

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**
- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	First quarter ended		Financial period ended	
	Unaudited		Unaudited	
	Current Period 31-Mar-22 RM'000	Preceding Period 31-Mar-21 RM'000	Current Period 31-Mar-22 RM'000	Preceding Period 31-Mar-21 RM'000
Continuing Operations				
Revenue	21,237	9,618	21,237	9,618
Cost of sales	(5,325)	(2,274)	(5,325)	(2,274)
Gross profit	15,912	7,344	15,912	7,344
Other income	71	340	71	340
Operating expenses	(9,169)	(4,891)	(9,169)	(4,891)
Finance cost	(94)	(694)	(94)	(694)
	(9,192)	(5,245)	(9,192)	(5,245)
Share of results in associate company	(320)	-	(320)	-
Profit before tax from continuing operations	6,400	2,099	6,400	2,099
Taxation	10	(10)	10	(10)
Profit for the period from continuing operations	6,410	2,089	6,410	2,089
Discontinued Operations				
Profit/(loss) for the period from discontinued operations	7,267	(25,610)	7,267	(25,610)
Total profit/(loss) for the period	13,677	(23,521)	13,677	(23,521)
Other comprehensive (expense)/income: Items that will be reclassified subsequently to profit or loss:				
Exchange difference arising from translation of foreign operations	(1,704)	2,982	(1,704)	2,982
Total comprehensive income/(expense) for the period	11,973	(20,539)	11,973	(20,539)
Profit/(Loss) attributable to				
Equity holders of the Company	14,639	(23,928)	14,639	(23,928)
Minority interest	(962)	407	(962)	407
	13,677	(23,521)	13,677	(23,521)
Total comprehensive income/(expenses) attributable to				
Equity holders of the Company	13,121	(22,373)	13,121	(22,373)
Minority interest	(1,148)	1,834	(1,148)	1,834
	11,973	(20,539)	11,973	(20,539)
Profit/(loss) per share attributable to equity holders of the Company (sen)				
- basic (sen)	0.66	(1.49)	0.66	(1.49)
- fully diluted (sen)	0.66	(1.49)	0.66	(1.49)

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 2021.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31-Mar-22	Audited as at 31-Dec-21
	RM'000	RM'000
Non Current Assets		
Property, plant and equipment	9,918	7,409
Investment in associates	88,205	88,583
Right of use assets	3,021	2,753
Intangible assets	95,505	94,562
Deferred tax asset	78	143
	196,727	193,450
Current Assets		
Inventories	929	1,007
Trade receivables	40,186	31,966
Other receivables, deposits and prepayments	14,626	16,904
Amount owing by an associate	16,385	971
Tax recoverable	454	654
Bank balances and cash	8,644	12,842
	81,224	64,344
Assets held for sales	74,052	75,624
	155,276	140,668
Total Assets	352,003	333,418
Shareholders' Fund		
Share capital	1,222,833	1,222,833
Reserves	(1,237,385)	(1,250,506)
	(14,552)	(27,673)
Non-controlling interest	8,144	8,654
	(6,408)	(19,019)
Current Liabilities		
Trade payables	25,866	25,510
Other payables and accrued expenses	122,983	102,110
Amount owing to an associate	34,911	34,542
Lease liabilities	1,606	2,825
Borrowings	1,560	1,560
Redeemable convertible note	1,000	1,000
Provision for taxation	11	13
	187,937	167,560
Liabilities held for sales	168,047	184,103
	355,984	351,663
Non Current Liabilities		
Lease liabilities	2,077	709
Deferred tax liabilities	350	65
	2,427	774
Total Equity and Liabilities	352,003	333,418
Net assets per share (RM)	(0.003)	(0.009)

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 2021.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←----- Non-distributable reserves -----→						Distributable reserve	Sub-total RM'000	Non- controlling interest RM'000	Total RM'000
	Share capital RM'000	Statutory common reserve funds RM'000	Reverse acquisition reserve RM'000	Foreign currency translation reserve RM'000	ESOS reserve RM'000	Shares Option reserve RM'000	Accumulated losses RM'000			
<u>3 months ended 31 March 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	27,000	-	-	-	-	-	-	27,000	-	27,000
Private placement	17,458	-	-	-	-	-	-	17,458	-	17,458
(Loss)/profit for the period	-	-	-	-	-	-	(23,928)	(23,928)	407	(23,521)
Other comprehensive expense										
Exchange difference arising from translation of foreign operations	-	-	-	1,555	-	-	-	1,555	1,427	2,982
Balance as of March 31, 2021	1,197,763	49,358	(799,823)	194,308	-	2,640	(560,702)	83,544	103,100	186,644
<u>3 months ended 31 March 2022</u>										
Balance as of January 1, 2022	1,222,833	49,358	(799,823)	195,050	7,987	2,640	(705,718)	(27,673)	8,654	(19,019)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	638	638
Profit/(loss) for the period	-	-	-	-	-	-	14,639	14,639	(962)	13,677
Other comprehensive expense										
Exchange difference arising from translation of foreign operations	-	-	-	(1,518)	-	-	-	(1,518)	(186)	(1,704)
Balance as of March 31, 2022	1,222,833	49,358	(799,823)	193,532	7,987	2,640	(691,079)	(14,552)	8,144	(6,408)

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 2021.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	For the financial period ended	
	31-Mar-22 RM'000	31-Mar-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	6,400	2,099
Profit/(loss) before tax from discontinued operations	7,267	(25,610)
Profit/(loss) for the period	13,667	(23,511)
Adjustments for:		
Depreciation of property, plant and equipment	3,579	3,831
Depreciation of right of use assets	783	860
Amortisation of lease payments	283	268
Amortisation of intangibles assets	223	383
Finance costs	94	694
Interest income	(4)	(11)
Share of associate's results	320	-
Operating profit/(loss) before working capital changes	18,945	(17,486)
(Increase) / Decrease in:		
Inventories	78	(7,711)
Trade receivables	(8,220)	(3,074)
Other receivables, deposits and prepayments	2,240	(6,605)
Amount due by/(to) associate	1,340	-
Increase / (Decrease) in:		
Trade payables	356	37,001
Other payables and accrued expenses	(13,743)	(17,480)
Cash generated from/(used in) operations	996	(15,355)
Interest paid	(94)	(694)
Tax paid	198	-
Net cash generated from/(used in) operating activities	1,100	(16,049)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,082)	(860)
Acquisition of subsidiaries, net of cash acquired	638	-
Interest received	4	11
Net cash used in investing activities	(2,440)	(849)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Redeemable Convertible Note, net of transaction costs	-	27,000
Proceeds from Private Placement, net of transaction costs	-	17,458
Repayment of lease payables	(902)	(897)
Net cash (used in)/generated from financing activities	(902)	43,561
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,242)	26,663
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	12,842	10,048
Effect of changes in exchange rates	(1,632)	(18,187)
Changes in cash and cash equivalents classified as held for sales	(324)	(1,539)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	8,644	16,985

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 2021.

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 2021. 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 2021.

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 2021, 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 2022: -

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

Accounting standards and amendments to accounting standards that are applicable for the Group 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

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 and amendments to accounting standards 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 2021 was not qualified.

A3. Seasonal or cyclical factors

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

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current quarter:

A7. Dividends paid

There were no dividends paid during the quarter under review.

A8. Segmental information

Segment results by business activities

	First quarter ended		Financial period ended	
	31 March 2022		31 March 2022	
	External revenue	Profit/(Loss) before tax	External revenue	Profit/(Loss) before tax
	RM'000	RM'000	RM'000	RM'000
Technology driven food and beverage	12,674	5,382	12,674	5,382
Technology and digital transformations enabler	8,563	753	8,563	753
Others	-	265	-	265
	<u>21,237</u>	<u>6,400</u>	<u>21,237</u>	<u>6,400</u>

	First quarter ended		Financial period ended	
	31 March 2021		31 March 2021	
	External revenue	Profit/(Loss) before tax	External revenue	Loss before tax
	RM'000	RM'000	RM'000	RM'000
Technology driven food and beverage	5,299	1,797	5,299	1,797
Technology and digital transformations enabler	4,319	2,560	4,319	2,560
Others	-	(2,258)	-	(2,258)
	<u>9,618</u>	<u>2,099</u>	<u>9,618</u>	<u>2,099</u>

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 6 May 2022, the Company announced the termination of the proposed disposal of the entire equity interest in PIPO Overseas Limited (“PIPO”) due to the inadvertent delays and non-fulfilment of all the Conditions Precedent as stipulated in Clause 4 of the Sale and Purchase Agreement (“SPA”) and Clause 3 of the Heads of Agreement (“HOA”) (“Termination”).

Pursuant to the Termination, the SPA and HOA shall have no further binding force and effect on the Parties, and no party shall have any claim in respect of the other under the SPA and HOA. 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 SPA and HOA. Accordingly, TXB does not anticipate any financial losses to be incurred from the Termination.

A11. Changes in the composition of the Group

During the quarter under review, the shareholdings in Bistroamericana (JB) Sdn Bhd being held by Craveat International Sdn Bhd, has been increased from 20% to 51%.

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

During the first quarter of the year, the economy saw further relaxation of the covid pandemic rules in the Government's effort to enable progressive opening up of the economy. Such a move proved to be a boon to the Group's core business, namely digital transformation enabler and technology solutions businesses. The Group's technology driven food & beverage business saw a strong recovery during this first quarter under review contributing approximately RM12.7 million in revenue compared to approximately RM5.3 million the same quarter last year. Similarly, the Group's digital & technology businesses also saw some improvement by generating a revenue of approximately RM8.6 million by virtue of the fact that the relevant business entities managed to continue implementing and servicing the existing contracts and secured some new projects in this current quarter. This is in contrast to a revenue of only RM4.3 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 RM4.3 million during this quarter compared to approximately RM1.8 million recorded in the same quarter last year, both of which generated an acceptable margin of more than 33%. Insofar as the digital & technology businesses are concerned, the attributable cost of sales thereof amounted to approximately RM1.0 million in this quarter compared to approximately RM0.5 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 RM9.2 million compared to approximately RM4.9 million incurred during the same period last year. The increase is in line with the business improvement that required additional resources to be incurred which, amongst others, included staff salary, professional fees, rental, entertainment, depreciation, office expenses, water and electricity charges and etc.

Premised on the above, the performance of the technology driven food & beverage and the digital & technology businesses has generated a significantly better result of a profit of approximately RM6.4 million in this current quarter compared to approximately RM2.1 million 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.

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 has made a strategic decision to cease the operation of the coke business from 31 December 2021 in effort to contain the financial haemorrhage that has been draining the Group's resources

for the past years. As a direct consequence of this initiative, the Group's metallurgical coke business turned in a financial result as set out below:

	First quarter ended		Financial period ended	
	Unaudited		Unaudited	
	Current Period	Preceding Period	Current Period	Preceding Period
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM'000	RM'000	RM'000	RM'000
Revenue	2,653	41,776	2,653	41,776
Cost of sales	(6,177)	(65,345)	(6,177)	(65,345)
Gross loss	(3,524)	(23,569)	(3,524)	(23,569)
Other income	14,290	54	14,290	54
Operating expenses	(3,499)	(2,095)	(3,499)	(2,095)
	10,791	(2,041)	10,791	(2,041)
Profit/(loss) before taxation	7,267	(25,610)	7,267	(25,610)
Taxation	-	-	-	-
Profit/(loss) for the period after taxation	7,267	(25,610)	7,267	(25,610)

As mentioned above, following the cessation of the production of coke in Linyi manufacturing plant, the revenue generated during the first quarter was reduced significantly to approximately RM2.7 million as this was mainly represented by the clearance of the remaining coke and coal inventories. Other income, on the other hand, was attributed to the sales of the loose tools, auxiliary materials and scarp metals following the cessation of the coke production in the manufacturing plant which amounted to approximately RM14.3 million during the quarter under review.

The abovementioned other income earned during the current quarter under review was large enough to overshadow the amount of losses incurred, thus enabling this segment of the business to record a one-off profit of approximately RM7.3 million, compared to a loss of approximately RM25.6 million in the same quarter last year.

Such positive result has reaffirmed the Board's decision to abort the coke business and refocus the company's resources to grow the technology driven food & beverage and the digital & technology businesses moving forward.

B2. Variation of results against preceding quarter

The revenue recorded by the technology driven food & beverage business had improved slightly to approximately RM12.7 million in the current quarter compared to RM12.5 million during the immediate preceding quarter ended 31 December 2021. This was mainly due to the improved sentiment towards the gradual easing of restrictions on lockdown policy and the fact that people are seen more inclined to dine-in at F&B establishments moving into the first quarter of 2022. The revenue from the digital & technology businesses, which included the contribution from the energy storage business, contributed approximately RM8.6 million in the first quarter of 2022 compared to approximately RM2.3 million in the immediate preceding quarter. This increase was mainly due to the continuous implementation of the previous projects as well as new projects secured.

The gross profit contribution from the technology-driven food & beverages business and digital & technology businesses saw significant improvement from approximately RM8.8 million in the immediate preceding quarter ended 31 December 2021 to approximately RM15.9 million for the current quarter under review.

The operating expenses of approximately RM9.2 million recorded during the quarter under review was significantly lower compared to that of approximately RM28.5 million recorded during the immediate preceding quarter ended 31 December 2021. This is due to the fact that a large amount of 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 was recorded during the last quarter of 2021 whereas none of such expenses/costs were incurred during this quarter under review.

After taking into consideration of other income and operating expenses, the continuing business i.e. technology driven food & beverages business and digital & technology businesses registered a profit for the period of approximately RM6.4 million in the current quarter under review compared to a loss of approximately RM18.1 million in the immediate preceding quarter.

On the other hand, the revenue generated from the coke business (discontinued operations) during the quarter under review was significantly lower at approximately RM2.7 million compared to RM36.6 million recorded in the immediate preceding quarter ended 31 December 2021. This was primarily due to the cessation of the production of metallurgical coke starting 31 December 2021. The cessation of production has also enabled this segment of business to record a profit of approximately RM7.3 million compared to loss of approximately RM50.9 million (including the one-off impairment of the fixed assets of approximately RM22.1 million) in the immediate preceding quarter ended 31 December 2021.

B3. Current year prospects

Following the cessation of the operation of the coke business in year 2022 and the Group’s decision to refocus of its efforts and resources to develop and grow its digital and technology businesses which is in line with its business transformation and repositioning strategy, the strategic business pillars that is envisaged to drive the Group forward, are as follows:

Smart City

The Group continues 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. There are already several cities in Malaysia earmarked to be developed as a smart city which include Iskandar Malaysia in Johor, Georgetown in Penang and Mukah in Sarawak. Iskandar Regional Development Authority also intends to develop Iskandar Malaysia as a smart city by 2025. As such, the potential prospect for this business segment is enormous.

Agritech

According to the latest data in 2019, vertical farming in the agriculture sector is the third-highest GDP contributor to the country and the aquaculture industry is estimated to be worth RM147 million in Malaysia in 2021 and is expected to grow to RM313 million by 2026. The Group has recently ventured into the aquaculture industry by inking a partnership agreement for the joint development and commercialization of a Smart Integrated Aquaculture Platform for sustainable aquafarming in Malaysia which will revolutionize the aquafarming industry and further promote sustainable farming practices in Malaysia. Through such efforts, the Group is aspired to be the leader in revolutionize the agriculture and aquaculture industries in the near future.

Electrical Mobility

The Global Electric Vehicle Market size is projected to grow at a CAGR of 26.8%. 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 mid-2022.

However, in order to enable the participation of other strategic partners/shareholders into the joint venture company to accelerate the product development and further bring the company forward, the Group has agreed to reduce the equity participation in the joint venture company, Electric Revolution d.o.o. (“E-Rex”) and refocus its financial resources to its other core digital transformation solution businesses which is seen as the catalyst for growth, moving forward.

Notwithstanding the above, TXB will still continue to play a strategic role in the electric mobility space and remain as a partner and sole representative of E-Rex to develop markets in ASEAN region and on “project to project” basis in other countries of Asia under its Smart Mobility business segment.

Energy Storage

In order to unlock the potential value of the energy storage business parked under one of the Group’s subsidiaries, namely HK Aerospace Beidou New Energy Technology Co., Ltd (“HKAB”), the Group has proposed to list HKAB on the Singapore Exchange (SGX) via a “reverse takeover” (“RTO”) exercise.

This RTO exercise will enable the Group’s energy storage division to tap into the capital market of the region via SGX for necessary expansion and R&D plans going forward.

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.

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 profit/(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:

	First quarter ended		Financial period ended	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Profit/(loss) before taxation	13,667	(23,511)	13,667	(23,511)
Less: Profit/(loss) from discontinued operations	<u>7,267</u>	<u>(25,610)</u>	<u>7,267</u>	<u>(25,610)</u>
Loss from continuing operations	<u>6,400</u>	<u>2,099</u>	<u>6,400</u>	<u>2,099</u>
Taxation at statutory tax rate of 24%	1,536	504	1,536	504
Expenses not deductible for tax purposes	474	568	474	568
Income not subject to tax	(1)	(6)	(1)	(6)
Utilisation of tax losses not previously recognized	<u>(2,019)</u>	<u>(1,056)</u>	<u>(2,019)</u>	<u>(1,056)</u>
Taxation for the financial year	<u>(10)</u>	<u>10</u>	<u>(10)</u>	<u>10</u>

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 March 2022. The utilisation of proceeds raised is as follows: -

No.	Purposes	Proposed Utilisation	Actual utilised	Balance unutilised	Expected timeframe for utilisation of proceeds ⁽ⁱ⁾
		RM million	RM million	RM million	
(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

No.	Purposes	Proposed Utilisation	Actual utilised	Balance unutilised	Expected timeframe for utilisation of proceeds ⁽ⁱ⁾
		RM million	RM million	RM million	
(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 Mar 2022 RM'000	31 Dec 2021 RM'000
Secured Lease liabilities	<u>3,683</u>	<u>3,534</u>
Analysed as		
Repayable within twelve months	1,606	2,825
Repayable after twelve months	<u>2,077</u>	<u>709</u>

B8. Borrowings

	31 Mar 2022 RM'000	31 Dec 2021 RM'000
Secured Term loan	<u>1,560</u>	<u>1,560</u>
Analysed as		
Repayable within twelve months	<u>1,560</u>	<u>1,560</u>

B9. Material litigation

As at the date of this report, save and except for the liabilities that have already been recognised 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. Profit/(Loss) per share

(a) Basic profit/(loss) per share

The profit/(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 current quarter.

	First quarter ended		Financial period ended	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
Basic profit/(loss) per share				
Profit/(loss) for the period attributable to the equity holders of the Company from: (RM'000)				
- continuing operations	7,372	1,682	7,372	1,682
- discontinued operations	7,267	(25,610)	7,267	(25,610)
	<u>14,639</u>	<u>(23,928)</u>	<u>14,639</u>	<u>(23,928)</u>
Number / Weighted average number of shares in issue ('000)	<u>2,201,715</u>	<u>1,601,531</u>	<u>2,201,715</u>	<u>1,601,531</u>
Basic profit/(loss) per share (sen)				
- continuing operations	0.33	0.11	0.33	0.11
- discontinued operations	0.33	(1.60)	0.33	(1.60)
	<u>0.66</u>	<u>(1.49)</u>	<u>0.66</u>	<u>(1.49)</u>

(b) Diluted profit/(loss) per share

For the purpose of calculating diluted profit/(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 period, adjusted for the dilutive effects of all potential ordinary shares.

	First quarter ended		Financial period ended	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
Diluted profit/(loss) per share				
Profit/(loss) for the period attributable to the equity holders of the Company from: (RM'000)				
- continuing operations	7,372	1,682	7,372	1,682
- discontinued operations	7,267	(25,610)	7,267	(25,610)
	<u>14,639</u>	<u>(23,928)</u>	<u>14,639</u>	<u>(23,928)</u>
Adjustment in respect of redeemable convertible notes (RM'000)	*	N/A	*	N/A
Profit/(loss) for the year after dilutive adjustment (RM'000)	<u>14,639</u>	<u>(23,928)</u>	<u>14,639</u>	<u>(23,928)</u>
Number / Weighted average number of shares in issue ('000)	2,201,715	1,601,531	2,201,715	1,601,531
Adjustment in respect of redeemable convertible notes (RM'000)	*	*	*	*
Adjusted weighted average number of shares in issue ('000)	<u>2,201,715</u>	<u>1,601,531</u>	<u>2,201,715</u>	<u>1,601,531</u>
Diluted profit/(loss) per share (sen)				
- continuing operations	0.33	0.11	0.33	0.11
- discontinued operations	0.33	(1.60)	0.33	(1.60)
	<u>0.66</u>	<u>(1.49)</u>	<u>0.66</u>	<u>(1.49)</u>

* 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.

Notes to the quarterly report – 31 March 2022

B12. Profit/(loss) before tax

Profit/(loss) before tax is derived after charging/(crediting):

	First quarter ended		Financial period ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(4)	(11)	(4)	(11)
Other income	(67)	(329)	(67)	(329)
Finance cost	94	694	94	694
Depreciation of property, plant and equipment	3,579	3,831	3,579	3,831
Amortisation of lease payments	283	268	283	268
Depreciation of right-of- use-asset	783	860	783	860
Share of associate's results	320	-	320	-
	<u>320</u>	<u>-</u>	<u>320</u>	<u>-</u>

By Order of the Board
 Chua Siew Chuan
 Secretary
 26 May 2022