USD7,500,000 for the purpose of settlement of the Purchase Consideration owing to the vendors of Touchpoint International Sdn. Bhd. and Wavetree PLT amounting to RM60,260,000, subject to the Borrower pledging the entire issued and paid-up shares of its wholly-owned subsidiary, PIPO Overseas Limited in favour of the Lender, upon the terms and conditions as stipulated in the Agreement.

On 25 January 2022, TXB had announced that its wholly-owned subsidiary, Wavetree Technologies Sdn. Bhd. had entered into a Partnership Agreement with Borneo Eco Star Sdn. Bhd. to collaborate and develop a Smart Integrated Aquaculture Platform.

A11. Changes in the composition of the Group

There were no other material changes to the composition of the Group for the current quarter under review.

A12. Changes in contingent liabilities or contingent assets

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter under review.

A13. Related party transactions

There was no related party transaction during the quarter under review.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The financial performance of the technology driven food & beverage business showed signs of improvement during the last quarter of the year following the opening up of the economy and dining-in for F&B establishments being allowed after a long period of lockdown. This business segment managed to contribute approximately RM12.5 million of revenue to the Group compared to approximately a merely RM3.7 million for the same quarter last year, the period of which was also significantly affected by the pandemic lockdown. Similarly, the Group's digital & technology businesses also saw some improvement by generating a revenue of approximately RM2.3 million in this current quarter by virtue of the fact that the relevant business entities managed to secure a few additional contracts. This is in contrast to a revenue of only RM1.8 million recorded in the same quarter last year.

As a direct consequence of an increase in revenue during the quarter under review compared to that in the preceding year, the cost of sales for the technology driven food & beverage business saw a proportionate increase to approximately RM4.1 million during this quarter compared to approximately RM1.3 million recorded in the same quarter last year, both of which generated an acceptable margin of more than 32%. Insofar as the digital & technology businesses are concerned, the attributable cost of sales thereof amounted to approximately RM2.0 million in this quarter compared to approximately RM1.2 million recorded in the same quarter last year.

The total operating expenses incurred by the technology driven food & beverage and the digital & technology businesses as well as that of corporate holding company level (TXB) of the Group as a whole, for the quarter under review accounted to approximately RM28.5 million. These operating expenses included, amongst others, staff salary, professional fees, rental, entertainment, depreciation, office expenses, water and electricity charges and etc, as well as additional one-off expenses/costs incurred by the corporate holding company level relating to the staff cost arising from the Employee Stock Option Scheme ("ESOS"), notional finance costs incurred due the deferred payment of the purchase consideration for the various acquisitions, capital raising and corporate exercises which in total amounted to approximately RM17.8 million. In comparison, the total Group's operating cost in the same quarter last year was slightly lower at RM16.2 million due to the fact that there were no such one-off ESOS cost.

Premised on the above, the overall continuing business and corporate holding company level (TXB) reported an overall net loss for the period of approximately RM18.1 million in the current quarter under review, compared to a net loss of RM10.1 million in the preceding year corresponding quarter. However, it is worthwhile to note that should those one-off expenses/costs attributable to incurred by the corporate holding company level relating to the staff cost arising from the Employee Stock Option Scheme ("ESOS"), notional finance costs incurred due the deferred payment of the purchase consideration for the various acquisitions, capital raising and corporate exercises of RM17.8 million be excluded for a better representation of the performance of the technology driven food & beverage and the digital & technology businesses, these businesses segment would implicitly generate a significantly reduced loss of approximately RM0.4 million in this current quarter compared to approximately RM1.3 million loss in the preceding year corresponding quarter.

Pursuant to the conditional share sale agreement entered into by the Company with Hua Fei Investment Limited ("Purchaser") for the proposed disposal of 50,000 ordinary shares in PIPO Overseas Limited ("Proposed Disposal"), the revenue and expenses in relation to the Group's metallurgical coke business operations have been separately classified as "discontinued operations" on the face of Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The results of the discontinued operations included in the consolidated statement of comprehensive income are set out below: -

	Fourth quarter ended		Financial period ended	
	Unaudited		Unaudited	
	Current Period 31-Dec-21 RM'000	Preceding Period 31-Dec-20 RM'000	Current Period 31-Dec-21 RM'000	Preceding Period 31-Dec-20 RM'000
Revenue	36,594	35,283	154,275	302,920
Cost of sales	(63,101)	(66,671)	(261,470)	(396,870)
Gross loss	(26,508)	(31,386)	(107,195)	(93,949)
Other income	73	73	1,092	940
Operating expenses	(24,514)	(32,727)	(34,258)	(69,446)
Finance cost	-	(4)	-	(397)
	(24,441)	(32,659)	(33,165)	(68,903)
Loss before tax	(50,949)	(64,045)	(140,360)	(162,852)
Taxation	-	-	-	-
Loss for the period	(50,949)	(64,045)	(140,360)	(162,852)

As expected, the coke business continued to be beset by substantial losses during the quarter under review, similar to that in the same quarter last year. The Group has been faced with such loss-making quarter for the coke business since the first quarter of 2019. With the voluntary reduction in the production of coke, the losses suffered by this segment of business has been reduced to approximately RM50.9 million during the current quarter under review compared to approximately RM64.0 million in the same quarter last year. The current quarter losses also included an impairment of approximately RM22.2 million on its property, plant and machinery to better reflect the carrying value of the entire coke production plant, given the various circumstances concerning the said business.

Given the continued dismal financial performance of the coke business and the lack of visibility to the prospect of a turnaround in the industry moving forward, the Group has made a concerted decision to cease the production of the coke on 31 December 2021, pending for an eventual sale in accordance with the sale and purchase agreement signed with Hua Fei Investment Limited.

B2. Variation of results against preceding quarter

The revenue recorded by the technology driven food & beverage business had improved to approximately RM12.5 million in the current quarter compared to RM8.5 million during the immediate preceding quarter ended 30 September 2021. This was mainly due to the opening up of the economy in Malaysia and the gradual easing of restrictions which ultimately allowed dining-in for F&B establishments towards end of the third quarter of 2021. The revenue from the digital & technology businesses, which included the contribution from the energy storage business, contributed approximately RM2.3 million in the final quarter of 2021 compared to approximately RM4.6 million in the immediate preceding quarter. The reduction was mainly due to completion of the pervious projects and lesser number of projects being secured during the quarter under review.

The gross profit contribution from the technology-driven food & beverages business and digital & technology businesses however saw an improvement from approximately RM7.6 million in the immediate preceding quarter ended 30 September 2021 to approximately RM8.8 million for the current quarter under review.

After taking into consideration other income and operating expenses, (excluding expenses incurred by the corporate holding company level relating to Employee Stock Option Scheme ("ESOS"), notional finance costs incurred due the deferred payment of the purchase consideration for the various acquisitions, capital raising and corporate exercises which amounted to approximately RM17.8 million as described in section B1 above), the technology driven food & beverages business and digital & technology businesses registered a small net loss for the period of approximately RM0.4 million in the current quarter under review compared to a small profit of approximately RM0.6 million in the immediate preceding quarter.

On the other hand, the coke business (discontinued operations) continued to further drag down the overall performance of the Group. Revenue generated during the quarter under review was lower at approximately RM36.6 million compared to RM40.8 million recorded in the immediate preceding quarter ended 30 September 2021. This was primarily due to the gradual reduction in the production of metallurgical coke in line with the strategy of cessation of production by end of year 2021. The losses suffered by this segment of business excluding the one-off impairment of the fixed assets has, however, continued to reduce to approximately RM28.8 million during the current quarter under review compared to approximately RM30.3 million in the immediate preceding quarter ended 30 September 2021.

B3. Current year prospects

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

Amongst others, the strategic business pillars that is envisaged to drive the Group forward, are as follows:

Smart City
The Group is making its effort to engage with all the local government agencies and councils of all the states within Peninsular Malaysia to introduce our own developed Smart City Platform that enables the government agencies or local authorities to engage

with the community intelligently via a mobile app. It allows the local authority and its respective departments to reach out to the community dynamically, with data driven service delivery and sustain a high level of engagement with the members of community, including residents, visitors, local businesses and tourists. Apart from Kuala Lumpur and Cyberjaya, there are several other cities in Malaysia earmarked to be developed as a smart city. This includes Iskandar Malaysia in Johor, Georgetown in Penang and Mukah in Sarawak. Iskandar Regional Development Authority intends to develop Iskandar Malaysia as a smart city by 2025. As such, there is huge potential in terms of the prospects for this business segment.

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

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

Tapping on to the potential exponential growth of the Electric Vehicle Market, the joint venture company set up by the Group in Croatia together with all the experienced experts, has started working on the Electric Vehicle prototype which is expected to be completed by the mid-2022.

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

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

Communication and Security Solutions
The technology development and maintenance contract to design and deliver an analytics-enabled public safety and security command system secured by the Group will continue to serve as a springboard for the Group to pursue and secure numerous other opportunities in the communication and security space, both from the pubic as well as the private sector in the near future.
In anticipation of the above, the Group had partnered with Aiwinn Technology, a leader in safety and security A.I. technologies based in China which has produced a suite of advanced solutions targeted at public safety and law enforcement market. These solutions which amongst others, incorporate facial recognition, crowd control and surveillance, and A.I. predictive analytics, are positioned to address the needs and demands of local government and law enforcement agencies in Malaysia, as well as in the region.

B4. Variation on forecast profit / Profit guarantee

The Group did not issue any profit forecast nor profit guarantee during the current financial period to date.

B5. Current year taxation

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 is as follows:

	Fourth quarter ended		Financial period ended	
	31 Dec 2021 RM'000	31 Dec 2020 RM'000	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Loss before taxation	(69,098)	(73,886)	(155,522)	(182,294)
Less: Loss from discontinued operations	50,949	64,045	140,360	162,852
Loss from continuing operations	(18,149)	(9,841)	(15,162)	(19,442)
Taxation at statutory tax rate of 24%	(4,356)	(2,362)	(3,639)	(4,666)
Expenses not deductible for tax purposes	4,292	1,203	5,289	3,605
Income not subject to tax	(4)	(2)	(23)	(9)
Utilisation of tax losses not previously recognized	68	1,161	(1,600)	1,384
Taxation for the financial year	-	224	27	314

B6. Corporate proposals

On the issuance of RCN with an aggregate principal amount of up to RM150 million, there were no issuance and conversion of RCN during the current quarter ended 31 December 2021. The utilisation of proceeds raised is as follows: -

No.	Purposes	Proposed Utilisation RM million	Actual utilised RM million	Balance unutilised RM million	Expected timeframe for utilisation of proceeds (i)
(a)	Business expansion and working capital of TouchPoint International Sdn Bhd ("**TouchPoint**")	27.0	7.4	19.6	Within 18 months
(b)	Business expansion and working capital of Wavetree PLT ("**Wavetree**")	25.0	0.1	24.9	Within 18 months
(c)	Business expansion and working capital of Craveat International Sdn. Bhd. (formerly known as Bistromalones (PJ) Sdn. Bhd.), its subsidiaries and associated companies ("**Craveat Group**") within Malaysia	40.0	35.6	4.4	Within 18 months
(d)	Business expansion and working capital of Craveat Group in China	22.0	-	22.0	Within one (1) year
(e)	Working capital for SHIB's core business	26.2	21.2	5.0	Within one (1) year
(f)	Estimated expenses in relation to the SHIB RCN				
	(i) Professional fees, regulatory fees, printing and advertising costs	1.6	1.0	0.6	Within one (1) month
	(ii) Upon issuance redemption and/or implementation of the SHIB RCN which includes, inter-alia, the administrative fees and the annual fee	8.2	3.7	4.5	Within two (2) year
	Total	**150.0**	**69.0**	**81.0**	

Note: -
(i) From the date of drawdown.

B7. Lease payable

	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Secured		
Lease liabilities	3,801	6,981

Analysed as

Repayable within twelve months	3,092	3,491
Repayable after twelve months	709	3,490

B8. Borrowings

	31 Dec 2021 RM'000	**31 Dec 2020 RM'000**
Secured		
Term loan	1,625	1,987
Analysed as		
Repayable within twelve months	1,625	1,987

B9. Material litigation

As at the date of this report, save and except for the liabilities that have already been recongised in the financial statements, the Group is not engaged in any material litigation which in the opinion of the Board of Directors will have a material effect on the financial position or the business of the Group.

B10. Dividends

No dividends had been declared in respect of the current quarter under review.

B11. Loss per share

(a) Basic loss per share

The loss per share has been calculated based on the consolidated loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the current quarter.

	Fourth quarter ended		**Financial period ended**	
	31 Dec 21	**31 Dec 20**	**31 Dec 21**	**31 Dec 20**
Basic loss per share				
Loss for the period attributable to the equity holders of the Company from: (RM'000)				
- continuing operations	(16,558)	(9,464)	(14,388)	(19,155)
- discontinued operations	(50,949)	(64,045)	(140,360)	(162,852)
	(67,507)	(73,509)	(154,749)	(182,007)
Number / Weighted average number of shares in issue ('000)	2,037,887	1,230,711	2,037,887	1,230,711

Basic loss per share (sen)				
- continuing operations	(0.81)	(0.77)	(0.70)	(1.56)
- discontinued operations	(2.50)	(5.20)	(6.89)	(13.23)
	(3.31)	(5.97)	(7.59)	(14.79)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, consolidated loss attributable to owners of the Company, adjusted for dilutive adjustments is divided by weighted average number of ordinary shares in issue during the financial year, adjusted for the dilutive effects of all potential ordinary shares.

	Fourth quarter ended		Financial period ended	
	31 Dec 21	**31 Dec 20**	**31 Dec 21**	**31 Dec 20**
Diluted loss per share				
Loss for the period attributable to the equity holders of the Company from: (RM'000)				
- continuing operations	(16,558)	(9,464)	(14,388)	(19,155)
- discontinued operations	(50,949)	(64,045)	(140,360)	(162,852)
	(67,507)	(73,509)	(154,749)	(182,007)
Adjustment in respect of redeemable convertible notes (RM'000)	*	N/A	*	N/A
Loss for the year after dilutive adjustment (RM'000)	(67,507)	(73,509)	(154,749)	(182,007)
Number / Weighted average number of shares in issue ('000)	2,037,887	1,230,711	2,037,887	1,230,711
Adjustment in respect of redeemable convertible notes (RM'000)	*	N/A	*	N/A
Adjusted weighted average number of shares in issue ('000)	2,037,887	1,230,711	2,037,887	1,230,711
Diluted loss per share (sen)				
- continuing operations	(0.81)	(0.77)	(0.70)	(1.56)
- discontinued operations	(2.50)	(5.20)	(6.89)	(13.23)
	(3.31)	(5.97)	(7.59)	(14.79)

* The potential conversion of redeemable convertible notes ("RCN") is anti-dilutive as the conversion of the RCN results in a reduction in diluted loss per share upon conversion.

B12. Loss before tax

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

	Fourth quarter ended		Financial period ended	
	31 Dec 2021 RM'000	**31 Dec 2020 RM'000**	**31 Dec 2021 RM'000**	**31 Dec 2020 RM'000**
Interest income	(7)	(12)	(36)	(53)
Other income	(1,604)	(1,608)	(3,571)	(1,597)
Finance cost	93	(1,603)	400	2,321
Depreciation of property, plant and equipment	4,093	5,011	29,972	25,779
Amortisation of lease payments	289	270	1,115	1,050
Depreciation of right-of-use-asset	578	716	3,150	2,937
Impairment of property, plant and equipment	22,155	-	22,155	-
Share of associate's results	-	119	-	150
PPE written off	-	-	-	57

By Order of the Board
Chua Siew Chuan
Secretary
25 February 2022