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SINO Hua-An Invests RM30 million to Transform its F&B Business into a Technology Company through Techna-X

~ "Teh Tarik Place" to lead in the transformation with expansion of 100 outlets in the APAC region within 36 months ~

KUALA LUMPUR, 29 June 2020 – Sino Hua-An International Berhad ("Hua-An" or the "Group") announced its plan to invest RM30 million from its Redeemable Convertible Note programme to transform its subsidiary, Craveat International Sdn Bhd, into a technology company for the Food & Beverage (F&B) industry. This transformation programme is a significant kick off for Techna-X, the technology division under Hua-An earmarked to grow the Group's revenue stream as a Digital Enabler to lead digital transformation of old economy in the Asia Pacific region.

"In line with Hua-An's direction of focusing on the digital transformation space, we want Craveat International, our F&B subsidiary to be known as a technology company that serves excellent food and drinks. Drawing on the Techna-X infrastructure, today signifies the day of the transformation of the F&B operations and mindset." commented Datuk Jared Lim, Executive Director of Hua An.

"While we continue to strive for ever improving food quality and innovation, we will also continue developing our technology tools and platforms to enhance the customer experience and optimise our decision making", added Datuk Jared Lim.

The award winning homegrown F&B brand, Teh Tarik Place ("TTP"), will lead in the transformation which targets to open 100 outlets in 36 months throughout Malaysia and in the Asia Pacific region. Aligned in this transformation, TTP introduced its brand new in-house mobile application supported by Techna-X business intelligence



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platform and data engine in order to better plan and manage its processes to deliver superior customer and business experiences. TTP customers will enjoy new experiences through the app for orders, payment for dine-in, takeaways and deliveries as well as amazing offers and incentives. In conjunction with the introduction of the app, TTP has launched its own Boba Tea series which will only be available on the mobile app.

The Techna-X platform will provide advantage to TTP via its POS system, business intelligence platform and data engine as well as TTP's Halal certified central kitchen in order to better plan and manage operation processes with the aim to deliver a superior customer and business experience to its customers. TTP also uses data analytics in traffic flow to allow TTP's management to make more informed decisions in the selection of locations for outlet expansion.

TTP first opened at the Curve Shopping Mall, Petaling Jaya in 2003 as a local Malaysian "mamak" style coffee shop best known for its frothy Teh Tarik, Roti Canai and Nasi Lemak. As a member of Malaysian Franchise Association (MFA), TTP has expanded via a successful franchise model and currently has 20 outlets mainly located in strategic Klang Valley locations. TTP won the BrandLaureate World Halal Best Brand award in 2019 and was the Emerging Franchisor Brand in 2016. TTP made its first international venture into Brunei in 2019 opening two (2) franchised outlets with another two (2) in the pipeline. There are immediate plans to expand TTP into Australia this year via its Australian Master Franchise partner and the Group is also working on opening its first corporate owned TTP outlet in China by 2021.

Hua An's RM30 million investment for this transformation purpose will go towards improving and enhancing Techna-X technology infrastructure and TTP expansion. The target of 100 new outlets will be rolled out either through self-own or TTP franchising model. TTP's expansion plan is expected to deliver approximately RM100 million



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revenue to Hua-An’s Group overall performance with a combination of outlet sales, royalties, franchisee fees and proprietor item supply in the long term.

Hua-An has been undergoing corporate reorganisation since 2019, acquiring four (4) Tech companies and one (1) F&B company to solidify its digital transformation and digital ecosystem solutions. The Group has been layering digital technology interests into its business through its newly set-up technology division, Tehcna-X, to allow its shift from conventional metallurgical coke production to transforming economies in the region as a digital transformation enabler. Upon completion of this exercise, the Group would have invested a total of RM107 million into Techna-X.

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Sino Hua-An International Berhad ([HTTP://WWW.SINOHUAAN.COM](http://www.sinohuaan.com))

SINO Hua-An International Berhad has begun its evolution from a manufacturer of metallurgical coke to be a digital transformation enabler. Hua-An has introduced a new division called Techna-X to spearhead the technology operations. The Group’s strategy to expand its business into mobile and digital solutions will provide Hua-An with opportunities to tap into the Fourth Industrial Revolution (“IR4.0”), specifically in seven (7) key areas, namely smart city, smart retail, agriculture IoT, improved transportation, smart healthcare, advanced AI recognition technologies and geospatial industrial applications and solutions. Listed on the Main Board of Bursa Malaysia on 26 March 2007, Hua-An is the first Red Chip counter listed on Bursa Malaysia and is classified as a Syariah-compliant security approved by the Syariah Advisory Council of the Securities Commission, Malaysia.

For more information, please contact:

Media:

SmartLIY (S.L.I.Y Consultancy & Communications Sdn Bhd)

Liew Siew Leng

Tel: +6017 8875108 | Email: siewleng@sliyconsultancy.com